



# **Fidelity Canadian Core Equity Fund**

**Semi-Annual  
Management Report  
of Fund Performance**  
December 31, 2024

## **Caution Regarding Forward-looking Statements**

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

# Semi-Annual Management Report of Fund Performance as at December 31, 2024

## Fidelity Canadian Core Equity Fund

*This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements for the investment fund. You can get a copy of the semi-annual financial statements at your request, and at no cost, by calling 1-800-263-4077, by writing to us at Fidelity Investments, 483 Bay St. Suite 300, Toronto ON M5G 2N7 or by visiting our website at [www.fidelity.ca](http://www.fidelity.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure relating to the investment fund.*

## Management Discussion of Fund Performance

### Results of Operations

Fidelity Canadian Core Equity Fund (Fund), Series Q, returned 11.3%, after fees and expenses, for the six-month period ended December 31, 2024. During the review period, Canadian equities, as represented by the S&P/TSX Capped Composite Index, returned 14.7% (in Canadian dollar terms).

Market overview:

Canadian equities, as measured by the S&P/TSX Composite Index, returned 14.7% for the six-month period ended December 31, 2024.

Canadian equities rose over the review period, driven by strong performance in key sectors. Information technology and financials were the best-performing sectors, benefiting from advancements in artificial intelligence and a more positive outlook on banking stocks. All sectors, except for communication services, improved over the period. The communication services sector, which is heavily focused on telecommunications, declined due to specific stock-related challenges. Cyclical sectors like consumer discretionary and energy also posted growth despite bouts of volatility, while defensive sectors such as healthcare, utilities, and consumer staples also experienced gains as investors looked for stability amid ongoing market fluctuations. However, market volatility remained elevated, fuelled by risks including uncertainty around U.S. monetary policy, concerns over U.S. economic growth, and the threat of new U.S. tariffs targeting key trading partners. These tariff threats weighed on investor sentiment, particularly in export-oriented industries, amplifying fears of broader economic repercussions. The Canadian economy grew at a slower-than-expected pace, with an annualized growth rate of 1.0% in the third quarter of 2024, compared to higher growth of 2.2% in the second quarter of 2024. Inflation, as measured by the consumer price index, eased from 2.7% in June 2024 to 1.9% in November 2024, indicating a slowdown in price increases. Additionally, the labour market showed signs of softening, as the unemployment rate rose to 6.7% in December 2024, up from 6.4% in June 2024. These trends bolstered the case for continued monetary easing by the Bank of Canada (BoC). Against this backdrop, the BoC announced several interest rate cuts, reducing the benchmark rate from 4.75% in June 2024 to 3.25% by December 2024.

Factors affecting performance:

The Fund underperformed its benchmark, the S&P/TSX Capped Composite Index, primarily due to investments in certain stocks in the financials sector. In the sector, a lower-than-benchmark exposure to Canada-based banking firms Canadian Imperial Bank of Commerce and Toronto-Dominion Bank, detracted from relative returns. Investments in certain stocks in the industrials sector, including investments in Canada-based global content and technology company Thomson Reuters, and Canada-based transportation firm TFI International, detracted from relative returns. In other sectors, a lower-than-benchmark exposure to Canada-based energy company Enbridge, and investments in Canada-based telecommunications firm Rogers Communications, detracted from relative returns.

In contrast, exposure to certain stocks in the consumer staples sector contributed to relative returns. In the sector, a lack of exposure to a Canada-based dairy firm, and a Canada-based food manufacturing and distribution company, contributed to relative returns. A lower-than-benchmark exposure to the real estate sector, including a lack of exposure to two Canada-based real estate investment trusts (REITs) firms, contributed to relative returns. In other sectors, a lack of exposure to Canada-based oil and gas firm, a lower-than-benchmark exposure to Canada-based energy firm Suncor Energy, and investments in Canada-based insurance firm Fairfax Financial, contributed to relative returns.

At the end of the review period, the Fund had no exposure to Suncor Energy.

Portfolio changes:

During the review period, the Fund's exposure to the information technology and financials sectors was increased. In the information technology sector, the portfolio manager increased exposure to Canada-based e-commerce firm Shopify. In the financials sector, a position was initiated in Canadian Imperial Bank of Commerce. The portfolio manager believed both companies had an attractive risk/reward outlook.

In contrast, exposure to the industrials and communication services sectors was decreased as the manager pursued opportunities elsewhere with more potential in the portfolio manager's view. In the industrials sector, the portfolio manager reduced exposure to Canada-based transportation firm Canadian National Railway. In the communication services sector, exposure was reduced to Rogers Communications.

At the end of the review period, the Fund had its largest absolute exposure to the financials sector, followed by the energy sector. The Fund diverged most from its benchmark's sector weightings by having more exposure to the information technology sector and less exposure to the energy sector.

### Recent Developments

Portfolio manager Andrew Marchese believes that while markets have experienced heightened volatility, they remain focused on the long-term potential of high-quality companies. In the portfolio manager's view, as economic conditions stabilize, markets are likely to transition from being dominated by macroeconomic factors to being more driven by company-specific fundamentals. Against this backdrop, the portfolio manager and the investment team are focusing on companies they believe have strong balance sheets. Macroeconomic analysis will continue to be reviewed against company fundamentals, with a focus on adding value by selecting companies the portfolio manager and the investment team believe exhibit attractive growth potential, strong management, and favourable risk/reward profiles.

### Related Party Transactions

## **Fidelity Canadian Core Equity Fund Management Discussion of Fund Performance – continued**

### **Manager and Portfolio Adviser**

The Fund is managed by Fidelity Investments Canada ULC (Fidelity). Fidelity is part of a broader collection of companies collectively known as Fidelity Investments.

Fidelity provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, bookkeeping, record-keeping and other administrative services for the Fund.

Fidelity is the portfolio adviser to the Fund and it provides investment advisory services to the Fund. Fidelity provides investment advice with respect to the Fund's investment portfolio and arranges for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements. The Fund pays Fidelity a monthly management and advisory fee for their services, based on the net asset value of each Series, calculated daily and payable monthly. The Fund paid Fidelity management and advisory fees of \$271,000 for the period ended December 31, 2024.

### **Brokerage Commissions**

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of Fidelity, provided it determines that these affiliates' trade execution abilities and costs are comparable to those of non-affiliated, qualified brokerage firms, on an execution-only basis. Commissions paid to brokerage firms that are affiliates of Fidelity Investments were \$0 for the period ended December 31, 2024. Fidelity receives standing instructions from the IRC in respect of policies and procedures governing best execution of transactions with affiliates, which includes brokers affiliated to Fidelity Investments, at least once per year.

### **Independent Review Committee, Cross-Trading and In specie Transactions**

#### **Independent Review Committee**

Fidelity has established an independent review committee (IRC) that acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals respecting conflict of interest matters referred to it by Fidelity. The IRC prepares, at least annually, a report of its activities for securityholders of the Fund. The report is available at [www.fidelity.ca](http://www.fidelity.ca) or at the securityholder's request at no cost by contacting Fidelity, using the contact information available on the final page of this document.

#### **Cross-Trading and In specie Transactions**

The Fund received the approval and standing instructions from the IRC in order to:

- (i) engage in cross-trading, which is a form of interfund trading. A cross-trade occurs when the Fund purchases or sells portfolio securities from or to another Fund, a U.S. fund or a separately managed account, through a broker;
- (ii) permit the Fund, in certain circumstances, to purchase and redeem Fund securities in consideration for securities rather than cash of another investment fund not governed by NI 81-102, or a separately managed account, managed by Fidelity.

For each of the transactions in (i) and (ii) above, the IRC's standing instructions require Fidelity to act in accordance with its associated policies and procedures and applicable law, and comply with the conditions in each of the exemptive relief orders received, which, in the case of cross-trading, requires additional periodic reporting to the Ontario Securities Commission. The standing instructions also require that investment decisions in respect of these transactions (a) are free from any influence by an entity related to Fidelity and without taking into account any consideration relevant to an entity related to Fidelity; (b) represent the business judgment of Fidelity uninfluenced by considerations other than the best interests of the Fund; (c) comply with the applicable policies and procedures of Fidelity; and (d) achieve a fair and reasonable result for the Fund.

# Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period end of the years shown. This information is derived from the Fund's audited annual and/or unaudited semi-annual financial statements. Please see the front page for information about how you can obtain the Fund's annual or semi-annual financial statements.

## Fidelity Canadian Core Equity Fund Series Q

	Six months ended December 31, 2024		2024	Periods ended June 30, 2023		2022	2021 <sup>A</sup>	
<b>The Series' Net Assets per Security <sup>B</sup></b>								
Net assets, beginning of period <sup>C</sup>	\$	13.91	\$	12.83	\$	12.13	\$	10.00
<b>Increase (decrease) from operations:</b>								
Total revenue		.17		.39		.40		.31
Total expenses (excluding distributions)		(.05)		(.09)		(.08)		(.08)
Realized gains (losses)		1.33		.04		.27		.30
Unrealized gains (losses)		.20		1.04		.33		(.50)
<b>Total increase (decrease) from operations <sup>C</sup></b>		1.65		1.38		.92		.03
<b>Distributions:</b>								
From net investment income (excluding dividends)		—		—		—		—
From dividends		(.35)		(.29)		(.26)		(.18)
From capital gains		—		(.03)		—		—
Return of capital		—		—		—		—
<b>Total distributions <sup>C,D</sup></b>		(.35)		(.32)		(.26)		(.18)
<b>Net assets, end of period <sup>C</sup></b>	\$	15.12	\$	13.91	\$	12.83	\$	12.13
<b>Ratios and Supplemental Data</b>								
Net asset value (000s) <sup>E,F</sup>	\$	85,125	\$	112,792	\$	93,061	\$	75,241
Securities outstanding <sup>F</sup>		5,628,194		8,108,878		7,256,097		6,204,371
Management expense ratio <sup>G,H</sup>		.61%		.61%		.61%		.61%
Management expense ratio before waivers or absorptions <sup>G,H</sup>		.61%		.61%		.61%		.61%
Trading expense ratio <sup>I</sup>		.04%		.03%		.02%		.01%
Portfolio turnover rate <sup>J</sup>		23.39%		32.16%		22.44%		22.59%
Net asset value per security, end of period	\$	15.1247	\$	13.9101	\$	12.8252	\$	12.1270

<sup>A</sup> For the period October 2, 2020 (inception date) to June 30, 2021.

<sup>B</sup> This information is derived from the Fund's audited annual and/or unaudited interim financial statements. The net assets attributable to securityholders per security presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to financial statements.

<sup>C</sup> Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per security.

<sup>D</sup> Distributions were paid in cash or reinvested in additional securities of the Fund, or both, and excludes any applicable distributions of management fee reduction to securityholders. Distributions are presented based on management's best estimate of the tax character.

<sup>E</sup> Prior period amounts may have been adjusted.

<sup>F</sup> This information is provided as at period end of the year shown.

<sup>G</sup> Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset values during the period, including the Fund's pro-rata share of estimated expenses incurred in any underlying investment fund, if applicable.

<sup>H</sup> Effective October 22, 2020, the manager of the Fund has waived a portion of its administration fee and as of the date of the MRFP has continued to provide the Fund with such waivers. The manager may terminate the waiver at any time, at its sole discretion. It is not known when such waivers will be terminated.

<sup>I</sup> The trading expense ratio represents total commissions, other portfolio transaction costs and dividends and interest expense on securities sold short expressed as an annualized percentage of daily average net asset value during the period, including the Fund's pro-rata share of estimated trading costs incurred in any underlying investment fund, if applicable.

<sup>J</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities owned by the Fund, excluding short-term securities. The portfolio turnover rate includes any proceeds from a short sale in the value of sales of securities and the cost of covering a short sale in the value of purchases of securities. For periods greater than six months, but less than a full fiscal year, the portfolio turnover rate is annualized. The portfolio turnover rate excludes any adjustment for in-kind transactions.

## Management and Advisory Fees

Fidelity serves as manager and investment advisor of the Fund. The Fund pays Fidelity a monthly management and advisory fee for its services, based on the net asset value of each Series, calculated daily and payable monthly. Fidelity uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund securities, as well as for the general investment management expenses. Dealer compensation represents cash commissions paid by Fidelity to registered dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by Fidelity during the period. For new Funds or Series the amounts presented may not be indicative of longer term operating periods.

	<b>Management Fees (%)</b>	<b>Dealer Compensation (%)</b>	<b>Investment management, administration and other (%)</b>
Series Q	0.550	-	100.00

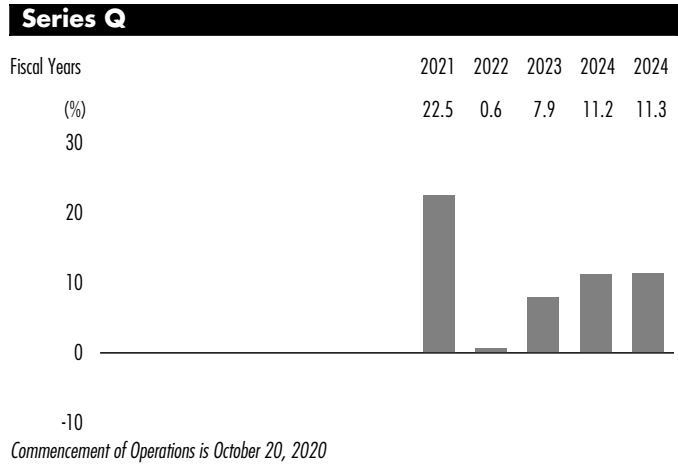
# Fidelity Canadian Core Equity Fund

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-by-Year Returns

The following bar chart shows the Fund’s annual performance for each of the years shown, and illustrates how the Fund’s performance was changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year. For each Series in the Year-by-Year Returns table below, the most recent returns stated are for the current six month period.



# Summary of Investment Portfolio as at December 31, 2024

## Sector Mix

	% of Fund's Net Assets as at December 31, 2024	% of Fund's Net Assets as at June 30, 2024
Financials	33.4	30.6
Energy	15.5	16.5
Information Technology	12.2	8.8
Materials	12.1	11.8
Industrials	11.7	13.9
Utilities	4.5	3.5
Consumer Staples	4.1	4.2
Consumer Discretionary	2.6	3.4
Communication Services	1.8	3.3
Real Estate	1.7	1.6
Cash and Cash Equivalents	0.4	2.3
Net Other Assets (Liabilities)	0.0	0.1

## Top Issuers

	% of Fund's Net Assets
1. Royal Bank of Canada	8.8
2. Constellation Software, Inc.	5.4
3. Shopify, Inc.	5.3
4. Brookfield Corp.	4.2
5. Canadian Imperial Bank of Commerce	3.4
6. TC Energy Corp.	3.4
7. Canadian Natural Resources Ltd.	3.3
8. The Toronto-Dominion Bank	3.3
9. Manulife Financial Corp.	3.3
10. Fairfax Financial Holdings Ltd.	3.1
11. Agnico Eagle Mines Ltd.	3.1
12. Intact Financial Corp.	2.8
13. Pembina Pipeline Corp.	2.7
14. Dollarama, Inc.	2.6
15. Fortis, Inc.	2.5
16. Waste Connections, Inc.	2.3
17. Thomson Reuters Corp.	2.2
18. Franco-Nevada Corp.	2.1
19. TFI International, Inc.	1.9
20. Rogers Communications, Inc.	1.8
21. Alimentation Couche-Tard, Inc.	1.7
22. TMX Group Ltd.	1.7
23. Canadian Pacific Kansas City Ltd.	1.7
24. Cameco Corp.	1.7
25. Canadian National Railway Co.	1.7
	<u>76.0</u>

Total Fund Net Assets \$85,125,000

Where applicable, the information in the above tables includes the Fund's pro-rata share of the investment in any Fidelity managed underlying fund.

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent annual report, semi-annual report, quarterly report, fund facts document or simplified prospectus for the investment fund and/or underlying fund is available at no cost, by calling 1-800-263-4077, by writing to us at Fidelity Investments Canada ULC, 483 Bay St. Suite 300, Toronto ON M5G 2N7 or by visiting our web site at [www.fidelity.ca](http://www.fidelity.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).











Fidelity Investments Canada ULC  
483 Bay Street, Suite 300  
Toronto, Ontario M5G 2N7

**Manager, Transfer Agent and Registrar**

Fidelity Investments Canada ULC  
483 Bay Street, Suite 300  
Toronto, Ontario M5G 2N7

**Custodian**

State Street Trust Company of Canada  
Toronto, Ontario

**Portfolio Adviser**

Fidelity Investments Canada ULC  
Toronto, Ontario

Visit us online at

**[www.fidelity.ca](http://www.fidelity.ca)**

or call Fidelity Client Services  
at 1-800-263-4077

Fidelity's mutual funds are sold by registered Investment Professionals. Each Fund has a simplified prospectus, which contains important information on the Fund, including its investment objective, purchase options, and applicable charges. Please obtain a copy of the prospectus, read it carefully, and consult your Investment Professional before investing. As with any investment, there are risks to investing in mutual funds. There is no assurance that any Fund will achieve its investment objective, and its net asset value, yield, and investment return will fluctuate from time to time with market conditions. Investors may experience a gain or loss when they sell their securities in any Fidelity Fund. Fidelity Global Funds may be more volatile than other Fidelity Funds as they concentrate investments in one sector and in fewer issuers; no single Fund is intended to be a complete diversified investment program. Past performance is no assurance or indicator of future returns. There is no assurance that either Fidelity Canadian Money Market Fund, Fidelity Canadian Money Market Investment Trust, Fidelity U.S. Money Market Fund or Fidelity U.S. Money Market Investment Trust will be able to maintain its net asset value at a constant amount. The breakdown of Fund investments is presented to illustrate the way in which a Fund may invest, and may not be representative of a Fund's current or future investments. A Fund's investments may change at any time.

®Fidelity Investments is a registered trademark of Fidelity Investments Canada ULC.