

Understanding mutual fund sales charges

When you buy a mutual fund, you may pay a fee (or commission) to the investment professional selling you the fund. This commission is also known as a sales charge or load.

- An **initial sales charge (ISC)** is paid by you when you invest in a mutual fund.

An ISC is payable at time of purchase.

- You and your investment professional negotiate the amount you pay.
- The charge is typically between 0% and 5% of your initial investment amount.
- Front-end loads reduce the amount of your initial investment. The fund company deducts the sales charge from the amount you invest and pays it to your dealer (who pays the advisor) as a commission.

Here's how it works:

Original client
investment
\$10,000



Based on a **1% ISC**,
the advisor earns a
\$100 fee



From the original
amount, **\$9,900** is
invested in the fund

For more information, ask your advisor or visit [fidelity.ca](https://www.fidelity.ca)



Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs. Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently, and investors may experience a gain or a loss. Past performance may not be repeated. The indicated rates of return are the historical annual compounded total returns for Series A units (prior to October 10, 2000, the only series) including changes in unit value and the reinvestment of all distributions and do not take into account sales, redemption, distribution, optional charges or income taxes payable by any securityholder that would have reduced returns. On January 10, 2005, we stopped offering Series A with the initial sales charge ("ISC") option and created Series B, which is only available with the ISC option, and transferred the existing Series A ISC units into the new series. Performance figures for Series B include the actual performance for units when they were available as Series A ISC units. Fidelity no longer offers purchases into DSC series, including Low Load and Low Load 2 purchase options, after the close of business on May 31, 2022. DSC redemption schedules for sales made prior to June 1, 2022 can continue to apply as permitted by regulatory amendments.

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