

# Fidelity<sup>®</sup> Funds

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## Asset Allocation and Balanced Fund

### *Global Asset Allocation and Balanced Fund*

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Fidelity Multi-Asset Innovation Fund	Series B, E1, E1T5, E2, E2T5, E3, E3T5, E4, E4T5, E5, E5T5, F, F5, F8, O, P1, P1T5, P2, P2T5, P3, P3T5, P4, P4T5, P5, P5T5, S5 and S8 units
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## Fidelity ETF Funds

### *Global Asset Allocation and Balanced ETF*

#### *Funds*

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Fidelity All-in-One Balanced ETF Fund	Series B, F and O units
Fidelity All-in-One Growth ETF Fund	Series B, F and O units

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## Building Block

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Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund	Series O units
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No securities regulatory authority has expressed an opinion about these units. It's an offence to claim otherwise. The Funds and the securities of the Funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.



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# Introduction

This document is a simplified prospectus. In this document, we, us, our and Fidelity refer to Fidelity Investments Canada ULC. The funds offered under this simplified prospectus are referred to together as the Funds and individually as a Fund.

The Funds are grouped into the categories and sub-categories set out on the cover page of this simplified prospectus.

The Funds listed on the cover page under the heading **Fidelity ETF Funds** are referred to as the ETF Funds.

The Fund listed on the cover page under the heading **Building Block** is referred to as the Building Block.

The Funds, together with other funds managed and offered by Fidelity under separate simplified prospectuses, are referred to as the Fidelity Funds.

In this document, we refer to *financial advisors* and *dealers*. The *financial advisor* is the individual with whom you consult for investment advice and the *dealer* is the company or partnership that employs your *financial advisor*.

This simplified prospectus contains selected important information to help you make an informed investment decision about the Funds and to understand your rights as an investor. Sometimes we use industry or defined terms to describe something in this document. We provide a brief description of some of those terms in the glossary at the end of this document. Terms that are contained in the glossary are in italics in this document.

This document is divided into two parts. The first part explains what mutual funds are and the different risks you face by investing in them. It also provides general information that applies to all of the Funds. The second part contains specific information about each of the Funds.

Additional information about each Fund is available in its annual information form, its most recently filed fund facts, its most recently filed annual financial statements and any interim financial statements filed after those annual financial statements, and its most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance. These documents are incorporated

## Introduction (*continued*)

by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were included in it.

You can get a copy of the Funds' annual information form, fund facts, financial statements and management reports of fund performance at no cost by calling us at 1-800-263-4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French) or by asking your *financial advisor*. You can also find this simplified prospectus, the fund facts, the financial statements and the management reports of fund performance on our website at [www.fidelity.ca](http://www.fidelity.ca).

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com).

# What is a mutual fund and what are the risks of investing in a mutual fund?

Millions of Canadians are working towards their financial goals by investing their money in mutual funds. Whether it's saving for retirement or putting aside cash for a down payment on a home, mutual funds have become an investment of choice for many people.

But what exactly are mutual funds, how do they work and what are the risks? This section has the answers.

## What is a mutual fund?

Simply put, a mutual fund is a pool of investments made on behalf of a large group of people. Here's how it works: when you buy a mutual fund, you're actually putting your money together with that of many other people who like the same sorts of investments that you do. A professional investment expert – called a portfolio manager – takes that pool of cash and invests it for the whole group. If the investments make a profit, you share that profit with everyone else in the group. If the investments lose money, everyone shares in the loss.

## Sold in units

When you invest in a mutual fund, you're buying a piece of the mutual fund, which piece is called a unit in the case of a mutual fund organized as a trust and a share in the case of a mutual fund offered as a class of shares of a mutual fund corporation, such as Fidelity Capital Structure Corp. The attributes of shares and units are generally the same. We usually only refer to units in this simplified prospectus. Mutual fund companies keep track of the size of your piece of a mutual fund by recording how many units you own. The more money you put into a mutual fund, the more units you get.

Some mutual funds offer units in more than one series. It's possible that each series may have different management fees or expenses.

## How do you make money?

You make money on mutual funds if you buy your units at one price and sell – or redeem – them later at a higher price. Of course, you lose money if you redeem your units for less than you paid. You can also make money when the mutual fund pays you your share of the income and capital gains it has earned on its investments. This is called a distribution.

## What do mutual funds invest in?

Mutual funds invest in many of the same things as individual investors – everything from treasury bills to shares on foreign stock markets. The kind of securities a mutual fund invests in depends on the mutual fund's goal or investment objectives. For example, there are mutual funds for people who want to gain exposure to short-term *fixed income securities* as well as mutual funds for those who want to gain exposure to Canadian, U.S. or international equity securities.

The price of a unit changes every day, depending on how well the investments of the mutual fund perform. When the investments rise in value, the price of a unit goes up. When the investments drop in value, the price of a unit goes down.

Securities that trade on a public exchange are generally valued at their last sale or closing price as reported on that valuation day. If there is no reported sale and no reported closing price, we value the securities at their closing bid price on that valuation day. However, if the price is not a true reflection of the value of the security, we use another method to determine the value. This practice is called *fair value pricing*. It may happen for many reasons, including where the value is affected by events that occur after a market where the security is principally traded has closed or where there has been minimal or infrequent trading in a security.

While there are thousands of different investments available, they generally fit into two basic types: debt and equity. Some mutual funds invest in units of other funds, called *underlying funds*. *Underlying funds*, in turn, may invest in debt securities, equity securities or, in some cases, securities of other funds.

## Debt securities

Debt securities, or *fixed income securities*, are obligations of an issuer to repay a sum of money, usually with interest. Common examples include those issued by a company or a government. Debt securities are also an important way for companies and governments to raise money. These entities frequently sell debt securities, called bonds, and use the cash for major projects, or just to meet their daily expenses.

The government or company usually agrees to pay back the amount of the debt security within a set amount of time. If that period of time is about a year or less, the investment is

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

often called a *money market instrument*. Examples are short-term bonds and government treasury bills. If the length of time for repayment is more than about a year, the investment is often referred to as a fixed income investment. Examples are corporate and government bonds and mortgages.

### **Equity securities**

Equity securities are investments that give the holder part ownership in a company. When a mutual fund buys equity securities, it is buying a piece of a business. The most familiar example is common shares that trade on the stock market.

Equity securities can earn money in two ways. The value of the shares can rise (or fall) as people buy and sell them on stock exchanges. If a company appears to be doing well in its business, more people may want to buy a piece of it, and the share price is likely to go up. On the other hand, if a company's business doesn't seem to be doing well, investors may decide to sell their piece of the company, and the share price is likely to go down. Some kinds of equity securities also pay you a portion of any profit the company may earn. These payments are called *dividends*.

### **What advantages do mutual funds have?**

You could make many of the same investments that portfolio managers of mutual funds make. So why buy mutual funds? There are several advantages.

#### **Professional management**

For one thing, professional portfolio managers make all the decisions about exactly which securities to invest in and when to buy or sell them. It's their full-time job, so you don't have to spend the time making these investment decisions on your own. Portfolio managers may also prepare or have access to proprietary information and research that isn't as accessible to individual investors.

#### **Diversification**

A second advantage is something called *diversification*. *Diversification* means owning several different investments at once. Here's why it's important. The value of your investments goes up and down over time; that's the nature of investing. But not all investments are likely to go up or

down at the same time, or to the same extent, which can help to lessen the *volatility* of the mutual fund over the long-term.

Since mutual funds typically hold many investments, they offer a simple way to diversify your portfolio. In addition to diversifying through the number of investments, mutual funds often have access to investments individual investors generally cannot buy. A wider range of types of investments may increase *diversification*.

#### **Easy access to your money**

Unlike some other kinds of investments, mutual funds are *liquid*. This means that you can redeem your units at almost any time and get your money when you need it (even though you may get less than you invested).

#### **Record keeping**

And finally, mutual funds make your investments easier to keep track of. Mutual fund companies help you with the details by sending you regular financial statements, fund performance reports, and tax slips.

### **Are there any costs?**

There are a number of expenses involved in buying and owning a mutual fund. First, there are costs paid directly by investors, either when they buy or when they redeem units of a mutual fund. Then there are expenses paid by the mutual fund itself. For example, there are management fees, brokerage commissions, and operating expenses. Even though the mutual fund, and not the investor, pays these costs, they reduce an investor's return. See the **Fees and expenses** section for details about the costs of the Funds.

#### **What investors pay**

Financial advisors who sell mutual funds may earn commissions, also known as sales charges or loads, as compensation for the advice and service that they provide. There are two kinds of sales charges. You may pay a percentage of the purchase price when you buy your mutual fund units. At Fidelity, we call this an *initial sales charge*.

#### **What the mutual fund pays**

Fund managers make their money by charging a management fee. Usually, it's a percentage of the net assets

of the mutual fund. Managers collect this fee directly from the mutual fund itself, not from individual investors, except for Series O, where a negotiated management fee is charged directly to investors. The managers use the management fee to pay expenses, like employee salaries, research costs, trailing commissions, and promotional expenses. See the **Fees and expenses** section for details.

There are also a number of other expenses involved in running a mutual fund. For example, a mutual fund needs to value all of its investments every valuation day and determine the appropriate price to process the day's orders to buy and redeem units of the mutual fund. There are also transfer agency fees, brokerage commissions, legal fees, regulatory filing fees, auditing fees, custody fees, taxes, and other operating expenses that must be taken into account in arriving at the value of the units. Again, these costs are sometimes collected directly from the mutual fund. Alternatively, some managers, including Fidelity, may pay for some of these expenses in exchange for a fixed rate *Administration Fee* that they collect from the mutual fund.

When you divide the management fee and certain operating expenses by the mutual fund's average net asset value for the year, you get the mutual fund's *management expense ratio*. If a mutual fund has more than one series of units, each series has its own *management expense ratio*. There are strict regulations to determine which expenses to include in the calculation.

## How do I know if mutual funds are right for me?

One of the real strengths of mutual funds is that they offer many choices that can be matched to your goals. They range from the extremely conservative to the more risky. Your *financial advisor* can help you make the important decisions about which mutual funds suit you best.

### What's your *risk tolerance*?

Can you lose money? Yes.

Even before you talk to a *financial advisor*, you can start planning your mutual fund portfolio by deciding how much risk you're willing to take. This is also known as your *risk tolerance*. Your *risk tolerance* depends on many factors,

such as your age, investment time horizon, and your goals. Understanding the risks involved can help. We explain more about the risks of investing in this section and in each Fund profile under the heading **What are the risks of investing in the fund?** Your *financial advisor* can help you assess the risks.

Another factor is your goals. If you want to keep your money safe and earn a little interest at the same time, a less risky money market mutual fund may do the job nicely. But if you're trying to build some real savings for a big goal, such as retirement, a money market fund probably won't earn enough to do it. You need to consider increasing your risk to better your chances of earning more money.

### Time on your side

How much time do you have? That's another key consideration. Say you're saving for a retirement that's still 30 years off. In that case, you may be able to afford to take some risk. If you have 30 years, the ups and downs of the stock market, for example, aren't as much of a concern. Sure, some of your riskier investments could drop in the short-term, but over the longer term, past experience suggests that a broadly diversified portfolio of equity investments tends to rise more often than it falls. Of course, how well a mutual fund performed in the past doesn't tell you how it will perform in the future.

On the other hand, if you've only got a few years left until you expect you'll need your money, you should consider reducing your risk. In this case, there isn't enough time left for your investments to recover should they drop in value.

### A good variety works best

Finally, you should consider having a mix of mutual funds, some conservative, others less so. That's part of *diversification*. No single mutual fund is in itself a balanced investment plan. The appropriate mix depends on your *risk tolerance*, your goals, and how long you have to reach those goals.

## What are the risks of investing in a mutual fund?

Everybody wants to earn money when they invest. But you may lose money too. This is known as risk.



## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

Unlike bank accounts or guaranteed investment certificates, mutual fund units aren't covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It's important to remember that like all mutual funds, there's no guarantee that when you redeem your units of the Funds, you'll get back the full amount of money you originally invested. On rare occasions, a mutual fund may not allow you to redeem your units. See ***Suspending your right to redeem units*** under the heading ***Purchases, switches and redemptions*** for more information.

Mutual funds own different kinds of investments, depending on their investment objectives. The value of these investments changes from day to day because of changes in interest rates, economic conditions, and market or company news, for example. That means the value of a mutual fund's units can go up and down, and you may get more or less than you invested when you sell your units.

Generally speaking, the greater the risk of an investment, the greater its potential for return; the lower the risk, the smaller the potential for return. Higher-risk investments, such as stocks and *high yield securities*, are likely to have changes in their prices from day to day. And some may have bigger changes than others. These swings in prices are called *volatility*. Investments with higher risk and higher *volatility* may suffer substantial losses over the short-term. But historically, higher-risk investments have generally offered a greater potential return over the long-term. This is one reason why it's important to diversify your portfolio, and make sure that the types of mutual funds you choose suit the length of time you expect to invest. The key is to recognize the risk involved in a particular investment, and then decide if it's a risk you want to take. Your *financial advisor* can help you understand risk and build a portfolio that's right for you.

### **How mutual funds can reduce risk**

While there's no doubt that mutual funds come with risks, they can be less risky as a whole than comparable individual investments. Mutual funds are managed by professional portfolio managers. They spend hours studying reports about the companies they're investing in, analyzing statistics, and examining the mix of investments in the mutual fund. It's work that the average investor doesn't have time

for, or the necessary expertise, and it can increase the chance that the mutual fund achieves its goal.

Equally important is the fact that mutual funds offer *diversification*. Even mutual funds that specialize in one type of industry or one country usually make a variety of investments within their particular sector.

### **How you can reduce risk**

Mutual funds aren't meant to be a way of making a quick profit. They're long-term investments. If you buy a mutual fund, you should generally buy it with a view to holding it over a number of years. Don't try to second-guess the market and figure out the "best time" to get in or out. Generally speaking, a carefully chosen group of mutual funds bought and held over the long-term gives you the best chance of meeting your financial goals.

### **Specific risks of investing in mutual funds**

Mutual funds are made up of many securities, and the prices of those securities can go up or down. Here are some of the most common risks that can cause the value of units of a mutual fund to change. To find out which of these risks apply to each Fund, see the individual Fund profiles. A fund that invests in an *underlying fund* has similar risks as an investment in that *underlying fund*.

**You must feel comfortable with the risk that you take. Before you invest, discuss it with your *financial advisor*.**

### ***Asset-backed securities and mortgage-backed securities risk***

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. The main risks associated with investing in asset-backed securities and mortgage-backed securities are:

- If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers, or in the assets backing the pools, then the value of the securities may be affected.



- The underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed securities and mortgage-backed securities not receiving full repayment.
- If these securities are prepaid before maturity and the prepayment is unexpected, or if it occurs faster than predicted, the asset-backed securities or mortgage-backed securities may pay less income, and their value might decrease. Since issuers generally choose to prepay when interest rates fall, the mutual fund may have to reinvest this money in securities that have lower rates.

### **Borrowing risk**

Certain of the *underlying funds* may borrow cash as a temporary measure to fund the portion of a distribution payable to its unitholders that represents amounts that have not yet been received by the *underlying fund*. Each *underlying fund* is limited to borrowing up to the amount of the unpaid distribution and, in any event, not more than 5% of the net assets of that *underlying fund*. There is a risk that an *underlying fund* will not be able to repay the borrowed amount because it is unable to collect the distribution from the applicable issuer. Under these circumstances, the *underlying fund* would repay the borrowed amount by disposing of portfolio assets.

### **Calculation and termination of the indices risk**

The indices tracked by those *underlying funds* that seek to replicate the performance of an index are calculated and maintained by or on behalf of the index provider. The index provider has the right to make adjustments to an index without regard to the particular interests of Fidelity, the *underlying fund* or its unitholders. The index provider may also cease to calculate an index in certain circumstances.

In addition, errors in respect of an index may occur, including errors in respect of the quality, accuracy and completeness of the data, and these errors will affect the applicable *underlying fund* and its unitholders.

If the electronic or other facilities of the index provider or the applicable exchange malfunction for any reason, calculation of value of one or more indices and the determination by

Fidelity of the prescribed number of units and baskets of securities for the applicable *underlying fund* may be delayed, and trading in units of the *underlying fund* may be suspended, for a period of time.

Fidelity is not responsible for the indices tracked by the *underlying funds* and does not provide any warranty or guarantee in respect of these indices or the activities of the index provider.

With respect to an *underlying fund* that seeks to replicate the performance of an index, if the index provider ceases to calculate the applicable index or the index license agreement in respect of the applicable index is terminated, Fidelity may:

- Terminate the applicable *underlying fund* on not less than 60 days' notice to unitholders.
- Change the investment objective of the applicable *underlying fund* or seek to replicate generally an alternative index (subject to any unitholder approval in accordance with Canadian securities legislation).
- Make such other arrangement as Fidelity considers appropriate and in the best interests of unitholders of the *underlying fund* in the circumstances.

### **Cease trading and halted trading of units risk**

Units of an *underlying fund* whose securities are listed on an exchange may be cease traded or trading may be halted. Units of an *underlying fund* may be cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, in which case Fidelity may suspend the exchange or redemption of units of the *underlying fund* until such time as the transfer of the units is permitted. Trading of units of an *underlying fund* may also be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline or increase by a specified percentage).

Trading of such units may also be halted if:

- The units are delisted from the exchange without first being listed on another exchange.

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

- Exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect unitholders.

### **Cease trading of constituent securities risk**

If the *constituent securities* of an index tracked by an *underlying fund* are cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, Fidelity may suspend the exchange or redemption of units of the *underlying fund* until such time as the transfer of the securities is permitted. As a result, an *underlying fund* that holds securities traded on an exchange or other organized market bears the risk of cease trading orders against any security held by the *underlying fund*.

### **Commodity risk**

Some mutual funds invest indirectly in commodities or commodity sectors, including gold, silver, other precious metals, industrial metals, energy, and soft (or grown) commodities, like wheat, livestock, cocoa, cotton, coffee, and sugar. There are several ways a mutual fund can obtain commodities exposure, including by:

- Purchasing securities of an exchange-traded fund or *ETF*.
- Purchasing exchange-traded *derivatives*.
- Investing directly in a company operating in a commodities sector.

We refer to *ETFs* that seek to replicate the performance of one or more physical commodities, or of an index that tracks such performance, as *Commodity ETFs*. *Commodity ETFs* are unleveraged. *Commodity ETFs* may invest directly or indirectly in physical commodities, or *derivatives* that have physical commodities as an underlying interest.

*ETFs* that seek to replicate the performance of gold, silver, or both, or of an index that tracks such performance, on a leveraged basis are referred to as *Gold/Silver ETFs*. Typically, a *Gold/Silver ETF* attempts to magnify returns by a multiple of 200%. *Gold/Silver ETFs* may invest directly or indirectly in gold, silver, or *derivatives* that have gold or silver as an underlying interest.

Commodity prices can fluctuate significantly in short time periods. A fund exposed to commodities may, therefore, experience *volatility* in its net asset value. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability, changes in interest rates and currency values, new discoveries, or changes in government regulations affecting commodities.

### **Concentration risk**

Some mutual funds may concentrate their investments by:

- Investing in relatively few companies.
- Investing in a particular industry or geographic region.
- Holding more than 10% of their net assets in securities of a single issuer.

A relatively high concentration of assets in, or exposure to, a particular industry, geographic region, single issuer or a small number of issuers may reduce the *diversification* of a mutual fund, and may result in increased *volatility* in the mutual fund's net asset value. Issuer concentration may also increase the illiquidity of the mutual fund's portfolio if there is a shortage of buyers willing to purchase those securities.

### **Credit risk**

Credit risk is the risk that the issuer of a *fixed income security* can't pay interest or repay principal when it's due. Many *fixed income securities* of companies and governments are rated by third-party sources, such as Standard & Poor's, to help describe the creditworthiness of the issuer. However, these credit ratings may not accurately reflect the true risk of the issuer.

The market value of *fixed income securities* can be affected by adverse news, or a downgrade in the security's rating. Other factors can also affect the market value of the security, such as a change in the creditworthiness, or perceived creditworthiness, of the security's issuer.

*Fixed income securities* that have a low credit rating, or which are unrated, are known as *high yield securities*. *High yield securities* typically:

- Offer a higher yield than securities with a high credit rating.
- Have a higher potential for loss than *fixed income securities* issued by financially stable and solvent issuers.
- Are more likely to go into default on interest and principal payments than securities with a higher credit rating.
- Are less *liquid* in times of market declines.

Certain types of *fixed income securities*, such as *floating rate debt instruments*, may be backed by specific assets that are pledged by the issuer in the event of a default, including non-payment. However, there is a risk that:

- The value of the pledged collateral declines, or is insufficient to meet the obligations of the borrower to all investors or lenders.
- Investors or lenders may incur legal costs, be subject to lengthy delays, or be unable to fully recoup the principal amount and/or lost interest in the event of the issuer's default.

These and other factors may result in losses to mutual funds that hold these types of securities.

### **Currency risk**

Currency risk, sometimes referred to as exchange rate risk, is the risk that the value of an investment held by a mutual fund is affected by changes in the value of the currency in which the investment is denominated. Movements in exchange rates can affect the day-to-day value of a mutual fund, especially if it holds a lot of foreign investments.

A mutual fund that buys and sells securities in currencies other than the Canadian dollar can make money when the value of the Canadian dollar decreases relative to the foreign currency, and can lose money when the value of the Canadian dollar rises compared with the foreign currency. These gains and losses occur when the fund converts its Canadian dollars to the foreign currency in order to buy a security, and when it converts the foreign currency back into Canadian dollars when it sells the security. If, for example, the value of the Canadian dollar has risen, but the market

value of the investment has stayed the same, the investment is worth less in Canadian dollars when it's sold.

Some Funds that invest in securities issued in currencies other than the Canadian dollar may use the U.S. dollar as their primary working currency instead of the Canadian dollar. This means that the cash received by the mutual fund, including Canadian dollars received from purchases by investors and the proceeds of settled trades, is converted into U.S. dollars every day. In addition, U.S. dollars are converted back into Canadian dollars to fund redemptions. A U.S. dollar working currency is generally used by Funds that invest:

- Primarily in U.S. dollar-denominated securities, since it helps to reduce currency transactions associated with the mutual fund's investment activities in these securities.
- All or a substantial portion of their assets in securities denominated in foreign currencies other than the U.S. dollar, since the U.S. dollar is typically liquid, and may be more efficiently traded than other currencies.

While we believe there are benefits to the Funds that use the U.S. dollar as their working currency, there is no assurance that this strategy is effective, and it is possible that costs incurred by these Funds for foreign exchange transactions may exceed the benefits.

Some of the Funds may use *derivatives*, such as options, futures contracts, forward contracts, swaps, and customized types of *derivatives*, to reduce the effect of changes in exchange rates.

### **Cyber security risk**

Cyber security risk is the risk of harm, loss, and liability resulting from a failure or breach of an organization's information technology systems.

In general, cyber security risk can result from deliberate attacks or unintentional events, and may arise from external or internal sources. Cyber attacks include gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber security risk has the ability to negatively impact the Funds and the unitholders of the Funds by, among other things, disrupting and impacting business operations, interfering with a Fund's ability to calculate its net asset value, impeding trading by or in the Funds, or causing violations of applicable privacy and other laws.

While Fidelity has established business continuity plans and risk management systems to address cyber security risk, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, although Fidelity has vendor oversight policies and procedures, a Fund cannot control the cyber security plans and systems put in place by its service providers, or any other third party whose operations may affect the Fund or its unitholders. The Fund and its unitholders could be negatively impacted as a result.

### ***Derivative risk***

A *derivative* is an investment that bases its value on how well another kind of investment, like a stock, bond, currency, or market index, is doing. *Derivatives* usually take the form of a contract with another party to buy or sell an asset at a later time. Funds that invest in *derivatives* are in a position to make or lose money based on changes in the underlying interest, such as interest rates, securities prices, or currency exchange rates. Here are some examples of *derivatives*:

- **Options.** Options give the holder the right to buy an asset from, or sell an asset to, another party for a set price, during a set period of time. Fluctuations in the value of the asset during the life of the option impact the value of the option. It's called an option because the holder has the option of exercising the right to buy or sell the asset, and the other party is obliged to satisfy this right. The other party generally receives a cash payment (a premium) for agreeing to provide the option.
- **Forward contracts.** In a forward contract, an investor agrees to buy or sell an asset, such as a security or

currency, at an agreed price on a specific date in the future.

- **Futures contracts.** Futures contracts generally function in a similar manner as forward contracts, but are traded on an exchange.
- **Swaps.** With a swap agreement, two parties agree to exchange, or swap, payments. The payments the two parties make are based on an agreed underlying amount, like a bond. Each party's payments are calculated differently. For example, one party's payments may be based on a floating interest rate, while the other party's payments may be based on a fixed interest rate.
- **Debt-like securities.** With a debt-like security, the amount of principal and/or interest an investor receives goes up or down depending on whether there is an increase or decrease in the value of an agreed underlying security, like a share.

There are a number of risks involved in the use of *derivatives*. Here are some of the most common risks:

- There's no guarantee that a mutual fund is able to buy or sell a *derivative* at the right time to make a profit or limit a loss.
- There's no guarantee that the other party to the contract, referred to as a *counterparty*, lives up to its obligations, which could result in a financial loss for the mutual fund.
- If the value of a *derivative* is tied to the value of an underlying interest, there's no guarantee that the value of the *derivative* at all times accurately reflects the value of the underlying interest.
- If the *counterparty* goes bankrupt, the mutual fund could lose any deposit that was made as part of the contract.
- If the *derivatives* are traded on foreign markets, it may be more difficult and take longer to complete the transaction. Foreign *derivatives* can also be riskier than *derivatives* traded on North American markets.
- Securities exchanges could set daily trading limits on options and futures contracts. This could prevent a mutual fund from completing an options or futures

transaction, making it very difficult to hedge properly, to make a profit, or to limit a loss.

- If a mutual fund is required to give a security interest in order to enter into a *derivative*, there is a risk that the other party may try to enforce the security interest against the mutual fund's assets.

Mutual funds can use *derivatives* to help offset losses that other investments might suffer because of changes in stock prices, commodity prices, interest rates, or currency exchange rates. This is called *hedging*. While using *derivatives* for *hedging* has its benefits, it's not without its own risks. Here are some of them:

- There's no guarantee that a *hedging* strategy always works.
- A *derivative* doesn't always offset a drop in the value of a security, even if it has usually worked out that way in the past.
- *Hedging* doesn't prevent changes in the prices of the securities in a mutual fund's portfolio, or prevent losses if the prices of the securities go down.
- *Hedging* can also prevent a mutual fund from making a gain if the value of the currency, stock, or bond goes up.
- Currency *hedging* does not result in the impact of currency fluctuations being eliminated altogether.
- A mutual fund might not be able to find a suitable *counterparty* to enable the mutual fund to hedge against an expected change in a market if most other people are expecting the same change.
- *Hedging* may be costly.
- The *Tax Act*, or its interpretation, may change in respect of the tax treatment of derivatives.

### **Equity risk**

Companies issue common shares and other kinds of equity securities to help pay for their operations and finance future growth. Equity securities can drop in price for many reasons. For example, they're affected by general economic and market conditions, interest rates, political developments, and changes in the companies that issue them. If investors have

confidence in a company and believe it will grow, the price of its equity securities is likely to rise. If investor confidence falls, equity prices are also likely to fall. Some companies pay dividends to holders of equity securities. These companies may change their dividend policy or reduce their dividends, which could adversely affect a mutual fund that holds these securities. As a group, dividend-paying securities may be out of favour with the market and underperform the overall equity market or stocks of companies that do not pay dividends. The prices of equity securities can vary widely, and mutual funds that invest in equity securities are generally more volatile than mutual funds that invest in *fixed income securities*.

### **Exchange-traded fund (ETF) risk**

A mutual fund may invest in an *underlying fund* whose securities are listed for trading on an exchange. These *underlying funds* are called *ETFs*. The investments held by *ETFs* may include stocks, bonds, commodities, and other financial instruments. Some *ETFs* attempt to replicate the performance of a widely-quoted market index. However, not all *ETFs* track an index. While an investment in an *ETF* generally presents similar risks as an investment in an open-ended, actively managed mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to an investment in an open-ended, actively managed mutual fund:

- The performance of an *ETF* may be different from the performance of any index, commodity, or financial measure that the *ETF* may seek to track. There are several reasons that this might occur, including transaction costs and other expenses that are borne by the *ETF*, the *ETF's* securities may trade at a premium or a discount to their net asset value, or the *ETF* may employ complex strategies, such as leverage, making accurate tracking difficult.
- The ability of a mutual fund to realize the full value of its investment in an underlying *ETF* depends on the mutual fund's ability to sell the *ETF's* securities on a securities market. The mutual fund may receive less than the *ETF's* net asset value per security on such sale, as the



## What is a mutual fund and what are the risks of investing in a mutual fund? (*continued*)

*ETFs* securities may not trade at prices that reflect their net asset value.

- There is no guarantee that any particular *ETF* is available at any time. An *ETF* may be newly or recently organized, with limited or no previous operating history, and an active trading market for an *ETFs* securities may fail to develop or be maintained. In addition, an *ETF* may not continue to meet the listing requirements of the exchange on which its securities are listed for trading.
- Commissions may apply to the purchase or sale of an *ETFs* securities by a mutual fund.

Additionally, *ETF Funds* track the market price returns of *underlying funds* that are *ETFs*. Normally, the NAV and closing price of an *ETF* will be substantially similar. However, during periods of market stress, price returns of *ETFs* may differ from the NAV of the *ETF*.

Further, purchases of an *underlying fund* that is an *ETF* are made during the trading day. If there are purchases of an *ETF Fund* close to or following the end of a trading day, the *ETF Fund* will invest its assets in the securities of the *underlying fund* that is an *ETF* on the following trading day at a different price, which price may be higher or lower than the price on the day the purchase of the *ETF Fund* was made.

### **Foreign investment risk**

There are some significant reasons to consider investing abroad. The economies of foreign countries may grow faster than Canada's economy. This can mean that investments in those countries may also grow more quickly. Foreign investments give you *diversification*, because all your money isn't invested in Canada.

In addition to currency risk discussed above, foreign investments have other risks, including:

- Not all countries are as well regulated as Canada, or have the same consistent and reliable accounting, auditing, and financial reporting standards. Some countries may have lower standards of business practices and lax regulation, and may be more vulnerable to corruption. Even in some relatively well-regulated countries, it can be difficult to get the

information investors need about business operations. Foreign investments could suffer as a result.

- A small number of companies could make up a large part of the foreign market. If one of these companies does poorly, the whole market could drop.
- Sometimes foreign governments impose taxes, take over private businesses, or change the rights of foreign investors. They might impose currency controls that greatly restrict the ability to get money out of the country, or they may devalue their currency.
- Riots, civil unrest or wars, or unstable governments in some countries could hurt investments.
- Foreign countries may experience relatively high inflation, and high interest rates.

It's sometimes hard to enforce the mutual fund's legal rights in another country.

For *fixed income securities* bought on foreign markets, including some government bonds, there's a risk that the issuer doesn't pay off the debt, or that the price of the securities drops rapidly.

Of course, the amount of risk varies from country to country. Securities in *developed markets* generally have lower foreign investment risk because they're usually well regulated and are relatively stable. However, securities of governments and companies in the emerging or developing markets, such as South or Southeast Asia and Latin America, can have significant foreign investment risk.

In addition, investment income received and capital gains realized by a Fund from sources within foreign countries may be subject to foreign withholding taxes. Any foreign withholding taxes could reduce the Fund's distributions paid to you. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of tax on such foreign income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when a Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as unitholder information); therefore, the Fund may not receive the reduced treaty rates or potential

reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause a Fund not to receive the reduced treaty rates or potential reclaims.

### ***Income tax risk***

The Funds will be subject to certain tax risks generally applicable to Canadian investment funds. There can be no assurance that the CRA or a court will agree with the tax treatment adopted by the Funds in filing their tax returns. The CRA could reassess the Funds on a basis that results in an increase in the taxable component of distributions considered to have been paid to unitholders. A reassessment by the CRA may also result in a Fund being liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Such liability may reduce the net asset value per unit of the Funds.

Each of the Funds, except for the Building Block, is expected to qualify as a “mutual fund trust” for purposes of the *Tax Act* by the time it files its first tax return in which it will make an election to be deemed to be a mutual fund trust effective from the date of its creation. If any of the Funds fail to or cease to qualify as a mutual fund trust under the *Tax Act*, the income tax considerations described under the Income tax considerations for investors section could be materially and adversely different in certain respects. For example, if a Fund fails to or ceases to qualify as a mutual fund trust, units of the Fund will no longer be qualified investments for registered plans under the *Tax Act*. The *Tax Act* imposes penalties on the annuitant of a Registered Retirement Savings Plan or Registered Retirement Income Fund, the holder of a Tax-Free Savings Account or Registered Disability Savings Plan, or the subscriber of a Registered Education Savings Plan for the acquisition or holding of non-qualified investments.

The *underlying funds* managed by Fidelity that are *ETFs* are also subject to certain tax risks generally applicable to Canadian investment funds. Additional information can be found in each *ETF's* prospectus.

Tax loss restriction rules, referred to as the LRE rules, apply to a Fund when an investor (counted together with affiliates) becomes the holder of units worth more than 50% of the Fund. This could happen when an investor or its affiliates

acquire units, or when another investor redeems units. Each time the LRE rules apply to a Fund, the taxation year of the Fund will be deemed to end and the Fund will be deemed to realize its unrealized capital losses. The Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted capital losses will expire and may not be deducted from the Fund in future years and any undeducted non-capital losses in future years will be restricted, with the result that income and capital gains distributions in the future may be larger. The Funds' declaration of trust provides for the automatic distribution to unitholders of a sufficient amount of income and capital gains of the Funds for each taxation year (including a taxation year that is deemed to end by virtue of a loss restriction event) so that the Funds will not be liable for ordinary income tax. These distributions must be included in the unitholders' income for tax purposes. Also, future distributions paid by the Funds may be larger than they otherwise would have been due to the restriction on the deduction of prior losses. For more information regarding the taxation of distributions, see the *Income tax considerations for investors* section.

### ***Index investment strategy risk***

For an *underlying fund* that seeks to replicate the performance of an index, the value of the applicable index may fluctuate in accordance with the financial condition of the issuers that are represented in such index (particularly those that are more heavily weighted), the value of the securities generally and other factors.

Because the investment objective of the *underlying fund* is to replicate the performance of the applicable index, the *underlying fund* is not actively managed by traditional methods and the portfolio management team will not attempt to take defensive positions in declining markets. Therefore, issuers with an adverse financial condition may not be removed from the portfolio of an *underlying fund* until that issuer is removed from the applicable index.

### ***Interest rate risk***

Interest rates impact the cost of borrowing for governments, companies, and individuals, which, in turn, impacts overall economic activity, and a wide range of investments. Lower



## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

interest rates tend to stimulate economic growth, whereas high interest rates tend to do the opposite.

When interest rates rise, *fixed income securities*, like treasury bills and bonds, tend to fall in price. On the other hand, these securities tend to rise in price when interest rates fall. The cash flow from *fixed income securities* with variable rates can change as interest rates fluctuate. Longer-term bonds and strip bonds are generally more sensitive to changes in interest rates than other kinds of securities.

When interest rates fall, the issuers of many kinds of *fixed income securities* may repay the principal before the security matures. This is called making a prepayment. This is a risk because if a *fixed income security* is paid off sooner than expected, the mutual fund may have to reinvest its money in securities that have lower rates. Also, if paid off unexpectedly, or faster than predicted, the *fixed income security* can offer less income and/or potential for capital gains.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations, or to pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price, making the company less attractive to potential investors. Conversely, lower interest rates can make financing for a company less expensive, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity.

Various regulators and industry bodies are working globally on transitioning from interbank offered rates ("**IBORS**"), including the London Interbank Offered Rate (LIBOR), to alternative rates. The effect of such a transition on a Fidelity Fund and the securities in which it invests cannot yet be determined, and may depend on factors that include, but are not limited to: (i) existing fallback or termination provisions in individual contracts; and (ii) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. Such transition may result in a reduction in the value of IBOR-based instruments held by a Fidelity Fund, a reduction

in the effectiveness of certain hedging transactions and increased illiquidity and volatility in markets that currently rely on an IBOR to determine interest rates, any of which could adversely impact a Fidelity Fund's performance.

### **Large transaction risk**

Other investment products, such as segregated funds offered by insurance companies and other investment funds, may invest in a mutual fund. There is a risk that these investments may become large, resulting in large purchases and redemptions of units of the fund. Other investors may also purchase large amounts of a fund. Large purchases and redemptions may result in:

- A fund maintaining an abnormally high cash balance.
- Large sales of portfolio securities, impacting market value.
- Increased transaction costs (e.g., commissions).
- Capital gains being realized, which may increase taxable distributions to investors.

If this should occur, the returns of investors, including other funds, that invest in the fund may also be adversely affected.

### **Liquidity risk**

Liquidity of your investment means how quickly and easily you can sell your units for cash. This is also true for the securities held in a mutual fund. Most securities held in a mutual fund are liquid, but there are some investments that cannot be sold easily or quickly. These are considered to be illiquid.

Securities can be illiquid for a number of reasons, including:

- Legal rules may restrict the ability to sell them.
- The securities might have features that make them difficult to sell.
- There may be a shortage of buyers.
- The securities might suddenly become illiquid because of sudden changes in the market.
- An individual security's liquidity may simply change over time.

There are some types of securities that may be more illiquid when markets are volatile, or there is a sharp market decline. These include high yield bonds, *floating rate debt instruments* or loans, senior secured debt obligations, *convertible securities*, high yield commercial mortgage-backed securities, and fixed income securities issued by corporations and governments in emerging countries.

If these types of securities become illiquid, then there could be fewer buyers for the securities, the bid/ask spread might be wider, trade settlement and delivery of the securities to the mutual fund could take longer than normal, and it may be difficult to obtain a price for the securities. If a mutual fund has trouble selling a security, the fund could lose money, and the value of an investment in the fund could decline.

Liquidity, as well as the value of an investment, may also be affected by factors that affect securities markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each issuer of the securities held by a mutual fund, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

For example, the recent international spread of COVID-19 (coronavirus disease) has caused volatility and decline in global financial markets, as well as significant disruptions to global business activity, which have caused losses for investors. The impact of unanticipated market disruptions, including COVID-19, may cause exchanges to suspend trading and/or investment funds to suspend dealing (which could be for an extended period of time), may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. These impacts may have an effect on the performance of the mutual funds, the performance of the securities in which the mutual funds invest and may lead to an increase in the amount of redemptions experienced by the mutual funds (including redemptions by large investors. See **Large Transaction Risk**). Each of these effects may lead to illiquidity and losses on your investment. Such unanticipated market disruptions, including COVID-19, may be short-term or may last for an extended period of time, and could have effects that cannot necessarily be presently

foreseen. Even if general economic conditions do not change or improve, the value of an investment in a mutual fund could decline if the particular industries, sectors, companies or types of securities in which the mutual fund invests do not perform well or are adversely affected by such unanticipated events.

### ***Portfolio management risk***

All actively managed mutual funds are dependent on their portfolio management team to select investments. A poor security selection or market allocation may cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

### ***Rebalancing and subscriptions risk***

Adjustments to securities held by an *underlying fund* may result in the *underlying fund* incurring additional transaction costs, which would cause the performance of the *underlying fund* to deviate more significantly from the performance of the applicable index than would otherwise be expected.

Adjustments necessitated by a rebalancing event in the index could affect the underlying market for the *constituent securities* of the applicable index, which in turn would affect the value of that index. Similarly, subscriptions for units of an *underlying fund* by dealers may impact the market for the *constituent securities* of the index, as the dealer seeks to buy or to borrow the *constituent securities* to constitute the securities to be delivered to the *underlying fund* as payment for the units to be issued.

### ***Repurchase transactions, reverse repurchase transactions and securities lending transactions risk***

Sometimes mutual funds enter into what are called *repurchase transactions*, *securities lending transactions* and *reverse repurchase transactions*. A *repurchase transaction* is where a mutual fund sells a security to another party for cash and agrees to buy the same security back from the same party for cash. *Securities lending* is similar to a *repurchase transaction*, except that instead of selling the security and agreeing to buy it back later, the mutual fund loans the security and can demand the return of the security at any time. In a *reverse repurchase transaction*, a mutual

## What is a mutual fund and what are the risks of investing in a mutual fund? *(continued)*

fund buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price later on. In each case, it is a way for the mutual fund to earn interest on cash balances.

The risk with these types of transactions is that the other party may default under the agreement, or go bankrupt. In a *reverse repurchase transaction* the fund is left holding the security, and may not be able to sell the security at the same price it paid for it, plus interest, if the market value for the security has dropped in the meantime. In the case of a *repurchase transaction* or *securities lending transaction*, the fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash and collateral held.

Fidelity reduces these risks by requiring the other party to put up collateral. The value of the collateral has to be at least 102% of the market value of the security sold (for a *repurchase transaction*), cash loaned (for a *reverse repurchase transaction*), or security loaned (for a *securities lending transaction*). The value of the collateral is checked and reset daily. The Funds only deal with parties who appear to have the resources and the financial strength to live up to the terms of the agreements. *Repurchase transactions* and *securities lending transactions* are limited to 50% of a Fund's assets. Collateral held by a Fund for loaned securities and cash held for sold securities are not included in a Fund's assets when making this calculation.

### **Sampling methodology risk**

The *underlying funds* that seek to replicate the performance of an index may employ a sampling methodology. A sampling methodology involves seeking to replicate the performance of the applicable index by holding a subset of the *constituent securities* or a portfolio of some or all of the *constituent securities* and other securities selected by the sub-adviser such that the aggregate investment characteristics of the portfolio are reflective of the aggregate investment characteristics of, or a representative sample of, the applicable index. In certain circumstances, exposure to one or more securities may be obtained through the use of *derivatives*. It is possible that the use of a sampling methodology may result in a greater deviation in performance relative to the applicable index than a

replication strategy in which only the *constituent securities* are held in the portfolio in approximately the same proportions as they are represented in the applicable index.

### **Series risk**

The Funds are available in up to 27 series of units. The series available for each Fund are set out on the cover page of this simplified prospectus. See the section ***Specific information about each of the mutual funds described in this document*** for the features of each series and who can purchase them.

If a Fund can't pay the expenses of one series using that series' proportionate share of the Fund's assets, the Fund is required to pay those expenses out of the other series' proportionate share of the Fund's assets. This could lower the investment returns of the other series. No expenses are charged to the Funds for any Series O units that they issue. The Funds may, without notice to unitholders and without unitholder approval, issue additional series.

Some of the Funds and certain series of the Funds, such as the *T-SWP® Series*, are designed to provide a monthly cash flow to investors. Where this cash flow exceeds a Fund's net income, it includes a return of capital. When a Fund returns capital to an investor, the Fund returns a portion of the money that the investor originally invested in the Fund, rather than returns or income generated by the investment. A return of capital reduces the net asset value of the series on which it is paid and, if paid in cash, also reduces the assets the investor has invested in the Fund. As well, a return of capital reduces the total assets of the Fund available for investment, which may reduce the ability of the Fund to generate future income.

### **Small company risk**

Small companies can be riskier investments than larger companies. For one thing, they're often newer, and may not have a track record, extensive financial resources, or a well-established market for their securities. They generally don't have as many shares trading in the market, so it could be difficult for a mutual fund to buy or sell small company stock when it needs to. All of this means that their prices and liquidity can change significantly in a short period of time.

### ***Specialization risk***

Some mutual funds specialize in investing in a particular industry or part of the world. Specialization lets the portfolio management team focus on specific industries or geographic areas, which can boost returns if the industry or geographic area, and the companies selected, prosper. But if the industry or geographic area has a slump, the mutual fund may suffer, because there are relatively few other investments to offset the downturn. The mutual fund must follow its investment objectives and continue to invest in securities in the industry or geographic area, whether it is growing or not. Additionally, if a specific investment approach used by a mutual fund, such as value or growth, is out of favour, the mutual fund could suffer if it is obliged to confine its investments to the specific investment approach.

### ***Tracking error risk***

An *underlying fund* that seeks to replicate the performance of an index will not replicate exactly the performance of the applicable index because the total return generated by the securities of the *underlying fund* will be reduced by the management fee paid or payable by the *underlying fund*, the brokerage and commission costs incurred in acquiring and rebalancing the portfolio of securities held by the *underlying fund*, taxes (including withholding taxes) and the other expenses paid or payable by the *underlying fund*. These fees and expenses are not included in the calculation of the performance of the applicable index.

Deviations in the tracking of the applicable index by an *underlying fund* could occur for a variety of other reasons. For example, where an *underlying fund* tenders securities under a successful takeover bid for less than all securities of an issuer in the index and the issuer is not removed from the applicable index, the *underlying fund* may be required to buy replacement securities at a purchase price that may be more than the takeover bid price due to timing variances. Other reasons for tracking error include the temporary unavailability of the securities of certain issuers in the index in the secondary market and the investment strategies and investment restrictions applicable to the *underlying fund*, including the use of a sampling methodology.

# Organization and management of the Funds

The following information tells you about who's involved in running the Funds.

## Manager

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

As Manager, we are responsible for the day-to-day operations of the Funds and provide all general management and administrative services.

As at November 30, 2020, Fidelity managed more than \$165 (CAD) billion for its clients. We are part of a broader group of companies collectively known as Fidelity Investments®. Fidelity Investments specializes in investment management for individuals, either directly, through *financial advisors*, or through group retirement plans. We also provide a wide variety of financial services and products. As at November 30, 2020, the Fidelity Investments collection of companies managed more than \$3.5 (USD) trillion through mutual fund portfolios and other institutional accounts around the world.

## Trustee

Fidelity Investments Canada ULC  
Toronto, Ontario

The Funds are mutual funds organized as trusts. As trustee, we hold title to each Fund's investments in trust for unitholders under the terms described in a declaration of trust.

## Independent Review Committee

The *IRC* is the fund governance agency for the Fidelity Funds, as contemplated by *NI 81-107*. There are currently four members of the *IRC*, each of whom is independent of us and any party related to us.

The *IRC's* mandate is to (a) consider and make decisions on those conflict of interest matters that require its approval under *NI 81-107*, (b) consider and provide its recommendations on those conflict of interest matters that are referred to it for review by Fidelity, and (c) perform any other function required by securities legislation. The *IRC* may also approve mergers involving the Funds and any change of the auditor of the Funds. Unitholder approval will not be obtained in these circumstances, but you will be sent a

written notice at least 60 days before the effective date of any merger or change of auditor that affects the Funds that you own.

The *IRC* prepares, at least annually, a report for unitholders of its activities. This report is available on our website at [www.fidelity.ca](http://www.fidelity.ca), or you may request a copy, at no cost, by sending us an email at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French).

Additional information about the *IRC*, including the names of the members of the *IRC*, is available in the Funds' annual information form.

## Custodian

State Street Trust Company Canada  
Toronto, Ontario

The custodian, or its sub-custodians, holds the investments of the Funds and keeps them safe to ensure that they are used only for the benefit of investors. The custodian is independent of Fidelity.

## Securities Lending Agent

State Street Bank and Trust Company  
Boston, Massachusetts

The securities lending agent acts as agent for those Funds that engage in *securities lending*. The securities lending agent is independent of Fidelity.

## Registrar

Fidelity Investments Canada ULC  
Toronto, Ontario

As registrar, we keep a record of all unitholders of the Funds, process orders, and issue account statements and tax slips to unitholders.

## Auditor

PricewaterhouseCoopers LLP  
Toronto, Ontario

The auditor is an independent chartered professional accounting firm and it audits the annual financial statements of each Fund.

## Portfolio Adviser

Fidelity Investments Canada ULC  
Toronto, Ontario

The portfolio adviser makes the investment decisions for the applicable Fund, buys and sells all the investments in the Fund, and deals with brokers.

## Sub-Advisers

Fidelity Management & Research Company LLC  
Boston, Massachusetts  
(FMR)

(Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund)

Geode Capital Management, LLC  
Boston, Massachusetts  
(Geode)

(Fidelity All-in-One Balanced ETF Fund, Fidelity All-in-One Growth ETF Fund)

The portfolio adviser (or a sub-adviser) may engage one or more sub-advisers to provide investment advice in connection with securities purchased for a Fund.

The Funds, which we refer to as “Top Funds”, may invest some or all of their assets in underlying Fidelity Funds. Because such underlying Fidelity Funds are also managed by Fidelity, Fidelity does not vote the units of the underlying Fidelity Funds. Instead, Fidelity may arrange for such units to be voted by the Top Fund investors. If Fidelity decides to arrange for Top Fund investors to vote, then Fidelity asks each Top Fund investor for instructions on how to vote that investor’s proportionate share of the underlying Fidelity Fund units owned by the Top Fund, and Fidelity then votes on that basis. In those circumstances, Fidelity only votes the proportion of the underlying Fidelity Fund units for which it has received instructions.



# Purchases, switches and redemptions

You've considered your investment objectives and *risk tolerance*. The next step is making your investment. The following pages tell you how to invest in the Funds, how much it costs and other important details.

## Opening an account

Before you make your first investment in the Funds, you need to open an account. There are several different kinds of Fidelity accounts, which we tell you about below.

You can open an account by contacting your *financial advisor* and completing an application. You can also invest in the Funds through accounts or plans offered by other financial institutions. Ask your *financial advisor* for details.

## How to buy, redeem or switch units of a series of a Fund

The Funds are available in up to 27 series of units, as specified on the cover page and as set out in each Fund's profile. The differences between the series are described in the section ***Specific information about each of the mutual funds described in this document***.

Series B, S5 and S8 units of the Funds are available to all investors. Series E and P units are offered under the *Fidelity Preferred Program*.

Investors cannot make an initial direct purchase into any of Series E units. Series E units are offered under the *Fidelity Preferred Program* and available only to investors who hold Series B or S5 units and then become eligible to hold Series E units based on the value of their holdings in the Fidelity Funds. These units are available in multiple tiers according to the value of this investment. Once an investor holds Series E units, the investor can then buy directly additional Series E units of the applicable tier of the same Fund or any other Fidelity Fund. Series E units are not available to an investor enrolled in the *Large Account Program* unless the investor chooses to permanently leave the *Large Account Program* in order to hold Series E units in the *Fidelity Preferred Program*.

Series F, F5 and F8 units are only available to investors whose *dealers* have entered into appropriate eligibility agreements with Fidelity. Investors may buy Series F units in fee-based accounts at their *dealers*, where they pay fees directly to their *dealers*. Investors may also buy Series F

units and pay fees to their *dealers* by entering into advisor service fee agreements that authorize Fidelity to redeem Series F units from their accounts that have a value equal to the amount of the fees payable by them to their *dealers*, plus applicable taxes, and to pay the proceeds to their *dealers*.

Series O units of the Funds, except for the Building Block, are only available to institutional investors who may be individuals or financial institutions who have been approved by us and have entered into series O fund purchase agreements with us. However, Series O units of the Building Block are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity, and are not available for public purchase.

Investors cannot make an initial direct purchase into any of the Series P units. Series P units are offered under the *Fidelity Preferred Program* and are available only to investors who hold Series F or F5 units and then become eligible to hold Series P units based on the value of their holdings in the Fidelity Funds. These units are available in multiple tiers according to the value of this investment. Once an investor holds Series P units, the investor can then buy directly additional Series P units of the applicable tier of the same Fund or any other Fidelity Fund. Series P units are not available to an investor enrolled in the *Large Account Program* unless the investor chooses to permanently leave the *Large Account Program* in order to hold Series P units in the *Fidelity Preferred Program*.

Each series of each Fund is valued and can be bought in Canadian dollars.

See the section ***Specific information about each of the mutual funds described in this document*** for more information about the series that you can invest in.

You can buy, redeem or switch units of the Funds through any registered *dealer*.

When you buy, redeem or switch units of a Fund, we have to determine what they're worth. We do this by calculating the net asset value per unit. The net asset value per unit is the basis of all transactions involving buying, redeeming, switching or reinvesting units. See the ***Income tax considerations for investors*** section for further details about the tax consequences of buying, redeeming or switching units.



Series B and F units of the ETF Funds will not be eligible for the *Fidelity Preferred Program*. However, the size of an investor's holdings in the ETF Funds will count towards the investor's eligibility for the *Fidelity Preferred Program*.

### **Figuring out the net asset value per unit**

Here's how we calculate the net asset value per unit for each series of a Fund:

- We take the series' proportionate share of all the investments and other assets of the Fund.
- We subtract the series' liabilities and its proportionate share of common Fund liabilities. That gives us the net asset value for the series.
- We divide that number by the total number of units investors in that series hold. That gives us the net asset value per unit.

To determine what your mutual fund investment is worth, simply multiply the net asset value per unit for the series of units you own by the number of units you own.

We buy, switch or redeem units for you on any day that the Toronto Stock Exchange, or TSX, is open for trading. This is called a valuation day. A valuation day usually ends at 4 p.m. Toronto time, unless the TSX closes earlier on that day. We calculate the value of a Fund's units on each valuation day. In order to complete your transaction, we use the first net asset value per unit that we calculate after receiving your instructions.

We aren't able to calculate the price of a series of a Fund on a valuation day if the security price of the *underlying fund* is not calculated on that valuation day.

### **Minimum account size**

Due to the high cost of administering accounts, you must keep at least \$500 in your account. If your account falls below this amount, we may decide to redeem your units. We give you 30 days to bring the value of your account up to \$500 before we redeem your units. The Funds and certain series of the Funds may also be subject to minimum investment amounts. These amounts are determined from time to time by us, in our sole discretion. They may also be waived by us and are subject to change without prior notice.

The current minimum initial investment amounts are set out on our website at [www.fidelity.ca](http://www.fidelity.ca).

### **U.S. Dollar Option**

All of the Funds are valued, and can be bought, in Canadian dollars. Fidelity Multi-Asset Innovation Fund and Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund can also be bought in U.S. dollars. We indicate in the ***Fund details*** in each Fund's profile if a series can be bought using this U.S. dollar option.

The Canadian dollar net asset value for these Funds is converted to U.S. dollars at the prevailing exchange rate for a valuation day in order to determine the applicable U.S. dollar net asset value. Other than the series of the Funds indicated in the Fund profiles, no other Funds or series are currently available for purchase in U.S. dollars. We may offer the U.S. dollar option in respect of additional Funds or series in the future.

For tax purposes, capital gains and losses are calculated in Canadian dollars. As a result, if you buy and redeem units under the U.S. dollar option, you need to calculate gains or losses based on the Canadian dollar value of your units when they were purchased and when they were sold. In addition, although distributions are made in U.S. dollars, they must be reported in Canadian dollars for Canadian tax purposes. Consequently, all investment income is reported to you in Canadian dollars for income tax purposes. You may want to consult your tax advisor regarding this.

Our U.S. dollar option is offered only as a convenience. It allows you to invest in certain Funds using your American money. If you buy your units in U.S. dollars, you receive U.S. dollars when you redeem them or receive distributions from the Fund. Buying your units in U.S. dollars does not affect the investment return of your Fund and, in particular, does not hedge – or protect – against losses caused by changes in the exchange rate between the Canadian and U.S. dollars. If you wish to reduce your exposure to currency fluctuations, you should consider an investment in a Fidelity currency neutral fund.

### **About sales charges**

You may pay a commission to invest in Series B, E, S5 and S8 units of the Funds. This commission is also called a *sales*

## Purchases, switches and redemptions (*continued*)

*charge*. The commission compensates your *financial advisor* for the advice and service he or she provides to you. You can choose to purchase your units under a purchase option for which the sales charges may be payable at the time of purchase. This is called an *initial sales charge*, and the amount you pay is negotiable with your *financial advisor*.

Series B, E, S5 and S8 units are available only under the *initial sales charge* option.

You don't pay any sales charges if you invest in Series F, F5, F8, O or P units, which are only available to certain investors.

### **Paying when you buy your units**

If you buy units under the *initial sales charge* option, you may pay a sales charge at the time you purchase your units. You and your *financial advisor* need to negotiate the level of the *initial sales charge*. See the **Fees and expenses** section for details. We may deduct the percentage from the amount you invest and pay it to your *financial advisor's dealer*. See the **Dealer compensation** section for details.

## How to buy Funds

If we receive your order before 4 p.m. Toronto time on a valuation day (which is any day that the TSX is open for trading), we process your order as of that valuation day and you pay the net asset value per unit calculated on that valuation day for the units that you buy. Otherwise, we process your order as of the next valuation day. If the TSX closes earlier than 4 p.m. on a valuation day, we may impose an earlier deadline for that valuation day. Any order received after this earlier deadline is processed as of the next valuation day. For more information on how we calculate the net asset value per unit on a valuation day, see **Figuring out net asset value per unit** earlier in this section.

You have to pay for your units when you buy them. We do not accept cash, money orders or travellers' cheques for the purchase of units. If we don't receive payment in full within two business days of receiving your order, we redeem the units that you bought on the next valuation day or when we first learn that your payment will not be honoured. A "business day" is any day except, Saturday, Sunday or a Canadian holiday. If we redeem the units for more than you paid, the Fund keeps the difference. If we redeem the units for less than you paid, we charge your *dealer* for the

difference, plus any costs. Your *dealer* may be entitled to recover any loss from you.

If we receive your payment, but the documentation in respect of your purchase for a Fidelity registered plan is incomplete or missing instructions, we may invest your money in Series B units of Fidelity Canadian Money Market Fund (which are offered under a separate simplified prospectus) at no sales charge. An investment in Fidelity Canadian Money Market Fund earns you daily interest until we receive complete instructions from you regarding which Fund(s) you have selected, and all documentation in respect of your purchase is received in good order. Your total investment, including any interest, is then switched into the Fund(s) you chose at the unit price of the Fund(s) on the date of the switch.

The Funds are not *ETFs*. The Funds must be purchased through an appropriately registered mutual fund *dealer*. In contrast, *ETFs* are bought and sold like stocks on an exchange or marketplace through registered brokers. If you wish to purchase an *ETF*, you should read the applicable *ETFs* prospectus for further information.

### **What else you need to know**

Here are some other important facts about buying the Funds:

- You receive a confirmation once we process your purchase. The confirmation is a record of your purchase, and includes details about the units that you bought and any commission that you paid.
- If you buy units through our pre-authorized chequing plan, you receive a confirmation for your first purchase. After that, you receive regular account statements.
- You do not receive a fund facts document when your Series B, F, F5 or S5 units are automatically switched to Series E or P units or when your Series E or P units are automatically switched among other Series E or P units or back into Series B, F, F5 or S5 units, as applicable.
- We don't issue a certificate when you buy units of the Funds. Instead, you get regular statements showing how many units you own and their value.
- We may refuse any order to buy within one business day of receiving it. If we refuse your order, we return your money to you.

- Investors cannot make an initial direct purchase into Series E or P units of a Fund. Series E units are available only to investors who hold Series B or S5 units and then become eligible for Series E units. Series P units are available only to investors who hold Series F or F5 units and then become eligible for Series P units. Once an investor holds Series E or P units, the investor can buy directly the applicable tier of Series E or P units of the same Fund or any other Fidelity Fund.
- We may require investors who are U.S. citizens or foreign (including U.S.) tax residents to redeem their units if their participation has the potential to cause regulatory or tax problems. We may be required to withhold taxes on distributions and/or redemption proceeds paid to U.S. citizens or foreign tax residents. Speak with your *financial advisor* for details.
- We don't accept orders to buy units during a period when we've suspended unitholders' right to redeem units, unless we receive permission from the Ontario Securities Commission to accept such orders. See ***Suspending your right to redeem units*** later in this section.
- Series B and S5 units to the appropriate tier of the applicable Series E units.
- Series F and F5 units into the appropriate tier of the applicable Series P units.

We do these automatic switches as part of the *Fidelity Preferred Program* when your holdings in the Funds and other Fidelity Funds exceed \$250,000 for an individual or \$500,000 for a Series E/P financial group. See the ***Fees and expenses*** section for details. If you hold units of a Fund for which the appropriate tier of Series E or P units is not available, your units are switched into the tier with the lowest combined management and advisory fees and *Administration Fee* (before *Sales Tax*) that is available for that Fund.

Switches between Series E or P tiers are also automatic, so an investor is always in the Series E or P tier with the lowest combined management and advisory fees and *Administration Fees* (before *Sales Tax*) that the investor is eligible for, provided a Fund offers that tier. The following table sets out the investment thresholds for each tier.

Series	Tier
E1, E1T5, P1 or P1T5	\$250,000 - \$999,999
E2, E2T5, P2 or P2T5	\$1,000,000 - \$2,499,999
E3, E3T5, P3 or P3T5	\$2,500,000 - \$4,999,999
E4, E4T5, P4 or P4T5	\$5,000,000 - \$9,999,999
E5, E5T5, P5 or P5T5	\$10,000,000+

Not all Series E and P tiers are currently available for each Fund. Additional Series E and P tiers may be made available from time to time. The series currently available for each Fund are set out in the Fund's profile.

Automatic switches generally take place in the following circumstances:

- When you purchase or redeem Fidelity Fund securities that move you into, among, or out of Series E or P tiers.
- When we launch Series E or P units of a Fidelity Fund for which you are eligible.
- When your Series E/P financial group is created or changes in a way that moves you into, among, or out of Series E or P tiers.

## Switching to another series of the same Fund

The following switches are permitted between series of the same Fund.

### Switching Series B units

You can switch from Series B units that you bought under the *initial sales charge* option to Series F, F5, F8, O, S5 or S8 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the ***Fees and expenses*** section for details.

You can only switch to Series F, F5 or F8 units if you're eligible for these series or to Series O units with our approval.

### Switching Series E and P units

Provided your *dealer* enters into the appropriate *Fidelity Preferred Program* eligibility agreement with Fidelity and can support Series E or P units, we automatically switch your:

## Purchases, switches and redemptions (*continued*)

In addition, Fidelity automatically switches your units on the second Friday of each month if positive market movement has moved you into or among Series E or P tiers and your units have not been automatically switched by any of the other circumstances described above.

You can switch from Series E and P units to Series B, F, F5, F8, O, S5 or S8 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch your Series E units to Series F, F5 or F8 units if you're eligible for these series or to Series O units with our approval.

### Switching Series F units

You can switch from Series F units to Series B, F5, F8, O, S5 or S8 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series O units with our approval. No fee is payable for this switch.

### Switching Series F5 units

You can switch from Series F5 units to Series B, F, F8, O, S5 or S8 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series O units with our approval. No fee is payable for this switch.

### Switching Series F8 units

You can switch from Series F8 units to Series B, F, F5, O, S5 or S8 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series O units with our approval. No fee is payable for this switch.

### Switching Series O units

You can switch from Series O units to Series B, F, F5, F8, S5 or S8 units of the same Fund. You may have to pay a fee

to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F, F5 or F8 units if you're eligible for these series. No fee is payable for this switch.

### Switching Series S5 units

You can switch from Series S5 units that you bought under the *initial sales charge* option to Series B, F, F5, F8, O or S8 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F, F5 or F8 units if you're eligible for these series or to Series O units with our approval.

### Switching Series S8 units

You can switch from Series S8 units that you bought under the *initial sales charge* option to Series B, F, F5, F8, O or S5 units of the same Fund. You may have to pay a fee to your *dealer*. You negotiate that fee with your *financial advisor*. See the **Fees and expenses** section for details.

You can only switch to Series F, F5 or F8 units if you're eligible for these series or to Series O units with our approval.

### What else you need to know

Switches of units of a Fund from one series to another series of the same Fund do not result in a disposition for tax purposes, unless units are redeemed to pay fees. The amount of your investment, less any fee that is paid by redeeming units, will be the same after the switch. You will, however, own a different number of units because each series has a different unit price.

## Switching units to another Fidelity Fund

You can switch units of a Fund for units of another Fidelity Fund by redeeming units of the Fund and using the proceeds to buy units of the other Fidelity Fund.

You may have to pay your *dealer* a switch fee. You negotiate that fee with your *financial advisor*. A short-term trading fee may also be payable. See the **Fees and expenses** section for details.

The switch is done on the same sales charge option basis that the original units were bought under. See the **Dealer compensation** section for details.

If you hold Series E or P units of a Fund as part of the *Fidelity Preferred Program* and switch into a Fund that does not offer an equivalent Series E or P tier, your units are switched to the Series E or P tier with the lowest combined management and advisory fees and *Administration Fee* (before *Sales Tax*) that is available for that Fund. If no Series E units are offered by the Fund that you are switching into, you are switched to Series B or S5 units, as applicable. If no Series P units are offered by the Fund that you are switching into, you are switched to Series F or F5 units, as applicable. If a tier of Series E or P units with lower combined management and advisory fees and *Administration Fee* for which you are eligible is launched by the Fund at a later date, your Series E or P units will be automatically switched to that more appropriate tier.

### What else you need to know

Switching units of a Fund for units of another Fidelity Fund is a disposition and acquisition for tax purposes and may trigger a capital gain or capital loss. Any capital gain realized on units you hold outside a registered plan may be subject to tax. For more information about how capital gains are taxed, see the **Income tax considerations for investors** section.

### How to redeem the Funds

You can cash in your Fund by selling your units back to the Fund. This is called a redemption. You receive the net asset value per unit calculated on the valuation day we receive your order to redeem your units. We deduct any fees and send you the balance.

You must put your order to redeem in writing and sign it. An acceptable guarantor must guarantee your signature if the redemption is for \$25,000 or more. If a corporation, partnership, agent, fiduciary or surviving joint owner holds the units, we may also ask for other documents.

If we receive your order before 4 p.m. Toronto time on a valuation day (which is any day the TSX is open for trading), we process your order as of that valuation day. Otherwise, we process your order as of the next valuation day. If the TSX closes earlier than 4 p.m. on a valuation day, we may

impose an earlier deadline for that valuation day. Any order received after this earlier deadline is processed as of the next valuation day. See **Figuring out the net asset value per unit** in this section for more information on how we calculate the net asset value per unit on a valuation day. You receive your money back in the same currency you used to buy the Fund. We may charge you a fee of up to \$25 if you request your money back by cheque. There is no fee for electronic deposits.

We don't process orders to redeem for:

- A past date.
- A future date.
- A specific price.
- Any units that haven't been paid for.

We send you your money within two business days of receiving your order, as long as your order is complete. For units denominated in U.S. dollars, if the settlement day is a U.S. holiday, we send your money on the next business day that is not a U.S. holiday. A business day does not include Saturdays, Sundays or Canadian holidays. If we don't receive your properly completed order within 10 business days of the sale, we buy back the units you sold on the next valuation day. If we buy them back for less than you sold them for, the Fund keeps the difference. If we buy them back for more than you sold them for, we charge your *dealer* for the difference, plus any costs. Your *dealer* may be entitled to recover any loss from you.

We may charge you a switch fee, along with a short-term trading fee, when you redeem or switch units. See the **Fees and expenses** section for details.

Where the holding of units by a unitholder is, in the reasonable opinion of Fidelity, detrimental to a Fund, Fidelity is entitled to redeem the units held by the unitholder. Redeeming units of a Fund, is a disposition for tax purposes and may trigger a capital gain or capital loss. Any capital gain realized on units you hold outside a registered plan may be subject to tax. For more information about how capital gains are taxed, see the **Income tax considerations for investors** section.



## Purchases, switches and redemptions (*continued*)

### Suspending your right to redeem units

On rare occasions, we may temporarily suspend your right to redeem your Fund units and postpone paying your sale proceeds. We can only do this if we receive permission from the Ontario Securities Commission, or during all or part of a period where:

- Normal trading is suspended on any exchange on which securities or *derivatives* that make up more than half of the Fund's total assets by value are traded and these securities or *derivatives* aren't traded on any other exchange that is a reasonable alternative for the Fund.
- The right to redeem units of an *underlying fund* is suspended.

If we receive your order to redeem on a day when we've suspended the calculation of net asset value per unit, you can withdraw your order before the end of the suspension period or you can redeem your units based on the net asset value per unit calculated on the first valuation day after the suspension ends.

### Short-term trading

In general, the Funds are considered long-term investments. Inappropriate short-term or excessive trading can hurt a Fund's performance by forcing the portfolio management team to keep more cash in the Fund than would otherwise be needed, or to sell investments at an inappropriate time, and may also increase the Fund's transaction costs, affecting all investors of that Fund.

Fidelity has adopted policies and procedures to monitor, detect, and deter short-term or excessive trading. These policies and procedures are designed to protect unitholders from other investors moving quickly in and out of the Funds. A short-term trading fee may be charged to deter individuals from using the Funds as short-term investment vehicles. See the Fees and expenses section for details.

Short-term or excessive trading fees are paid to the Fund affected, and are in addition to any sales charge or switch fee. The fee is deducted from the amount you redeem or switch, or it is charged to your account, and is retained by the Fund. The types of trades that the short-term or excessive trading fee doesn't apply to include:

- If you redeem or switch units purchased by reinvesting distributions.
- Switches to different series within the same Fund, including when you are automatically switched into, among, or out of Series E or P tiers.
- Units sold as part of a fund-of-fund program or a similar pooled investment program.
- Units sold for retirement income fund or life income fund payments.
- Units sold for systematic transactions, such as automatic exchanges, pre-authorized chequing plans, and systematic withdrawal programs.
- Currency exchange transactions.
- Units sold to pay management fees, Administration Fees, service fees, operating expenses, or Fund Costs.
- Units sold as part of the Fidelity ClearPlan® Custom Fund Portfolios program.
- Redemption of series Q units (which are offered under a separate simplified prospectus) sold as part of a *dealer's* model portfolio or other similar investment product.
- Units sold within a discretionary managed account by a portfolio manager licensed to engage in discretionary trading on behalf of its clients. Your *dealer* or *financial advisor* need to determine whether your accounts qualify and notify us before trade execution in order for us to waive the short-term or excessive trading fee.
- Payments made as a result of the death of the unitholder.

In addition, Fidelity may consider the following when determining whether a short-term trade or excessive trade is inappropriate or excessive:

- Bona fide changes in unitholder circumstances or intentions.
- Unanticipated financial emergencies.

While we actively take steps to monitor, detect, and deter short-term or excessive trading, we cannot ensure that all such activity is completely eliminated.

## Sizable transactions

In general, sizable transactions by certain investors can disadvantage other investors in a Fund. Fidelity has adopted policies and procedures to help minimize the potential impact of sizable purchases and redemptions by an investor on a Fund's other unitholders.

A retail investor will be deemed to become a sizable investor (a "**Sizable Investor**") under the policies and procedures when a purchase/switch into a Fund will cause the investor to own:

- More than \$5 million where the Fund's total net assets are less than \$100 million; or
- More than 5% of the Fund where the Fund's total net assets are equal to or greater than \$100 million.

We will notify you once you become a Sizable Investor in a Fund.

If you are a Sizable Investor, you will be required to provide notice to Fidelity of sizable redemptions as follows:

- Three business days' notice for redemptions constituting 3% or greater, but less than 10% of the Fund's total net assets; and
- Five business days' notice for redemptions constituting 10% or greater of the Fund's total net assets.

Sizable Investors of a Fund are subject to a 1% penalty of the value of the units that they sell/switch if they sell/switch their units of the Fund within 30 days of their most recent purchase/switch into the Fund. Sizable investors *may* be subject to a 1% penalty of the value of the units if they fail to provide the required notice to Fidelity prior to completing a sizable redemption. This fee goes to the Fund.

If the sell/switch transaction would be subject to both a sizable redemption fee and a short-term trading fee, the Sizable Investor will only be subject to the sizable redemption fee. For greater certainty, the total penalty applied will not exceed 1% of the value of the units sold/switched.

Where a Fund, except for an ETF Fund, invests substantially all of its assets in one underlying Fidelity Fund, we calculate

the foregoing thresholds and notice periods using the total net assets of the underlying Fidelity Fund.

See ***Large transaction risk*** in ***What is a mutual fund and what are the risks of investing in a mutual fund***, ***Short-term trading fee*** and ***Fee for sizable redemptions*** in ***Fees and expenses*** for further details.



# Optional services

We offer the following plans to make it easier to buy and redeem the Funds. To sign up for a plan, contact your *financial advisor* or call us for details.

## Pre-authorized chequing plan

Our pre-authorized chequing plan lets you invest a small amount at regular intervals. This can be an affordable and effective way to build your investments. Putting a little away at a time is a good way to get into the habit of investing.

Here are some facts about our pre-authorized chequing plan:

- You can invest as little as \$25 each time. Just tell us how much you want to invest and when.
- We withdraw the money directly from your bank account and invest it in the Funds you choose.
- You can change how much you invest and how often, or cancel the plan, whenever you like.
- There are no fees for the plan, other than any sales charges.

When you enrol in our pre-authorized chequing plan, you receive a copy of the Funds' most recently filed fund facts. Thereafter, we only send you the most recently filed fund facts upon request. You can request that a copy of the most recently filed fund facts be sent to you at the time you enrol in our pre-authorized chequing plan, or at any time thereafter, by calling us toll-free at 1-800-263-4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French), or by asking your *financial advisor*. You can also find the most recently filed fund facts at [www.sedar.com](http://www.sedar.com) or on our website at [www.fidelity.ca](http://www.fidelity.ca).

You have a statutory right to withdraw from an initial purchase of the Funds under our pre-authorized chequing plan, but you do not have a statutory right to withdraw from subsequent purchases of the Funds under the pre-authorized chequing plan. However, you continue to have all other statutory rights under securities law, including a misrepresentation right as described in the section ***What are your legal rights?***, whether or not you have requested the most recently filed fund facts.

## Systematic withdrawal program

Our systematic withdrawal program lets you withdraw a fixed amount from your Funds at regular intervals. This is an easy way to receive cash, while giving the rest of your money the chance to grow.

Here are some facts about our systematic withdrawal program:

- The systematic withdrawal program is available for non-registered accounts only.
- You can take out as little as \$50 each time, as long as you have at least \$5,000 in your account when you start the withdrawal program.
- You choose when you receive your money – e.g., monthly, quarterly, or every six months. We send you a cheque or deposit the money directly into your bank account. We may charge you a fee of up to \$25 if you request your payment by cheque.
- There are no other fees or charges for the withdrawal program other than any short-term trading fees, if applicable.
- You can cancel the withdrawal program by telling us in writing.

It's important to remember that if your regular withdrawals are more than what your Fund is earning, you'll eventually use up your original investment.

## Systematic exchange program

Our systematic exchange program lets you move money from one Fund to another Fund at regular intervals.

Here are some facts about our systematic exchange program:

- Systematic exchanges can be processed for either a fixed dollar amount or a specific number of units.
- You choose how often the exchange occurs – e.g., twice a month, monthly, every two months, quarterly, semi-annually or annually.
- You may be charged a short-term trading fee or you may have to pay your *dealer* a switch fee when you switch

units from one Fund to another Fund. See the **Fees and expenses** section for details.

- Systematic exchanges may trigger capital gains or capital losses.

## Fidelity ClearPlan® Custom Fund Portfolios

Our Fidelity ClearPlan® Custom Fund Portfolios (“ClearPlan®”) program lets you invest in any number of Fidelity Funds (other than the Fidelity ClearPath® Retirement Portfolios, which are offered under a separate simplified prospectus), with specific target fund allocations selected by you. In this way, with the help of your *financial advisor*, you can create your own customized portfolio of investments. We then rebalance your holdings from time to time, based on your chosen frequency and deviation, in order to make sure that your portfolio mix is allocated in accordance with your instructions. Rebalancing may trigger capital gains or losses.

### Program options

The ClearPlan® program has two types of rebalancing options you can choose from.

#### Fixed rebalancing option

You can choose which Fidelity Funds you want to invest in, and fix the percentages to be invested in each Fidelity Fund. We then see to it that your portfolio is rebalanced back to your specified target allocations, either quarterly, semi-annually, or annually. This is known as the fixed rebalancing option. This program can be for an indefinite period, and you can change your specified target allocations or rebalancing frequency at any time.

#### Custom rebalancing option

Alternatively, you can have a customized portfolio of Fidelity Funds with target fund allocations that change over a designated period of time. You specify what your portfolio should consist of at the time you start, both in terms of asset mix and fund selection, and what it should look like by the time the end date is reached. You can also select up to five specific portfolio mixes for different points in time between the start and end dates. We see to it that your portfolio is rebalanced to reflect the different portfolio mixes you selected for each designated point in time. This is known as

the custom rebalancing option. This program must be for a period of at least 3 years and for no longer than 60 years.

### Fund eligibility

All of our Canadian dollar-denominated Fidelity Funds (other than the Fidelity ClearPath® Retirement Portfolios), in all series except Series O units, are eligible for this program. Any Fidelity Fund where your investment is made in U.S. dollars is not eligible to be included in this service. You may also hold Fidelity Funds separate and apart from your ClearPlan® portfolio if you choose.

### How to participate

To participate in this program, you must have a minimum of \$10,000 to invest in your ClearPlan® portfolio, and you must complete and sign our application form made specifically for this program. By completing the application, you authorize us to monitor your ClearPlan® portfolio, and to rebalance it at intervals selected by you, which can be quarterly, semi-annually, or annually, so that your ClearPlan® portfolio is allocated in accordance with your instructions.

In order to facilitate investing in the service, we have created two special series of Fidelity Canadian Money Market Fund - Series C and D, which are offered under a separate simplified prospectus. Series C units can only be purchased under a deferred sales charge option and Series D units can only be purchased under the *initial sales charge* option. When you enrol in the program, your investment is placed initially in units of one of these two series. The choice you make regarding whether to purchase Series C or D units of Fidelity Canadian Money Market Fund (which are offered under a separate simplified prospectus) should correspond with your preferred sales charge option for the Fidelity Funds that will comprise your portfolio.

Upon activation of your rebalancing program, your Series C or D units of Fidelity Canadian Money Market Fund are automatically redeemed (at no charge), and the proceeds are allocated among the various Fidelity Funds you have elected to include in your rebalancing portfolio. Series C and D units of Fidelity Canadian Money Market Fund are only for use with the portfolio rebalancing program. If you are invested in one or both of these series, and have not activated your rebalancing program within 90 days, you are

## Optional services (continued)

automatically switched to Series A or B units (based on your sales charge option) of Fidelity Canadian Money Market Fund.

Short-term trading fees, discussed in the **Fees and expenses** section, are not payable for trades made as part of your portfolio rebalancing program portfolio while you are enrolled in the ClearPlan® program.

You do not pay a switch fee when you switch Series C or D units of Fidelity Canadian Money Market Fund to any other Fidelity Fund as part of your portfolio rebalancing program.

Here are some other facts about our ClearPlan® program:

- We only act on your standing trade instructions, which must be given to us by your *financial advisor*.
- Your *financial advisor* can help you with your selection of Fidelity Funds to make sure that they are suitable for you, as well as with your choice of rebalancing options and frequency. Your *financial advisor*, as your agent, and not Fidelity, is responsible for assessing your continued suitability for this program.
- Rebalancing occurs at the intervals you specify, provided the market value of your holdings is between two and ten percentage points (you select the deviation, which must be in increments of 0.5 percentage points) above or below your stated target allocation at the time.
- You tell us if you want the rebalancing done quarterly, semi-annually, or annually.
- If you redeem all of your investments in a Fund that was part of your target fund allocation without providing us with new standing instructions through your *financial advisor*, then at the time of your next scheduled rebalancing, we rebalance the remaining Fidelity Funds in your portfolio and proportionately reallocate your investments among the same Fidelity Funds in your target fund allocation (which would include the Fidelity Fund for which you would have just redeemed your units).
- You always retain the option of changing your target allocation, rebalancing options, or rebalancing frequency of your portfolio by providing written instructions to us through your *financial advisor*. You may also request a manual rebalancing of your portfolio outside of the scheduled automatic rebalancing period at any time. In some cases, a manual rebalancing may trigger short-term trading fees. See the **Purchases, switches and redemptions** section for details of our short-term trading policy.

- There are no separate fees for this program. Any applicable Fidelity Fund charges apply.
- Rebalancing transactions could trigger a capital gain or loss.

When you enrol in our ClearPlan® service or change the Fidelity Funds selected, you receive a copy of the Fidelity Funds' most recently filed fund facts. Thereafter, we only send you the most recently filed fund facts upon request. You can request that a copy of the most recently filed fund facts be sent to you at the time you enrol in our ClearPlan® service, if you change the Fidelity Funds selected, or at any time thereafter, by calling us toll-free at 1 800 263 4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French), or by asking your *financial advisor*. You can also find the most recently filed fund facts at [www.sedar.com](http://www.sedar.com) or on our website at [www.fidelity.ca](http://www.fidelity.ca).

You have a statutory right to withdraw from an initial purchase of the Funds under the ClearPlan® service, but you do not have a statutory right to withdraw from subsequent purchases of the Fidelity Funds under the ClearPlan® service. However, you continue to have all other statutory rights under securities law, including a misrepresentation right as described in the section **What are your legal rights?**, whether or not you have requested the most recently filed fund facts.

All of the terms and conditions of the program are on our application forms, which are available from your *financial advisor* or on our website at [www.fidelity.ca](http://www.fidelity.ca).

## Registered plans

Registered plans receive special treatment under the *Tax Act*. A key benefit is that generally you don't pay tax on the money earned in these plans until you withdraw the money from the registered plans. Earnings withdrawn from your Tax-Free Savings Accounts and certain permitted

withdrawals from Registered Education Savings Plans and Registered Disability Savings Plans are not subject to tax. In addition, contributions to a Registered Retirement Savings Plan are deductible from your taxable income, up to your allowable limit.

We offer the following Fidelity registered plans:

- Registered Retirement Savings Plans (RRSPs).
- Locked-in Retirement Accounts (LIRAs).
- Locked-in Retirement Savings Plans (LRSPs).
- Restricted Locked-in Savings Plans (RLSPs).
- Registered Retirement Income Funds (RRIFs).
- Life Income Funds (LIFs).
- Locked-in Retirement Income Funds (LRIFs).
- Prescribed Retirement Income Funds (PRIFs).
- Restricted Life Income Funds (RLIFs).
- Tax-Free Savings Accounts (TFSAs).
- Registered Education Savings Plans (RESPs) (with the ability to accept supplemental grants from Saskatchewan, British Columbia and Quebec).

You can open any of these plans by investing in any of the Funds (except for the Building Block, which is not available for public purchase and is not a qualified investment for registered plans). There are no annual administration fees or fees to open, maintain, or close a plan. Contact Fidelity or your *financial advisor* for more information about these plans.

# Fees and expenses

The fees and expenses you may have to pay if you invest in the Funds are shown in each Fund's profile. You may pay less to invest in the Funds based on the amount you invest. See ***Fee reductions*** below for details.

You may have to pay some of these fees and expenses directly. The Funds pay some of these fees and expenses, which reduce the value of your investment.

## Fees and expenses payable by the Fund

### **Management and Advisory Fees**

Each Fund pays annual management and advisory fees for the management of the Fund, and for the investment management of its portfolio. The fees are used to pay expenses, like employee salaries, research costs, trailing commissions, and promotional expenses. The fees are calculated as a percentage of the net assets of each series of the Fund (except Series O units) and are accrued daily and paid monthly. The management and advisory fees are subject to harmonized sales tax and other applicable taxes, called *Sales Tax*. In some cases, Fidelity may waive its right to receive a portion of the management and advisory fees.

The annual management and advisory fees for each series of units of a Fund, other than Series O, is shown in each Fund's profile. We charge a negotiated management fee directly to investors in Series O units of the Funds (which fee is no greater than the maximum of the Series F annual management and advisory fee), excluding the Building Block. This latter Fund is only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity, and does not pay management and advisory fees.

## Operating expenses

### **All series, except Series O**

For each series of the Funds, except Series O, Fidelity pays all of the operating expenses (including for services provided by Fidelity and/or its affiliates), except for certain costs described below that we refer to as *Fund Costs*, in exchange for a fixed rate administration fee that we refer to as the *Administration Fee*. The *Administration Fee* is paid by the Funds in respect of these series. The *Administration Fee* is subject to *Sales Tax*.

The *Fund Costs* include the following:

- The fees and expenses of the *IRC*, which includes compensation paid to *IRC* members as an annual retainer, as well as per meeting attendance fees, and the reimbursement of applicable expenses of *IRC* members.
- Taxes, including income tax and *Sales Tax* on fees and expenses paid by the Funds.
- Portfolio transaction costs, including brokerage commissions and other securities transaction-related expenses, including the costs of *derivatives* and foreign exchange transactions.
- Interest and borrowing costs.
- Any new fee related to external services that was not commonly charged in the Canadian mutual fund industry as of September 10, 2009.
- The costs of complying with any new regulatory requirement, including any new fee introduced after September 10, 2009.

Each series is responsible for its proportionate share of common *Fund Costs* in addition to expenses that it alone incurs.

The operating expenses borne by Fidelity in exchange for the *Administration Fee* include: transfer agency; pricing and bookkeeping fees, which include processing purchases and sales of units of the Funds and calculating each Fund's unit price; legal, audit and custodial fees; administrative costs and trustee services relating to registered tax plans; filing fees; the costs of preparing and distributing the Funds' financial reports, simplified prospectus, fund facts, and the

other investor communications that Fidelity is required to prepare to comply with applicable laws; and other expenses not otherwise included in the management and advisory fees.

The *Administration Fee* falls under one of three tiers, depending on the amount of net assets of a Fund. The three tiers are: less than \$100 million in net assets; \$100 million to \$1 billion in net assets; and greater than \$1 billion in net assets. As a Fund surpasses these net asset level thresholds, the *Administration Fee* on each of its series is reduced by 0.01% (i.e., one basis point).

The *Administration Fee* is calculated as a fixed annual percentage (accrued daily and payable monthly) of the net asset value of each Fund. The *Administration Fee* for each series of units of each Fund is shown in the Fund's profile.

The *Administration Fee* is charged in addition to the management and advisory fees, and is subject to *Sales Tax*. The *Administration Fee* charged to the Funds may, in any particular period, exceed or be lower than the expenses Fidelity incurs in providing such services to the Funds.

Fidelity may waive a portion of the *Administration Fee* that it receives from the Funds or from certain series of the Funds. As a result, the *Administration Fee* payable by each Fund or a series of a Fund may be lower than the fees shown in the Fund profiles. Fidelity may, in its sole discretion, suspend or cease to offer any waiver at any time without notice.

### **IRC fees and expenses**

As of the date of this simplified prospectus, each member of the *IRC* receives an annual retainer of \$55,000 (\$65,000 for the Chair) and a fee of \$2,500 (\$4,000 for the Chair) for each *IRC* meeting the member attends, plus expenses for each meeting. These fees and expenses, plus other expenses associated with the *IRC*, such as insurance and applicable legal costs, are allocated among all the Fidelity Funds that are subject to *NI 81-107*, including the Funds, in a manner considered by Fidelity to be fair and reasonable.

As the Funds are new, none of the costs of the *IRC* have been allocated to them as of the date of this simplified prospectus.



## Fees and expenses (continued)

### Series O

Fidelity pays all of the operating expenses and other costs incurred by the Funds in respect of Series O units (including for services provided by Fidelity and/or its affiliates), except for the following *Fund Costs*:

- Taxes, including, but not limited to, income tax.
- Brokerage commissions and other securities transaction expenses, including the costs of *derivatives* and foreign exchange transactions.
- Interest charges.

### Sales Tax paid by the Funds

The Funds are required to pay the *Sales Tax* on management and advisory fees, *administration fees*, and most of the *Fund Costs* at a rate determined separately for each series for each year. The rate that ultimately applies to the fees and expenses paid during a year for a series is determined based on the portion of the net asset value of the series attributable to investors resident in each province or territory at a certain point in time during the prior year and the *Sales Tax* rate for each of those provinces or territories. The rate is different from year to year. This happens because different unitholders invest in the different series, and the unitholders who invest in each series change from year to year because of purchases, switches, and redemptions.

### Fee reductions

Some investors in the Funds (other than the Building Block), such as large investors, group plans, charitable or not-for-profit organizations, and Fidelity employees, may be eligible for reduced fees. We reduce the fees we would otherwise charge the Fund and the Fund makes a special distribution equal to the amount of the reduction to the investor, unless they hold Series E or P units as part of the *Fidelity Preferred Program*. We refer to this special distribution as a *fee distribution*. *Fee distributions* are paid first out of net income and net realized capital gains of the Fund, and then out of the capital of the Fund. *Fee distributions* are automatically reinvested in additional units of the relevant series of the Fund, and are not paid to investors in cash. We may, in our sole discretion, increase, decrease, or cease to make any *fee distributions* to any investor at any time. The tax

consequences of *fee distributions* made by the Funds generally will be borne by the unitholders receiving the *fee distributions*.

### Fidelity Preferred Program – Series E and P units

The Funds that offer Series E or P units as part of the *Fidelity Preferred Program* pay a combined management and advisory fees and *Administration Fees* based on a tiered structure. The tier of Series E or P units that you may be eligible to hold is based on your total investments with us, as follows:

Series	Tier
E1, E1T5, P1 or P1T5	\$250,000 - \$999,999
E2, E2T5, P2 or P2T5	\$1,000,000 - \$2,499,999
E3, E3T5, P3 or P3T5	\$2,500,000 - \$4,999,999
E4, E4T5, P4 or P4T5	\$5,000,000 - \$9,999,999
E5, E5T5, P5 or P5T5	\$10,000,000+

Not all Series E and P tiers are currently available for each Fund. The higher the Series E and P tier, the lower the combined management and advisory fees and *Administration Fees* associated with holding those units.

An investor only becomes eligible to hold Series E or P units as part of the *Fidelity Preferred Program* once the investor's holdings in the Funds and other Fidelity Funds reaches a minimum of \$250,000, for an individual, or \$500,000, for a Series E/P financial group, provided that the Series E/P financial group has a primary account holder who holds Fidelity Funds valued at a minimum of \$250,000.

Fidelity offers account-linking as part of the *Fidelity Preferred Program* to you if your *dealer* and your *financial advisor* choose to participate. The account-linking that is part of the *Fidelity Preferred Program* is optional for your *dealer* and your *financial advisor*. If your *dealer* and your *financial advisor* participate in this account-linking program, your *financial advisor* must complete a "Fidelity Preferred Program Account Linking Form". This form requires you to advise your *financial advisor* of the accounts that qualify to be part of the Series E/P financial group. You are responsible for ensuring that your *financial advisor* is aware of all of the accounts that should be linked or listed in the Account Linking Form.

If you hold your units through a discount brokerage platform and your discount broker has entered into the appropriate



eligibility agreement, you may wish to participate in the account-linking program as part of the *Fidelity Preferred Program*. If you choose to participate in this account-linking program, you must complete a “*Fidelity Preferred Program Account Linking Form*”, which you can obtain by contacting Fidelity. You are responsible for advising Fidelity of the accounts that qualify to be part of the Series E/P financial group.

Once a Series E/P financial group is created, the primary account holder can leave that Series E/P financial group without consequence to the Series E/P financial group, as long as the Series E/P financial group maintains minimum total investments with us, as set out below.

In addition, in determining your eligibility for the *Fidelity Preferred Program*, we will automatically link accounts of the same individual, not including joint accounts or corporate accounts, for which the following information, as provided to us by you (if you hold your units through a discount brokerage platform) or your *dealer*, is identical: (i) your name; (ii) your address; and (iii) the dealer representative code. This means that, for example, if you have two or more accounts with the same *dealer*, provided your *dealer* maintains these accounts under the same dealer representative code and your name and address on these accounts is identical, they will be automatically linked by us.

A Series E/P financial group is all accounts held by the primary account holder, who must be an individual holding a minimum of \$250,000 in Fidelity Funds, and the following individuals and entities that are related to that investor:

- The primary account holder’s spouse, at the primary account holder’s election, former spouses may remain part of the Series E/P financial group.
- The primary account holder’s children, grandchildren and great-grandchildren, in each case, including adoptive and step-children, and the spouses of these persons.
- Accounts in the names of companies for which one or more members of the Series E/P financial group are beneficial owners of greater than 50% of the voting equity.

In all cases the accounts must be held with the same *financial advisor* and *dealer*. You should let your *financial advisor* know of any such relationship. To create a Series E/P financial group, you (if you hold your units through a discount brokerage platform) or your *dealer* must complete and submit an account linking form and disclose the accounts that are part of the Series E/P financial group. Once a Series E/P financial group is created, the primary account holder can leave that Series E/P financial group without consequence to the Series E/P financial group as long as the Series E/P financial group maintains a minimum total investment with us of \$250,000.

Unless an individual’s total investments with us falls below \$150,000 or a Series E/P financial group’s total holdings with us falls below \$250,000, we do not switch investors out of:

- Series E units and back into Series B or S5 units.
- Series P units and back into Series F or F5 units.

These minimums are intended to provide investors with flexibility in connection with major life events. We reserve the right to switch investors and Series E/P financial groups out of Series E or P units if, in our view, the investor or the members of the Series E/P financial group are misusing this flexibility to fall below the applicable initial investment minimum.

Once you are invested in Series E or P units, the calculation of your total investments with us for the purposes of moving you between Series E or P tiers, and determining whether you remain eligible for Series E or P units, is based on the following:

- Only redemptions decrease the amount of total investments with us for the purposes of the calculation.
- Market value declines in your or your Series E/P financial group’s accounts do not result in decreases of the amount of total investments with us for the purposes of the calculation.
- In the case of Series F, F5, F8 and P units, while Fidelity will, on your instructions, redeem units of your Funds and send the proceeds of redemption to your *dealer* in payment of advisor service fees (plus applicable taxes), these redemptions decrease the amount of total investments with us for the purposes of the calculation.

Fees and expenses (continued)

- Market value increases and/or any additional investment you make in your or your Series E/P financial group's accounts can move you to a higher Series E or P tier. Market value increases and any additional investment you make create a "high water mark", and are the amount upon which we determine your Series E or P tier, as applicable, and the amount from which we deduct any redemption, regardless of any market value declines that occur after the high water mark is set.

We may, in our sole discretion, make changes to the *Fidelity Preferred Program*, including changing or eliminating Series E or P tiers, the account minimum for individuals, the account minimum or composition rules for Series E/P financial groups, or ceasing to offer Series E or P units altogether. Speak with your *financial advisor* for details about this program.

**Large Account Program**

We also offer a program for large investors that we call our *Large Account Program* or *LAP*. Under this program, our decision to reduce the typical fees depends on a number of factors, including the size of the investment and the investor's total investments with us. We currently only consider an investor a "large investor" for purposes of considering a fee reduction if the holdings with Fidelity are a minimum of \$250,000 individually, or \$500,000 for a *LAP financial group*. A *LAP financial group* is all accounts held by related persons living at the same address, and includes accounts in the names of companies for which one or more members of the *LAP financial group* are beneficial owners of greater than 50% of the voting equity. You can obtain further details by contacting your *financial advisor*.

The *Large Account Program* is closed to new individuals who are not related to existing *LAP* participants. For existing participants in the *LAP*, Fidelity offers the fee reductions set out in the chart below, provided the conditions set out below are met. We may, at our discretion, offer different tiers and larger fee reductions to investors or *LAP financial groups* that invest greater than \$10 million in the Fidelity Funds.

Fund Type	Fee Reductions (basis points)		
	Tier 1 (Individual Accounts)	Tier 2 (Individual and LAP Financial Groups)	Tier 3 (Individual and LAP Financial Groups)
	\$250k-\$500k	\$500k-\$5M	Greater than \$5M
ETF Funds	0	0	0
Fidelity Multi-Asset Innovation Fund	10	15	20

These reductions apply to each dollar invested with Fidelity that is part of the *LAP*. For example, if an investor has assets that fall within the Tier 2 category, each dollar invested as part of the *LAP* receives the applicable reduction. *LAP* is available in respect of all the Fidelity Funds in all series. As a condition of participation in the *LAP*, we require a reduction to the applicable trailing commission that we would otherwise pay to the *dealer* (except for Series F, F5, F8 and O units, where no trailing commission is typically paid), a portion of which would be received by the investor's *financial advisor*. The expected reduction is a minimum of 10 basis points for Fidelity Multi-Asset Innovation Fund, regardless of asset level. The amount of this trailing commission reduction is payable to the investor in the same manner as the fee reductions described above. To determine the total reduction payable, you add the fee reduction from Fidelity to the trailing commission reduction from your *dealer*.

You cannot participate in the *LAP* and also hold Series E or P units as part of the *Fidelity Preferred Program*. Existing *LAP* participants may choose to permanently move to Series E or P pricing under the *Fidelity Preferred Program*, or you may continue to participate in the *LAP*.

We may, in our sole discretion, make any change to this program, including increasing or decreasing the reductions available, changing or eliminating the tiers, or ceasing to offer them altogether. Speak with your *financial advisor* for details about this program.

**Underlying funds fees and expenses**

Where a Fund invests, directly or indirectly, in one or more *underlying funds*, the fees and expenses payable for the management and advisory services of the *underlying funds* are in addition to those payable by the Fund. However, we make sure that any Fund that invests in another *underlying*

*fund* that is managed by Fidelity does not pay duplicate management and advisory fees or expenses on the portion of its assets that it invests in an *underlying fund* that is managed by Fidelity for the same service. We usually achieve this by having the Fund invest in Series O units of the *underlying fund* managed by Fidelity. If necessary, we may also waive expenses otherwise payable by the Fund.

Similarly, if a Fund invests in one or more *underlying funds* that in turn invest in one or more *third-tier funds* that in turn may invest in one or more *fourth-tier funds*, then the fees and expenses payable for the management and advisory services of the *third-tier fund* or *fourth-tier fund* are in addition to those payable by the *underlying fund*. However, we make sure that any *underlying fund* that invests in a *third-tier fund* that is managed by Fidelity or any *third-tier fund* that invests in a *fourth-tier fund* that is managed by Fidelity does not pay duplicate management and advisory fees on the portion of its assets that it invests in the *third-tier fund* or *fourth-tier fund*.

The ETF Funds invest, directly or indirectly, in one or more underlying Fidelity *ETFs*. These underlying Fidelity *ETFs* in turn will invest in one or more *third-tier funds* that are *ETFs* managed by Fidelity. The underlying Fidelity *ETFs* do not charge a management fee because they invest in other *ETFs* managed by Fidelity which charge a management fee. As a result, the underlying Fidelity *ETF* pays an indirect management fee based on the management fee of each *third-tier fund* and its proportionate weighting within the underlying Fidelity *ETF's* portfolio. The *ETF Fund* indirectly pays this fee as well by virtue of its investment in the underlying Fidelity *ETF*. Because the management fees are charged at the *third-tier fund* level and not at the level of the underlying Fidelity *ETFs*, no management fees payable by an *ETF Fund* would duplicate a fee payable by the underlying Fidelity *ETF* for the same service.

Neither a Fund nor any *underlying fund* pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an *underlying fund* or a *third-tier fund* or *fourth-tier fund*, as applicable, managed by Fidelity. However, commissions are paid for the purchase of an *underlying fund* or a *third-tier fund* or a *fourth-tier fund* that is an *ETF*.

## **Unitholder notice**

We give unitholders 60 days' written notice of any change to the basis of the calculation of the fees or expenses that are charged to a Fund or its unitholders by an arm's-length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to a Fund or its unitholders that could result in an increase in charges. Because Series F, F5, F8, O and P units are sold without a sales charge, a meeting of unitholders of these series of the Funds is not required to approve any increase in, or introduction of, a fee or expense charged to the Funds. Any such increase is only made if unitholders are notified of the increase at least 60 days before the increase takes effect.

## **Fees and expenses payable directly by you**

### **Sales charges**

#### ***Initial sales charge option***

Series B, E, S5 and S8 units are available only under the *initial sales charge* option. You may have to pay an *initial sales charge* if you buy units of these series of a Fund. You and your *financial advisor* negotiate the amount you pay. The charge can be from 0% to 5% of the initial cost of your units of a Fund. We deduct the sales charge from the amount you invest and pay it to your *dealer* as a commission.

You pay no *initial sales charge* when you buy Series F, F5, F8, O or P units of a Fund.

### **Switch fees**

You may have to pay a fee of up to 2% of the value of your units to your *dealer* when you switch your units to a different series of the same Fund (where permitted), or when you switch from units of a Fund to units of another Fund or Fidelity Fund. The fee is paid by redeeming your units immediately before the switch is made. You negotiate that fee with your *financial advisor*.

You do not pay a switch fee when you switch from Series F, F5, F8, or P units of one Fund to Series F, F5, F8, or P units of another Fidelity Fund.

You do not pay a switch fee when we automatically switch your Series B or S5 units into Series E units, or when your

## Fees and expenses *(continued)*

Series E units are switched to Series B or S5 units or a different tier of Series E units.

You do not pay a switch fee when we automatically switch your Series F or F5 units into Series P units, or when your Series P units are switched to Series F or F5 units or a different tier of Series P units.

If you switch to units of another Fidelity Fund within 30 days of buying them, you may also be charged a short-term trading fee.

You can find more information about permitted switches of units in the ***Purchases, switches and redemptions*** section.

You may have to pay a fee of up to 2% of the value of your units to your *dealer* when you switch from:

- Series B units of a Fund to Series O, S5 or S8 units of the same Fund.
- Series E units of a Fund to Series O, S5 or S8 units of the same Fund.
- Series F units of a Fund to Series B, S5 or S8 units of the same Fund.
- Series F5 units of a Fund to Series B, S5 or S8 units of the same Fund.
- Series F8 units of a Fund to Series B, S5 or S8 units of the same Fund.
- Series P units of a Fund to Series B, S5 or S8 units of the same Fund.
- Series S5 units of a Fund to Series B, O or S8 units of the same Fund.
- Series S8 units of a Fund to Series B, O or S5 units of the same Fund.

You negotiate that fee with your *financial advisor*.

You pay no switch fee when you switch from:

- Series B, S5 or S8 units of a Fund to Series F, F5 or F8 units of the same Fund.
- Series E units of a Fund to Series F, F5 or F8 units of the same Fund.

- Series F units of a Fund to Series F5, F8 or O units of the same Fund.
- Series F5 units of a Fund to Series F, F8 or O units of the same Fund.
- Series F8 units of a Fund to Series F, F5 or O units of the same Fund.
- Series O units of a Fund to Series F5 or F8 units of the same Fund.
- Series P units of a Fund to Series F5, F8 or O units of the same Fund.

### **Registered plan fees**

None.

### **Short-term trading fee**

Fidelity monitors for short-term trading activity. You are charged a short-term trading fee of 1% of the value of the units if you redeem or switch units within 30 days of buying units of the Funds (excluding Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund).

We may decide to waive the fee in certain limited circumstances, for example, the death of a unitholder. For this purpose, units held for the longest time period are treated as being redeemed first, and units held for the shortest time period are treated as being redeemed last.

In addition, Fidelity monitors account trading activity to identify patterns of excessive trading. Excessive trading activity is determined by the number of redemptions or switches out of a Fund within 30 days of a purchase or switch into a Fund. For this purpose, units held for the shortest time period are treated as being redeemed first, and units held for the longest time period are treated as being redeemed last. If you redeem or switch units of the Funds within this period, you may:

- Receive a warning letter.
- Be charged a short-term trading fee of up to 1% of the value of the units.
- Have your account blocked from further purchases and switches for a period of time.

- Be required to redeem your account.

Further to the above sanctions, Fidelity may, in its sole discretion, restrict, reject, or cancel any purchase or switch into a Fund, or apply additional sanctions where we deem activity to not be in the Funds' interests.

In certain circumstances, the short-term trading fee does not apply. See the **Purchases, switches and redemptions** section for details.

### Fee for sizable redemptions

Fidelity monitors for sizable transaction activity.

Sizable Investors of a Fund are subject to a 1% penalty of the value of the units that they sell/switch if they sell/switch their units of the Fund within 30 days of their most recent purchase/switch into the Fund. Sizable investors *may* be subject to a 1% penalty of the value of the units if they fail to provide the required notice to Fidelity prior to completing a sizable redemption (as described in **Sizable transactions** in the **Purchases, switches and redemptions** section). At the time the redemption order is received without notice, Fidelity will assess the potential impact to the Fund and determine whether the 1% penalty is applied. This fee goes to the Fund.

If the redemption or switch transaction would be subject to both a sizable redemption fee and a short-term trading fee, the Sizable Investor will only be subject to the sizable redemption fee. For greater certainty, the total penalty applied will not exceed 1% of the value of the units redeemed or switched.

See **Short-term trading** and **Sizable transactions** in the section **Purchases, switches and redemptions** for details.

### Other

#### Cheque fees

You may be charged a fee of \$25 plus applicable taxes for each payment that you request by cheque in respect of redemptions, payments under a systematic withdrawal plan, cash distributions or *T-SWP*® Series distributions.

#### Insufficient funds fee

You may be charged a fee of \$25 plus applicable taxes for each payment not honoured by your financial institution.

### Advisor Service Fee

Investors in Series F, F5, F8, or P units may pay their advisor service fees to their *dealer* by authorizing Fidelity to redeem units of these series from their account equal to the amount of the fees payable by the investor to their *dealer* (plus applicable taxes) and to pay the proceeds to their *dealer*.

These redemptions are made on a quarterly basis, and the redemption proceeds for the advisor service fees (plus applicable taxes) are forwarded on to the *dealer*. Where such an arrangement exists, the maximum annual advisor service fee rate that Fidelity facilitates the payment of is 1.50% (excluding applicable taxes). The advisor service fee is calculated on a daily basis based on the daily net asset value of the investor's units at the end of each business day.

Investors are eligible to have units of these series redeemed by Fidelity and the proceeds paid to their *dealer*, if:

- They do not hold their units in a fee-based account where they pay fees directly to their *dealer*.
- Their *dealer* has entered into the appropriate eligibility agreement with Fidelity.
- They have entered into an advisor service fee agreement with their *dealer* and Fidelity.

The advisor service fee agreement must disclose the advisor service fee rate(s) the investor has negotiated with the *dealer* for the advice provided by the *dealer* to the investor with respect to purchasing and selling securities of the Fidelity Funds and/or administration and management services with respect to the investor's securities of the Fidelity Funds.

### Series O management fee

The Funds (excluding the Building Block) do not pay any management fee in respect of Series O units. Instead, you have to pay an annual fee to us, which is negotiable. This fee accrues daily and is paid monthly, and does not exceed the aggregate maximum annual rate of the management and advisory fees payable for Series F units of the Funds.

No management and advisory fees are charged to the Building Block, which is only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity.

## Fees and expenses (continued)

### Impact of sales charges

The table below shows the fees you would have to pay if you bought units of a Fund under our different purchase options. It assumes that:

- You invest \$1,000 in units of the Fund for each period and redeem all of your units immediately before the end of that period.
- The sales charge under the *initial sales charge* option is 5%.

	When you buy your units	Within 1 year	Within 3 years	Within 5 years	Within 10 years
<i>Initial sales charge</i> option <sup>(1)</sup>	\$50	—	—	—	—
No load option <sup>(2)</sup>	n/a	n/a	n/a	n/a	n/a

<sup>(1)</sup> Only Series B, E, S5 and S8 units are available under this option. You do not pay any sales charges if you buy Series F, F5, F8 or P units. Instead, you pay your *dealer* an annual fee for investment advice and/or other services. Series O units are also sold without a sales charge.

<sup>(2)</sup> We do not offer a no load option.



# Dealer compensation

## How your *financial advisor* and *dealer* are paid

Your *financial advisor* usually is the person you buy Fidelity Funds from. Your *financial advisor* could be a broker, financial planner, or other person who sells mutual funds. Your *dealer* is the firm your *financial advisor* works for.

### Commissions

Your *financial advisor* usually receives a commission when you invest in Series B, E, S5 or S8 units of the Funds. The commission depends on how you invest in the Funds.

### Initial sales charge option

You and your *financial advisor* decide on the percentage sales charge you are charged when you buy Series B, E, S5 or S8 units under the *initial sales charge* option. The percentage of the sales charge ranges from 0% to 5%. We may deduct the sales charge from the amount you invest and pay it to your *dealer* as a commission. See the **Fees and expenses** section for details.

### Switch fees

You may have to pay a fee of up to 2% of the value of your units to your *dealer* when you switch from units of a Fund to a different series of the same Fund, or when you switch from units of a Fund to units of another Fund or other Fidelity Fund. You negotiate that fee with your *financial advisor*. The charge is paid by redeeming units of the Fund you're switching out of. You don't pay a switch fee when you switch Series C or D units of Fidelity Canadian Money Market Fund to any other Fidelity Fund as part of your ClearPlan® program. See the **Fees and expenses** section for details about this fee. Also see the **Purchases, switches and redemptions** section for more information about permitted switches.

### Trailing commissions

We pay trailing commissions to your *dealer* on Series B, E, S5 or S8 units at the end of each quarter or, if the *dealer* qualifies to be paid electronically, possibly on a more frequent basis. We expect that *dealers* pay a portion of the trailing commission to their *financial advisors*. Trailing commissions are paid to *dealers*, including discount brokers.

These commissions are a percentage of the average daily value of the above series of units of each Fund held by the *dealer's* clients. The commissions depend on the Fund and the sales charge option. We may change or cancel the terms of the trailing commissions in our discretion and without advance notice. The following table shows the annual trailing commissions rates:

Annual trailing commission rates	
Fund	Series B, E, S5 and S8 units Initial sales charge option
Fidelity Multi-Asset Innovation Fund, Fidelity All-in-One Balanced ETF Fund and Fidelity All-in-One Growth ETF Fund	1.00%

### Marketing support programs

We pay for materials we give to *dealers* to help support their sales efforts. These materials include reports and commentaries on securities, the markets, and the Fidelity Funds. We pay for our own marketing and advertising programs.

We may share with *dealers* up to 50% of their costs in marketing the Fidelity Funds. This may include paying a portion of the costs of a *dealer* in advertising the availability of Fidelity Funds through its *financial advisors*. We may also pay part of the costs of a *dealer* in presenting seminars to educate investors about the Fidelity Funds, or generally about the benefits of investing in mutual funds.

We may pay up to 10% of the costs for *dealers* to hold educational seminars or conferences for their *financial advisors* to provide them with information about, among other things, financial planning or mutual fund industry matters.

## Dealer compensation (*continued*)

We also arrange seminars for *financial advisors* from time to time, where we inform them about new developments in the Fidelity Funds, our products and services, and mutual fund industry matters. We invite *dealers* to send their *financial advisors* to our seminars, but the *dealers* decide if their *financial advisors* can attend. The *financial advisors* must pay for their own travel, accommodation, and personal expenses if they attend our seminars.

We may also pay the registration costs for *financial advisors* to attend educational conferences or seminars organized and presented by other organizations.

All of our programs that benefit *dealers* comply with securities laws. The Fidelity Funds do not pay the costs of these programs.

## Dealer compensation from management fees

We paid *dealers* compensation of approximately 44.5% of the total management fees we received from all the Fidelity Funds we managed during our financial year ended December 31, 2020. This includes amounts we paid to *dealers* for commissions, trailing commissions, marketing support programs, and introduction fees.

## Income tax considerations for investors

This information is a general summary of tax rules and is not intended to be legal advice. For this discussion, we assume you are an individual (other than a trust), who, at all relevant times, for the purposes of the *Tax Act*, is resident in Canada, deals at arm's length and is not affiliated with the Funds, and that you hold your units directly as capital property or within a registered plan. More information is contained in the Funds' annual information form.

We have tried to make this discussion easy to understand. As a result, we cannot be technically precise, or cover all the tax consequences that may apply. We suggest that you consult your tax advisor for details about your individual situation.

### How the Funds aim to make money

A Fund can make money in two ways. First, it can earn income. Some examples of income are interest paid on bonds, *dividends* paid on stocks, and gains on certain *derivatives*. Second, a Fund can have capital gains if the value of its investments goes up. If the Fund sells an investment at a gain, the gain is realized. If the Fund continues to hold the investment, the gain is unrealized. Income and capital gains can also be earned through investments in *underlying funds*. The distributions paid by an underlying Fidelity Fund may have the character of a dividend from Canadian companies, taxable capital gain, Canadian income from a trust, foreign income from a trust, or return of capital.

### How the Funds are taxed

The Funds are established as separate trusts. Each year, the Funds pay out a sufficient amount of their income and realized capital gains (after deducting expenses) so that, generally, they don't have to pay ordinary income tax. This is known as a distribution.

Typically, foreign source income is subject to foreign withholding tax.

Generally, a gain or loss from a cash settled option, futures contract, forward contract, total return swap and other *derivative* instrument is treated on account of income rather than as a capital gain or loss unless the *derivative* is used by a Fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the Funds. Where a

## Income tax considerations for investors (*continued*)

fund uses *derivatives* to hedge exposure with respect to securities held on capital account and the *derivatives* are sufficiently linked to such securities, gains or losses realized on such *derivatives* will be treated as capital gains or losses.

### How you are taxed

The tax you pay on your mutual fund investment depends on whether you hold your units in a registered plan or in a non-registered account.

#### Funds held in your registered plan

Generally, neither you nor your registered plan are subject to tax on distributions paid on units held in your registered plan or on capital gains realized when those units are redeemed or switched. This assumes the units are a qualified investment and not a prohibited investment. Units of the Building Block are not qualified investments for registered plans, and adverse tax consequences arise if units of this Fund are acquired and held by a registered plan. Units of the other Funds are expected to be a qualified investment for registered plans. However, even when units of a Fund are a qualified investment, you may be subject to tax if a unit held in your registered plan (other than a deferred profit sharing plan (DPSP)) is a prohibited investment for your registered plan.

Under a safe harbour rule for new mutual funds, units of the Funds will not be a prohibited investment for your registered plan at any time during the first 24 months of the Fund's existence provided the Fund is a mutual fund trust or a registered investment under the *Tax Act* during that time and is in substantial compliance with *NI 81-102* or follows a reasonable policy of investment diversification.

After that, units of a Fund should not be a prohibited investment for your registered plans if you and persons with whom you do not deal at arm's length and any trusts or partnerships in which you or persons with whom you do not deal at arm's length have an interest do not, in total own 10% or more of the net asset value of the Fund. Units of a Fund are also not a prohibited investment for your registered plan if they are "excluded property" under the *Tax Act*.

**Investors should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of any units of a Fund in their registered**

**plan, including whether or not units of a Fund are at risk of being or becoming a prohibited investment under the *Tax Act* for their registered plans.**

#### Funds held in your non-registered account

You must compute and report all income and taxable capital gains in Canadian dollars. If you hold your units in a non-registered account and receive a distribution (including a *fee distribution*) during a year, we'll send you a tax slip for the year. It shows your share of the Fund's net income and net realized capital gains and your return of capital, if any, paid to you for the previous year, as well as any allowable tax credits. You must include the taxable portion of these amounts, as shown on the tax slip, as part of your annual income. This applies even if your distributions are reinvested in units of the Fund. Distributions paid by a Fund or an *underlying fund* may include *dividends* from taxable Canadian companies, foreign income, capital gains and other income (such as interest and *derivative* income). *Dividends* paid by Canadian companies will be taxed subject to the gross up and dividend tax credit. An enhanced gross-up and dividend tax credit is available for certain eligible *dividends* paid by Canadian companies. A Fund or an *underlying fund* may pay foreign withholding tax on its foreign income. Some or all of the foreign tax paid by a Fund or an *underlying fund* may be credited against the Canadian income tax you pay. Capital gains distributed by a Fund will be treated as if you realized them directly as a capital gain.

Distributions of capital are not taxable. Instead a return of capital reduces the adjusted cost base of your units of a Fund. If the adjusted cost base of your units is reduced to less than zero, you will realize a capital gain equal to the negative amount and your adjusted cost base will be increased to zero. Monthly distributions on some series of the Funds (such as *T-SWP® Series* units) are generally comprised of net income and/or return of capital.

Generally, fees paid by you to your *dealer* in respect of Series F, F5, F8 or P units of the Funds held outside a registered plan should be deductible for income tax purposes from the income earned on the Funds to the extent that the fees are reasonable, represent fees for advice to you regarding the purchase or sale of specific securities (including units of the Funds) by you directly or for services provided to you in respect of the administration or management of securities (including units of the Funds) owned by you directly, and the fees are paid by you to a *dealer* whose principal business is advising others regarding the purchase or sale of specific securities, or includes the provision of administration or management services in respect of securities. Fees paid directly by you to Fidelity for services provided by Fidelity to the Funds (such as with respect to Series O units) are not deductible. **You should consult your tax advisor regarding the deductibility of fees paid directly by you in your particular circumstances.**

## Capital gains and losses when you redeem or switch your units

Switches between series of the same Fund can be made without triggering a capital gain or loss. Other switches require a redemption of units and may trigger a capital gain or loss. Switches that require a redemption include those that occur under the Fidelity ClearPlan® service or the systematic exchange program.

You realize a capital gain if the amount you receive from redeeming or otherwise disposing of a unit is more than the adjusted cost base of the unit, after deducting any cost of redeeming or switching the unit. You will realize a capital loss if the amount you receive from a redemption or other disposition is less than the adjusted cost base, after deducting any cost of redeeming your units. Capital gains or capital losses are realized on redemptions of units made to pay fees to your *dealer*, including in connection with Series F, F5, F8 and P units.

Generally, one-half of a capital gain is included in calculating your income as a taxable capital gain, and one-half of a capital loss can be deducted against taxable capital gains, subject to any applicable loss restriction rules under the *Tax Act*.

If you've bought units at various times, you will likely have paid various prices. The adjusted cost base of a unit is the average of the adjusted cost base of all the identical units you hold in the Fund. That includes units you got through reinvestments of distributions. If you've bought and sold units in U.S. dollars, the cost and proceeds of disposition must be converted into Canadian dollars at the exchange rate on the date of purchase and redemption, as applicable.

### How to calculate adjusted cost base

Here's how the total adjusted cost base of your units of a series of a particular Fund is generally calculated:

- Start with your initial investment, including any sales charges you paid.
- Add any additional investments, including any sales charges you paid.
- Add any distributions you reinvested, including *fee distributions* and returns of capital.
- Add the adjusted cost base of units received on a tax-deferred switch and the net asset value of the units received on a taxable switch.
- Subtract the return of capital distributions.
- Subtract the adjusted cost base of any previous redemptions and switches.

To calculate adjusted cost base, you'll need to keep detailed records of the price you paid and received for your investments, and also keep the tax slips we send to you. They include distributions that are a return of capital. For more information, contact your tax advisor.

## Buying units late in the year

The price of a unit may include income and/or capital gains that the Fund has accrued, earned or realized, but not yet distributed. You will be taxed on distributions of a Fund's income and capital gains even if that income and capital gains is attributable to a time before you acquired the units and may have been reflected in the price you paid for the units. This could be particularly significant if you purchase units of a Fund late in the year, or on or before the date on which a distribution is paid.

## Income tax considerations for investors (*continued*)

### Portfolio turnover

The higher a Fund's or *underlying fund's* portfolio turnover rate is in a year, the greater the chance that you will receive a distribution. Any gains realized would be offset by any losses realized on portfolio transactions. There is not necessarily a relationship between a high turnover rate and the performance of a Fund or an *underlying fund*.

### Additional considerations for investors

You will generally be required to provide your *financial advisor* with information related to your citizenship, tax residence, and, if applicable, your foreign tax identification number. If you are identified as a U.S. Person (including a U.S. resident or citizen) or a tax resident of a country other than Canada or the U.S., or do not provide the required information and indicia of U.S. or non-Canadian status is present, details about you and your investment in a Fund will generally be reported to the CRA, unless the units are held in a registered plan. The CRA will provide that information to the U.S. Internal Revenue Service (IRS) (in the case of U.S. citizens or tax residents) or the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under the Common Reporting Standard (in the case of non-Canadian tax residents other than U.S. tax residents).

The IRS issued a clarification to a set of existing tax rules that resulted in Canadian mutual funds (such as the Fidelity Funds) generally being classified as corporations for U.S. tax purposes. As a result, U.S. taxpayers (including Canadian residents who are U.S. citizens) who hold Canadian mutual funds generally are subject to the Passive Foreign Investment Company rules, known as *PFIC*, including an annual requirement to report each *PFIC* investment held directly or indirectly on a separate U.S. tax form. **If you are a U.S. citizen, you should consult your tax advisor about the U.S. tax rules that apply to you and the advisability of making (or refraining from making) any U.S. tax election, such as a Qualified Electing Fund or QEF election.**

Generally, the *QEF* election more closely aligns the Canadian and U.S. tax treatment of an investment in Canadian mutual funds. To assist investors who choose to make *QEF* elections, Fidelity makes available *PFIC* annual information statements, referred to as *AIS*, for the Fidelity Funds. Investors should consult their *dealer* or *financial advisors* about obtaining their *AIS* from Fidelity.



# Statement of rights

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer.

# Specific information about each of the mutual funds described in this document

## Your guide to the Funds

The Funds offered under this simplified prospectus are categorized as an Asset Allocation and Balanced Fund, ETF Funds and a Building Block. Choosing the right ones means knowing what kinds of investments the Funds make and what kinds of risks they face. Here's what the Fund profiles look like and what they will tell you.

### 1. Fund name

### 2. Fund details

This is a quick overview of the Fund — what kind of fund it is, when it was started, the types of units offered, and series available under the U.S. dollar option, and whether it is a qualified investment for registered plans, and the management and advisory fees and *Administration Fee* for each series. Your *dealer* and *financial advisor* can assist you in determining the series that you are eligible to invest in.

#### **About the Series**

We currently offer up to 27 series of units for the Funds. The series offered by a Fund are set out in that Fund's profile. We may offer additional series in the future.

Throughout this simplified prospectus, we use the term "tier" to refer to the separate series of Series E and P units (as defined below).

#### **Series B units**

Series B units are available to all investors who purchase under the *initial sales charge* option. Series B units have lower fees than Series A units. The minimum initial investment for Series B units of a Fund is \$500.

Series B units of the ETF Funds will not be eligible for the *Fidelity Preferred Program*. However, the size of an investor's holdings in the ETF Funds will count towards the investor's eligibility for the *Fidelity Preferred Program*.

#### **Series E1, E1T5, E2, E2T5, E3, E3T5, E4, E4T5, E5 and E5T5 units (Series E)**

Series E units are available only to investors who hold Series B or S5 units and then become eligible to hold Series E units as part of the *Fidelity Preferred Program*, or who already hold Series E units, provided their *dealer* has entered into the

appropriate eligibility agreement with Fidelity and can support Series E units. Series E units are not available to an investor enrolled in the *Large Account Program* (described in the **Fees and Expenses** section) unless the investor chooses to permanently leave the *Large Account Program* in order to hold Series E units as part of the *Fidelity Preferred Program*.

Series E units have lower combined management and advisory fees and *Administration Fees* than Series B or S5 units. Each Series E tier has different management and advisory fees and *Administration Fee*. To determine the Series E tier that you are eligible to hold, see **Fidelity Preferred Program - Series E and P units** in the **Fees and Expenses** section.

We determine whether you are eligible for Series E units as part of the *Fidelity Preferred Program* based on the amount you, either individually or as part of a Series E/P financial group, have invested with Fidelity. Your *dealer* is responsible for determining whether you and the entities related to you qualify as a Series E/P financial group.

We automatically switch any Series B or S5 units held by an investor who qualifies for Series E units into the Series E tier with the lowest combined management and advisory fees and *Administration Fees* (before *Sales Tax*) available to that investor, based on information provided to us by your *dealer*. See the **Purchases, switches and redemptions** section for details.

If you're no longer eligible to hold a particular tier of Series E units, we automatically switch your units into the appropriate series of units, which might result in you holding Series B or S5 units.

Series E1T5, E2T5, E3T5, E4T5 and E5T5 units are available only to investors who hold Series S5 units and then become eligible to hold Series E units, and to investors who already hold Series E units as part of the *Fidelity Preferred Program*. These series are designed to provide tax-efficient cash flow to investors by making monthly return of capital distributions.

If you qualify for Series E units as part of the *Fidelity Preferred Program*, we automatically switch any Series S5 units you hold into the one of these Series E tiers, if available,

that has the lowest combined management and advisory fees and *Administration Fee* (before *Sales Tax*) for which you are eligible. If you are no longer eligible to hold Series E1T5, E2T5, E3T5, E4T5 or E5T5 units, we automatically switch your units into the appropriate series of units, which may result in you holding Series S5 units.

We restrict omnibus and bulk accounts from holding Series E units where we cannot identify who the beneficial unitholders are in order to determine whether each beneficial unitholder is independently eligible to hold Series E units.

### **Series F units**

Series F units have lower combined management and advisory fees and *Administration Fees* than Series B, S5 or S8 units. Instead of paying sales charges, investors in Series F units may pay their *dealer* a fee for the investment advice and/or administration and management services they provide or may pay their discount broker a fee for services and any tools or other assistance they provide.

Investors may buy Series F units in a fee-based account at their *dealer*, where they pay fees directly to their *dealer*, provided their *dealer* has entered into the appropriate eligibility agreement with Fidelity. Investors may also buy Series F units through a discount brokerage platform, provided the discount broker offers Series F units on their platform.

We don't pay any commissions or trailing commissions to *dealers* or discount brokers who sell Series F units, which means we can charge lower management and advisory fees because you may pay a fee directly to your *dealer* or discount broker. The minimum initial investment for Series F units of a Fund is \$500.

#### *Additional considerations when buying Series F units through a dealer*

Investors may also buy Series F units and pay fees to their *dealer* by authorizing Fidelity to redeem Series F units from their account having a value equal to the amount of the fees payable by the investor to the *dealer* (plus applicable taxes) and to pay the proceeds to their *dealer*. Investors are eligible to have their Series F units redeemed by Fidelity, and the proceeds paid to their *dealer*, if:

- They do not hold their Series F units in a fee-based account where they pay fees directly to their *dealer*.
- Their *dealer* has entered into the appropriate eligibility agreement with Fidelity.
- They have entered into an advisor service fee agreement with their *dealer* and Fidelity.
- The advisor service fee agreement must disclose the advisor service fee rate(s) the investor has negotiated with the *dealer* for the advice to be provided by the *dealer* to the investor with respect to purchasing and selling units of the Fidelity Funds and/or for the administration and management services with respect to the investor's units of the Fidelity Funds.

If an investor enters into an advisor service fee agreement, Fidelity facilitates the payment of the advisor service fee (plus applicable taxes) by the investor to the *dealer* by redeeming the investor's Series F units on a quarterly basis and forwarding the redemption proceeds for the advisor service fees to the *dealer*. See the ***Fees and expenses*** section for details.

Your *dealer* is responsible for deciding whether you are eligible to buy and continue to hold Series F units. If you're no longer eligible to hold Series F units, your *dealer* is responsible for telling us to switch your units into Series B units of the same Fund or to redeem them.

Series F units of the ETF Funds will not be eligible for the *Fidelity Preferred Program*. However, the size of an investor's holdings in the ETF Funds will count towards the investor's eligibility for the *Fidelity Preferred Program*.

### **Series F5 units**

Series F5 units are designed to provide tax-efficient cash flow to investors by making monthly distributions. The above provisions in connection with Series F units apply equally to Series F5 units. If you are no longer eligible to hold Series F5 units, they are switched to Series S5 units. The minimum initial investment for Series F5 units of a Fund is \$5,000.

### **Series F8 units**

Series F8 units are designed to provide tax-efficient cash flow to investors by making monthly distributions. The above

## Specific information about each of the mutual funds described in this document (*continued*)

provisions in connection with Series F units apply equally to Series F8 units. If you are no longer eligible to hold Series F8 units, they are switched to Series S8 units. The minimum initial investment for Series F8 units of a Fund is \$5,000.

### **Series O units**

Series O units of the Funds (excluding the Building Block) are only available for purchase by the Fidelity Funds, other funds and accounts managed or advised by Fidelity and to institutional investors who may be individuals or financial institutions who have been approved by us and have entered into a Series O fund purchase agreement with us. Series O investors are typically financial services companies that make large investments in the Fidelity Funds, and that use units of the Fidelity Funds to facilitate offering other products to investors or to provide administrative services to group plans. The criteria for approval as a Series O investor may include the size of the investment, the expected level of account activity, and the investor's total investments with us. No management and advisory fees are charged to the Funds with respect to the Series O units, but institutional investors who hold these Series O units are charged a negotiated management fee for the provision of our services to them. Consequently, investors in Series O units may pay, as a percentage of their investment, a management fee that is different from that payable by other investors in Series O units. We don't pay any commissions or trailing commissions to *dealers* who sell Series O units. There are no sales charges payable by investors who purchase Series O units.

Since Series O investors are typically financial services companies, their need for portfolio information may be different from other investors. As a result, we may provide them with portfolio disclosure more frequently than we provide this disclosure to other investors, and the information provided may be more detailed and/or presented in a somewhat different fashion. This information is only provided subject to an agreement limiting the investor's use of the information, and prohibiting the investor from disclosing it to any other party.

Series O units of the Building Block are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity. Series O units of this Fund are not available for public purchase. No management and

advisory fees are charged to this Fund with respect to its Series O units, but the Fidelity Funds and other funds and accounts that hold these Series O units are charged a management fee for the provision of our services to them. We don't pay any commissions or trailing commissions to *dealers* who sell Series O units of this Fund.

### **Series P1, P1T5, P2, P2T5, P3, P3T5, P4, P4T5, P5 and P5T5 units (Series P)**

Series P units are available only to investors who hold Series F or F5 units and then become eligible to hold Series P units, or who already hold Series P units as part of the *Fidelity Preferred Program*, provided their *dealer* has entered into the appropriate eligibility agreement with Fidelity and can support Series P units. Series P units are not available to an investor enrolled in the *Large Account Program* (described in the **Fees and Expenses** section) unless the investor chooses to permanently leave *the Large Account Program* in order to hold Series P units as part of the *Fidelity Preferred Program*.

Series P units have lower combined management and advisory fees and *Administration Fees* than Series F units. Each Series P tier has different management and advisory fees and *Administration Fee*. To determine the Series P tier that you are eligible to hold, see **Fidelity Preferred Program – Series E and P units** in the **Fees and Expenses** section.

We determine whether you are eligible for Series P units as part of the *Fidelity Preferred Program* based on the amount you, either individually or as part of a Series E/P financial group, have invested with Fidelity. You (if you hold your units through a discount brokerage platform) or your *dealer* is responsible for determining whether you and the entities related to you qualify as a Series E/P financial group.

We automatically switch any Series F or F5 units held by an investor who qualifies for Series P units into the Series P tier with the lowest combined management and advisory fees and *Administration Fees* (before *Sales Tax*) available to that investor, based on the information provided to us by your *dealer*. See the **Purchases, switches and redemptions** section for details.

If you're no longer eligible to hold a particular Series P tier, we automatically switch your units into the appropriate series of units, which might result in you holding Series F units.

Series P1T5, P2T5, P3T5, P4T5 and P5T5 units are available only to investors who hold Series F5 units and then become eligible to hold Series P units, and to investors who already hold Series P units as part of the *Fidelity Preferred Program*. These series are designed to provide tax-efficient cash flow to investors by making monthly return of capital distributions.

If you qualify for Series P units as part of the *Fidelity Preferred Program*, we automatically switch any Series F5 units you hold into the one of these Series P tiers, if available, that has the lowest combined management and advisory fees and *Administration Fee* (before *Sales Tax*) for which you are eligible. If you are no longer eligible to hold Series P1T5, P2T5, P3T5, P4T5 or P5T5 units, we automatically switch your units into the appropriate series of units, which may result in you holding Series F5 units.

If, however, you are no longer eligible to hold a particular Series P tier as a result of your *dealer* determining that you are no longer eligible to hold Series F or F5 units, as applicable, your *dealer* is responsible for telling us to switch your Series P units into Series B or S5 units, as applicable, of the same Fund or to redeem them.

As all eligible investors for Series P units will initially hold Series F or F5 units, Series P units may be held in a fee-based account at their *dealer*, where they pay fees directly to their *dealer*. Investors may also pay fees to their *dealer* by authorizing Fidelity to redeem Series P units from their account having a value equal to the amount of the fees payable by the investor to their *dealer* (plus applicable taxes) and to pay the proceeds to their *dealer*.

Investors are eligible to have their Series P units redeemed by Fidelity, and the proceeds paid to their *dealer*, if:

- They do not hold their Series P units in a fee-based account where they pay fees directly to their *dealer*.
- Their *dealer* has entered into the appropriate eligibility agreement with Fidelity.

- They have entered into an advisor service fee agreement with their *dealer* and Fidelity.

The advisor service fee agreement must disclose the advisor service fee rate(s) the investor has negotiated with the *dealer* for the advice to be provided by the *dealer* to the investor with respect to purchasing and selling securities of the Fidelity Funds and/or for the administration and management services with respect to the investor's securities of the Fidelity Funds.

If an investor enters into an advisor service fee agreement, Fidelity facilitates the payment of the advisor service fee (plus applicable taxes) by the investor to the *dealer* by redeeming the investor's Series P units on a quarterly basis and forwarding the redemption proceeds for the advisor service fees to the *dealer*. See the **Fees and expenses** section for details.

We don't pay any commissions or trailing commissions to *dealers* in connection with Series P units, which means we can charge lower management and advisory fees.

We restrict omnibus and bulk accounts from holding Series P units where we cannot identify who the beneficial unitholders are in order to determine whether each beneficial unitholder is independently eligible to hold Series P units.

### **Series S5 units**

Series S5 units are available to all investors who purchase under the *initial sales charge* option. Series S5 units have lower fees than Series T5 units, and are designed to provide tax-efficient cash flow to investors by making monthly distributions. The minimum initial investment for Series S5 units of a Fund is \$5,000.

### **Series S8 units**

Series S8 units are available to all investors who purchase under the *initial sales charge* option. Series S8 units have lower fees than Series T8 units, and are designed to provide tax-efficient cash flow to investors by making monthly distributions. The minimum initial investment for Series S8 units of a Fund is \$5,000.



Specific information about each of the mutual funds described in this document (*continued*)

### **Management fees for Fidelity All-in-One Balanced ETF Fund and Fidelity All-in-One Growth ETF Fund**

With respect to Fidelity All-in-One Balanced ETF Fund and Fidelity All-in-One Growth ETF Fund, the management fee disclosed for these Funds is the direct management fee paid to Fidelity and does not include the indirect management fee paid by the underlying Fidelity ETF. The underlying Fidelity ETF invests in *third-tier funds* comprised of other Fidelity ETFs that charge a direct management fee. As a result, the underlying Fidelity ETF pays an indirect management fee based on the management fees of the *third-tier funds*. The *third-tier funds* initially selected for the underlying Fidelity ETFs are set out under **Investment Strategies** in each Fund's profile, although the sub-adviser of the underlying Fidelity ETFs may change that list at any time. Based on the initial anticipated weightings of each *third-tier fund* in each of the underlying Fidelity ETFs, an indirect management fee has been determined for each underlying Fidelity ETF. This indirect management fee also applies to the ETF Funds and it is disclosed in a footnote to the direct management fee. The actual effective, indirect management fee will differ from that based on the performance of each *third-tier fund* within these Funds and rebalancing events initiated by the portfolio management team of the underlying Fidelity ETFs. Actual indirect management fees will be reflected in the *MER* (in addition to *Sales Tax* and expenses and Fund Costs listed herein) of each ETF Fund, posted semi-annually.

### **Other series information**

Fidelity, in its sole discretion, may waive or change any of the above minimum initial investment amounts at any time. The current minimum initial investment amounts may be obtained on our website at [www.fidelity.ca](http://www.fidelity.ca). For information on buying units of the Funds, see the **Purchases, switches and redemptions** section.

For each series of a Fund, excluding Series O, Fidelity pays all of the operating expenses incurred by the Fund for that series (including for services provided by Fidelity and/or its affiliates), except for Fund Costs, in exchange for the *Administration Fee* that is paid by the Fund in respect of these series. For Series O, Fidelity pays all of the operating expenses and costs incurred by the Fund in respect of Series

O (including for services provided by Fidelity and/or its affiliates), except for certain costs that are paid by the Fund in respect of Series O. See the **Fees and expenses** section for details. The differences in expenses and fees between series mean that each series of a Fund has a different net asset value per unit.

### **3. What does the fund invest in?**

This section tells you the investment objectives and strategies of the Fund.

#### **Investment objectives**

Just like you, each Fund has goals for the money it invests. This section tells you what those goals are. Some Funds seek to earn income, while others seek to increase the value of their investments as much as possible. Still others seek to do both. Each Fund has its distinct investment objectives. You will find details about the kinds of securities the Fund invests in, as well as any special investment focus, such as a particular country or industry.

We can't change a Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

#### **Investment strategies**

This section tells you how the portfolio management team tries to achieve the Fund's investment objectives. You will find the portfolio management team's general approach to investing, and how the portfolio management team chooses investments for the Fund.

For Funds that invest in *underlying funds*, this section will focus on the strategies relating to its *underlying funds*.

Except where exemptive relief has been obtained from the securities regulators (as described below), all of the Funds follow the standard limits, restrictions, and practices set by Canadian securities regulations.

All of the Funds and *underlying funds* managed by Fidelity can hold cash, invest in *fixed income securities* and engage in *repurchase*, *reverse repurchase* and *securities lending transactions*, which are described in the section **What is a mutual fund and what are the risks of investing in a mutual fund?**



The *underlying funds* managed by Fidelity may also invest a portion of their assets in units of other mutual funds, as permitted under Canadian securities regulations.

All of the Funds can use *derivatives*. You'll find out how a Fund uses *derivatives* in the **Investment strategies** section of its Fund profile. For more information about *derivatives*, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

## **Regulatory exemptions**

### **Derivatives**

Certain Funds may use *derivatives*, as indicated in each Fund's profile. *Derivatives*, like options, futures contracts, forward contracts, and swaps, may be used to hedge against losses caused by changes in security prices, interest rates, or exchange rates. These Funds may also use *derivatives* for non-*hedging* purposes, including as a substitute for a stock, stock market, or other security, or where their use is considered efficient from a portfolio management perspective.

When a Fund uses a *derivative* for *hedging* purposes, it must hold assets, including another *derivative*, that carry a risk that the derivative aims to offset. When a Fund uses a *derivative* for non-*hedging* purposes, it must generally hold cash or other assets that are equal to the Fund's market exposure from the *derivative*.

Interest rate swaps and credit default swaps are examples of the types of swaps that certain Funds may use. In an interest rate swap, a right to receive a payment based on a fixed interest rate is swapped for a right to receive a payment based on a floating interest rate. In a credit default swap, a premium is swapped for a right to receive a payment if an issuer of *fixed income securities* fails to make a required payment, or if an event occurs that calls into question the creditworthiness of the issuer.

Subject to certain conditions, Fidelity Funds that use *derivatives* have been granted an exemption by the securities regulators to permit these Funds to use additional assets to cover a Fidelity Fund's market exposure:

- When opening or maintaining a long position in a debt-like security that has a component that is a long position

in a forward contract, or in a standardized future or forward contract.

- When entering into or maintaining a swap position.

See each Fund's most recently filed management report of fund performance for information relating to any material use of *derivatives* by a Fund over the applicable reporting period. Also, summary information on a Fund's *derivatives* positions, if any, may be obtained on our website at [www.fidelity.ca](http://www.fidelity.ca).

For more information about *derivative* risk, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

### **Precious metals and other commodities**

Certain Fidelity Funds may invest up to 10% of their net assets in commodities pursuant to regulatory relief obtained by the Fidelity Funds. These investments may include the permitted precious metals of gold, silver, platinum and palladium, precious metal certificates, *Commodity ETFs* on an unlevered basis, or *derivatives* the underlying interest of which are physical commodities. *Commodity ETFs* are *ETFs* that seek to replicate the performance of either one or more physical commodities, or an index that seeks to replicate the performance of such physical commodities.

For more information about commodity risk, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

### **Three-tier funds**

The Fidelity Funds have received an exemption to permit them to invest in securities of an *ETF* managed by Fidelity or an affiliate (*Underlying ETF*) that may, at the time of the purchase, hold more than 10% of its net asset value in securities that are not index participation units (*IPUs*) of another *Underlying ETF*.

The Fidelity Funds that are part of a three-tier structure have received an exemption to allow them to invest directly or indirectly in *underlying funds* managed by Fidelity and these *underlying funds* may, in turn, hold directly or indirectly more than 10% of their net assets in securities of other funds that we manage.

Specific information about each of the mutual funds described in this document (*continued*)

### **Four-tier funds**

Certain Fidelity Funds that are part of a four-tier structure and that either implement a currency neutral strategy or invest solely in another Fidelity Fund have received an exemption to allow them to invest indirectly in *third-tier funds* managed by Fidelity, which these *third-tier funds* may, in turn, hold directly or indirectly more than 10% of their net assets in securities of *fourth-tier funds* that we manage.

### **Investments in securities issued by substantial security holders**

The Fidelity Funds have received regulatory approval to invest in debt securities issued by a “substantial security holder” of a Fidelity Fund. Substantial security holders are persons or companies that hold voting securities of a Fidelity Fund that represent more than 20% of the voting rights of that Fidelity Fund. Certain conditions must be met, including the approval of the Independent Review Committee or *IRC* of the Fidelity Funds.

For more information on these and other exemptions that have been granted to the Fidelity Funds, and the applicable conditions, see the Funds’ annual information form.

## **4. What are the risks of investing in the fund?**

This section sets out a risk checklist that tells you all of the risks of the Fund. For a complete description of each risk, see ***What is a mutual fund and what are the risks of investing in a mutual fund?***

## **5. Who should invest in this fund?**

When you’re deciding on a Fund, it’s important to find one that has the same investment goals that you do. This section tells you the kind of investor the Fund may be appropriate for, and how the Fund could fit in your portfolio. It’s meant as a guide only. Your *financial advisor* can help you make the decisions about which Funds best match your goals.

### **Risk classification methodology**

The risk ratings referred to in this section help you decide, along with your *financial advisor*, whether a Fund is right for you. This information is only a guide. The investment risk level indicated for each Fund is required to be determined in

accordance with the *CSA* standardized risk classification methodology, which is based on the historical *volatility* of the Fund as measured by the 10-year annualized *standard deviation* of the returns of the Fund. *Standard deviation* is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the *standard deviation* of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

As the Funds do not have a 10-year return history, Fidelity calculates the investment risk level of each Fund by imputing the return history of one or more reference indices for the 10-year period. In the case where a Fund invests substantially all of its assets in one or more *underlying funds* that have existed for at least 10 years, Fidelity uses the returns of the *underlying fund(s)* to complete a 10-year return history of the Fund for the purpose of estimating its 10-year *standard deviation*. In the case where a Fund follows a substantially similar investment strategy of another Fidelity Fund that has been in existence for at least 10 years, Fidelity uses the returns of that Fidelity Fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year *standard deviation*.

Fidelity assigns a risk rating category that is at, or higher than, the applicable rating indicated by the *standard deviation* ranges in the *CSA*’s standardized risk classification methodology, as outlined in the table below.

### **CSA standard deviation ranges and risk ratings**

<b>Standard deviation range</b>	<b>Risk rating</b>
0 to less than 6	Low
6 to less than 11	Low to Medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

It is important to note that other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Fund’s historical *volatility* may not be indicative of its future *volatility*. Fidelity may exercise its discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized *standard deviation* and

the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized *standard deviation* does not reflect.

### Reference index for each Fund

The following indices or combinations of indices were used as proxies for Fund returns for periods between the inception of the Fund and ten years prior to the inception of the Fund.

FUND	REFERENCE INDEX OR FIDELITY FUND
Fidelity Multi-Asset Innovation Fund	<ul style="list-style-type: none"> <li>• 60% NASDAQ Composite Index</li> <li>• 40% Bloomberg Barclays U.S. Aggregate Bond Index (Hedged CAD)</li> </ul>
Fidelity All-in-One Balanced ETF Fund	<ul style="list-style-type: none"> <li>• 15% S&amp;P/TSX Composite Index</li> <li>• 30% Russell 1000 Index</li> <li>• 15% MSCI EAFE Index</li> <li>• 30% FTSE Canada Universe Bond Index</li> <li>• 10% Bloomberg Barclays Global Aggregate Bond Index (Hedged CAD)</li> </ul>
Fidelity All-in-One Growth ETF Fund	<ul style="list-style-type: none"> <li>• 21.25% S&amp;P/TSX Composite Index</li> <li>• 42.5% Russell 1000 Index</li> <li>• 21.25% MSCI EAFE Index</li> <li>• 11.25% FTSE Canada Universe Bond Index</li> <li>• 3.75% Bloomberg Barclays Global Aggregate Bond Index (Hedged CAD)</li> </ul>
Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund	<ul style="list-style-type: none"> <li>• Bloomberg Barclays U.S. Aggregate Bond Index (Hedged CAD)</li> </ul>

### Benchmark Definitions

The **Bloomberg Barclays Global Aggregate Bond Index (Hedged CAD)** covers the most liquid portion of the global *investment grade* fixed-rate bond market, including government, credit and collateralized securities, hedged to the Canadian dollar.

The **Bloomberg Barclays U.S. Aggregate Bond Index (Hedged CAD)** is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and

mortgage backed securities, with maturities of one year or more, hedged to the Canadian Dollar.

The **FTSE Canada Universe Bond Index** is capitalization-weighted, with more than 950 Canadian bonds, and includes the highest quality bonds with terms-to-maturity of one to thirty years, designed to reflect the Canadian bond market.

The **MSCI EAFE Index** is a free float-adjusted market capitalization weighted index designed to measure *developed market* equity performance, excluding Canada and the U.S. The MSCI EAFE Index is composed of companies representative of the market structure of *developed market* countries.

The **NASDAQ Composite Index** measures all NASDAQ domestic and international based common type stocks listed on The Nasdaq Stock Market. The Index includes over 3,000 securities. The Index is calculated under a market capitalization weighted methodology index.

The **Russell 1000 Index** is an index of 1,000 of the largest companies, by market capitalization, in the U.S. equity market.

The **S&P/TSX Composite Index** is an index of stocks that are generally considered to represent the Canadian equity market. The S&P/TSX Capped Composite Index is the same as the S&P/TSX Composite Index except that it is adjusted quarterly so that no single stock has a relative weight in the index greater than 10.0%.

You can get details of the methodology that we use to identify the risk level of a Fund by calling us at 1-800-263-4077, by sending us an email at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French), or by writing to us at Fidelity Investments Canada ULC, 483 Bay Street, Suite 300, Toronto, Ontario, M5G 2N7.

### 6. Distribution policy

This section tells you when you can expect to receive payments of net income, capital gains, or returns of capital from the Fund. We may pay distributions at other times.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the same series of the same Fund.

## Specific information about each of the mutual funds described in this document (*continued*)

Except as described below, distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of the same series of the same Fund unless you tell us in writing that you want to receive them in cash. You won't pay any sales charges on reinvested distributions or on cash distributions. Distributions paid on the redemption of units are not reinvested, but are instead paid to you in cash. Cash distributions can be paid directly to your bank account by way of electronic funds transfer or by cheque. We may charge you a fee of \$25 for each cash distribution you request by cheque.

The *T-SWP*<sup>®</sup> *Series* make monthly distributions of an amount generally comprised of net income and/or return of capital on the last business day of each month. As well, for these series, any income or capital gains distributed in December of each year must be reinvested in additional units of the Funds.

The monthly distributions on the *T-SWP*<sup>®</sup> *Series* (as indicated in the relevant Fund profile) are paid in cash unless you tell us in writing that you want them to be reinvested in additional units of the same series of the Fund.

Commencing on a date following the date of this simplified prospectus, you will be able to customize your *T-SWP*<sup>®</sup> *Series* monthly distributions to select the portion that you wish to be paid in cash (between 0-100%) with the amount remaining to be reinvested in: (i) additional units of the same series of the Fund, and (ii) when this option becomes available, units of another Fund. In order to use these options, you will need to provide us with instructions in writing.

For Series E1T5, E2T5, E3T5, E4T5, E5T5, F5, P1T5, P2T5, P3T5, P4T5, P5T5, S5 and T5 units, the aggregate monthly distributions that are made each year are expected to be between 4.5% and 5.5% of the average net asset value of the applicable series of the Asset Allocation and Balanced Funds.

The aggregate monthly distributions that are made on Series F8, S8 and T8 units each year are expected to be between approximately 7.5% and 9% of the average net asset value of the applicable series of the Asset Allocation and Balanced Funds.

A return of capital distribution is not taxable, but reduces the adjusted cost base of your units. You should not confuse this cash flow distribution with a Fund's rate of return or yield.

You can find more information about distributions and adjusted cost base in the ***Income tax considerations for investors*** section.

### **7. Fund expenses indirectly borne by investors**

Each series of a Fund is responsible for its own expenses and its proportionate share of common Fund expenses that are not included as part of the *Administration Fee*. While you don't pay these costs directly, they reduce the Fund's return. The hypothetical example in this section helps you compare the expenses of the Fund to the costs of investing in other Funds. You can find more information about the costs of investing in the Funds in the ***Fees and expenses*** section.

The example shows the expenses you would pay if:

- You invested \$1,000 in the Fund for each period shown and paid the maximum sales charge.
- The Fund's return was 5% each year.
- The Fund paid the same *management expense ratio* or *MER* in all periods as it did in its last financial year.

We have not shown examples of these expenses because the Funds are new and have no historical fund expense information to disclose.

# Fidelity Multi-Asset Innovation Fund

## Fund details

<b>Fund type</b>	Global <i>asset allocation</i> fund
<b>Date started</b>	Series B, E1, E1T5, E2, E2T5, E3, E3T5, E4, E4T5, E5, E5T5, F, F5, F8, O, P1, P1T5, P2, P2T5, P3, P3T5, P4, P4T5, P5, P5T5, S5 and S8 - January 12, 2021
<b>Type of securities</b>	Series B*, E1*, E1T5*, E2*, E2T5*, E3*, E3T5*, E4*, E4T5*, E5*, E5T5*, F*, F5*, F8*, O*, P1*, P1T5*, P2*, P2T5*, P3*, P3T5*, P4*, P4T5*, P5*, P5T5*, S5* and S8* units of a mutual fund trust
<b>Eligibility for registered plans</b>	Expected to be a qualified investment for registered plans

Management and advisory fee and administration fee	Series	Management and advisory fee**	Administration fee***
	B, S5 and S8	1.750%	0.250%
	E1 and E1T5	1.725%	0.200%
	E2 and E2T5	1.700%	0.150%
	E3 and E3T5	1.675%	0.150%
	E4 and E4T5	1.650%	0.125%
	E5 and E5T5	1.600%	0.125%
	F, F5 and F8	0.750%	0.200%
	P1 and P1T5	0.725%	0.150%
	P2 and P2T5	0.700%	0.100%
	P3 and P3T5	0.675%	0.100%
	P4 and P4T5	0.650%	0.075%
	P5 and P5T5	0.600%	0.075%

\*This series can also be bought in U.S. dollars.

\*\*With respect to the Fund's investments in *underlying funds* managed by Fidelity, we adjust the management fees payable by the Fund to ensure that the total annual fees paid directly and indirectly to us by the Fund do not exceed the annual management fee set out above.

\*\*\*This is the *Administration Fee* if the Fund has less than \$100 million in net assets. If the Fund has between \$100 million and \$1 billion in net assets, the *Administration Fee* on each series is reduced by 0.01%. If the Fund has over \$1 billion in net assets, there is a further 0.01% reduction.

## What does the fund invest in?

### Investment objectives

The Fund aims to achieve a high total investment return.

It invests primarily in a mix of equity and an expansive set of *fixed income securities* of U.S. issuers and other issuers from around the world.

When investing in equity securities, the Fund seeks to identify companies that are positioned to benefit from the

application of innovative and emerging technology or that employ innovative business models.

The types of *fixed income securities* the Fund may invest in include, but are not limited to, global *investment grade fixed income securities* and higher yielding lower quality *fixed income securities*.

The Fund can invest in these securities either directly or indirectly through investments in *underlying funds*.

We can't change the Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

### Investment strategies

To meet the Fund's objectives, the portfolio management team:

- Invests primarily in *underlying funds*. Currently, the underlying funds are Fidelity Global Innovators® Investment Trust and Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund.
- Follows a *neutral mix* guideline of approximately 60% exposure to Fidelity Global Innovators® Investment Trust and 40% exposure to Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund.
- Depending on market conditions, may vary the asset mix by up to +/- 20% from the *neutral mix* if it believes this produces the best overall return.
- May change the *underlying funds* invested in, or the percentage of the Fund's assets invested in a particular *underlying fund*, at any time.
- When buying and selling equity securities, the portfolio management team of the *underlying fund* considers factors about a company, including:
  - Financial condition.
  - Industry position.
  - Growth and earnings potential.
  - Economic and market conditions.
  - Earnings estimates.
  - Quality of management.



## Fidelity Multi-Asset Innovation Fund (*continued*)

- For private companies, share price relative to potential public offering or acquisition price.
- When buying and selling *high yield securities*, the portfolio management team of the *underlying fund* examines each issuer's potential based on factors, such as:
  - Financial condition.
  - Industry position.
  - Economic and market conditions.
  - The security's features.
  - Price compared to estimated long-term value.
  - Earnings potential.
  - Credit quality of the issuer.
  - Quality of management.
  - Current yield.
  - Balance sheet strength.
  - Financial leverage.
  - Liquidity.
  - Expected ability to service debt
- When buying and selling other *fixed income securities*, the portfolio management team of the *underlying fund* analyzes other factors, such as:
  - The security's features.
  - Price compared to estimated long-term value.
  - Credit quality of the issuer.
  - Current yield.
  - Balance sheet strength
  - Financial leverage
  - Any short-term trading opportunities resulting from market inefficiencies.

The *underlying funds* may also:

- Invest in companies of any size anywhere in the world.
- Invest in securities of private companies.

- Invest in securities that don't produce income, including defaulted securities and common stock.
- Invest in companies in a troubled or uncertain financial condition.
- Invest in *fixed income securities* of any quality or term.
- Invest in other *underlying funds*, which make these *third-tier funds* for the Fund.
- Change the *third-tier funds* in which it invests, or the percentage of the Fund's assets invested in a particular *third-tier fund*, at any time.

Both the Fund and the *underlying funds* may hold cash.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Specific information about each of the mutual funds described in this document***, the Fund, the *underlying funds* and any *third-tier fund* may:

- Engage in *securities lending, repurchase and reverse repurchase transactions*.
- Invest in precious metals and other physical commodities through *Commodity ETFs* and/or *derivatives*.

Portfolio management responsibility is at the level of the *underlying funds* regarding the selection of any *third-tier funds* and other assets held by the *underlying funds*.

Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund will hedge some or all of its foreign currency exposure. The portfolio management team makes this decision as part of the implementation of the overall investment strategy of this Fund based on a number of factors, including its view of the relative investment merits of the particular foreign currency versus the Canadian dollar. The exposure to foreign currency varies based on the extent of its foreign currency denominated investments, as well as the extent to which the portfolio management team decides to hedge any *third-tier fund's* currency exposure. The foreign currency exposure may change at any time and without notice.

Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund uses forward contracts to hedge as completely as possible



against fluctuations caused by changes in exchange rates between *developed market* foreign currencies and the Canadian dollar. Therefore, generally, this Fund does not benefit from an increase in the value of foreign currencies against the Canadian dollar.

The Fund, the *underlying funds* or any *third-tier fund* may depart from their investment objectives or strategies by temporarily investing all or a portion of their assets in cash or *fixed income securities* issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to try to protect the Fund during a market downturn, or for other reasons.

The portfolio management team of the Fund, the *underlying funds* or any *third-tier fund* may actively trade their investments. This can increase trading costs, which lowers returns. It also increases the possibility that you receive capital gains distributions, which are taxable if you hold the Fund in a non-registered account.

Additional information about Fidelity Global Innovators® Investment Trust is set out in its simplified prospectus and Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund is set out in this simplified prospectus. You can get copies by contacting us or by asking your *financial advisor*.

## What are the risks of investing in the fund?

The checklist below shows you the risks that apply to the Fund. The risks without a bullet in either column are not a risk for the Fund. You'll find a complete description of each risk in ***What is a mutual fund and what are the risks of investing in a mutual fund.***

### Risk Checklist

	Main risk	Additional risk
Asset-backed securities and mortgage-backed securities		●
Borrowing		
Calculation and termination of the indices		
Cease trading and halted trading of units		
Cease trading of constituent securities		
Commodity		●

	Main risk	Additional risk
Concentration		●
Credit	●	
Currency	●	
Cyber security		●
Derivative	●	
Equity	●	
ETF		●
Foreign investment	●	
Income tax		●
Index investment strategy		
Interest rate	●	
Large transaction		●
Liquidity		●
Portfolio management		●
Rebalancing and subscriptions		
Repurchase transactions		●
Reverse repurchase transactions		●
Sampling methodology		
Securities lending transactions		●
Series		●
Small company	●	
Specialization		●
Tracking error		

## Who should invest in this fund?

You might want to consider the Fund if you plan to hold your investment for the medium- to long-term, want to gain exposure to both global equity and *fixed income securities*, want the convenience of a diversified portfolio in a single fund and can handle the *volatility* of returns generally associated with equity investments. The Fund is not an appropriate investment if you have a short-term investment horizon.

To invest in the Fund, you should be able to accept a low to medium level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

## Fidelity Multi-Asset Innovation Fund (*continued*)

### Distribution policy

The Fund generally distributes any net income and capital gains in December of each year and may also pay distributions at other times during the year.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the Fund. Distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of the Fund unless you tell us in writing that you want to receive them in cash. However, the monthly distributions on the *T-SWP® Series* are paid in cash unless you tell us in writing that you want them to be reinvested in additional units of the Fund or, when this option becomes available, another Fund.

For other options that may be available to you, see ***Specific information about each of the mutual funds described in this document.***

### Fund expenses indirectly borne by investors

This information has not been provided because the Fund is new, and has no historical fund expense information.

# Fidelity All-in-One Balanced ETF Fund

## Fund details

<b>Fund type</b>	Diversified income fund		
<b>Date started</b>	Series B, F and O - January 12, 2021		
<b>Type of securities</b>	Series B, F and O units of a mutual fund trust		
<b>Eligibility for registered plans</b>	Expected to be a qualified investment for registered plans		
<b>Management and advisory fee and administration fee</b>	<b>Series</b>	<b>Management and advisory fee*</b>	<b>Administration fee**</b>
	B	1.00%	0.250%
	F	0.00%	0.200%

\*It is expected that the effective, indirect management fee will be approximately 0.35%. This fee is only an estimate based on the initial weighting of the portfolio of the *underlying fund*, and does not take into account the performance of the *third-tier funds* in which the *underlying fund* invests nor any rebalancing events.

\*\*This is the *Administration Fee* if the Fund has less than \$100 million in net assets. If the Fund has between \$100 million and \$1 billion in net assets, the *Administration Fee* on each series is reduced by 0.01%. If the Fund has over \$1 billion in net assets, there is a further 0.01% reduction.

## What does the fund invest in?

### Investment objectives

The Fund aims to achieve capital growth through total returns.

The Fund seeks a similar return to its *underlying fund*, which is also managed by Fidelity, by investing substantially all of its assets in securities of that *underlying fund*. The *underlying fund* aims to achieve capital growth through total returns by using a strategic asset allocation approach. The *underlying fund* invests primarily in other *underlying funds*. These *underlying funds* generally invest, either directly or indirectly, in a mix of global equity securities and *fixed income securities*. Currently, the *underlying fund* is Fidelity All-in-One Balanced ETF.

We can't change the Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

### Investment strategies

The strategies described below relate to the Fund and the *underlying fund*, Fidelity All-in-One Balanced ETF.

To meet the Fund's objectives, the portfolio management team of the *underlying fund*:

- Follows a *neutral mix* guideline of approximately 60% global equity securities and approximately 40% global *fixed income securities*. The portfolio will be rebalanced annually. Additionally, if the portfolio deviates from its *neutral mix* by greater than 5% between annual rebalances, the portfolio will also be rebalanced. Such rebalancing activity may not occur immediately upon crossing that threshold but will occur shortly thereafter. Based on market activity, the portfolio may deviate from its *neutral mix*.
- Invests more than 10% of its net asset value in other *underlying funds* managed by Fidelity. We call these other funds *third-tier funds* for the Fund. These *third-tier funds* may, in turn, invest more than 10% of their net asset value in other *underlying funds*. We call these other funds *fourth-tier funds* for the Fund.
- Will invest in *third-tier funds* managed by Fidelity. The equity portion will include Fidelity Index ETFs that offer exposure to North American and developed international equities. The fixed income portion will include Fidelity Fixed Income ETFs that offer exposure to a wide variety of *fixed income securities*, including Canadian and global investment grade *fixed income securities*, *high yield securities* and *floating rate debt instruments*.
- May change the *third-tier funds* in which it invests, or the percentage of assets invested in a particular *third-tier fund* at any time. Any change in a *third-tier fund* will result in a change in the *fourth-tier funds*.

Portfolio management responsibility is at the level of:

- The *underlying fund* regarding the selection of any *third-tier funds* and other assets held by the *underlying fund*.
- Any *third-tier fund* regarding the selection of any *fourth-tier funds* and other assets held by the *third-tier fund*.
- Any *fourth-tier fund* regarding the selection of assets held by the *fourth-tier fund*.

The *underlying fund* will initially invest in the following *third-tier funds*:

## Fidelity All-in-One Balanced ETF Fund (continued)

Third-tier Funds	Management Fee	Strategic Allocation
Fidelity Canadian Low Volatility Index ETF	0.35%	3.75%
Fidelity U.S. Low Volatility Index ETF	0.35%	7.50%
Fidelity International Low Volatility Index ETF	0.45%	3.75%
Fidelity Canadian High Quality Index ETF	0.35%	3.75%
Fidelity U.S. High Quality Index ETF	0.35%	7.50%
Fidelity International High Quality Index ETF	0.45%	3.75%
Fidelity Canadian Value Index ETF	0.35%	3.75%
Fidelity U.S. Value Index ETF	0.35%	7.50%
Fidelity International Value Index ETF	0.45%	3.75%
Fidelity Canadian Momentum Index ETF	0.35%	3.75%
Fidelity U.S. Momentum Index ETF	0.35%	7.50%
Fidelity International Momentum Index ETF	0.45%	3.75%
Fidelity Systematic Canadian Bond Index ETF	0.25%	30.00%
Fidelity Global Core Plus Bond ETF	0.50%	10.00%

The above *third-tier funds* are subject to change at the discretion of the *underlying fund's* portfolio management team. The *third-tier funds* listed above may be removed from the *underlying fund's* portfolio and other *third-tier funds* not listed above may be added. The *underlying fund's* portfolio weightings are disclosed in the interim and annual management reports of fund performance and in the quarterly portfolio disclosure report of the Fund and/or *underlying fund*.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in **Specific information about each of the mutual funds described in this document**, the Fund, the *underlying fund*, any *third-tier fund* or any *fourth-tier fund* may:

- Engage in *securities lending, repurchase and reverse repurchase transactions*.
- Use *derivatives* for *hedging* and *non-hedging* purposes.

- Invest in precious metals and other physical commodities through *Commodity ETFs* and/or *derivatives*.

Both the Fund and the *underlying fund* may hold cash.

The Fund, the *underlying fund*, any *third-tier fund* or any *fourth-tier fund* may depart from its investment objectives or strategies by temporarily investing all or a portion of their assets in cash or *fixed income securities* issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to seek protection during a market downturn, or for other reasons.

The portfolio management team of the *underlying fund*, any *third-tier fund* or any *fourth-tier fund* may actively trade its investments. This can increase trading costs, which lowers returns. It also increases the possibility that you receive capital gains distributions, which are taxable if you hold the Fund in a non-registered account.

Additional information about Fidelity All-in-One Balanced ETF is set out in its prospectus. You can get copies by contacting us or by asking your *financial advisor*.

## What are the risks of investing in the fund?

The checklist below shows you the risks that apply to the Fund. The risks without a bullet in either column are not a risk for the Fund. You'll find a complete description of each risk in **What is a mutual fund and what are the risks of investing in a mutual fund**.

### Risk checklist

	Main risk	Additional risk
Asset-backed securities and mortgage-backed securities		●
Borrowing		●
Calculation and termination of the indices		●
Cease trading and halted trading of units		●
Cease trading of constituent securities		●
Commodity		●
Concentration		●
Credit	●	
Currency	●	

	Main risk	Additional risk
Cyber security		●
Derivative		●
Equity	●	
ETF	●	
Foreign investment	●	
Income tax		●
Index investment strategy		●
Interest rate	●	
Large transaction		●
Liquidity		●
Portfolio management		●
Rebalancing and subscriptions		●
Repurchase transactions		●
Reverse repurchase transactions		●
Sampling methodology		●
Securities lending transactions		●
Series		●
Small company		
Specialization		
Tracking error		●

## Who should invest in this fund?

You might want to consider the Fund if you plan to hold your investment for the medium to long-term, want to gain exposure to global equity securities and *fixed income securities*, want the convenience of a diversified portfolio in a single fund and can handle the *volatility* of returns generally associated with equity investments. The Fund is not an appropriate investment if you have a short-term investment horizon.

To invest in the Fund, you should be able to accept a low to medium level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

## Distribution policy

The Fund generally distributes any net income and capital gains in December of each year and may also pay distributions at other times during the year.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the Fund. Distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of the Fund unless you tell us in writing that you want to receive them in cash.

For other options that may be available to you, see ***Specific information about each of the mutual funds described in this document.***

## Fund expenses indirectly borne by investors

This information has not been provided because the Fund is new, and has no historical fund expense information.

# Fidelity All-in-One Growth ETF Fund

## Fund details

<b>Fund type</b>	Global diversified income fund		
<b>Date started</b>	Series B, F and O - January 12, 2021		
<b>Type of securities</b>	Series B, F and O units of a mutual fund trust		
<b>Eligibility for registered plans</b>	Expected to be a qualified investment for registered plans		
<b>Management and advisory fee and administration fee</b>	<b>Series</b>	<b>Management and advisory fee*</b>	<b>Administration fee**</b>
	B	1.00%	0.250%
	F	0.00%	0.200%

\*It is expected that the effective, indirect management fee will be approximately 0.37%. This fee is only an estimate based on the initial weighting of the portfolio of the *underlying fund*, and does not take into account the performance of the *third-tier funds* in which the *underlying fund* invests nor any rebalancing events.

\*\*This is the *Administration Fee* if the Fund has less than \$100 million in net assets. If the Fund has between \$100 million and \$1 billion in net assets, the *Administration Fee* on each series is reduced by 0.01%. If the Fund has over \$1 billion in net assets, there is a further 0.01% reduction.

## What does the fund invest in?

### Investment objectives

The Fund aims to achieve capital growth through total returns.

The Fund seeks a similar return to its *underlying fund*, which is also managed by Fidelity, by investing substantially all of its assets in securities of that *underlying fund*. The *underlying fund* aims to achieve capital growth through total returns by using a strategic asset allocation approach. The *underlying fund* invests primarily in other *underlying funds*. These *underlying funds* generally invest, either directly or indirectly, in a mix of global equity securities and *fixed income securities*, with generally more emphasis on equity securities. Currently, the *underlying fund* is Fidelity All-in-One Growth ETF.

We can't change the Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

### Investment strategies

The strategies described below relate to the Fund and the *underlying fund*, Fidelity All-in-One Growth ETF.

To meet the Fund's objectives, the portfolio management team of the *underlying fund*:

- Follows a *neutral mix* guideline of approximately 85% global equity securities and approximately 15% global *fixed income securities*. The portfolio will be rebalanced annually. Additionally, if the portfolio deviates from its *neutral mix* by greater than 5% between annual rebalances, the portfolio will also be rebalanced. Such rebalancing activity may not occur immediately upon crossing that threshold but will occur shortly thereafter. Based on market activity, the portfolio may deviate from its *neutral mix*.
- Invests more than 10% of its net asset value in other *underlying funds* managed by Fidelity. We call these other funds *third-tier funds* for the Fund. These *third-tier funds* may, in turn, invest more than 10% of their net asset value in other *underlying funds*. We call these other funds *fourth-tier funds* for the Fund.
- Will invest in *third-tier funds* managed by Fidelity. The equity portion will include Fidelity Index ETFs that offer exposure to North American and developed international equities. The fixed income portion will include Fidelity Fixed Income ETFs that offer exposure to a wide variety of *fixed income securities*, including Canadian and global investment grade *fixed income securities*, *high yield securities* and *floating rate debt instruments*.
- May change the *third-tier funds* in which it invests, or the percentage of assets invested in a particular *third-tier fund* at any time. Any change in a *third-tier fund* will result in a change in the *fourth-tier funds*.

Portfolio management responsibility is at the level of:

- The *underlying fund* regarding the selection of any *third-tier funds* and other assets held by the *underlying fund*.
- Any *third-tier fund* regarding the selection of any *fourth-tier funds* and other assets held by the *third-tier fund*.
- Any *fourth-tier fund* regarding the selection of assets held by the *fourth-tier fund*.

The *underlying fund* will initially invest in the following *third-tier funds*:



Third-tier Funds	Management Fee	Strategic Allocation
Fidelity Canadian Low Volatility Index ETF	0.35%	5.31%
Fidelity U.S. Low Volatility Index ETF	0.35%	10.63%
Fidelity International Low Volatility Index ETF	0.45%	5.31%
Fidelity Canadian High Quality Index ETF	0.35%	5.31%
Fidelity U.S. High Quality Index ETF	0.35%	10.63%
Fidelity International High Quality Index ETF	0.45%	5.31%
Fidelity Canadian Value Index ETF	0.35%	5.31%
Fidelity U.S. Value Index ETF	0.35%	10.63%
Fidelity International Value Index ETF	0.45%	5.31%
Fidelity Canadian Momentum Index ETF	0.35%	5.31%
Fidelity U.S. Momentum Index ETF	0.35%	10.63%
Fidelity International Momentum Index ETF	0.45%	5.31%
Fidelity Systematic Canadian Bond Index ETF	0.25%	11.25%
Fidelity Global Core Plus Bond ETF	0.50%	3.75%

The above *third-tier funds* are subject to change at the discretion of the *underlying fund's* portfolio management team. The *third-tier funds* listed above may be removed from the *underlying fund's* portfolio and other *third-tier funds* not listed above may be added. The *underlying fund's* portfolio weightings are disclosed in the interim and annual management reports of fund performance and in the quarterly portfolio disclosure report of the Fund and/or *underlying fund*.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Specific information about each of the mutual funds described in this document***, the Fund, the *underlying fund*, any *third-tier fund* or any *fourth-tier fund* may:

- Engage in securities lending, *repurchase* and *reverse repurchase transactions*.
- Use *derivatives* for *hedging* and non-*hedging* purposes.

- Invest in precious metals and other physical commodities through *Commodity ETFs* and/or *derivatives*.

Both the Fund and the *underlying fund* may hold cash.

The Fund, the *underlying fund*, any *third-tier fund* or any *fourth-tier fund* may depart from its investment objectives or strategies by temporarily investing all or a portion of its assets in cash or *fixed income securities* issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to seek protection during a market downturn, or for other reasons.

The portfolio management team of the *underlying fund*, any *third-tier fund* or any *fourth-tier fund* may actively trade its investments. This can increase trading costs, which lowers returns. It also increases the possibility that you receive capital gains distributions, which are taxable if you hold the Fund in a non-registered account.

Additional information about Fidelity All-in-One Growth ETF is set out in its prospectus. You can get copies by contacting us or by asking your *financial advisor*.

## What are the risks of investing in the fund?

The checklist below shows you the risks that apply to the Fund. The risks without a bullet in either column are not a risk for the Fund. You'll find a complete description of each risk in ***What is a mutual fund and what are the risks of investing in a mutual fund***.

### Risk Checklist

	Main risk	Additional risk
Asset-backed securities and mortgage-backed securities		●
Borrowing		●
Calculation and termination of the indices		●
Cease trading and halted trading of units		●
Cease trading of constituent securities		●
Commodity		●
Concentration		●
Credit	●	
Currency	●	

## Fidelity All-in-One Growth ETF Fund (continued)

	Main risk	Additional risk
Cyber security		●
Derivative		●
Equity	●	
ETF	●	
Foreign investment	●	
Income tax		●
Index investment strategy		●
Interest rate	●	
Large transaction		●
Liquidity		●
Portfolio management		●
Rebalancing and subscriptions		●
Repurchase transactions		●
Reverse repurchase transactions		●
Sampling methodology		●
Securities lending transactions		●
Series		●
Small company		
Specialization		
Tracking error		●

### Who should invest in this fund?

You might want to consider the Fund if you plan to hold your investment for the medium to long-term, want to gain exposure to global equity securities and *fixed income securities*, want the convenience of a diversified portfolio in a single fund and can handle the *volatility* of returns generally associated with equity investments. The Fund is not an appropriate investment if you have a short-term investment horizon.

To invest in the Fund, you should be able to accept a low to medium level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

### Distribution policy

The Fund generally distributes any net income and capital gains in December of each year and may also pay distributions at other times during the year.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the Fund. Distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of the Fund unless you tell us in writing that you want to receive them in cash.

For other options that may be available to you, see ***Specific information about each of the mutual funds described in this document.***

### Fund expenses indirectly borne by investors

This information has not been provided because the Fund is new, and has no historical fund expense information.

# Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund\*

## Fund details

<b>Fund type</b>	U.S. diversified income fund
<b>Date started</b>	Series O**, January 12, 2021
<b>Type of securities</b>	Series O units of a trust
<b>Eligibility for registered plans</b>	The units are not qualified investments for registered plans

\*Units of the Fund are only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity, and are not available for public purchase.

\*\*This series can also be bought in U.S. dollars.

## What does the fund invest in?

### Investment objectives

The Fund aims to provide a steady flow of income and the potential for capital gains.

It invests primarily in a mix of *fixed income securities* of U.S. issuers and other issuers from around the world. It can invest in these securities either directly or indirectly through investments in *underlying funds*.

The Fund uses *derivatives* to try to minimize the exposure to currency fluctuations between *developed market* foreign currencies and the Canadian dollar. The Fund may also hedge against other foreign currencies.

We can't change the Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting we call.

### Investment strategies

To meet the Fund's objectives, the portfolio management team:

- Exercises broad flexibility by investing, either directly or indirectly through investments in *underlying funds*, in an expansive set of *fixed income securities*, including global *investment grade fixed income securities*, and higher yielding lower quality *fixed income securities*.
- Tactically allocates the Fund's assets among issuers in different market sectors, industries, asset classes, and maturities, based on its view of the relative value of each sector, industry, asset class, or maturity.
- Does not typically exceed 70% of the Fund's net assets in *non-investment grade fixed income securities*.

- Combines top-down perspectives and bottom-up security selection.
- Performs a macroeconomic assessment in order to formulate top-down views that are used to tactically adjust the composition of the portfolio over time, such as asset class selection, sector rotation, and industry selection.
- Considers factors that shape the fixed income markets, such as government and central banking policies, fiscal dynamics, demographic factors, trade policy, currency management, default cycle, inflation, and business cycle dynamics.
- Uses top-down perspectives to help shape the sector allocation, quality, yield curve positioning, and *duration* of the portfolio.
- Considers the *duration* of the Fund, and has flexibility to vary the *duration* in response to prevailing market conditions.
- When buying and selling *investment grade fixed income securities*, may consider other factors, such as:
  - The security's features.
  - Price compared to estimated long-term value.
  - Credit quality of the issuer.
  - Current yield.
  - Balance sheet strength.
  - Financial leverage.
  - Any short-term trading opportunities resulting from market inefficiencies.
- When buying and selling *high yield securities*, examines each issuer's potential based on factors, such as:
  - Financial condition.
  - Industry position.
  - Economic and market conditions.
  - Earnings potential.
  - Quality of management.
  - The security's features.

## Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund *(continued)*

- Price compared to estimated long-term value.
- Credit quality of the issuer.
- Current yield.
- Balance sheet strength.
- Financial leverage.
- Liquidity.
- Expected ability to service debt.

The Fund may also:

- Invest in securities that don't produce income, including defaulted securities and common stock.
- Invest in companies in a troubled or uncertain financial condition.
- Invest in *fixed income securities* of any quality or term.
- Hold cash.

In accordance with the limits, restrictions and requirements under applicable law, or as permitted under the terms of exemptive relief obtained from the Canadian securities regulators and described in ***Specific information about each of the mutual funds described in this document***, the Fund and any underlying Fidelity Fund may:

- Engage in *securities lending, repurchase and reverse repurchase transactions*.
- Use *derivatives* for *hedging* and *non-hedging* purposes.
- Invest in securities of *underlying funds* that are selected in accordance with the Fund's investment strategies.

The Fund will hedge some or all of its foreign currency exposure. The portfolio management team makes this decision as part of the implementation of the overall investment strategy of the Fund based on a number of factors, including its view of the relative investment merits of the particular foreign currency versus the Canadian dollar. The exposure to foreign currency varies based on the extent of its foreign currency denominated investments, as well as the extent to which the portfolio management team decides to hedge any *underlying funds* currency exposure. The foreign currency exposure may change at any time and without notice.

The Fund uses forward contracts to hedge as completely as possible against fluctuations caused by changes in exchange rates between *developed market* foreign currencies and the Canadian dollar. Therefore, generally, the Fund does not benefit from an increase in the value of foreign currencies against the Canadian dollar.

The Fund may depart from its investment objectives or strategies by temporarily investing all or a portion of its assets in cash or *fixed income securities* issued or guaranteed by a Canadian or U.S. government, government agency or company. The portfolio management team may take this action to try to protect the Fund during a market downturn, or for other reasons.

The portfolio management team may actively trade the Fund's investments. This can increase trading costs, which lowers the Fund's returns. It also increases the possibility that you receive capital gains distributions, which are taxable if you hold the Fund in a non-registered account.

### What are the risks of investing in the fund?

The checklist below shows you the risks that apply to the Fund. The risks without a bullet in either column are not a risk for the Fund. You'll find a complete description of each risk in ***What is a mutual fund and what are the risks of investing in a mutual fund***.

#### Risk Checklist

	Main risk	Additional risk
Asset-backed securities and mortgage-backed securities		●
Borrowing		
Calculation and termination of the indices		
Cease trading and halted trading of units		
Cease trading of constituent securities		
Commodity		●
Concentration		●
Credit	●	
Currency		●
Cyber security		●
Derivative	●	
Equity		
ETF		●
Foreign investment	●	
Income tax		●

	Main risk	Additional risk
Index investment strategy		
Interest rate	●	
Large transaction		●
Liquidity		●
Portfolio management		●
Rebalancing and subscriptions		
Repurchase transactions		●
Reverse repurchase transactions		●
Sampling methodology		
Securities lending transactions		●
Series		●
Small company		
Specialization		●
Tracking error		

## Who should invest in this fund?

You might want to consider the Fund if you plan to hold your investment for the medium- to long-term, want to gain exposure to *fixed income securities* of U.S. issuers and other issuers from around the world while seeking to lower your risk from currency fluctuations between *developed market* foreign currencies and the Canadian dollar and are seeking income from your investment and the potential for capital gains. The Fund is not an appropriate investment if you have a short-term investment horizon.

To invest in the Fund, you should be able to accept a low level of risk. For more information on how a fund's risk level is determined, see ***Specific information about each of the mutual funds described in this document.***

## Distribution policy

The Fund generally distributes any net income at the end of each month. Any capital gains for the year are distributed in December of each year. The Fund may also pay distributions at other times during the year.

## Fund expenses indirectly borne by investors

The Fund is only available for purchase by the Fidelity Funds and other funds and accounts managed or advised by Fidelity, and does not pay management and advisory fees.



# Glossary

**Administration Fee** is a fixed rate administration fee that is paid by all of the Funds except Fidelity Canadian Money Market Fund, Fidelity U.S. Money Market Fund and Series E and P units of Fidelity Canadian Short Term Bond Fund. For each series of the Funds, except Series O, Fidelity pays all of the operating costs (including for services provided by Fidelity and/or its affiliates), except for *Fund Costs*, in exchange for the Administration Fee. Series O units are only charged *Fund Costs*.

**AIS** is the *PFIC* annual information statement.

**asset allocation** refers to investing in different types of investments and asset classes.

**Commodity ETFs** are *ETFs* that seek to replicate the performance of one or more physical commodities, or of an index that tracks such performance, on an unleveraged basis.

**constituent securities** are, in relation to a particular index, the specific class or series of securities of the issuers included in that index, and may include American depositary receipts, global depositary receipts, and other negotiable financial instruments that represent such securities.

**convertible securities** are bonds, preferred stocks, and other securities that pay interest or dividends and are convertible into common stocks or for value equivalent to those common stocks. In general, a convertible security performs more like a stock when the underlying stock's price is high (because it is assumed that it will be converted into the stock) and more like a bond when the underlying stock's price is low (because it is assumed that it will mature without being converted).

**counterparty** is the other party to a *derivatives* contract.

**CRA** is the Canada Revenue Agency.

**CSA** is the Canadian Securities Administrators.

**dealer** is the company or partnership that employs your financial advisor.

**derivative** is an investment that bases its value on how well another kind of investment, like a stock, bond, currency, or market index, is doing. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Funds that invest in *derivatives* are in a position to make or lose money based on changes in the underlying interest, such as interest rates, securities prices, or currency exchange rates.

**developed market** is a country that is most developed in terms of its economy and capital markets. The country must be high income, but this also includes openness to foreign ownership, ease of capital movement, and efficiency of market institutions. This term is contrasted with developing market (emerging markets and frontier markets are types of developing markets).

**diversification** means owning several different investments at once.

**dividends** are the portion of any profit a company earns that are paid to you when you invest in equity securities of that company.

**duration** is a measure of interest rate risk. Interest rate risk is the possibility that a bond's market value falls when market interest rates rise. Duration is a quantitative measure that indicates the degree to which a bond fund's price fluctuates in response to changes in interest rates. If interest rates move higher, mutual funds with longer durations go down more in value than mutual funds that have shorter durations. For example, if rates rise 1.00%, a bond fund with a 5-year duration is likely to lose about 5.00% of its value, whereas a bond fund with an 8-year duration is likely to lose about 8.00% of its value.

**ETF** is an exchange-traded fund.

**fair value pricing** is the method used to determine value if the price is not a true reflection of the value of the security.

**fee distribution** is a special distribution that the Fund makes to investors, unless they hold Series E or P units. We reduce the fees we charge, and the fee distribution equal is to such amount. The fee distribution is paid first out of net income and net realized capital gains of the

Fund, and then out of the capital of the Fund. Fee distributions are automatically reinvested in additional units of the relevant series of the Fund, and are not paid to investors in cash.

**Fidelity Preferred Program** The program is available to Series B, S5, F and F5 securityholders who qualify to be automatically switched by Fidelity into Series E or P Securities based on their total eligible investments in Fidelity Funds. Series E and P Securities have lower combined management and advisory fees and *Administration Fees* than Series B, S5, F and F5 Securities. Currently, you may be eligible for the program if your holdings in Fidelity Funds exceed \$250,000 for an individual or \$500,000 for a Series E/P financial group.

**financial advisor** is the individual with whom you consult for investment advice.

**fixed income securities** are the obligations of an issuer to repay a sum of money, usually with interest.

**floating rate debt instruments** are debt securities issued by companies or other entities with floating interest rates that reset periodically. Most floating rate debt instruments are secured by specific collateral of the borrower, and are senior to most other securities of the borrower (e.g., common stock or debt instruments) in the event of bankruptcy. Floating rate debt instruments are often issued in connection with recapitalizations, acquisitions, leveraged buyouts, and refinancings. Floating rate debt instruments are typically structured and administered by a financial institution that acts as the agent of the investors investing in the floating rate debt instruments. Floating rate debt instruments may be acquired directly through the agent, as an assignment from another investor who holds a direct interest in the floating rate debt instrument, or as a participation interest in another investor's portion of the floating rate debt instrument.

**fourth-tier funds** are funds in which the *third-tier funds* may invest that are managed by Fidelity.

**Fund Costs** are certain costs that are not included in the *Administration Fee*. Each series is responsible for its proportionate share of common fund costs. For series O *Fund Costs*, see Series O fees.

**Gold/Silver ETFs** are *ETFs* that seek to replicate the performance of gold, silver or both, on a leveraged basis.

**hedging** is when mutual funds use *derivatives* to help offset losses that other investments might suffer because of changes in stock prices, commodity prices, interest rates, or currency exchange rates.

**high yield securities** are higher yielding, lower quality *fixed income securities*. *Fixed income securities* of lower quality have lower credit ratings. For example, bonds rated below BBB- by Standard & Poor's are considered high yield bonds.

**IRC** is the independent review committee, which is the fund governance agency for the Fidelity Funds, as contemplated by *NI 81-107*.

**initial sales charge** is the percentage of the purchase price you pay when you buy certain series of mutual fund units.

**investment grade** is the credit quality of a company or government that issues *fixed income securities*. Credit quality is a measure of the issuer's ability to pay interest and repay principal on time. The higher the credit quality of an issuer, the more likely the *fixed income securities* it issues is classified as investment grade. Professional rating agencies measure the credit quality of issuers. For instance, Standard & Poor's classifies bonds it rates BBB- or higher to be investment grade bonds.

**LAP financial group** is accounts held by related persons living at the same address, and includes accounts in the names of companies for which one or more members of the LAP financial group are beneficial owners of greater than 50% of the voting equity.

**Large Account Program** or **LAP** is a program we offer to large investors. Under this program, our decision to reduce the typical fees depends on a number of factors, including the size of the investment and the investor's total investments with us. We currently only consider an investor a "large investor" if the holdings with Fidelity are a minimum of \$250,000 individually, or \$500,000 for a *LAP financial group*.

## Glossary (*continued*)

**liquid** means that you can redeem your units at almost any time and get your money when you need it, even though you may get less than you invested. Unlike some other kinds of investments, mutual funds are liquid.

**management expense ratio** or **MER** is the management fee and certain operating expenses divided by the mutual fund's average net asset value for the year.

**money market instrument** or **money market investment** is an investment that the government or company agrees to pay back within a year or less. Examples are short-term bonds and government treasury bills.

**neutral mix** is a combination of any one or more of equity securities, *fixed income securities*, and *money market instruments* the Fund would have if we didn't factor in our expectations of current investment opportunities and equity and interest rate risk. We use the neutral mix as a guideline, and adjust the Fund's assets in reaction to, or in anticipation of, market changes.

**NI 81-102** is National Instrument 81-102 *Investment Funds*.

**NI 81-107** is National Instrument 81-107 *Independent Review Committee for Investment Funds*.

**PFIC** is the Passive Foreign Investment Company rules.

**QEF** is a Qualified Electing Fund.

**repurchase transaction** is where a mutual fund sells a security to another party for cash and agrees to buy the same security back from the same party for cash.

**reverse repurchase transaction** is when a mutual fund buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price later on.

**risk tolerance** is the amount of risk you are willing to take with your investment.

**Sales Tax** is harmonized sales tax and other applicable taxes that the management and advisory fees, *administration fees* and most of the *Fund Costs* are subject to.

**securities lending transaction** is similar to a *repurchase transaction*, except that instead of selling the security and agreeing to buy it back later, the mutual fund loans the security and can demand the return of the security at any time.

**standard deviation** is one of the most widely accepted ways to quantify the *volatility* of investment returns.

**Tax Act** is the *Income Tax Act* (Canada) and the regulations thereunder.

**T-SWP® Series** refers to Series E1T5, E2T5, E3T5, E4T5, E5T5, F5, F8, P1T5, P2T5, P3T5, P4T5, P5T5, S5 and S8 units of the Funds collectively.

**third-tier funds** are funds in which the *underlying funds* may invest, including *ETFs* and other funds managed by Fidelity.

**underlying funds** are funds in which the Funds may invest, including *ETFs* managed by Fidelity, other Fidelity entities or third parties and other funds managed by Fidelity.

**volatility** is swings in the prices of investments. Higher-risk investments, such as stocks and *high yield securities*, are likely to have changes in their prices from day to day. And some may have bigger changes than others.

# Fidelity® Funds

You can find additional information about each Fund in its annual information form and its most recently filed fund facts, annual and interim management reports of fund performance and annual and interim financial statements. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this document just as if they were printed in it.

You can get a copy of the Funds' annual information form, management reports of fund performance and financial statements at no cost by calling us at 1-800-263-4077, by sending us an e-mail at [cs.english@fidelity.ca](mailto:cs.english@fidelity.ca) (for assistance in English) or [sc.francais@fidelity.ca](mailto:sc.francais@fidelity.ca) (for assistance in French) or by asking your financial advisor. You'll also find this simplified prospectus, the fund facts, the financial statements and the management reports of fund performance on our website at [www.fidelity.ca](http://www.fidelity.ca).

These documents and other information about the Funds, such as information circulars and material contracts, are also available on our website at [www.fidelity.ca](http://www.fidelity.ca) and at [www.sedar.com](http://www.sedar.com).

## Asset Allocation and Balanced Fund

### **Global Asset Allocation and Balanced Fund**

Fidelity Multi-Asset Innovation Fund	Series B, E1, E1T5, E2, E2T5, E3, E3T5, E4, E4T5, E5, E5T5, F, F5, F8, O, P1, P1T5, P2, P2T5, P3, P3T5, P4, P4T5, P5, P5T5, S5 and S8 units
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## Fidelity ETF Funds

### **Global Asset Allocation and Balanced ETF Funds**

Fidelity All-in-One Balanced ETF Fund	Series B, F and O units
Fidelity All-in-One Growth ETF Fund	Series B, F and O units

## Building Block

Fidelity Multi-Sector Bond Hedged Multi-Asset Base Fund	Series O units
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