



Fidelity Advantage Bitcoin ETF[®]

Annual Financial Statements
March 31, 2024

Fidelity Advantage Bitcoin ETF®

Financial Statements

Statements of Financial Position

Amounts in thousands of Canadian Dollars (except per security amounts)

As at	March 31, 2024	March 31, 2023
Current assets (Note 3)		
Digital assets, at fair value	\$ 465,793	\$ 58,671
Cash	1,125	145
Receivables on foreign currency spot contracts	1	-
Subscriptions receivable	3,984	-
	<u>470,903</u>	<u>58,816</u>
Current liabilities (Note 3)		
Payable for investments purchased	3,934	-
Management and advisory fees payable (Note 4)	146	19
Other payables and accrued expenses (Notes 4 and 5)	30	36
	<u>4,110</u>	<u>55</u>
Net assets attributable to securityholders (Note 3 and 6)	<u>\$ 466,793</u>	<u>\$ 58,761</u>
Net assets attributable to securityholders per Series and per security (Note 6)		
Series L: (\$466,793 and \$58,761, respectively)	<u>\$ 31.75</u>	<u>\$ 12.91</u>

The accompanying notes are integral to these financial statements. See Note 1 for the Fund's reporting periods.

Fidelity Advantage Bitcoin ETF®
Financial Statements – continued

Statements of Comprehensive Income (Loss)

Amounts in thousands of Canadian Dollars (except per security amounts)

For the periods ended March 31,

	2024	2023
Income (Note 3)		
Interest	\$ 12	\$ -
Net gain (loss) on digital assets		
Net realized gain (loss) on digital assets	2,921	(22,739)
Change in net unrealized appreciation (depreciation) on digital assets	<u>201,533</u>	<u>13,966</u>
	<u>204,454</u>	<u>(8,773)</u>
Net gain (loss) on foreign currencies		
Net realized gain (loss) on foreign currency transactions	(14)	(21)
Change in net unrealized appreciation (depreciation) on other net assets in foreign currencies	<u>1</u>	<u>-</u>
	<u>(13)</u>	<u>(21)</u>
Total income (loss)	<u>204,453</u>	<u>(8,794)</u>
Operating expenses (Note 4)		
Management and advisory fees	549	139
Independent Review Committee fees	0	0
Custodian fees	213	104
Audit fees	25	32
Pricing and bookkeeping fees	77	87
Licensing fees	95	121
Filing fees	15	19
Sales tax	<u>87</u>	<u>44</u>
Total operating expenses	<u>1,061</u>	<u>546</u>
Expenses waived (Note 4)	(96)	(216)
Net operating expenses	<u>965</u>	<u>330</u>
Net increase (decrease) in net assets attributable to securityholders from operations	<u>\$ 203,488</u>	<u>\$ (9,124)</u>
Increase (decrease) in net assets attributable to securityholders from operations per Series (Note 3)		
Series L	<u>\$ 203,488</u>	<u>\$ (9,124)</u>
Increase (decrease) in net assets attributable to securityholders from operations per Series per security (Note 3 and 6)		
Series L	<u>\$ 26.97</u>	<u>\$ (2.70)</u>

The accompanying notes are integral to these financial statements. See Note 1 for the Fund's reporting periods.

Fidelity Advantage Bitcoin ETF®
Financial Statements – continued

Statements of Changes in Net Assets Attributable to Securityholders

Amounts in thousands of Canadian Dollars

For the periods ended March 31,

	2024 Series L	2023 Series L
Net assets attributable to securityholders, beginning of period	\$ 58,761	\$ 40,625
Increase (decrease) in net assets attributable to securityholders from operations	<u>203,488</u>	<u>(9,124)</u>
Security transactions (Note 6)		
Proceeds from sale of securities	217,644	140,238
Amounts paid upon redemption of securities	<u>(13,100)</u>	<u>(112,978)</u>
	<u>204,544</u>	<u>27,260</u>
Net assets attributable to securityholders, end of period	<u>\$ 466,793</u>	<u>\$ 58,761</u>

The accompanying notes are integral to these financial statements. See Note 1 for the Fund's reporting periods.

Fidelity Advantage Bitcoin ETF®
Financial Statements – continued

Statements of Cash Flows

Amounts in thousands of Canadian Dollars

For the periods ended March 31,

Cash flows from (used in) operating activities: (Note 3)

Purchases of digital assets

2024	2023
\$ (208,927)	\$ (120,453)

Proceeds from sale of digital assets

10,180	93,539
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Cash receipts from interest income

12	-
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Cash paid for operating expenses

(844)	(305)
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Net cash from (used in) operating activities

(199,579)	(27,219)
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Cash flows from (used in) financing activities: (Note 3)

Proceeds from sales of securities

213,660	142,173
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Amounts paid upon redemption of securities

(13,100)	(114,913)
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Net cash from (used in) financing activities

200,560	27,260
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Net change in cash

981	41
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Foreign exchange gain (loss) on cash

(1)	-
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Cash, beginning of period

145	104
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Cash, end of period

\$ 1,125	\$ 145
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The accompanying notes are integral to these financial statements. See Note 1 for the Fund's reporting periods.

Fidelity Advantage Bitcoin ETF®

Schedule of Investments March 31, 2024

Showing Percentage of Net Assets Attributable to Securityholders (Net Assets)

Digital Assets – 99.8%			
	Number of Bitcoin	Cost (000s)	Fair Value (000s)
Bitcoin	4,869	\$ 252,248	<u>\$465,793</u>
TOTAL INVESTMENT IN DIGITAL ASSETS – 99.8%		<u>252,248</u>	<u>465,793</u>
NET OTHER ASSETS (LIABILITIES) – 0.2%			<u>1,000</u>
NET ASSETS – 100.0%			<u><u>\$466,793</u></u>

Presentation Notes

Cost amount includes broker commissions and other trading expenses, if any.

The accompanying notes are integral to these financial statements. See Note 1 for the Fund’s reporting periods.

Fidelity Advantage Bitcoin ETF®

Fund Specific Notes to Financial Statements

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars/thousands of securities unless otherwise stated)

Formation of the Fund (Note 1)

The inception date of Fidelity Advantage Bitcoin ETF® (Fund) was November 22, 2021. The Fund's commencement of operations date was November 30, 2021 and the Fund commenced offering its Series of securities for sale on the Toronto Stock Exchange (TSX) on the following date:

Series	Listing Date	Ticker Symbol
L	December 02, 2021	FBTC

The closing price of the Fund's redeemable units as reported on the TSX was as follows:

March 28, 2024*	March 31, 2023*
\$32.00	\$13.12

* Mid-price is disclosed if no transaction took place on the last business day of the reporting period.

The Fund aims to invest in bitcoin. The Fund's benchmark is the Fidelity Bitcoin Index.

Investment and Derivative Valuation (Note 3)

The Fund categorizes the inputs to valuation techniques used to fair value its investments and derivatives into a disclosure hierarchy consisting of three levels as shown below. In addition, transfers between Level 1 and Level 2, if applicable, are presented for the periods indicated. For any investments identified as using Level 3 inputs at either the beginning or the end of the current fiscal period, reconciliations are presented for any activity which occurred in the periods indicated below.

Valuation Inputs at March 31, 2024:

Description (Amounts in thousands)	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Digital Assets	\$ 465,793	\$ —	\$ 465,793	\$ —
Total Investments in Securities:	<u>\$ 465,793</u>	<u>\$ —</u>	<u>\$ 465,793</u>	<u>\$ —</u>

Valuation Inputs at March 31, 2023:

Description (Amounts in thousands)	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Digital Assets	\$ 58,671	\$ —	\$ 58,671	\$ —
Total Investments in Securities:	<u>\$ 58,671</u>	<u>\$ —</u>	<u>\$ 58,671</u>	<u>\$ —</u>

Transfers from Level 1 to Level 2 and from Level 2 to Level 1 were \$- and \$-, respectively, during the period (\$- and \$-, respectively, in the prior period).

The Fund did not hold any significant positions of Level 3 investments at the beginning of, or end of, the period.

Measurement of redeemable securities issued by the Fund (Note 3)

The below table summarizes the differences in net assets attributable to securityholders per Series per security compared to NAVPS by Series for each Series that differed by \$0.01 or more. The difference is due to securities traded on a trade date plus one basis, being reported on the financial statements as of trade date.

Fidelity Advantage Bitcoin ETF®

Fund Specific Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars/thousands of securities unless otherwise stated)

	Net assets attributable to securityholders per Series per security (\$)	NAVPS (\$)	Difference (\$)
Period ended March 31, 2024			
Series L	31.75	31.87	(0.12)

Management and Advisory Fee (Note 4)

Fidelity provides investment advice with respect to the Fund's investment portfolio and arranges for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements. The annual management fee rates for each Series were as follows:

	Rate (%)
Series L	0.400

Custodian Fee (Note 4)

Fidelity Clearing Canada ULC and Fidelity Digital Assets Services, LLC act as custodian and sub-custodian of the Fund and hold its assets in safekeeping. The Fund paid custodian fees of \$213 for the period ended March 31, 2024 (March 31, 2023: \$104).

Licensing Fee (Note 4)

Fidelity has retained Fidelity Product Services LLC, an affiliate of Fidelity Investments, to license Fidelity Bitcoin Index (the "Index") data for the provision of pricing the Fund with net asset values that are, in whole or in part, calculated using the performance of the Index. The Fund paid Licensing fees of \$95 for the period ended March 31, 2024 (March 31, 2023: \$121)

Commissions and Other Portfolio Costs (Note 4)

The Fund paid commissions and other portfolio costs of \$- (March 31, 2023: \$-) to brokerage firms that are affiliates of Fidelity. In addition, the Fund paid \$- (March 31, 2023: \$-) for research.

Taxation and Distributions (Note 5)

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada).

As at the last taxation year-end, the Fund had \$24 of capital losses and no non-capital losses available to be carried forward.

Security Transactions and Affiliated Ownership (Notes 3 and 6)

Security Transactions – Security transactions and weighted average securities for each Series were as follows:

	Securities Outstanding, Beginning of Period	Issued	Reinvested	Redeemed	Securities Outstanding, End of Period	Weighted Average Securities
Period Ended March 31, 2024						
Series L	4,550	10,850	-	(700)	14,700	7,545
Period Ended March 31, 2023						
Series L	2,100	11,850	-	(9,400)	4,550	3,373

Affiliated Ownership - As at March 31, 2024, Fidelity and its affiliates held approximately 26% of the Fund. As at March 31, 2023, Fidelity and its affiliates held approximately 37% of the Fund.

Fidelity Advantage Bitcoin ETF®

Fund Specific Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars/thousands of securities unless otherwise stated)

Digital Asset Risk (Note 7)

Bitcoin Volatility Price Risk – If the value of the Fund had increased or decreased by 10% on March 31, 2024 and March 31, 2023, with all other variables held constant, the net assets attributable to securityholders of the Fund would have increased or decreased by approximately \$46,429 (March 31, 2023: \$5,867).

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Notes to Financial Statements

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

1. Formation of the Funds

Fidelity Advantage Bitcoin ETF[®] and Fidelity Advantage Ether ETF[™] (collectively the Funds), are exchange-traded funds established as unit trusts under the laws of the Province of Ontario and are alternative mutual funds within the meaning of National Instruments 81-102 Investment Funds (NI 81-102). The units of the Funds are listed on the Toronto Stock Exchange (TSX). The Funds are authorized to issue an unlimited number of securities.

Fidelity Investments Canada ULC (Fidelity), as manager and trustee of the Fund (Manager), is responsible for the day-to-day operations and provides all general management and administrative services. The Manager has retained the services of State Street Trust Company Canada to act as the fund administrator of the Funds. The Manager has retained the services of Fidelity Clearing Canada ULC (FCC) to act as the custodian of the Funds and to hold the assets of the Funds in safekeeping. FCC is an investment dealer and is qualified to act as the custodian of the Funds in accordance with exemptive relief issued under NI 81-102. The Manager is responsible for the investment management of the Funds' portfolios. The registered office of the Fund is located at 483 Bay Street, Suite 300, Toronto, Ontario, M5G 2N7.

Currently, Fidelity ETFs are offered in the following Series:

Series L are offered to investors on the TSX through registered brokers and dealers in the province or territory where the investor resides.

The Statements of Financial Position are as at March 31, 2024 and March 31, 2023, as applicable and the Statements of Comprehensive Income (Loss), Changes in Net Assets Attributable to Securityholders and Cash Flows are for the years or periods ended March 31, 2024 and March 31, 2023, as applicable. For newly created Funds in either current or prior period, the information presented is for the period from the Fund's inception date to March 31, 2024 or March 31, 2023, as applicable. Each Fund's inception date is disclosed in the Fund Specific Notes to Financial Statements. The Schedule of Investments for each of the Funds is as at March 31, 2024. Throughout this document, reference to the periods refers to the reporting periods described above.

2. Basis of Accounting

Statement of Compliance – These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS[®] Accounting Standards). The accounting policies set out below have been applied consistently unless otherwise stated.

The financial statements were authorized for issue by Fidelity's board of directors on June 21, 2024.

Functional and Presentation Currency – These financial statements are presented in Canadian dollars, which is each Fund's functional currency.

Fund Specific Notes to Financial Statements – Each Fund presents financial disclosure information that is relevant to its financial statements in its Fund Specific Notes to Financial Statements. These disclosures can be found immediately following a Fund's Schedule of Investments and are to be read in conjunction with these Notes to Financial Statements.

3. Material Accounting Policy Information

Basis of Measurement – These financial statements have been prepared on the historical cost basis except for digital assets which are measured at fair value less cost to sell, in the Statements of Financial Position.

Use of Estimates and Judgments – Under IFRS Accounting Standards, management is required to make certain estimates and judgments at the date of the financial statements. The principal financial statement components subject to significant accounting estimates and judgments include:

Fair value measurements – The Fund may invest in digital assets that are not quoted in an active market. Where applicable, these assets are categorized in Level 2 and Level 3 of the fair value hierarchy explained below. When current market prices or quotations are not readily available or reliable, valuation techniques will be applied in good faith and in accordance with procedures adopted by the Manager. Factors used in determining fair value may include, but are not limited to, broker quotes from reputable pricing sources, market or security specific events, changes in interest rates and credit quality. Fair value models use observable data, to the extent practical; however, the Manager is required from time to time to make estimates and assumptions that are based on the best information available at that particular time. Changes in these estimates could impact the fair values of the digital assets, and the impact could be material.

Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

Digital assets – Digital assets are cryptocurrencies such as bitcoin and ether, which are not issued by any government, bank or central organization and that is based on a decentralized public transaction ledger, or “network”. The topic of digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board (IASB) and Fidelity continues to monitor new comments and interpretations released by IASB and other standard setters from around the world.

Fidelity considers that the digital assets held by the Fund are treated as a commodity. The Fund actively trades such assets with the intention of generating a profit from fluctuations in the price or traders’ margin, therefore, subsequent to initial recognition, digital assets inventory is held at fair value less costs to sell, in accordance with IAS 2 - Inventories (IAS 2). Gains and losses arising from change in fair value of digital assets are shown in the Statement of Comprehensive Income (Loss) as “Change in net unrealized appreciation (depreciation) on digital assets” and “Net realized gain (loss) on digital assets” when positions are closed out, where applicable, by subtracting the average cost of digital assets from their fair value.

Digital Asset Valuation – Digital assets are categorized as inventory in accordance with IAS 2 and are measured at fair value less cost to sell.

Each Fund categorizes the inputs to valuation techniques used to fair value its digital assets into a disclosure hierarchy consisting of three levels as shown below:

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including calculated prices, quoted prices for similar investments, etc.)

Level 3 – unobservable inputs (including the Fund’s own assumptions based on the best information available)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Transfers between any levels are assumed to have occurred at the beginning of the period. Transfers between Level 1 and Level 2 are primarily attributable to the valuation technique used. Transfers into Level 3 are attributable to a lack of observable market data resulting from decreases in market activity or decreases in liquidity. Transfers out of Level 3 are attributable to observable market data becoming available for those securities.

Valuation techniques used to value a Fund’s digital assets are as follows:

Bitcoin held are valued daily using the Fidelity Bitcoin Index price and are categorized as Level 2 on the hierarchy. The Fidelity Bitcoin Index is an index designed to reflect the performance of bitcoin in U.S. dollars. It uses bitcoin price data from eligible trading platforms and volume weighted median price method based on 5 minute window immediately prior to 4:00 p.m. (EST) close. The Fidelity Bitcoin Index price is calculated by ordering all individual transactions occurring over this 5 minute time frame on the eligible trading platforms and selecting the price associated with the 50th percentile of total volume.

Ether held are valued daily using the Fidelity Ethereum Index price and are categorized as Level 2 on the hierarchy. The Fidelity Ethereum Index is an index designed to reflect the performance of ether in U.S. dollars. It uses ether price data from eligible trading platforms and a volume weighted median price method based on the 5 minute window immediately prior to the 4:00 p.m. (ET) close. The Fidelity Ethereum Index price is calculated by ordering all individual transactions occurring over this 5-minute time frame on the eligible trading platforms and selecting the price associated with the 50th percentile of total volume.

Cash – Cash, including foreign currency, is comprised of cash on deposit with the custodian.

Other Assets and Liabilities – Other assets and liabilities may include amounts due to or from the custodian, affiliates or other counterparties for accrued expenses and other unsettled transactions at period end. These amounts are carried at amortized cost, which approximates fair value due to their short-term nature.

Measurement of redeemable securities issued by the Funds – A Fund’s obligation for net assets attributable to securityholders is recorded at the redemption amount. As at March 31, 2024 and March 31, 2023, a Fund’s NAVPS may differ by less than \$0.01 from its net assets attributable to securityholders per Series per security calculated in accordance with IFRS Accounting Standards as a result of normal reporting period end procedures to close off the books and records. Any differences between NAVPS and net assets attributable to securityholders of \$0.01 or more will be detailed in each fund’s Fund Specific Notes to Financial Statements.

Foreign Currency Translation – Securities and other assets and liabilities denominated in a foreign currency are translated into the functional currency of a Fund at the period-end exchange rates. Purchases and sales of digital assets, income and expenses denominated in foreign currencies are translated into the functional currency at the exchange rate on the date of the respective transaction. The effects of

Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

exchange rate fluctuations on digital assets are included in the “Net realized gain (loss) on Digital assets” and “Change in net unrealized appreciation (depreciation) on Digital assets” and exchange rate fluctuations on other foreign currency transactions are included in the “Net realized gain (loss) on foreign currency transactions” and “Change in net unrealized appreciation (depreciation) on other net assets in foreign currencies” in the Statement of Comprehensive Income (Loss).

Valuation of Series – Net assets attributable to securityholders is calculated for each Series of securities of a Fund. The net assets attributable to securityholders of a Series is computed by calculating the Series’ proportionate share of the assets and liabilities of the Fund common to all Series, adjusted for the assets and liabilities of the Fund attributable only to that Series. Expenses directly attributable to a Series are charged to that Series. Investment income and operating expenses are allocated proportionately to each Series based upon the relative net assets attributable to securityholders of each Series, except for items that can be specifically attributed to one or more Series.

Per Security from Operations – The increase (decrease) in net assets attributable to securityholders resulting from operations per security in the Statements of Comprehensive Income (Loss) represent the operational increase (decrease) for each Series of a Fund, divided by the relevant weighted average securities outstanding during the period.

Statements of Cash Flows – When preparing the Statements of Cash Flows, a Fund includes only the net cash flow impact in “Purchases of digital assets” or “Proceeds from sale and maturity of digital assets”, as applicable. Additionally, in accordance with IFRS Accounting Standards, a Fund’s Statements of Cash Flows excludes non-cash transactions from its operating and financing activities.

4. Expenses and Other Related Party Transactions

Management and Advisory Fee – Fidelity serves as manager of the Funds. Fidelity is part of a broader collection of companies collectively known as Fidelity Investments. The Funds pay Fidelity a monthly management fee for its services and the provision of key management personnel to the Funds, based on the net asset value of each Series, calculated daily and payable monthly. Fidelity has ensured no duplication of management fees for Funds that invest in a Fidelity managed underlying fund.

Fidelity may reduce the management fee or a Fund expense for certain securityholders by reducing the management fee it charges to the Fund or reducing the amount charged to the Fund for certain expenses and having the Fund pay out the amount of the reduction to the securityholders as a distribution. These distributions are disclosed as “Management fee reduction” in the Statement of Changes in Net Assets Attributable to Securityholders.

Custodian Fee - Fidelity, as manager of the Funds, has retained its affiliate, Fidelity Clearing Canada ULC (FCC), to act as custodian (Custodian) of the Funds and to hold its assets in safekeeping. FCC has retained the services of Fidelity Digital Asset Services, LLC to act as the digital asset sub-custodian (Digital Asset Sub-custodian) of the Funds and to sub-custody the digital assets held by the Funds. The Sub-custodian is resident outside Canada and all or a substantial portion of its assets are located outside Canada. The Funds have obtained exemptive relief from the securities regulatory authorities to permit the use of FCC as its custodian under NI 81-102. Also, the Funds, in respect of the digital assets that it purchases from, or sells to, FCC, enters into a contractual right to receive, or an obligation to deliver, the digital assets from/to FCC. The Fund pays a monthly custodian fee for custodian services, based on the net asset value of each series, calculated daily and payable monthly.

Licensing Fee - Fidelity has retained Fidelity Product Services LLC, an affiliate of Fidelity Investments, to license Fidelity Bitcoin Index and Fidelity Ethereum Index (collectively the “Indices”) data for the provision of pricing each Fund with net asset values that are, in whole or in part, calculated using the performance of the Indices. The Funds pay a fixed licensing fee for services, calculated daily and payable monthly.

Pricing and Bookkeeping Fees - Fidelity has retained the services of State Street Trust Company Canada who maintains the Funds’ accounting records. The pricing and bookkeeping fee is based on the services performed and is charged on a monthly basis.

Independent Review Committee Fees – The Independent Review Committee (IRC), as required under National Instrument 81-107, reviews conflict of interest matters referred to it by the Manager and provides recommendations or approves actions, as appropriate, that are in the best interest of the Funds. There are currently four members of the IRC who are independent of Fidelity and its affiliates. IRC members are compensated by way of an annual retainer fee and a per meeting attendance fee, as well as reimbursed for expenses associated with IRC duties. These costs are allocated among the Funds proportionately by assets.

Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

Sales Tax – Certain provinces have harmonized their Provincial Sales Tax (PST) with the federal Goods and Services Tax (GST). The Harmonized Sales Tax (HST) combines the GST rate of 5% with the PST rate of certain provinces. The Provincial GST/HST liability or refund is calculated using the residency of securityholders and the value of their interests in a Fund as at specific times, rather than the physical location of a Fund. The effective GST/HST rate charged to each Series of a Fund is based on the securityholders' proportionate investments by province, using each province's HST rate or GST rate in the case of non-participating provinces. All amounts are included in the Statements of Comprehensive Income (Loss) as "Sales tax".

Other Expenses – Each Fund is responsible for the payment of operating expenses such as filing fees, audit fees and other operating expenses. These expenses are reported separately in the Statement of Comprehensive Income (Loss).

Expenses Waived - Fidelity may absorb or waive certain expenses at its sole discretion and can terminate the absorption or waiver at any time. Any such waivers are disclosed as "Expenses waived" in the Statements of Comprehensive Income (Loss).

Commissions and Other Portfolio Costs – "Commissions and other portfolio costs" in the Statements of Comprehensive Income (Loss) are net of any reimbursements from brokers who reimbursed a portion of their commissions.

A portion of commissions may be paid for research. Amounts paid for research provided to the Funds by executing brokers are estimates made by Fidelity. Fidelity has established procedures to assist them in making a good faith determination that the Funds received a reasonable benefit considering the value of research goods and services and the amount of brokerage commissions paid.

In addition, a portion of a Fund's portfolio transactions may be placed with brokerage firms which are affiliates of Fidelity Investments, provided it determines that these affiliates' trade execution abilities and costs are comparable to those of non-affiliated, qualified brokerage firms, on an execution-only basis.

5. Taxation and Distributions

For tax purposes, each Fund has a December year-end. In each tax year, a Fund declares and credits as due and payable sufficient net investment income and net realized capital gains to securityholders such that a Fund will not be subject to income taxes. As a result, each Fund does not record income taxes under IAS 12 – Income Taxes (IAS 12) and accordingly does not recognize the deferred tax benefit associated with tax loss carry forwards and other taxable temporary differences. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be carried forward for up to 20 tax years to reduce future taxable income.

Foreign withholding taxes are imposed by certain countries on investment income and are estimated based on the tax rules and actual rates that exist in the foreign markets. Investment income is recorded gross of foreign taxes withheld. Foreign withholding taxes are accrued for in conjunction with the accrual for the related investment income and are included in "Foreign taxes withheld" on the Statements of Comprehensive Income (Loss) and "Other payables and accrued expenses" on the Statements of Financial Position. In addition, certain countries apply withholding taxes on capital gains on investments and such taxes are accrued against the relevant security and included in other payables and accrued expenses. The taxes paid on realized gains from sales of securities paid and the accrued tax liability on unrealized gains on securities subject to withholding taxes are included in "Foreign taxes withheld" and "Change in net unrealized appreciation (depreciation) on investments" in the Statements of Comprehensive Income (Loss), respectively.

Distributions are taxable in securityholders' hands. At the end of each tax year, the character of the distributions is determined for tax purposes. Under the terms of the Declaration of Trust, the trustee may capitalize any distribution amount without any increase in the number of securities outstanding. Distributions, if any, are declared separately for each Series.

Realized capital gains distributions may be generated as a result of aggregate gains realized from foreign exchange gain on securities valued in U.S. dollars and are consolidated accordingly. These distributions, if any, are for Canadian tax purposes only, and are not included in the accompanying financial statements.

6. Capital Risk Management

Securities issued and outstanding are considered to be the capital of a Fund. The capital of each series of a Fund is divided into an unlimited number of securities of equal value, with no par value. The Funds are listed on the TSX and investors may buy or sell units on the TSX through a designated broker or dealer in the province or territory where the investor resides. Investors may incur customary brokerage commissions when buying or selling the securities.

Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

On any day on which the TSX is open for business (“trading day”), a designated broker may place a subscription or redemption order for a prescribed number of units of the Fund. For any orders received by the applicable cut-off time on a trading day, the Fund will issue to the designated broker the prescribed number of units based on the NAV per unit determined on the applicable trading day. Orders received after the applicable cut-off time on a trading day will be deemed received on the next trading day. The cut-off times for each Fund are set out in the Funds’ prospectus.

For each prescribed number of units issued, a designated broker must deliver payment consisting of (i) one basket of securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per unit of the units subscribed/redeemed, or (ii) cash in an amount equal to the aggregate NAV per unit of the units subscribed/redeemed, or (iii) other securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per unit of the units subscribed/redeemed.

On any trading day, securityholders may (i) redeem units of the Fund, equal to 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the NAV per unit, or (ii) exchange a minimum of prescribed number of units in the discretion of the Manager, Baskets of Securities and cash, only cash or securities and cash. Notional (non-cash) distributions are reinvested in additional units and these units will be immediately consolidated such that the number of outstanding units following the distribution will equal the number of outstanding units prior to the distribution and the Net Asset Value per unit remains unchanged. Such distributions increase the adjusted cost base of the securityholder.

The Manager has implemented a Reinvestment Plan under which cash distributions are used to purchase units in the market, which are then credited to the Plan Participant through CDS (CDS Clearing and Depository Services Inc.). Any investor that wishes to participate as of a particular distribution record date should notify their CDS Participant sufficiently in advance of that distribution record date.

All securities in a series of a Fund rank equally with respect to distributions. A securityholder of a Fund is entitled to one vote for each one dollar in value of securities owned. Fractional securities are proportionately entitled to these rights. A Fund generally has no restrictions or specific capital requirements on the subscriptions and redemptions of securities other than minimum subscription requirements; although, on rare occasions, Fidelity may temporarily suspend securityholders’ right to redeem securities and postpone paying sale proceeds. The relevant movements attributable to securityholders are shown in the Statements of Changes in Net Assets Attributable to Securityholders of the Fund. In accordance with the objectives and the risk management policies, Fidelity endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Such liquidity is managed by investing the majority of assets in investments that can be readily disposed and via the Fund’s ability to borrow up to 5% of its net asset value.

7. Digital Asset Risk

A Fund’s activities expose it to a variety of digital asset risks: cryptocurrency risk, lack of insurance risk, digital asset volatility price risk, loss of “private keys” risk, liquidity risk. Fidelity seeks to minimize potential adverse effects of these performance risks by employing professional, experienced portfolio advisors, by daily monitoring of positions and market events.

Portfolio risk is monitored daily and reviewed monthly by an investment compliance group. In addition, there is a formal quarterly review of the Fund. The investment compliance group, portfolio managers and the senior analysts attend a quarterly portfolio review. Portfolios within each strategy are reviewed relative to each other and to their benchmark. Active industry and security allocations are analyzed.

Cryptocurrency Risk - Cryptocurrency (notably, bitcoin and ether), often referred to as “virtual currency” or “digital currency” or “digital assets”, operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Cryptocurrency operates without the oversight of a central authority or bank and is not backed by any government.

Cryptocurrency is not legal tender. Governments may restrict the use and exchange of cryptocurrency, and regulation in North America is still developing. Cryptocurrency trading platforms may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware.

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 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).

Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

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

While the Manager 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 the Manager has vendor oversight policies and procedures, the 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 securityholders. The Fund and its securityholders could be negatively impacted as a result.

Insurance Risk - A Fund does not maintain insurance against the risk of loss of digital assets held by a Fund.

The Custodian maintains professional liability insurance, in such amounts as required under IIROC Rules or exemptions issued thereunder, which covers the digital asset services provided by the Custodian. This insurance is in addition to the insurance carried by the Sub-custodian, discussed below.

The Digital Asset Sub-custodian holds most of the digital assets that it custodies offline in "cold storage". Digital assets held in cold storage are protected by the Digital Asset Sub-custodian's security measures. Digital assets may also be temporarily held online in a "hot wallet" at the Digital Asset Sub-custodian.

The Digital Asset Sub-custodian currently maintains professional liability insurance to protect the Digital Asset Sub-custodian from risks such as theft of cash and digital assets (including theft from the Digital Asset Sub-custodian's hot wallets), with minimum limits as deemed necessary by the Digital Asset Sub-custodian and with insurance carriers with a minimum AM Best rating of A-, VII. The amount and continuing availability of this coverage are subject to change at the Digital Asset Sub-custodian's sole discretion.

Loss of "Private Keys" Risk - The loss or destruction of a Funds' "private keys" could prevent the Fund from accessing its digital assets. Loss of these private keys may be irreversible and could result in the loss of all or substantially all of a Funds' digital assets.

Residency of Sub-custodian Risk - The Digital Asset Sub-custodian is resident outside Canada and all or substantial portion of its assets are located outside of Canada. As a result, anyone seeking to enforce legal rights against it in Canada may find it difficult to do so.

Digital Asset Volatility Price Risk - The digital asset market is sensitive to new developments, and any significant change in market sentiment can induce large swings in volume and price. The price of digital assets on public trading platforms has a limited history and is influenced by many factors, including the levels of liquidity on trading platforms. Even the largest trading platforms have been subject to operational interruption, limiting the liquidity of digital assets on the trading platform market and resulting in volatile prices and a reduction in confidence in the network and in the trading platform market generally. Momentum pricing of digital assets results in speculation regarding future appreciation in the value of digital assets, making it more volatile.

In addition, digital asset trading platforms and custodians who use leverage in their businesses may experience solvency risk issues in the event of large withdrawals that exceed liquid assets. Each Fund's custodian and the Digital Asset Sub-custodian do not use leverage or rehypothecate digital assets, including bitcoin and ether, to avoid exposure to such risks or firms that do employ these tactics. However, the insolvency of competitors in the industry could increase volatility and impact liquidity of a Fund's digital assets. As a result, the Fund may face increased trading execution costs or inability to trade in such events.

Liquidity Risk - A Fund may not always be able to sell its digital assets at a desired price. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on trading platforms, or where there is shortage of digital assets in the marketplace. Unexpected market illiquidity may cause major losses to the holders of digital assets.

Concentration Risk - The Funds aim to invest in digital assets and is not expected to have significant exposure to any other investments or assets. The NAV per ETF unit may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time.

Uncertain Regulatory Framework Risk - Due to digital assets' short-term history and their emergence as a new asset class, regulation of digital assets are still a work in progress. Because the digital asset markets are largely unregulated today, many marketplaces and counterparties that trade or facilitate trading exclusively in digital assets are not subject to registration or licensing requirements with any regulatory body and, therefore, not directly subject to the requirements that apply to financial services firms. This regulatory uncertainty and any future introduction of, or change to, applicable regulation may impact a Fund.

Notes to Financial Statements – continued

For the periods ended March 31, 2024 and 2023

(Amounts in thousands of Canadian dollars unless otherwise stated)

Currency Risk – Currency risk arises from investments that are denominated in a currency other than a Fund's functional currency. A Fund is exposed to the risk, both indirect and direct, that the value of investments will fluctuate due to changes in exchange rates.

Currency risk is not considered to arise from investments that are non-monetary items such as digital assets. Foreign exchange exposure relating to non-monetary assets and liabilities is considered to be a component of other price risk, not foreign currency risk. Management monitors the exposure on all foreign currency denominated assets and liabilities and may enter into forward foreign currency contracts to manage the Fund's exposure to foreign exchange movements (such as the U.S. dollar, the Euro or the Yen). Generally, the use of forward contracts to hedge currency fluctuations as completely as possible will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility, the Fund may not be able to prevent losses from exposure to foreign currencies.

8. Subsequent Event

On April 19, 2024, the bitcoin network experienced its fourth halving, reducing the award for mining new bitcoin from 6.25 to 3.125 bitcoins. The halving event had no immediate impact on the financial condition or results of the Fund, however, it did have an impact on the availability of bitcoin supply.

Management Responsibility for Financial Reporting

The accompanying financial statements of each of the Funds have been prepared by Fidelity Investments Canada ULC (Fidelity), as Manager of the Funds. Fidelity is responsible for the information and representations contained in these financial statements. The Board of Directors of Fidelity is responsible for reviewing and approving these financial statements.

Fidelity maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts and disclosures that are based on estimates and judgments. The material accounting policy information, which management believes are appropriate for the Fund, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Funds. It has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is an integral part of these financial statements and is set out on the following page of this annual report.

Amanda Thomas

Vice President and Fund Treasurer

Fidelity Investments Canada ULC

June 21, 2024



Independent auditor's report

To the Securityholders and Trustee of

Fidelity Advantage Bitcoin ETF®
Fidelity Advantage Ether ETF™

(individually, a Fund or together, the Funds)

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying March 31, 2024 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 1;
- the statements of comprehensive income (loss) for the periods indicated in note 1;
- the statements of changes in net assets attributable to securityholders for the periods indicated in note 1;
- the statements of cash flows for the periods indicated in note 1; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards



will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on other legal and regulatory requirements

Auditor fee information

In connection with our audit of the financial statements of the Funds for the period ended March 31, 2024, the following fees were paid or are payable to PricewaterhouseCoopers LLP and other PwC Network firms:

Nature of fees	Amount
Audit of the financial statements of the Funds for the period ended March 31, 2024	\$65,528
Other services provided to the Funds for the period ended March 31, 2024	\$5,467

The engagement partner on the audit resulting in this independent auditor's report is Andrew Paterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 21, 2024



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Manager

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Portfolio Adviser

Fidelity Investments Canada ULC
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Custodian

Fidelity Clearing Canada ULC
Toronto, Ontario

Transfer Agent and Registrar

State Street Trust Company of Canada
Toronto, Ontario

Auditor

PricewaterhouseCoopers LLP
Toronto, Ontario

Visit us online at
www.fidelity.ca
or call Fidelity Client Services
at 1-800-263-4077

Fidelity's ETFs are sold by registered brokers and dealers. Each ETF has a prospectus, which contains important information on the ETF, including its investment objective and applicable fees. Please obtain a copy of the prospectus, read it carefully, and consult your registered broker or dealer before investing. As with any investment, there are risks to investing in ETFs. There is no assurance that any ETF will achieve its investment objective, and its net asset value, yield, and investment return will fluctuate from time to time with market conditions. Investors may experience a gain or loss when they sell their securities in any Fidelity ETF. Past performance is no assurance or indicator of future returns. The breakdown of ETF investments is presented to illustrate the way in which an ETF may invest, and may not be representative of an ETF's current or future investments. An ETF's investments may change at any time.

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