



# **Fidelity Dividend Plus Multi-Asset Base Fund**

**Annual Management  
Report of Fund  
Performance**  
June 30, 2024

## Caution Regarding Forward-looking Statements

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

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

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

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

# Annual Management Report of Fund Performance as at June 30, 2024

## Fidelity Dividend Plus Multi-Asset Base Fund

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

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

## Management Discussion of Fund Performance

### Investment Objective and Strategies

Investment Objective: Fidelity Dividend Plus Multi-Asset Base Fund (Fund) aims to achieve a high total investment return by investing primarily in equity securities of Canadian companies that pay or are expected to pay dividends, and other securities that are expected to distribute income.

Strategies: The Fund invests primarily in Canadian equity securities and in real estate investment trusts (REITs) located in Canada and the U.S. When buying and selling equity securities and REITs, the portfolio manager may consider each company's potential for success based on its current financial condition, its industry and position within that industry, as well as economic and market conditions. The portfolio manager may consider factors like growth potential, earnings estimates, ability to sustain dividends or income distributions, and quality of management. The Fund may invest in Canadian or foreign fixed income securities of any quality or term.

The Fund may invest in Canadian or foreign equity securities of companies of any size. The Fund may invest up to approximately 49% of its net assets in foreign securities. The Fund may hold cash and may invest in fixed income securities of any quality or term. The Fund may also increase its cash and cash equivalent holdings to attempt to mitigate against downside risk or where current opportunities do not meet the portfolio management team's investment criteria.

### Risk

The risks associated with investing in this Fund remain as discussed in the prospectus. Any changes to the Fund over the period have not affected the overall level of risk of the Fund.

The Fund is suitable for medium- to long-term investors who want to gain exposure to Canadian and foreign equity securities that pay or are expected to pay dividends, want the potential for both income and capital gains, and can handle the volatility of returns generally associated with equity investments. The Fund is not an appropriate investment for investors with a short-term investment horizon. To invest in the Fund, investors should be willing to accept a medium level of risk. The suitability of the investment has not changed from what has been disclosed in the prospectus.

### Results of Operations

Securities of this Fund are only available for purchase by other funds and accounts managed or advised by Fidelity, and are not available for public purchase.

Fidelity Dividend Plus Multi-Asset Base Fund, Series O, returned 1.9%, for the year ended June 30, 2024. During the review period, Canadian Equities, as represented by the S&P/TSX Composite Index, returned 12.1% (in Canadian dollar terms).

Market overview:

Canadian equities, as measured by the S&P/TSX Composite Index, returned 12.1%, for the one-year period ended June 30, 2024.

Canadian equities advanced for the period under review. Increases in cyclically sensitive sectors, such as energy and materials, were driven by rising oil and commodity prices. Financials also rose, supported by the general health of the Canadian banking sector. However, there were modest signs of stress among smaller businesses and households due to high leverage and the impact of prior rate hikes. In contrast, the communication services and real estate sectors faced headwinds, particularly towards the end of the review period. These sectors were pressured by higher interest rates and a shift in consumer spending patterns. A stable domestic economic environment, resilient growth in the U.S. economy, combined with a general trend towards lower inflation supported investor sentiment. The annual inflation rate fell to 2.7% in April 2024 from 2.9% in March 2024, due to slower growth of food prices. Despite an increase in the unemployment rate to 6.2% in May 2024, job creation surpassed expectations, indicating underlying economic resilience. The Bank of Canada (BoC) forecasts GDP growth of 1.5% in 2024 and 2.2% in 2025. Based on this outlook, the BoC lowered its policy rate by 25-basis points to 4.75% in June 2024, the first rate cut in four years and signalled a shift towards more accommodative monetary policy as inflation pressures moderated.

Factors affecting performance:

The Fund's benchmark returned -1.4% for the review period. The Fund's benchmark is composed of an 80.0% allocation to a blend of four S&P/TSX industry groups (telecommunication services, utilities, oil and gas storage and transportation, and REITs (market capitalization-weighted)) and a 20.0% allocation to the S&P U.S. REIT Index.

The Fund outperformed its benchmark, primarily due to lower-than-benchmark exposure to the communication services sector, where lower-than-benchmark exposure to Canada-based telecommunications firms BCE Inc. and Telus contributed to relative returns. In addition, exposure to certain stocks in the financials sector, including Canada-based insurance firms Fairfax Financial and Intact Financial, contributed to relative returns. In other sectors, investments in Canada-based consumer staples distribution and retail firm Loblaw Companies and Canada-based software firm Constellation Software contributed to relative returns.

In contrast, lower-than-benchmark exposure to, and investments in, the energy sector detracted from relative returns, particularly a lack of exposure to a Canada-based natural gas midstream firm and a lower-than-benchmark exposure to Canada-based oil and natural gas pipelines operator Pembina Pipeline. Lower-than-benchmark exposure to, and investments in, the real estate sector, including a lack of exposure to a U.S.-based REIT, also detracted from relative returns.

Portfolio changes:

During the review period, the Fund's exposure to the energy and real estate sectors was increased. In the energy sector, the portfolio manager increased exposure to Canada-based oil and

## **Fidelity Dividend Plus Multi-Asset Base Fund**

### **Management Discussion of Fund Performance – continued**

natural gas pipelines operator Pembina Pipeline. In the real estate sector, exposure was increased to U.S.-based real estate investment trust firm Digital Realty Trust. The portfolio manager believes these companies offer attractive long-term growth potential.

In contrast, exposure to the industrials and financials sectors was decreased. In the industrials sector, the portfolio manager reduced exposure to Canada-based transportation firm Canadian Pacific Kansas City Limited. In the financials sector, a position in U.S.-based specialty insurance products underwriter Argo Group International Holdings was sold off. The portfolio manager sought opportunities with more potential elsewhere.

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

#### **Recent Developments**

Portfolio manager Don Newman believes that the outlook for dividend investing appears more favourable moving forward, with the possibility that interest rates have reached their peak and may decline in the future. The manager believes that many dividend-paying equities are now trading at reasonable prices, and potentially offering yields that could grow over time; at the same time, the yields of competing asset classes may lose their attractiveness as interest rates are reduced. The portfolio manager continues to position the portfolio with a focus on reasonable price-to-earnings multiples with an attractive yield and earnings growth potential, in addition to balance sheet strength. The manager also continues to emphasize understanding what you own, and owning what appear to be high-quality companies.

Effective September 19, 2023, Anne Bell of Mississauga, Ontario, became a member of the Independent Review Committee (IRC).

#### **Related Party Transactions**

##### **Manager and Portfolio Adviser**

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

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

Fidelity is the portfolio adviser to the Fund and it provides investment advisory services to the Fund. Fidelity provides investment advice with respect to the Fund's investment portfolio and arranges for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements. The Fund is only offered in Series O securities and is only available to: (i) institutional investors who may be individuals or financial institutions who have been approved by Fidelity and have entered into Series O fund purchase agreements with Fidelity; or (ii) other funds and accounts managed or advised by Fidelity. The Fund does not pay management and advisory fees, or other operating expenses, other than certain specified fund costs, including taxes, brokerage commissions and interest charges.

##### **Brokerage Commissions**

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of Fidelity, provided it determines that these affiliates' trade execution abilities and costs are comparable to those of non-affiliated, qualified brokerage firms, on an execution-only basis. Commissions paid to brokerage firms that are affiliates of Fidelity Investments were \$0 for the period ended June 30, 2024. Fidelity receives standing instructions from the IRC in respect of policies and procedures governing best execution of transactions with affiliates, which includes brokers affiliated to Fidelity Investments, at least once per year.

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

##### **Independent Review Committee**

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

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

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

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

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

# Financial Highlights

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

## Fidelity Dividend Plus Multi-Asset Base Fund Series O

Periods ended June 30, The Series' Net Assets per Security <sup>B</sup>	2024	2023 <sup>A</sup>
Net assets, beginning of period <sup>C</sup>	\$ 9.47	\$ 10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	.42	.35
Total expenses (excluding distributions)	(.01)	(.01)
Realized gains (losses)	.04	(.04)
Unrealized gains (losses)	(.29)	(.39)
<b>Total increase (decrease) from operations <sup>C</sup></b>	<b>.16</b>	<b>(.09)</b>
<b>Distributions:</b>		
From net investment income (excluding dividends)	(.30)	(.22)
From dividends	(.13)	(.06)
From capital gains	—	—
Return of capital	—	—
<b>Total distributions <sup>C,D</sup></b>	<b>(.43)</b>	<b>(.28)</b>
<b>Net assets, end of period <sup>C</sup></b>	<b>\$ 9.20</b>	<b>\$ 9.47</b>
<b>Ratios and Supplemental Data</b>		
Net asset value (000s) <sup>E,F</sup>	\$ 796,496	\$ 839,827
Securities outstanding <sup>E</sup>	86,575,020	88,706,554
Management expense ratio	—%	—%
Management expense ratio before waivers or absorptions	—%	—%
Trading expense ratio <sup>G</sup>	.02%	.03%
Portfolio turnover rate <sup>H</sup>	35.49%	31.89%
Net asset value per security, end of period	\$ 9.1998	\$ 9.4673

<sup>A</sup> For the period August 4, 2022 (inception date) to June 30, 2023.

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

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

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

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

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

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

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

# Fidelity Dividend Plus Multi-Asset Base Fund

## Past Performance

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

### Year-by-Year Returns

The following bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance was changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Commencement of Operations is August 12, 2022

### Annual Compound Returns

This table shows the Fund's historical annual compound total returns for the periods indicated, compared with a broad-based benchmark S&P/TSX Composite Index, and the Fund's benchmark, as described below.

Average Annual Total Returns	Past 1 year	Since Inception
Series O	1.9%	(0.3)%
S&P/TSX Composite Index	12.1%	7.9%
Fidelity Dividend Plus Fund Blend Index	(1.4)%	(4.9)%

A discussion of Fund performance can be found in the Results of Operations section of this report.

The Fund's benchmark is a combination of approximately 80.0% allocation to a blend of four S&P/TSX industry groups (Telecommunication Services, Utilities, Oil & Gas Storage & Transportation, and REITs (market capitalization weighted)), and 20.0% S&P U.S. REIT Index.

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 Income Trust Index is a broad measure of the Canadian income trust market. An income trust is an exchange traded equity-type investment that is similar to common stock. By owning securities or assets of an underlying business (or businesses), an income trust is structured to distribute cash flows from those businesses to unit holders in a tax efficient manner.

The S&P U.S. REIT Index measures the securitized U.S. Real Estate Investment Trust (REIT) market. The Index covers approximately 89.0% of the U.S. REIT market capitalization and maintains a constituency that reflects the markets overall composition.

The S&P/TSX Telecommunication Services Index includes a list of constituents of the Telecom Services Global Industry Classification Standard (GICS®) sector, a subset of the S&P/TSX Composite Index.

The S&P/TSX Utilities Index includes a list of constituents of the Utilities Global Industry Classification Standard (GICS®) sector, a subset of the S&P/TSX Composite Index.

The S&P/TSX Oil & Gas Storage & Transportation Index includes a list of constituents of the Telecom Services Global Industry Classification Standard (GICS®) sector, a subset of the S&P/TSX Composite Index.

The S&P/TSX REIT Index includes a list of constituents of the Real Estate Investment Trusts Global Industry Classification Standard (GICS®) industry, a subset of the S&P/TSX Composite Index.

## Fidelity Dividend Plus Multi-Asset Base Fund

# Summary of Investment Portfolio as at June 30, 2024

### Sector Mix

	% of Fund's Net Assets as at June 30, 2024	% of Fund's Net Assets as at June 30, 2023
Real Estate	27.9	22.9
Utilities	26.5	22.8
Energy	17.5	12.1
Communication Services	12.8	14.8
Industrials	4.5	7.0
Financials	2.1	4.2
Information Technology	1.2	2.4
Others (Individually Less Than 1%)	1.8	6.5
Cash and Cash Equivalents	5.2	7.1
Net Other Assets (Liabilities)	0.5	0.2

Comparative balances, as applicable, have been reclassified to align with current period presentation.

### Geographic Mix

	% of Fund's Net Assets as at June 30, 2024	% of Fund's Net Assets as at June 30, 2023
Canada	68.5	67.5
United States of America	25.8	24.8
Others (Individually Less Than 1%)	0.0	0.4
Cash and Cash Equivalents	5.2	7.1
Net Other Assets (Liabilities)	0.5	0.2

### Top Issuers

	% of Fund's Net Assets
1. Enbridge, Inc.	6.3
2. Fortis, Inc.	6.3
3. TC Energy Corp.	5.9
4. Fidelity Canadian Money Market Investment Trust — Series O	5.2
5. Pembina Pipeline Corp.	4.7
6. BCE, Inc.	4.5
7. Rogers Communications, Inc.	4.5
8. Brookfield Infrastructure Partners LP	4.1
9. TELUS Corp.	3.4
10. Emera, Inc.	3.0
11. Hydro One Ltd.	2.1
12. Prologis, Inc.	2.0
13. Brookfield Renewable Partners LP	1.9
14. AltaGas Ltd.	1.8
15. Welltower, Inc.	1.8
16. Canadian Apartment Properties (REIT)	1.7
17. Digital Realty Trust, Inc.	1.6
18. Equinix, Inc.	1.5
19. Canadian National Railway Co.	1.3
20. Public Storage Operating Co.	1.2
21. Simon Property Group, Inc.	1.2
22. Intact Financial Corp.	1.2
23. Granite (REIT)	1.1
24. Realty Income Corp.	1.0
25. Canadian Pacific Kansas City Ltd.	1.0
	<u>70.3</u>

Total Fund Net Assets \$796,496,000

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

## Summary of Investment Portfolio as at June 30, 2024 – continued

*All tables within the Summary of Investment Portfolio section, except the Top Issuers table, contain audited annual information.*

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











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

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