



# **Fidelity Global Innovators® ETF**

**Annual Management  
Report of Fund  
Performance**  
March 31, 2024

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

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

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

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

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

# Annual Management Report of Fund Performance as at March 31, 2024

## Fidelity Global Innovators® ETF

*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 Global Innovators® ETF (Fund) aims to achieve long-term capital appreciation. It invests primarily in equity securities either directly, or indirectly by investing in Fidelity Global Innovators® Investment Trust (Underlying Fund), of companies located anywhere in the world that have the potential to be disruptive innovators. It seeks to identify companies that are positioned to benefit from the application of innovative and emerging technology, or that employ innovative business models.

**Strategies:** The portfolio manager of the Fund or Underlying Fund aims to identify companies that have the potential to be “disruptive innovators” in their industries. These types of companies may, among other things, attempt to: (i) develop or produce innovative technologies; (ii) use new technologies in order to displace established markets, methods, industries, or technologies; (iii) become leaders in new and emerging industries; or (iv) use innovative business models, processes, or technologies to gain a competitive edge. When buying and selling equity securities, the portfolio manager may consider each company's potential for success in light of its current financial condition and industry position, as well as economic and market conditions. The portfolio manager may also consider factors such as growth potential, earnings estimates, cash flow and quality of management. The Fund or Underlying Fund may invest in companies of any size and may concentrate their investments in relatively few companies and industries. The Fund or Underlying Fund may also hold cash.

### 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 companies anywhere in the world that have the potential to be disruptive innovators, who can handle the volatility of returns generally associated with equity investments, and who are willing to accept a medium to high level of risk. The suitability of the investment has not changed from what has been disclosed in the ETF Facts.

### Results of Operations

Fidelity Global Innovators® ETF returned 55.1%, after fees and expenses, since the commencement of operations on May 19, 2023 to March 31, 2024. The MSCI ACWI (All Country World Index) Index, broadly representative of global equity markets, returned 21.2% (in Canadian dollar terms) for the same period.

#### Market overview:

Global equities, as broadly measured by the MSCI ACWI (All Country World Index) Index, returned 23.2% in Canadian dollar terms and 23.2% in U.S. dollar terms, for the one-year period ended March 31, 2024.

Global equities advanced during the review period, as economic expansion, and the slowing pace of inflation in some countries provided a mostly favourable backdrop. Following continued tightening of monetary policies in major developed market economies throughout 2022 and for most of 2023, investor sentiment shifted in the fourth quarter of 2023 to a view that interest rates had peaked, and policymakers may cut rates in 2024. Equity market gains were partly fuelled by select firms within the information technology and communication services sectors in the U.S., largely due to market exuberance surrounding artificial intelligence. In Europe, several large-capitalisation companies across the luxury goods, pharmaceuticals, and technology sectors supported equity markets. Japanese equities also rose, supported by decline in the value of the yen which aided exports, as well as due to corporate governance reforms that have boosted shareholder returns through increased share buybacks and dividends. From a regional perspective, while some global equity markets advanced to hit all-time highs, investors were more cautious towards Chinese equities due to the country's weaker than expected economic growth amid uncertainty surrounding the health of its property and banking sectors.

#### Factors affecting performance:

The Fund's benchmark, the NASDAQ Composite Index, returned 30.5% for the period under review.

## **Fidelity Global Innovators® ETF**

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

The Fund outperformed its benchmark, primarily due to the Underlying Fund's exposure to certain stocks in the information technology and industrials sectors. In the information technology sector, an investment in U.S.-based semiconductor firm NVIDIA, and lower-than-benchmark exposure to U.S.-based technology firm Apple, contributed to relative returns. In the industrials sector, investments in U.S.-based capital goods firm Vertiv, and U.S.-based transportation firm Uber Technologies, both contributed to relative returns. In other sectors, an investment in U.S.-based cryptocurrency firm Coinbase Global contributed to relative returns.

In contrast, investments in, and lower-than-benchmark exposure to, the materials sector detracted from relative performance. In the sector, investments in U.S.-based agricultural technology firm Farmers Business Network, and Canada-based mining firm First Quantum Minerals, detracted from relative returns. Higher-than-benchmark exposure to the communication services sector also detracted from relative returns. In that sector, investments in U.S.-based video game developer Roblox, and U.S.-based technology firm Alphabet, detracted from relative returns. In other sectors, lower-than-benchmark exposure to U.S.-based semiconductors firm Broadcom, and an investment in U.S.-based software and services company Confluent, detracted from relative returns.

At the end of the review period, the Underlying Fund had no exposure to First Quantum Minerals or Confluent.

Portfolio changes:

During the review period, the Underlying Fund's exposure to the information technology and industrials sectors was increased. In the information technology sector, the portfolio manager increased exposure to U.S.-based semiconductor firm NVIDIA, as he expects this company to be an artificial intelligence (AI) beneficiary. In the industrials sector, the portfolio manager initiated a position in U.S.-based power management firm Eaton Corporation. The portfolio manager believes this company has strong growth potential and is expected to benefit from the trend toward decarbonization and electrification.

In contrast, exposure to the communication services and financials sectors was decreased, as the portfolio manager sought investment opportunities with more attractive risk/reward potential elsewhere, in his view. In the communication services sector, the portfolio manager reduced exposure to U.S.-based technology firm Alphabet. In the financials sector, the portfolio manager reduced exposure to U.S.-based financial services and technology company Block.

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

### **Recent Developments**

Portfolio manager Mark Schmehl's investment approach focuses on identifying what they believe to be positive changes in company fundamentals. The portfolio manager seeks to add value by uncovering investment opportunities where they believe business conditions are or could be improving. In the current market environment, where concerns about interest rates are still ongoing, the portfolio manager continues to focus on earnings growth. In the portfolio manager's view, earnings growth is the key criterion when picking stocks, because the portfolio manager believes higher interest rates will likely end eventually. The portfolio manager is excited about the artificial intelligence (AI) trend and has been positioning the portfolio to benefit from it. In the manager's view, AI has the potential to improve efficiency and productivity, which could lead to better return on investment for companies – the sort of positive change that is a central theme of the portfolio manager's investment philosophy.

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 group 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 has entered into sub-advisory agreements with a number of entities including Fidelity Management & Research Company LLC, to provide investment advice with respect to all or a portion of the investments of the Fund. The sub-advisors arrange for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements.

## **Fidelity Global Innovators® ETF**

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

The Fund pays Fidelity a monthly management and advisory fee for their services, based on the net asset value of each Series, calculated daily and payable monthly. The Fund paid Fidelity management and advisory fees of \$617,000 for the period ended March 31, 2024.

### **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 Fund, investment fund 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.

### **Brokerage Commissions**

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of Fidelity Investments, including National Financial Services LLC, 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 March 31, 2024. Fidelity receives standing instructions from the IRC in respect of policies and procedures governing best execution of transactions with affiliates, which includes brokers affiliated to Fidelity Investments, at least once per year.

# 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 Global Innovators® ETF Series L

	Period ended March 31, 2024 <sup>A</sup>
<b>The Series' Net Assets per Security<sup>B</sup></b>	
Net Assets, beginning of the period <sup>C</sup>	\$ 9.91
<b>Increase (decrease) from operations:</b>	
Total revenue	.05
Total expenses (excluding distributions)	(.11)
Realized gains (losses)	.23
Unrealized gains (losses)	<u>6.31</u>
<b>Total Increase (decrease) from operations<sup>C</sup></b>	<u>6.48</u>
<b>Distributions:</b>	
From net investment income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	<u>—</u>
<b>Total Distributions<sup>C, D</sup></b>	<u>—</u>
<b>Net Assets, end of the period<sup>C</sup></b>	\$ 15.51
<b>Ratios and Supplemental Data</b>	
Net asset value (000s) <sup>E</sup>	\$213,868
Securities outstanding <sup>E</sup>	13,785
Management expense ratio <sup>F</sup>	1.09%
Management expense ratio before waivers or absorptions <sup>F</sup>	1.12%
Trading expense ratio <sup>G</sup>	.08%
Portfolio turnover rate <sup>H</sup>	86.63%
Net asset value per security, end of period	\$15.5064

<sup>A</sup> For the period May 4, 2023 (inception date) to March 31, 2024.

<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. For reporting periods ending after January 1, 2017 per security comparative figures (except for net asset value per security, end of period) have been conformed to the current rounding presentation of two decimal places.

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

<sup>G</sup> The trading expense ratio represents total commissions and other portfolio transaction costs 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 the portfolio securities, excluding short-term securities. For periods greater than six months, but less than a full fiscal year, the portfolio turnover rate is annualized.

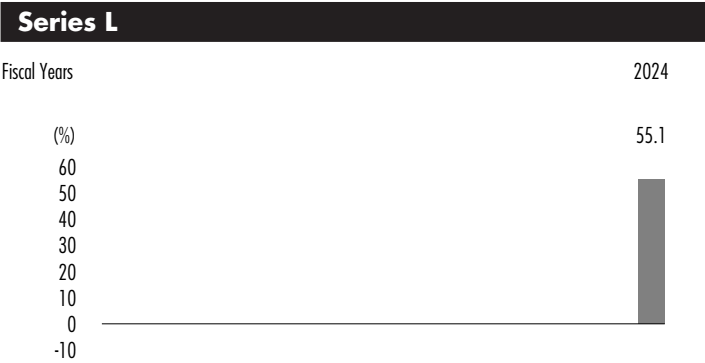
Fidelity Global Innovators® ETF

# 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 May 19, 2023.

## Annual Compound Returns

The Fund and the benchmark average annual returns will be available when the Fund completes one full year.

The MSCI ACWI (All Country World Index) Index is an unmanaged, free-float-adjusted market-capitalization-weighted index composed of stocks of companies located in countries throughout the world. It is designed to measure equity market performance in global developed and emerging markets. The NASDAQ Composite Index is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market.

## Summary of Investment Portfolio as at March 31, 2024

## Sector Mix

	% of Fund's Net Assets as at 3/31/24
Information Technology	42.1
Consumer Discretionary	11.4
Communication Services	10.6
Industrials	9.7
Health Care	9.5
Financials	7.2
Energy	5.0
Real Estate	1.0
Others (Individually Less Than 1%)	0.9
Cash and Cash Equivalents	1.5
Net Other Assets (Liabilities)	1.1

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

## Geographic Mix

	% of Fund's Net Assets as at 3/31/24
United States of America	90.0
Canada	4.4
Taiwan	1.6
Others (Individually Less Than 1%)	1.4
Cash and Cash Equivalents	1.5
Net Other Assets (Liabilities)	1.1

## Top Issuers

	% of Fund's Net Assets
1. NVIDIA Corp.	9.4
2. Amazon.com, Inc.	8.3
3. Microsoft Corp.	8.0
4. Meta Platforms, Inc.	6.1
5. Broadcom, Inc.	5.1
6. Coinbase Global, Inc.	4.1
7. Micron Technology, Inc.	2.9
8. Eli Lilly & Co.	2.8
9. Eaton Corp. PLC	2.6
10. Advanced Micro Devices, Inc.	2.2
11. Dell Technologies, Inc.	2.1
12. Cameco Corp.	2.0
13. Block, Inc.	2.0
14. ROBLOX Corp.	1.9
15. Apple, Inc.	1.8
16. Fidelity U.S. Money Market Investment Trust - Series O	1.5
17. Alphabet, Inc.	1.5
18. Vertiv Holdings Co.	1.4
19. Boston Scientific Corp.	1.4
20. General Electric Co.	1.4
21. MicroStrategy, Inc.	1.2
22. Merck & Co., Inc.	1.2
23. Danaher Corp.	1.2
24. Moderna, Inc.	1.1
25. The Walt Disney Co.	1.0
	<u>74.2</u>

Total Fund Net Assets \$213,868,000

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

Comparative balances, as applicable, have been reclassified from country of incorporation to country of risk to align with current period presentation.

All tables within the Summary of Investment Portfolio section, except the Top Issuers table, contain audited 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, ETF facts document or 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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### **Manager**

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### **Custodian, Transfer Agent and Registrar**

State Street Trust Company of Canada  
Toronto, Ontario

### **Portfolio Adviser**

Fidelity Investments Canada ULC  
Toronto, Ontario

Visit us online at  
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or call Fidelity Client Services  
at 1-800-263-4077

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