



# **Fidelity ClearPath® 2040 Portfolio**

**Semi-Annual  
Management Report  
of Fund Performance**  
December 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.

# Semi-Annual Management Report of Fund Performance as at December 31, 2024

## Fidelity ClearPath® 2040 Portfolio

*This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements for the investment fund. You can get a copy of the semi-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

### Results of Operations

Fidelity ClearPath® 2040 Portfolio (Fund), Series B, returned 7.1%, after fees and expenses, for the six-month period ended December 31, 2024. The net returns of the other series of the Fund are similar to those of Series B, except for differences attributable to expense structures. During the review period, Canadian equities, as represented by the S&P/TSX Composite Index, returned 14.7% (in Canadian dollar terms) and Canadian fixed income, as represented by the FTSE Canada Universe Bond Index, returned 4.6% (in Canadian dollar terms).

Market overview:

Canadian equities, as measured by the S&P/TSX Composite Index, returned 14.7% for the six-month period ended December 31, 2024.

Canadian equities rose over the review period, driven by strong performance in key sectors. Information technology and financials were the best-performing sectors, benefiting from advancements in artificial intelligence and a more positive outlook on banking stocks. All sectors, except for communication services, improved over the period. The communication services sector, which is heavily focused on telecommunications, declined due to specific stock-related challenges. Cyclical sectors like consumer discretionary and energy also posted growth despite bouts of volatility, while defensive sectors such as healthcare, utilities, and consumer staples also experienced gains as investors looked for stability amid ongoing market fluctuations. However, market volatility remained elevated, fuelled by risks including uncertainty around U.S. monetary policy, concerns over U.S. economic growth, and the threat of new U.S. tariffs targeting key trading partners. These tariff threats weighed on investor sentiment, particularly in export-oriented industries, amplifying fears of broader economic repercussions. The Canadian economy grew at a slower-than-expected pace, with an annualized growth rate of 1.0% in the third quarter of 2024, compared to higher growth of 2.2% in the second quarter of 2024. Inflation, as measured by the consumer price index, eased from 2.7% in June 2024 to 1.9% in November 2024, indicating a slowdown in price increases. Additionally, the labour market showed signs of softening, as the unemployment rate rose to 6.7% in December 2024, up from 6.4% in June 2024. These trends bolstered the case for continued monetary easing by the Bank of Canada (BoC). Against this backdrop, the BoC announced several interest rate cuts, reducing the benchmark rate from 4.75% in June 2024 to 3.25% by December 2024.

Canadian investment-grade bonds, as broadly represented by the FTSE Canada Universe Bond Index, returned 4.6% for the six-month period ended December 31, 2024.

Canadian investment-grade bonds rose over the period under review, as the Bank of Canada (the BoC) announced several interest rate cuts, inflation declined rapidly, and the Canadian economy grew at a slower pace than expected. In November 2024, Canada's Consumer Price Index (CPI) inflation was 1.9%, below the BoC's 2.0% target, mainly due to lower energy prices and weakened inflationary pressures. While energy exports are rising, growth in business investment and government spending has slowed, and excess supply in the economy persists. Employment has softened, with wage growth outpacing productivity gains. Economic growth is projected to gradually strengthen through 2025-2026, supported by lower interest rates, steady consumer spending, and robust export demand. Although at the end of the third quarter, the economy expanded by an annualized rate of 1.0%.

Factors affecting performance:

The Fund's benchmark returned 9.2% for the period under review. At the end of the review period, the Fund's benchmark consisted of approximately 29.7% Dow Jones U.S. Total Stock Market Index, 29.7% MSCI EAFE + Emerging Markets Index, 19.8% S&P/TSX Capped Composite Index, 8.6% FTSE Canada Universe Bond Index, 8.5% Bloomberg Global Treasury Developed Index - Hedged CAD, and 3.8% FTSE Canada Long Term Government Bond Index.

The Fund underperformed its benchmark. Investments in inflation-linked bonds and inflation-protected debt securities detracted from relative returns. In contrast, lower-than-benchmark exposure to global developed markets sovereign bonds and investments in Canadian investment-grade bonds contributed to relative returns.

Among equities, investments in Canadian equities and a lower-than-benchmark exposure to U.S. equities, detracted from relative returns. The Fund's investments in international developed markets equities also detracted from relative returns.

Portfolio changes:

Fidelity ClearPath® Retirement Portfolios are managed by a team of three portfolio managers and a dedicated target date investment team supported by deep research resources. The investment process balances risk and return throughout the lifecycle of an investor, with each Portfolio becoming more diversified and conservative as the investor ages, reaching its final asset allocation approximately 20 years after the target date. The strategic allocation is constructed using long-term, forward-looking views, and the funds have the flexibility to make active decisions when opportunities are identified in the short to medium term.

Fidelity's goal is to build a portfolio of underlying funds that provide both independent and complementary sources of return, have a defined investment philosophy and a repeatable investment process, and have managers with experience managing through different market cycles.

During the review period, the portfolio managers modestly increased exposure to equities, reduced holdings in inflation-sensitive commodities, and reduced the allocation to fixed income. At the end of the review period, the portfolio managers continued to hold a higher-than-benchmark allocation to equities, believing that economic growth may be more resilient than expected. To express this view, the portfolio managers hold higher-than-benchmark allocations to international developed market equities and emerging market equities, which they believe offer more favourable risk/reward profiles. The Fund had out-of-benchmark allocations to inflation-sensitive commodities and high-yield bonds. In contrast, the Fund had lower-than-benchmark exposure to global developed market sovereign bonds and Canadian investment-grade bonds.

## **Fidelity ClearPath® 2040 Portfolio**

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

#### **Derivatives disclosure:**

During the period, the Fund engaged in futures contracts, in a manner consistent with its investment objective and strategies, to manage the Fund's cash balance while the portfolio management team sought out other investment opportunities.

#### **Recent Developments**

The investment process for Fidelity ClearPath® Retirement Portfolios positions the Fund with a strategic allocation, but includes the flexibility to add more asset classes outside of this allocation. These decisions are typically made over an intermediate horizon of up to five years. Fidelity's investment process for asset-class positioning emphasizes assets that have what the portfolio managers believe to be attractive valuations and that exhibit trends across asset classes, regions and sectors, where the managers may have a view that diverges from what might be implied by current prices. Position sizing reflects the portfolio managers' perceived confidence in the magnitude and distribution of potential performance and outcomes across asset classes.

The portfolio managers maintain a view that the last mile of deflation could prove challenging, and that until recently, the markets have continued to downplay the probability that elevated inflation levels will persist. The continuation of inflation volatility is, in their opinion, a key driver of why the stock-bond correlation remains positive. In the fourth quarter of 2024, markets experienced a repricing of longer-term interest rates across many global markets, likely reflecting the return of a term premium and possible expectations of elevated neutral interest rates. The portfolio managers anticipate that the rate environment will remain volatile, with a wide distribution of potential outcomes. As a result, the Fund continues to have an underweight duration posture and an overweight in inflation-sensitive fixed income.

In accordance with the Fund's investment objective and strategy, the Fund uses a dynamic asset allocation strategy. Over time, an increased proportion of the Fund's assets will gradually be invested in securities of fixed income and money market funds. As disclosed in the prospectus, these planned changes to the Fund's composition are reflected in the fund specific benchmark through minor monthly weight changes.

#### **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 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 acquisition and disposition of portfolio investments, including all necessary brokerage arrangements. 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 \$2,149,000 for the period ended December 31, 2024.

##### **Administration Fee**

Fidelity charges the Fund a fixed administration fee in place of certain variable expenses. Fidelity, in turn, pays all of the operating expenses of the Fund, other than certain specified fund costs (e.g. the fees and expenses of the Independent Review Committee, taxes, brokerage commissions and interest charges). The Fund pays an annual rate, which is calculated on a tiered basis, based on the net asset value of each Series, calculated daily and payable monthly. The Fund paid Fidelity administration fees of \$200,000 for the period ended December 31, 2024.

##### **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 less than \$500 for the period ended December 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.

#### **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 ClearPath® 2040 Portfolio Series A

	Six months ended December 31, 2024		2024	Periods ended June 30, 2023		2022	2021	2020				
<b>The Series' Net Assets per Security <sup>A</sup></b>												
Net assets, beginning of period <sup>B</sup>	\$	23.06	\$	20.22	\$	17.87	\$	21.78	\$	18.03	\$	18.21
<b>Increase (decrease) from operations:</b>												
Total revenue		.23		.49		.45		.49		.34		.26
Total expenses (excluding distributions)		(.30)		(.52)		(.48)		(.54)		(.50)		(.45)
Realized gains (losses)		.75		1.00		(.04)		.89		1.45		.76
Unrealized gains (losses)		1.00		1.92		2.54		(3.64)		3.29		.12
<b>Total increase (decrease) from operations <sup>B</sup></b>		1.68		2.89		2.47		(2.80)		4.58		.69
<b>Distributions:</b>												
From net investment income (excluding dividends)		(.21)		(.10)		(.03)		(.16)		(.07)		(.11)
From dividends		(.06)		(.04)		(.01)		(.05)		(.06)		(.05)
From capital gains		(.89)		(.09)		(.01)		(.66)		(.60)		(.63)
Return of capital		—		—		—		—		—		—
<b>Total distributions <sup>B,C</sup></b>		(1.16)		(.23)		(.05)		(.87)		(.73)		(.79)
<b>Net assets, end of period <sup>B</sup></b>	\$	23.52	\$	23.06	\$	20.22	\$	17.87	\$	21.78	\$	18.03
<b>Ratios and Supplemental Data</b>												
Net asset value (000s) <sup>D,E</sup>	\$	6,166	\$	7,008	\$	9,528	\$	11,872	\$	17,288	\$	18,368
Securities outstanding <sup>D</sup>		262,113		303,896		471,280		664,436		793,649		1,018,573
Management expense ratio <sup>F,G</sup>		2.49%		2.49%		2.48%		2.49%		2.50%		2.48%
Management expense ratio before waivers or absorptions <sup>F,G</sup>		2.50%		2.51%		2.50%		2.50%		2.52%		2.50%
Trading expense ratio <sup>H</sup>		.08%		.07%		.06%		.08%		.10%		.16%
Portfolio turnover rate <sup>I</sup>		13.57%		49.24%		21.55%		30.79%		28.44%		32.01%
Net asset value per security, end of period	\$	23.5232	\$	23.0620	\$	20.2163	\$	17.8678	\$	21.7829	\$	18.0332

## Fidelity ClearPath® 2040 Portfolio Series B

	Six months ended December 31, 2024		2024	2023	Periods ended June 30, 2022		2021	2020				
<b>The Series' Net Assets per Security <sup>A</sup></b>												
Net assets, beginning of period <sup>B</sup>	\$	23.34	\$	20.46	\$	18.08	\$	22.05	\$	18.25	\$	18.43
<b>Increase (decrease) from operations:</b>												
Total revenue		.29		.49		.47		.53		.37		.26
Total expenses (excluding distributions)		(.27)		(.47)		(.43)		(.50)		(.46)		(.41)
Realized gains (losses)		.77		1.19		(.02)		.85		1.45		.75
Unrealized gains (losses)		.89		1.98		2.46		(4.73)		3.20		.08
<b>Total increase (decrease) from operations <sup>B</sup></b>		1.68		3.19		2.48		(3.85)		4.56		.68
<b>Distributions:</b>												
From net investment income (excluding dividends)		(.22)		(.13)		(.06)		(.17)		(.07)		(.12)
From dividends		(.07)		(.05)		(.02)		(.05)		(.07)		(.05)
From capital gains		(.95)		(.11)		(.02)		(.70)		(.65)		(.68)
Return of capital		—		—		—		—		—		—
<b>Total distributions <sup>B,C</sup></b>		(1.24)		(.29)		(.10)		(.92)		(.79)		(.85)
<b>Net assets, end of period <sup>B</sup></b>	\$	23.78	\$	23.34	\$	20.46	\$	18.08	\$	22.05	\$	18.25
<b>Ratios and Supplemental Data</b>												
Net asset value (000s) <sup>D,E</sup>	\$	213,097	\$	201,193	\$	176,316	\$	141,599	\$	118,854	\$	92,533
Securities outstanding <sup>D</sup>		8,963,151		8,620,082		8,618,466		7,831,158		5,391,324		5,069,347
Management expense ratio <sup>F,I</sup>		2.23%		2.25%		2.27%		2.28%		2.29%		2.27%
Management expense ratio before waivers or absorptions <sup>F,I</sup>		2.24%		2.25%		2.27%		2.28%		2.29%		2.27%
Trading expense ratio <sup>H</sup>		.08%		.07%		.06%		.08%		.10%		.16%
Portfolio turnover rate <sup>I</sup>		13.57%		49.24%		21.55%		30.79%		28.44%		32.01%
Net asset value per security, end of period	\$	23.7780	\$	23.3428	\$	20.4604	\$	18.0826	\$	22.0465	\$	18.2542

## Financial Highlights – continued

### Fidelity ClearPath® 2040 Portfolio Series F

	Six months ended December 31, 2024		2024	Periods ended June 30, 2023		2022	2021	2020				
<b>The Series' Net Assets per Security <sup>A</sup></b>												
Net assets, beginning of period <sup>B</sup>	\$	24.30	\$	21.31	\$	18.84	\$	22.97	\$	19.03	\$	19.23
<b>Increase (decrease) from operations:</b>												
Total revenue		.31		.51		.47		.59		.38		.27
Total expenses (excluding distributions)		(.14)		(.24)		(.22)		(.26)		(.24)		(.22)
Realized gains (losses)		.81		1.24		(.02)		.84		1.49		.80
Unrealized gains (losses)		.89		2.00		2.57		(5.99)		3.34		.09
<b>Total increase (decrease) from operations <sup>B</sup></b>		1.87		3.51		2.80		(4.82)		4.97		.94
<b>Distributions:</b>												
From net investment income (excluding dividends)		(.29)		(.25)		(.19)		(.23)		(.10)		(.16)
From dividends		(.09)		(.09)		(.07)		(.07)		(.09)		(.07)
From capital gains		(1.23)		(.22)		(.08)		(.94)		(.88)		(.89)
Return of capital		—		—		—		—		—		—
<b>Total distributions <sup>B,C</sup></b>		(1.61)		(.56)		(.34)		(1.24)		(1.07)		(1.12)
<b>Net assets, end of period <sup>B</sup></b>	\$	24.60	\$	24.30	\$	21.31	\$	18.84	\$	22.97	\$	19.03
<b>Ratios and Supplemental Data</b>												
Net asset value (000s) <sup>D,E</sup>	\$	42,248	\$	37,835	\$	32,562	\$	26,657	\$	11,990	\$	8,971
Securities outstanding <sup>D</sup>		1,717,240		1,556,791		1,528,105		1,415,301		521,873		471,371
Management expense ratio <sup>F,G</sup>		1.10%		1.11%		1.13%		1.14%		1.15%		1.14%
Management expense ratio before waivers or absorptions <sup>F,G</sup>		1.10%		1.11%		1.13%		1.14%		1.16%		1.14%
Trading expense ratio <sup>H</sup>		.08%		.07%		.06%		.08%		.10%		.16%
Portfolio turnover rate <sup>I</sup>		13.57%		49.24%		21.55%		30.79%		28.44%		32.01%
Net asset value per security, end of period	\$	24.6032	\$	24.3045	\$	21.3092	\$	18.8354	\$	22.9743	\$	19.0320

### Fidelity ClearPath® 2040 Portfolio Series O

	Six months ended December 31, 2024		2024	Periods ended June 30, 2023		2022	2021	2020				
<b>The Series' Net Assets per Security <sup>A</sup></b>												
Net assets, beginning of period <sup>B</sup>	\$	23.00	\$	20.18	\$	17.84	\$	21.77	\$	18.05	\$	18.25
<b>Increase (decrease) from operations:</b>												
Total revenue		.30		.49		.46		.49		.42		.25
Total expenses (excluding distributions)		—		—		—		(.02)		—		—
Realized gains (losses)		.77		1.21		(.02)		.82		.84		.74
Unrealized gains (losses)		.85		1.93		2.43		(4.09)		3.81		.03
<b>Total increase (decrease) from operations <sup>B</sup></b>		1.92		3.63		2.87		(2.80)		5.07		1.02
<b>Distributions:</b>												
From net investment income (excluding dividends)		(.32)		(.34)		(.30)		(.27)		(.12)		(.19)
From dividends		(.10)		(.12)		(.12)		(.08)		(.11)		(.08)
From capital gains		(1.38)		(.30)		(.12)		(1.10)		(1.04)		(1.03)
Return of capital		—		—		—		—		—		—
<b>Total distributions <sup>B,C</sup></b>		(1.80)		(.76)		(.54)		(1.45)		(1.27)		(1.30)
<b>Net assets, end of period <sup>B</sup></b>	\$	23.14	\$	23.00	\$	20.18	\$	17.84	\$	21.77	\$	18.05
<b>Ratios and Supplemental Data</b>												
Net asset value (000s) <sup>D,E</sup>	\$	1,976,109	\$	1,777,356	\$	1,398,818	\$	1,119,552	\$	1,158,011	\$	304,668
Securities outstanding <sup>D</sup>		85,415,580		77,288,785		69,333,839		62,764,132		53,186,089		16,878,885
Management expense ratio <sup>F</sup>		—%		—%		—%		.01%		.01%		—%
Management expense ratio before waivers or absorptions <sup>F</sup>		—%		—%		—%		.01%		.01%		—%
Trading expense ratio <sup>H</sup>		.08%		.07%		.06%		.08%		.10%		.16%
Portfolio turnover rate <sup>I</sup>		13.57%		49.24%		21.55%		30.79%		28.44%		32.01%
Net asset value per security, end of period	\$	23.1352	\$	22.9963	\$	20.1751	\$	17.8376	\$	21.7728	\$	18.0504

## Financial Highlights Footnotes

- <sup>A</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>B</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>C</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>D</sup> This information is provided as at period end of the year shown.
- <sup>E</sup> Prior period amounts may have been adjusted.
- <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, (2024: %, 2024: —%, 2023: —%, 2022: .01%, 2021: .01%, 2020: —% ).
- <sup>G</sup> Effective November 1, 2014, the manager of the Fund has waived a portion of its administration fee and as of the date of the MRFP has continued to provide the Fund with such waivers. The manager may terminate the waiver at any time, at its sole discretion. It is not known when such waivers will be terminated.
- <sup>H</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>I</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.
- <sup>J</sup> Effective October 1, 2015, the manager of the Fund has waived a portion of its administration fee and as of the date of the MRFP has continued to provide the Fund with such waivers. The manager may terminate the waiver at any time, at its sole discretion. It is not known when such waivers will be terminated.

## Management and Advisory Fees

Fidelity serves as manager and investment advisor of the Fund. The Fund pays Fidelity a monthly management and advisory fee for its services, based on the net asset value of each Series, calculated daily and payable monthly. Fidelity uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund securities, as well as for the general investment management expenses. Dealer compensation represents cash commissions paid by Fidelity to registered dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by Fidelity during the period. For new Funds or Series the amounts presented may not be indicative of longer term operating periods.

	<b>Management Fees (%)</b>	<b>Dealer Compensation (%)</b>	<b>Investment management, administration and other (%)</b>
Series A	2.000	24.76	75.24
Series B	1.850	54.05	45.95
Series F	0.850	-	100.00

# Fidelity ClearPath® 2040 Portfolio

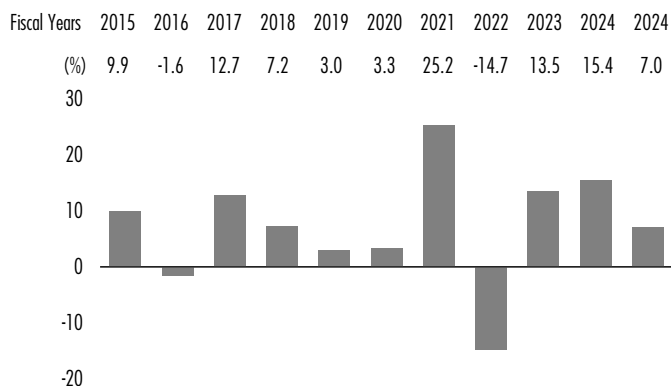
## Past Performance

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.

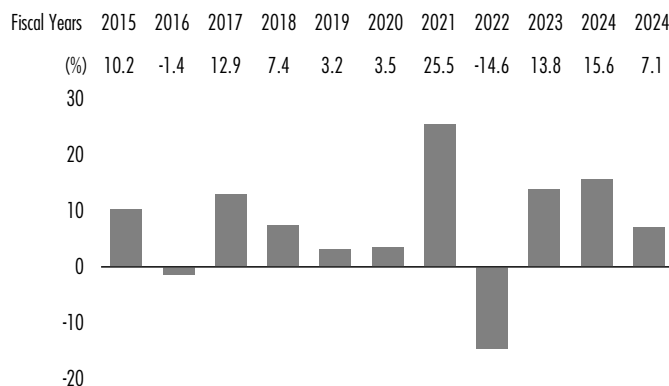
### Year-by-Year Returns

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. For each Series in the Year-by-Year Returns table below, the most recent returns stated are for the current six month period.

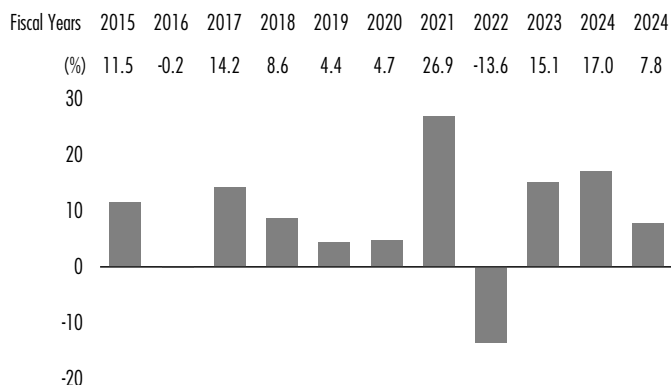
#### Series A



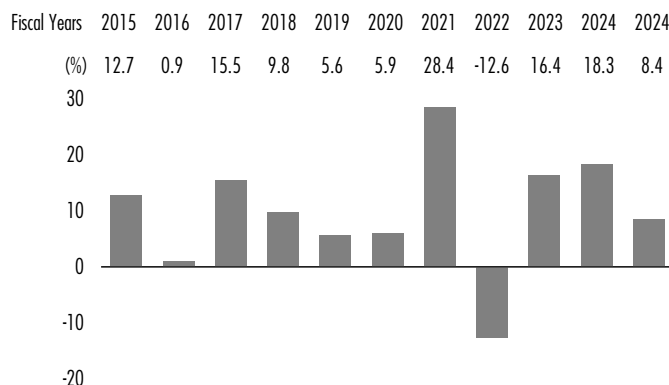
#### Series B



#### Series F



#### Series O



# Summary of Investment Portfolio as at December 31, 2024

## Asset Mix

	% of Fund's Net Assets as at December 31, 2024	% of Fund's Net Assets as at June 30, 2024
Foreign Equities	65.4	64.8
Canadian Equities	17.9	19.0
Canadian Bonds	8.6	8.7
Foreign Bonds	4.8	5.9
Foreign Exchange Traded Funds	0.3	0.3
Canadian Preferred Securities	0.0	0.0
Foreign Preferred Securities	0.0	0.0
Cash and Cash Equivalents	3.3	1.9
Net Other Assets (Liabilities)	(0.3)	(0.6)

## Geographic Mix

	% of Fund's Net Assets as at December 31, 2024	% of Fund's Net Assets as at June 30, 2024
United States of America	35.6	35.8
Canada	26.5	27.7
China	4.7	4.0
United Kingdom	4.5	4.3
Japan	3.8	4.4
France	3.2	3.4
Germany	2.6	2.2
Taiwan	2.3	2.3
India	1.4	1.2
Korea (South)	1.4	2.0
Netherlands	1.2	1.7
Switzerland	1.1	1.1
Italy	1.0	0.9
Others (Individually Less Than 1%)	7.7	7.7
Cash and Cash Equivalents	3.3	1.9
Net Other Assets (Liabilities)	(0.3)	(0.6)

## Maturity Diversification

Years	% of Fund's Net Assets as at December 31, 2024	% of Fund's Net Assets as at June 30, 2024
0 – 1	3.3	2.3
1 – 3	1.8	1.9
3 – 5	2.6	2.6
Over 5	9.0	9.7

## Derivative Exposure

	% of Fund's Net Assets as at December 31, 2024	% of Fund's Net Assets as at June 30, 2024
Futures Contracts	0.9	0.1
Forward Foreign Currency Contracts	0.0	0.0

Futures Contracts percentage is calculated by dividing the sum of the notional amount by total net assets.

Forward Foreign Currency Contracts percentage is calculated by dividing the net unrealized gain/loss of all contracts held by total net assets.

## Quality Diversification

	% of Fund's Net Assets as at December 31, 2024	% of Fund's Net Assets as at June 30, 2024
AAA	5.7	6.2
AA	4.4	4.8
A	0.5	0.8
BBB	1.9	1.0
BB and Below	0.4	0.5
Not Rated	0.5	1.3
Equities	83.6	84.1
Short-Term Investments and Net Other Assets	3.0	1.3

We have used ratings from Moody's Investors Service, Inc. Where Moody's® ratings are not available, we have used S&P® ratings. All ratings are as of the date indicated and do not reflect subsequent changes.

## Top Issuers

	% of Fund's Net Assets
1. Fidelity Emerging Markets Fund – Series O	11.9
2. Fidelity International Equity Multi-Asset Base Fund – Series O	10.0
3. Fidelity Canadian Disciplined Equity® Fund – Series O	8.7
4. Fidelity Insights Investment Trust™ – Series O	8.5
5. Fidelity Blue Chip Growth Multi-Asset Base Fund – Series O	6.2
6. Fidelity Canadian Bond Multi-Asset Base Fund – Series O	6.2
7. Fidelity International Growth Multi-Asset Base Fund – Series O	5.7
8. Fidelity American Disciplined Equity® Fund – Series O	5.7
9. Fidelity International Value Multi-Asset Base Fund – Series O	5.7
10. Fidelity True North® Fund – Series O	5.1
11. Fidelity U.S. Dividend Investment Trust – Series O	5.0
12. Fidelity Global Inflation-Linked Bond Index Hedged Multi-Asset Base Fund – Series O	3.8
13. Fidelity Canadian Government Long Bond Index Multi-Asset Base Fund – Series O	2.9
14. Fidelity U.S. Small/Mid-Cap Equity Multi-Asset Base Fund – Series O	2.8
15. Fidelity Canadian Focused Equity Multi-Asset Base Fund – Series O	2.5
16. Fidelity International Equity Investment Trust – Series O	2.4
17. Fidelity Dividend Multi-Asset Base Fund – Series O	1.9
18. Fidelity Canadian Opportunities Fund – Series O	1.4
19. Fidelity U.S. Money Market Investment Trust – Series O	1.0
20. Fidelity International Disciplined Equity® Fund – Series O	1.0
21. Fidelity American High Yield Currency Neutral Fund – Series O	0.3
22. Fidelity Global Developed Markets Sovereign Bond Index Hedged Multi-Asset Base Fund – Series O	0.2
23. Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF	0.2
24. iShares Gold Trust	0.1
25. Fidelity Canadian Money Market Investment Trust – Series O	0.0
	<u>99.2</u>

Total Fund Net Assets \$2,237,620,000

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

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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