



# **Fidelity Sustainable World ETF**

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

# Semi-Annual Management Report of Fund Performance as at September 30, 2024

## Fidelity Sustainable World ETF

*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 Sustainable World ETF returned 8.3%, after fees and expenses, for the six-month period ended September 30, 2024. During the review period, global equities, as represented by the MSCI All Country World Index, returned 9.5% (in Canadian dollar terms).

Market overview:

Global equities, as broadly measured by the MSCI All Country World Index, returned 9.5% in Canadian dollar terms and 9.7% in U.S. dollar terms, for the six-month period ended September 30, 2024.

Global equities rose during the review period. Steady growth in the U.S. economy along with expectations that declining inflation may support further rate cuts across most developed markets, supported investor confidence. Investor optimism in the artificial intelligence initially boosted gains in the information technology and communication services sectors but faced volatility in the latter part of the review period due to skepticism about stretched valuations. Defensive sectors such as utilities and consumer staples gained, as investors looked for stability amidst ongoing market volatility. Interest rate sensitive sectors, including real estate and financials sectors also rose, indicating optimism about enhanced earnings potential due to lower borrowing costs for consumers and businesses. In Europe, strong corporate earnings and decelerating inflation supported investor confidence. The European Central Bank reduced its benchmark interest rates by 25 basis points in June and September, bringing the rate down to 3.50%. Japanese equities experienced a period of volatility amid rising concerns about a recession in the U.S., an unexpected rise in Bank of Japan's benchmark rate of interest and the rise in the value of yen against the U.S. dollar. Emerging markets rose but lagged developed markets amid concerns about the outlook for China's economy, despite a modest recovery in growth and supportive policy measures announced by the People's Bank of China.

Factors affecting performance:

In order to achieve its investment objective, Fidelity Sustainable World ETF invests primarily in equity securities of companies of any size. The Fund aims to invest in companies that meet certain ESG criteria, as defined by MSCI's ESG Leaders Index Methodology, which is used to evaluate the sustainability and social impact of their business practices. Such criteria relate to a number of factors, which may include: (i) environmental factors, such as climate change, greenhouse gas emissions and resource depletion; (ii) social factors, such as labour health and safety, product safety and employee and community relations; and (iii) governance factors, such as executive compensation, business ethics and board structure.

The MSCI ACWI ESG Leaders Index, which is based on the MSCI ESG Leaders Index methodology, serves as the investment universe for the Fund. The MSCI ACWI ESG Leaders Index is constructed by applying a best-in-class selection process to companies in the regional indexes that make up the MSCI ACWI. The MSCI ESG Ratings methodology identifies industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. Securities are selected based on their MSCI ESG Ratings, which aim to measure a company's management of financial relevant ESG risks and opportunities.

The Fund underperformed its benchmark, the MSCI All Country World Index, for the review period. The Fund's investments in the information technology and health care sectors detracted from relative returns. In the information technology sector, a lack of exposure to a U.S.-based technology company and an investment in U.S.-based technology company Intel Corporation detracted from relative returns. In the health care sector, investments in U.S.-based pharmaceutical company Merck & Co. and U.S.-based medical device company Zimmer Biomet Holdings detracted from relative returns. In other sectors, an investment in Japan-based automotive manufacturer Mazda Motor Corporation detracted from relative returns.

In contrast, the Fund's investments in, and lower-than-benchmark exposure to, the consumer discretionary sector contributed to relative returns. In the consumer discretionary sector, investments in China-based e-commerce company JD.com and China-based automotive manufacturer Geely Automobile Holdings contributed to relative returns. Investments in the financials sector also contributed to relative returns. In the sector, investments in China-based insurance company AIA Group and China-based banking and financial services company China Construction Bank, contributed to relative returns. In other sectors, investments in U.S.-based semiconductor company NVIDIA contributed to relative returns.

At the end of the review period, the Fund had no exposure to Intel Corporation or Zimmer Biomet Holdings.

Portfolio changes:

At the sector level, relative to the MSCI All Country World Index, the Fund had its highest relative weightings in the information technology and consumer discretionary sectors and its lowest relative weightings in the energy and financials sectors.

The methodology for the MSCI ACWI ESG Leaders Index can be found on the MSCI website under "Index Methodology": Index methodology - MSCI <https://www.msci.com/index-methodology>.

All holdings in Fidelity Sustainable World ETF are also held in the MSCI ACWI ESG Leaders Index, and therefore are eligible for inclusion. Over the period, there were no material changes to the exclusions for the MSCI ACWI ESG Leaders Index that affected the Fund's composition.

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

## **Fidelity Sustainable World ETF Management Discussion of Fund Performance – continued**

management team sought out other investment opportunities.

### **Recent Developments**

The portfolio management team of the Fund seeks to meet the Fund's objectives by applying its proprietary model to the Fund's investable universe to select already eligible ESG securities, as determined by MSCI, based on fundamental characteristics that fall into several categories, as disclosed below.

The Fund uses a quantitative multi-factor model to assess the eligible ESG securities as defined by the MSCI ACWI ESG Leaders Index and aims to identify and rank companies with desirable fundamental characteristics that fall into a number of categories, including, but not limited to: (i) favourable valuation; (ii) positive momentum; (iii) high quality profile; (iv) strong growth potential; (v) non-traditional; and (vi) top-down. In making its investment selections, the Fund aims to invest in reasonably valued profitable companies with a high quality of earnings and positive price momentum. It may also consider other factors that impact a company, such as financial position, industry position, economic and market conditions, strategy and earnings outlook. ESG eligible securities are first determined before the model evaluates the fundamental characteristics of the screened securities. The model further seeks to: (i) analyze the relationships between various factors to determine their relative weightings; and (ii) adapt to the long-term market and risk environment. The Fund attempts to maximize its expected risk-adjusted excess return by selecting companies that are highly ranked by the model and constructing a portfolio that is well-diversified relative to a variety of risk metrics. The Fund may override the quantitative model's security selection and ranking. This action may be taken to mitigate adverse impacts to the Fund during market volatility, or for other reasons.

Securities of companies with significant involvement in controversial businesses, such as the production, facilitation and/or distribution of tobacco products, gambling, weapons, alcohol, thermal coal, fossil fuel extraction, nuclear power and for-profit prisons will be excluded from the MSCI ACWI ESG Leaders Index (for details regarding these screens, including whether involvement in each controversial activity will be considered significant, please refer to the MSCI ESG Leaders Index methodology posted to the MSCI website). Securities of companies involved in severe ESG-related controversies as defined by MSCI's ESG Leaders Index methodology will also generally be excluded. The evaluation framework is designed to avoid companies with significant conflicts relative to international norms and principles such as the UN Global Compact and the International Labor Organization (ILO) Core Conventions (for details regarding the evaluation framework used to assess ESG controversies, including the MSCI ESG Controversies Score, please refer to the MSCI ESG Leaders Index methodology posted to the MSCI website). Changes to ESG criteria, controversial business involvement, and severe ESG controversies are assessed on a quarterly basis as defined by MSCI. The quarterly assessment conducted by MSCI may result in a security being deleted from the MSCI ACWI ESG Leaders Index and thereby no longer eligible as part of the Fund's investment universe. Through index construction, companies showing qualifying involvement in controversial businesses are excluded. The MSCI ACWI ESG Leaders Index provides exposure to all 11 Global Industry Classification Standard (GICS) sectors and therefore may hold investments of companies in the energy sector, subject to these companies meeting qualifying ESG criteria as defined by the MSCI ESG Leaders Index methodology.

### **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 \$539,000 for the period ended September 30, 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 \$0 for the period ended September 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 Sustainable World ETF Series L

	Six months ended September 30,		Periods ended March 31,			
	2024	2024	2023	2022	2021	2020 <sup>A</sup>
<b>The Series' Net Assets per Security<sup>B</sup></b>						
Net assets, beginning of period <sup>C</sup>	\$ 42.11	\$ 33.95	\$ 34.29	\$ 32.58	\$ 24.09	\$ 24.89
<b>Increase (decrease) from operations:</b>						
Total revenue	.50	.79	.86	.93	.66	.54
Total expenses (excluding distributions)	(.22)	(.34)	(.34)	(.37)	(.29)	(.20)
Realized gains (losses)	1.00	1.50	(1.13)	2.00	.63	(.51)
Unrealized gains (losses)	2.21	6.86	.51	(.64)	7.27	(3.79)
<b>Total increase (decrease) from operations<sup>C</sup></b>	3.49	8.81	(.10)	1.92	8.27	(3.96)
<b>Distributions:</b>						
From net investment income (excluding dividends)	—	(.45)	(.56)	(.46)	(.25)	(.14)
From dividends	—	(.02)	(.03)	(.03)	(.02)	—
From capital gains	—	—	—	(1.93)	—	—
Return of capital	—	—	—	—	—	—
<b>Total distributions<sup>C,D</sup></b>	—	(.47)	(.59)	(2.42)	(.27)	(.14)
<b>Net assets, end of period<sup>C</sup></b>	\$ 45.61	\$ 42.11	\$ 33.95	\$ 34.29	\$ 32.58	\$ 24.09
<b>Ratios and Supplemental Data</b>						
Net asset value (000s) <sup>E</sup>	\$ 218,920	\$ 176,923	\$ 125,629	\$ 140,605	\$ 101,003	\$ 38,545
Securities outstanding <sup>E</sup>	4,800,000	4,200,000	3,700,000	4,100,000	3,100,000	1,600,000
Management expense ratio <sup>F</sup>	.63%	.61%	.62%	.62%	.62%	.62%
Management expense ratio before waivers or absorptions <sup>F</sup>	.63%	.61%	.62%	.62%	.62%	.62%
Trading expense ratio <sup>G</sup>	.14%	.08%	.13%	.09%	.09%	.14%
Portfolio turnover rate <sup>H</sup>	58.07%	98.58%	100.33%	112.91%	71.13%	68.24%
Net asset value per security, end of period	\$ 45.6083	\$ 42.1135	\$ 33.9539	\$ 34.2940	\$ 32.5817	\$ 24.0908

<sup>A</sup> For the period May 17, 2019 (inception date) to March 31, 2020.

<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> 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, 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.

## 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.

Series L

<b>Management Fees (%)</b>	<b>Dealer Compensation (%)</b>	<b>Investment management, administration and other (%)</b>
0.550	-	100.00

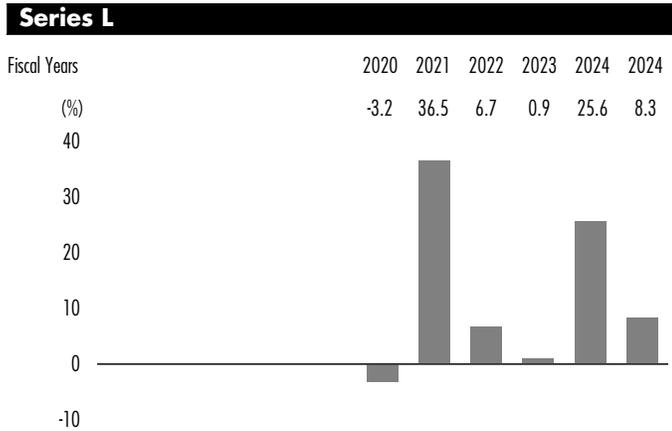
# Fidelity Sustainable World ETF

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



*Commencement of Operations is May 31, 2019*

## Fidelity Sustainable World ETF

# Summary of Investment Portfolio as at September 30, 2024

Sector Mix		
	% of Fund's Net Assets as at September 30, 2024	% of Fund's Net Assets as at March 31, 2024
Information Technology	27.4	27.2
Financials	13.7	14.2
Consumer Discretionary	12.9	7.9
Industrials	11.6	12.2
Health Care	10.6	11.9
Communication Services	9.4	8.7
Consumer Staples	4.3	7.5
Materials	3.4	6.3
Real Estate	2.8	1.4
Utilities	2.5	0.0
Others (Individually Less Than 1%)	0.8	2.2
Cash and Cash Equivalents	0.3	0.2
Net Other Assets (Liabilities)	0.3	0.3

Geographic Mix		
	% of Fund's Net Assets as at September 30, 2024	% of Fund's Net Assets as at March 31, 2024
United States of America	62.1	63.2
China	6.1	5.1
Japan	5.5	4.3
Taiwan	3.6	2.2
United Kingdom	3.6	2.4
Switzerland	3.0	2.1
India	2.0	2.1
Brazil	1.6	2.3
Netherlands	1.6	3.3
Canada	1.5	1.0
Hong Kong	1.3	0.0
Sweden	1.2	0.4
Korea (South)	1.1	0.6
Denmark	1.0	2.3
Others (Individually Less Than 1%)	4.2	8.2
Cash and Cash Equivalents	0.3	0.2
Net Other Assets (Liabilities)	0.3	0.3

Top Issuers		
		% of Fund's Net Assets
1.	NVIDIA Corp.	7.8
2.	Microsoft Corp.	6.5
3.	Alphabet, Inc.	4.9
4.	Taiwan Semiconductor Manufacturing Co. Ltd.	2.4
5.	Eli Lilly & Co.	1.7
6.	Procter & Gamble Co.	1.5
7.	Salesforce, Inc.	1.2
8.	ASML Holding NV	1.2
9.	American Express Co.	1.1
10.	Novartis AG	1.1
11.	General Aerospace	1.1
12.	Tesla, Inc.	1.1
13.	Applied Materials, Inc.	1.0
14.	Caterpillar, Inc.	1.0
15.	Verizon Communications, Inc.	1.0
16.	JD.com, Inc.	0.9
17.	HSBC Holdings PLC	0.9
18.	Booking Holdings, Inc.	0.9
19.	Progressive Corp.	0.9
20.	MercadoLibre, Inc.	0.9
21.	Merck & Co., Inc.	0.9
22.	AIA Group Ltd.	0.9
23.	Schneider Electric SA	0.9
24.	Gilead Sciences, Inc.	0.9
25.	Amgen, Inc.	0.9
		<u>43.6</u>
<i>Total Fund Net Assets \$218,920,000</i>		

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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State Street Trust Company of Canada  
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**Portfolio Adviser**

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