



# ETFs for a world of opportunities

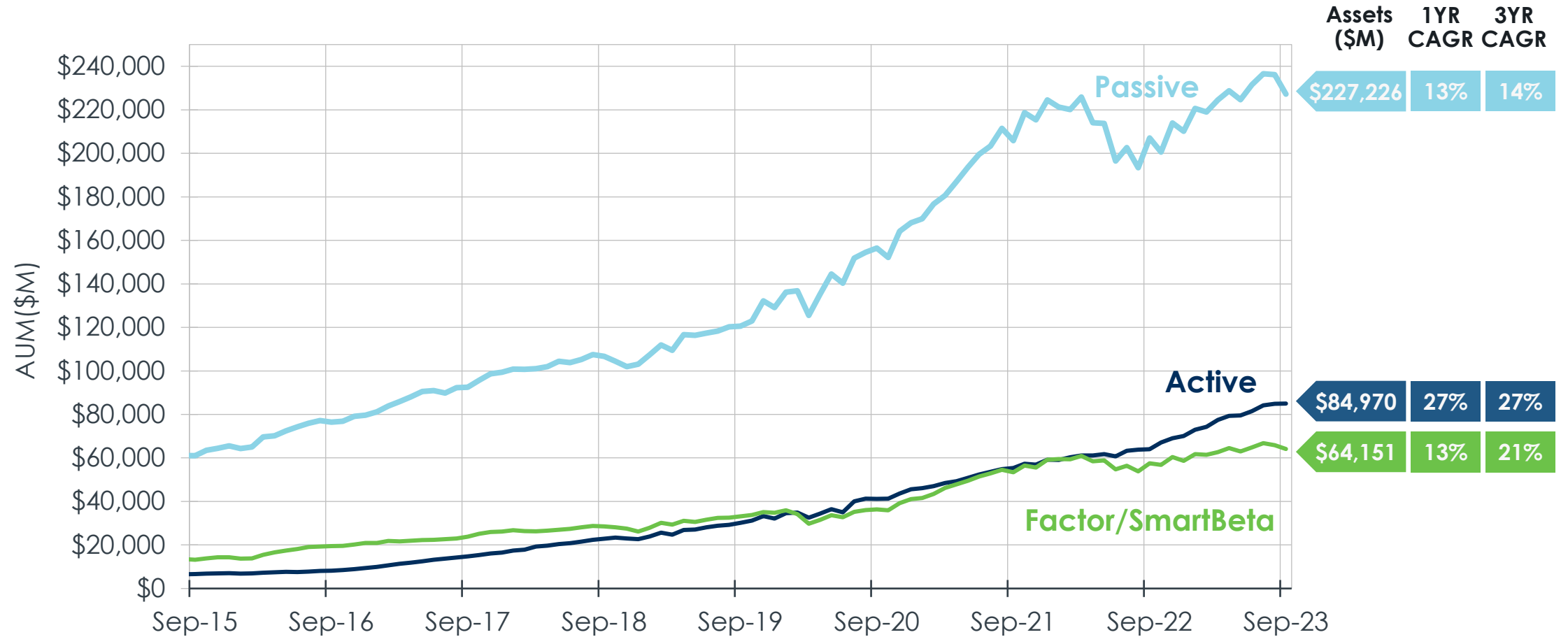
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# Canadian ETF industry growth

## Assets Under Management (\$M)



Source: Morningstar Direct, as at September 30, 2023.

# Canadian ETF industry trends – Asset class

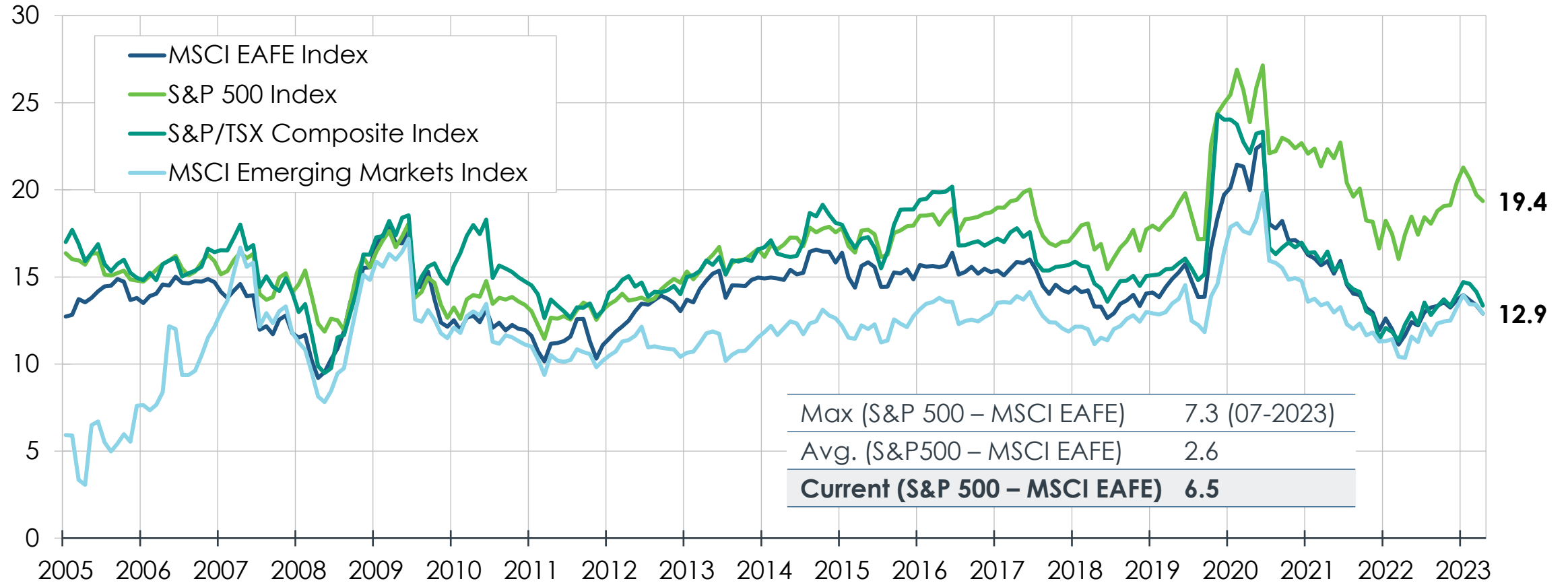
## Net flows (\$M)

	AUM (\$M)	Mkt. Share (%)	October 2023		Oct. YTD 2023	
			Flow (\$M)	Flow/AUM	Flow (\$M)	Flow/AUM
<b>Equity</b>	\$208,213		691	0.3%	8,349	3.90%
Canada	\$73,348	21%	-268	0.4%	3,182	4.10%
United-States	\$71,947	21%	447	0.6%	-1,702	-2.30%
International	\$62,918	18%	-23	0.0%	6,689	11.20%
<b>Fixed Income</b>	\$112,273	32%	1,928	1.70%	18,867	18.1%
<b>Commodities</b>	\$1,631	0%	-27	-1.70%	-95	-5.70%
<b>Multi-Asset</b>	\$17,546	5%	94	0.50%	1,751	11.10%
<b>Inverse/Levered</b>	\$3,364	1%	-129	-3.60%	682	22.80%
<b>Crypto-Asset</b>	\$3,057	1%	248	11.00%	70	4.10%
<b>Total</b>	\$346,084	100%	2805	0.80%	29,624	8.70%

Source: Bloomberg, as at October 31, 2023.

# Valuation metrics by region

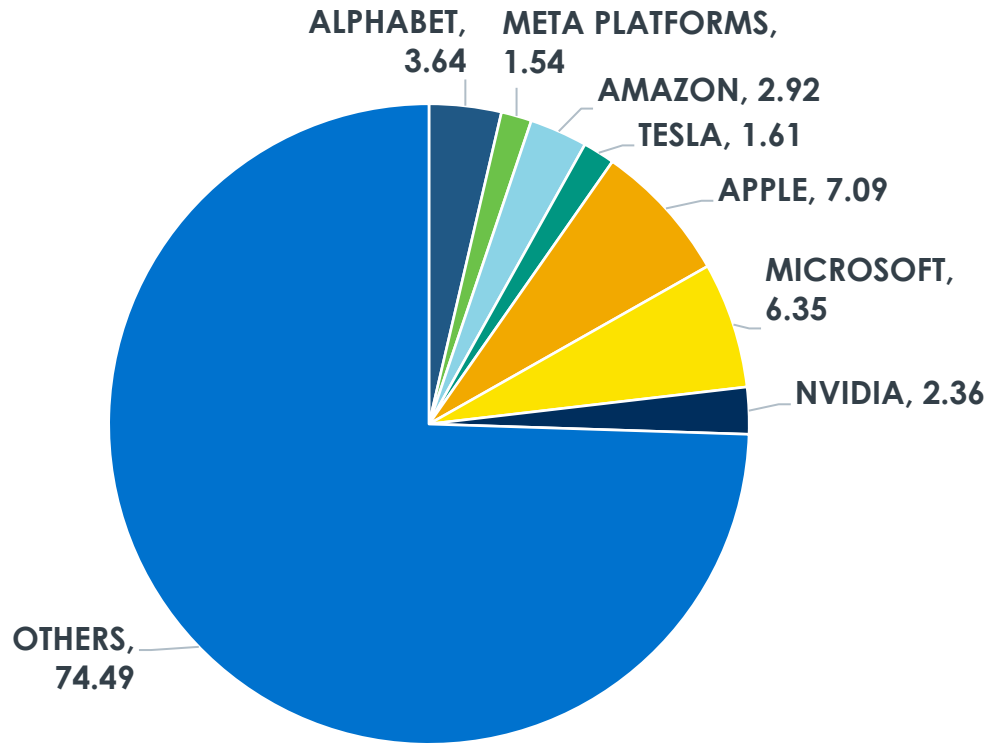
## Forward 12-month P/E ratio



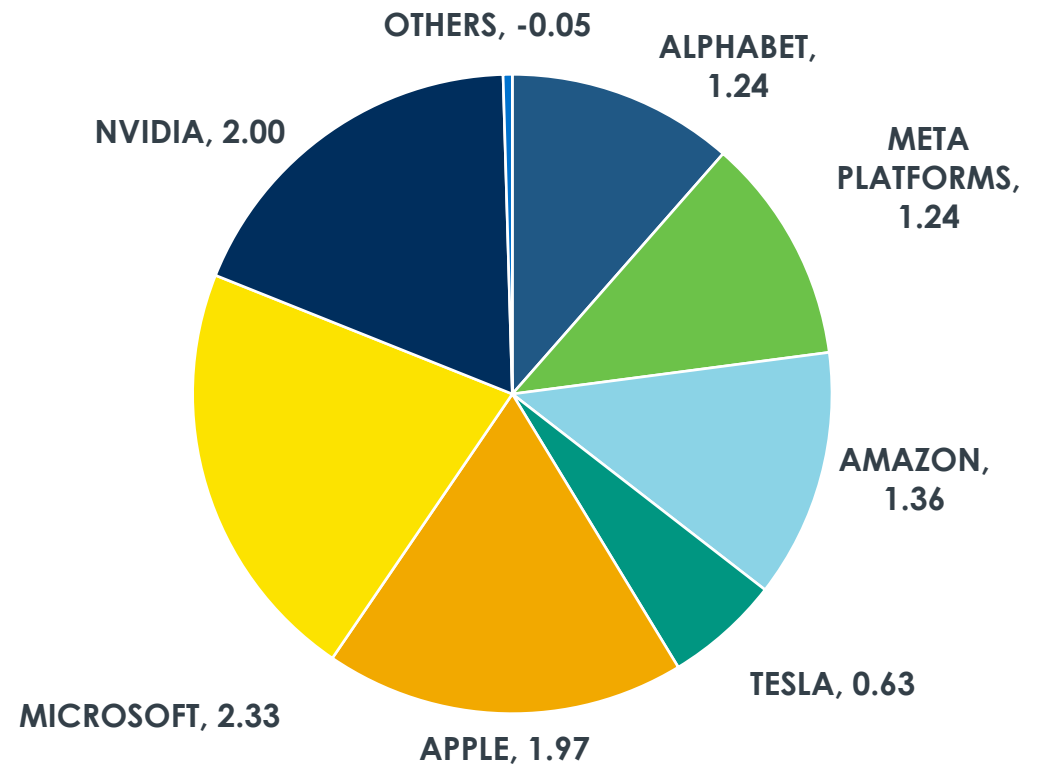
Source: Bloomberg, as at October 31, 2023. Forward P/E calculated by dividing price of the security by Bloomberg estimate EPS (earnings per share).

# Magnificent seven are pulling the S&P 500

## YTD contribution to return (%)



**Magnificent seven represent 25.01% weight of the S&P 500**

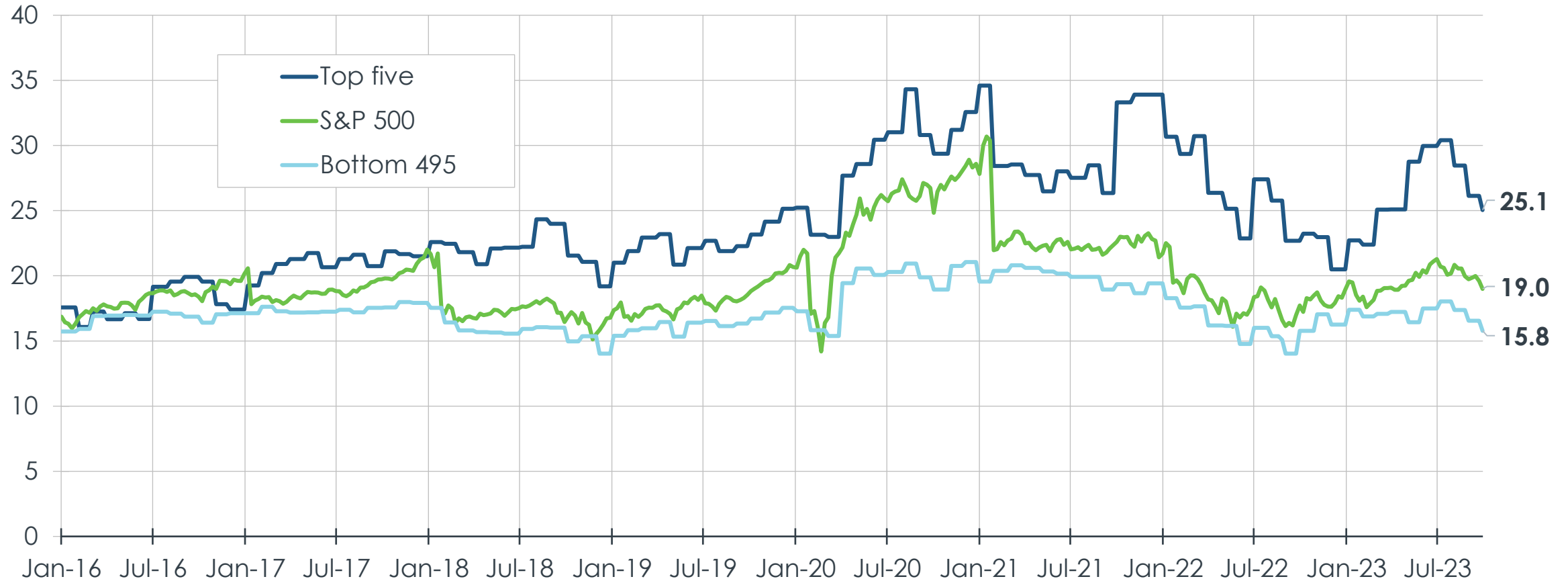


**Magnificent seven represent 100.5% of 10.72% YTD Total Return**

Source: Bloomberg, as at October 31, 2023. \$USD returns of the Vanguard S&P 500 Index.

# S&P 500 FWD P/E

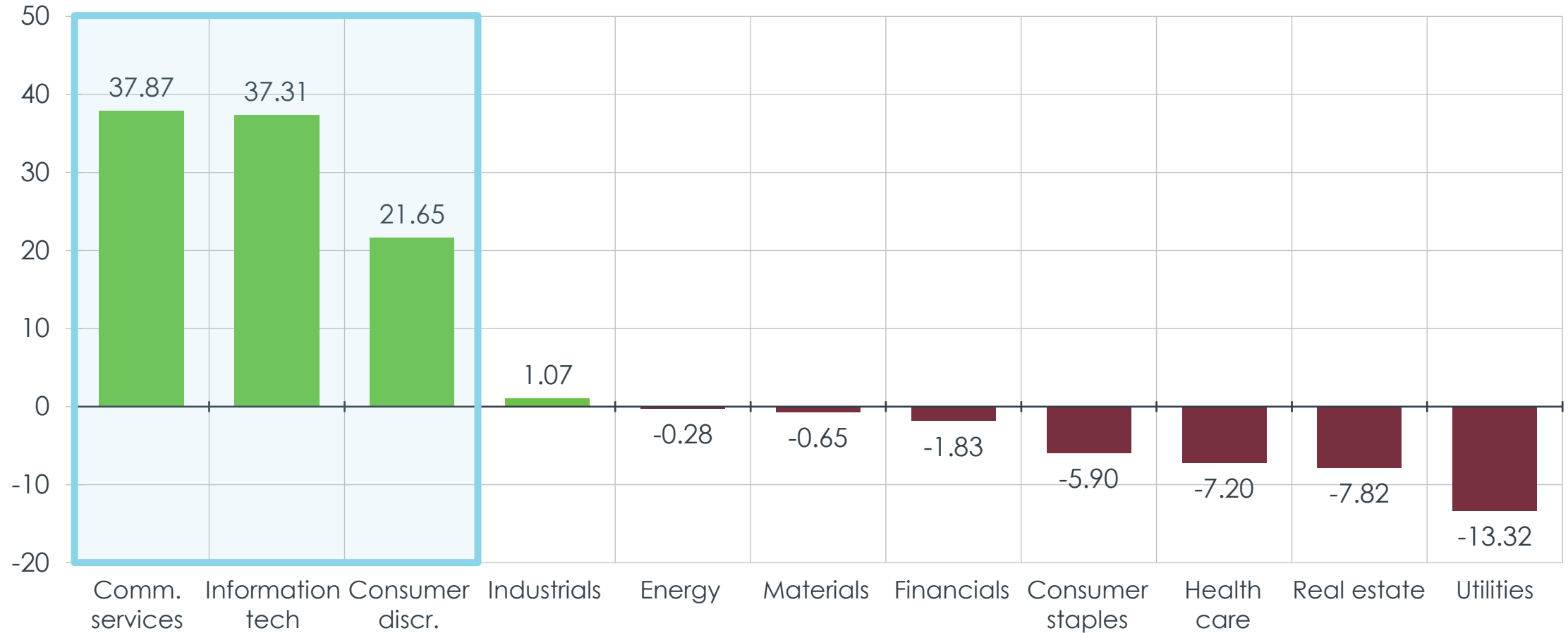
## Top five at large premium vs. the rest of the index



Source: Bloomberg, as at October 29, 2023.

# Sector breadth is lacking

## Total return by sector (%)



Source: Bloomberg, as at October 31, 2023. \$USD returns of the Vanguard S&P 500 Index.

# Fidelity U.S. Value ETF

## Diversifying U.S. equity exposure

	Div. yld (%)	P/E	P/S	P/B	EV/ EBITDA	FCF yield (%)
<b>Fidelity U.S. Value ETF (FCUV)</b>	<b>2.48</b>	<b>11.00</b>	<b>1.03</b>	<b>2.12</b>	<b>6.04</b>	<b>10.07</b>
S&P 500	2.06	21.56	2.39	4.08	13.93	3.84
<b>Delta</b>	<b>0.42</b>	<b>-10.56</b>	<b>-1.36</b>	<b>-1.96</b>	<b>-7.89</b>	<b>6.23</b>



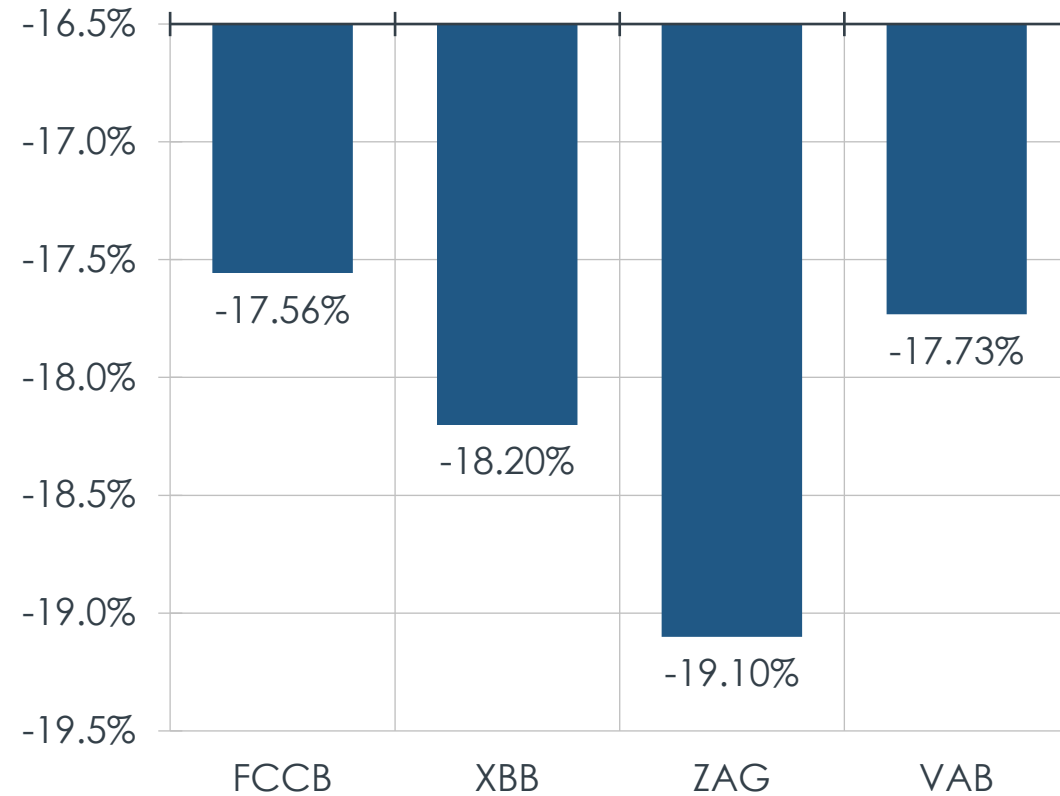
Source: Bloomberg, as at October 31, 2023.



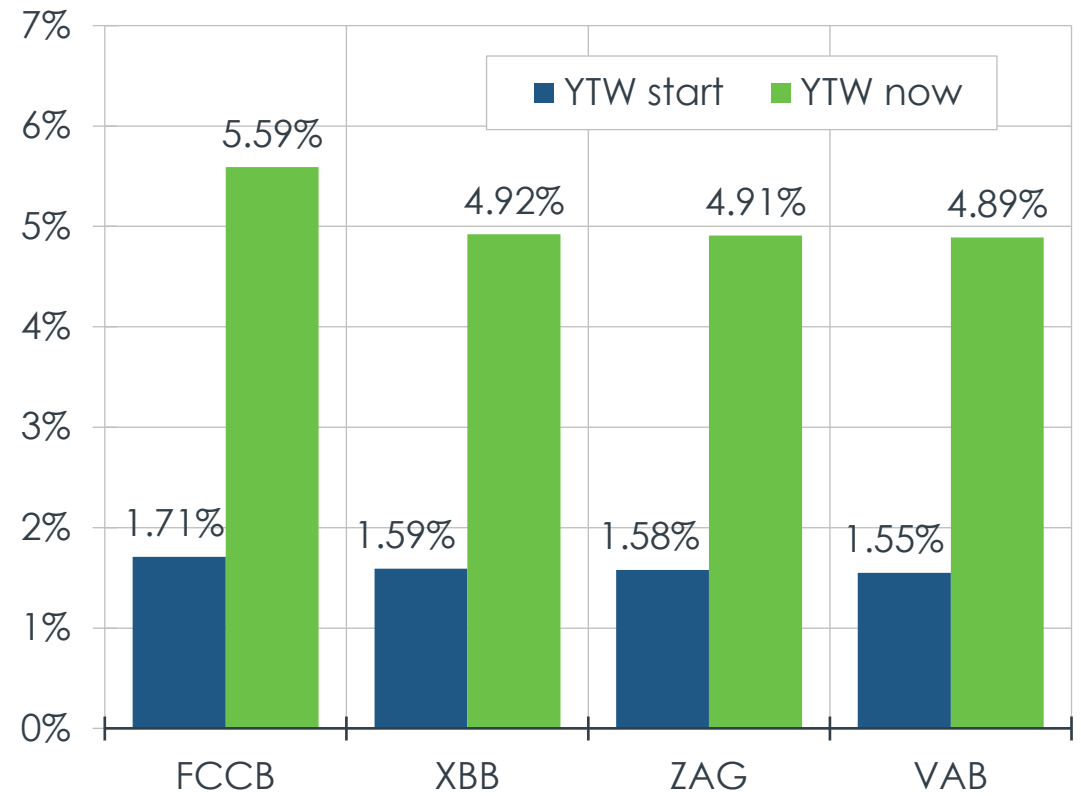
# Tax-loss selling idea

## Canadian Aggregate Bond Index ETFs

### Total return from previous ATH



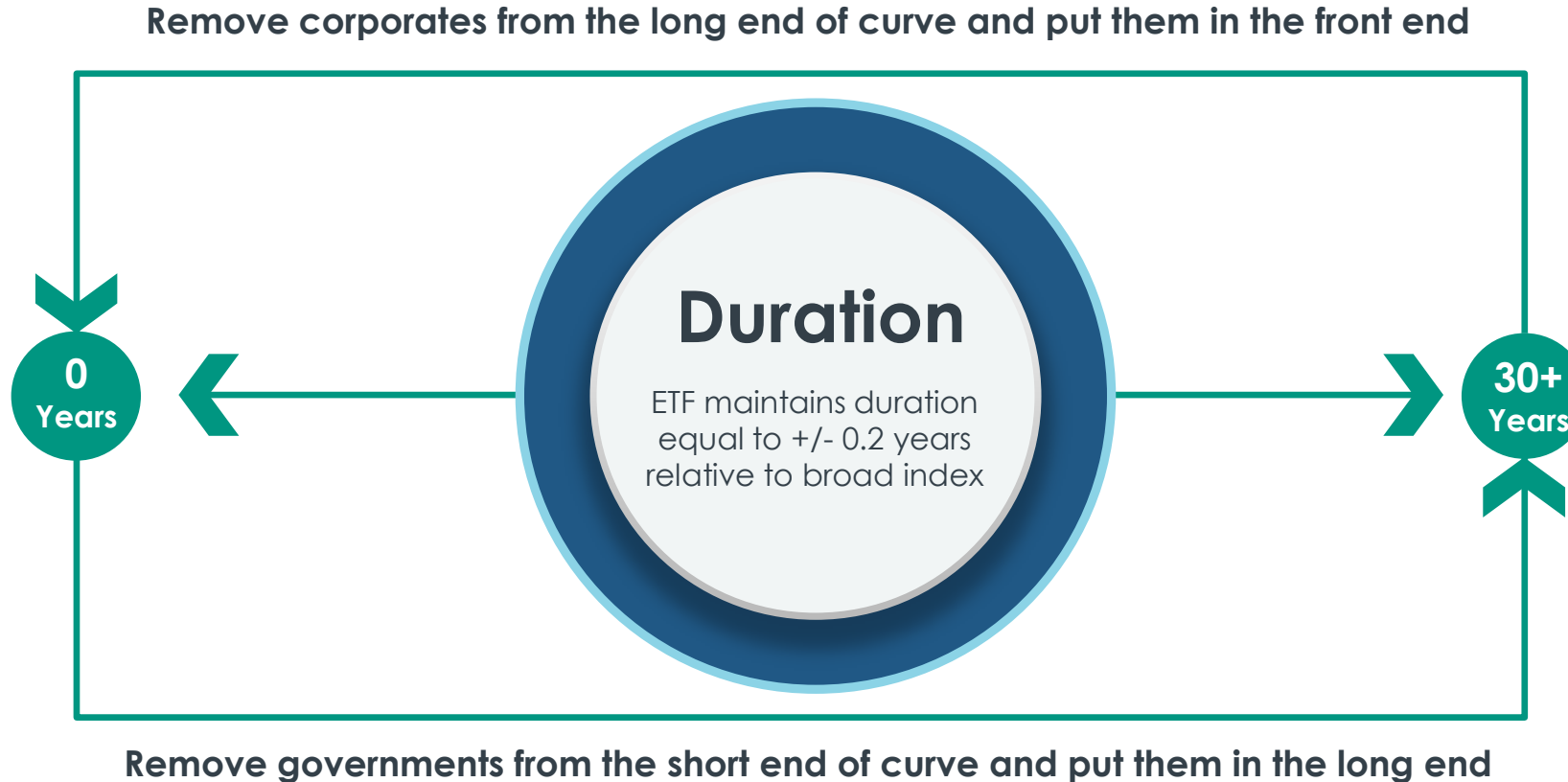
### Yield-to-worst (YTW, %)



Source: Bloomberg, as at October 31, 2023. Total return calculated from weekly high on August 20, 2021, to October 27, 2023.

# A more efficient allocation of assets

## Fidelity Canada Systematic Canadian Bond Index methodology visualization



Fidelity Canada Systematic Canadian Bond Index (the "Index") is constructed using FPS's rules-based proprietary index methodology and uses an iterative process of combining the composite factor score, size adjustment, security selections and security weighting. The Index is rebalanced monthly. The Index is designed to reflect the performance of Canadian government and corporate investment-grade bonds. The Index is unmanaged and is not available for direct investment. For more information on the Index methodologies, please see <https://research2.fidelity.com/pi/FidelityIndex/RebalanceSchedules>. The Index sponsor is FPS. FPS has appointed ICE as the Index calculation agent.

# Fidelity Systematic Canadian Bond Index ETF

## Total return when the Bank of Canada stops tightening

	Fidelity Canadian Systematic Bond Index	Bloomberg Canada Aggregate Bond Index	Excess return	BoC overnight rate change
12/31/2007 – 05/31/2010	17.88%	13.90%	3.98%	-4.00%
09/30/2010 – 06/30/2017	32.33%	27.39%	4.94%	-0.50%
10/31/2018 – 03/31/2022	12.46%	11.03%	1.43%	-1.50%



Source: Bloomberg, as at October 31, 2023. Returns are gross of fees. Start date is month-end in which BoC performed its last hike for a cycle; end date is month-end prior to the first hike of the following cycle.

# An overview of Fidelity All-in-One ETFs

	Fidelity All-in-One Conservative ETF/Fund		Fidelity All-in-One Balanced ETF/Fund		Fidelity All-in-One Growth ETF/Fund		Fidelity All-in-One Equity ETF/Fund	
Ticker	FCNS		FBAL		FGRO		FEQT	
Fund codes (series F   series B)	7570	7569	2144	2143	2159	2157	7567	7566
Neutral asset mix*								
Risk rating	Low to medium		Low to medium		Medium		Medium	
MER**	0.38		0.40		0.42		0.43	
CIFSC category	Global Fixed Income Balanced		Global Neutral Balanced		Global Equity Balanced		Global Equity	
Asset allocation								

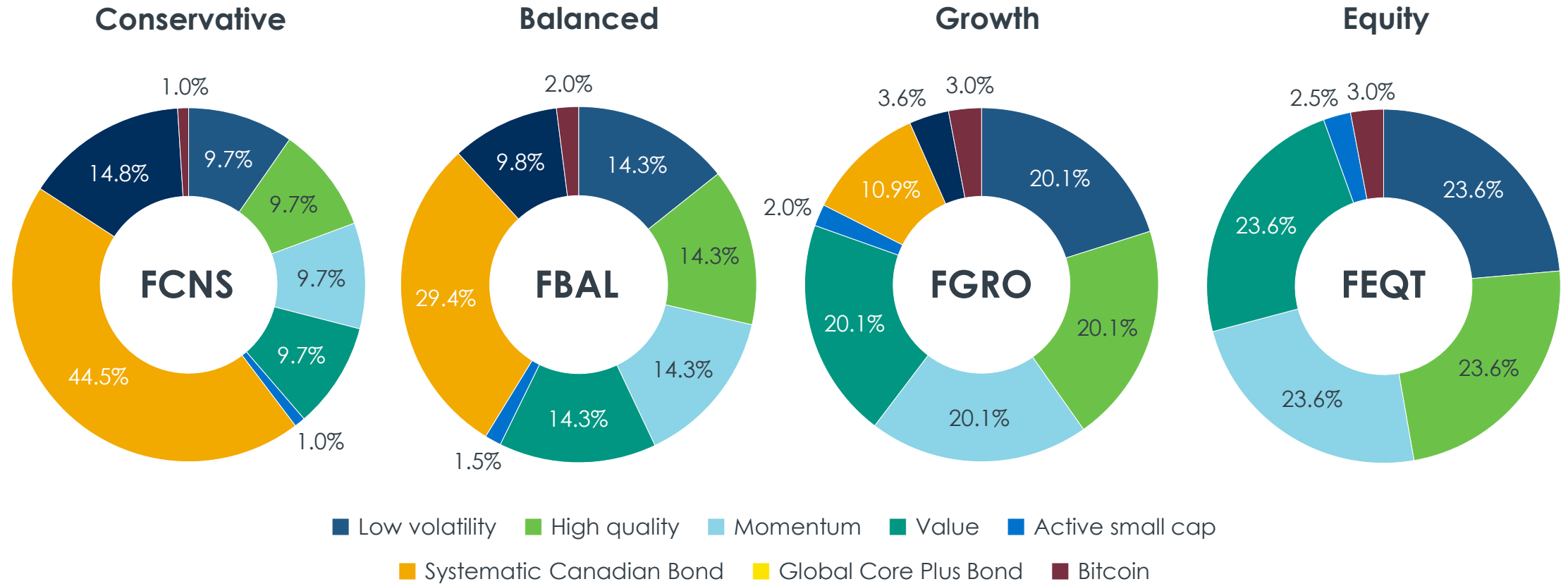
**NEW: 1% to 2.5% allocation to Fidelity Global Small Cap Opportunities Fund – ETF Series**

\*If the portfolio deviates from its neutral mix by greater than 5% between annual rebalancings, the portfolio will also be rebalanced back to its neutral mix.

\*\*The MERs are as at March 31, 2023, and are subject to change. The ETFs invest in underlying Fidelity ETFs that charge a direct management fee, and as a result, pay an indirect management fee. Based on the management fees and the anticipated weightings of the underlying Fidelity ETFs, it is expected that the effective indirect management fee for Fidelity All-in-One Conservative ETF will be approximately 0.35%, Fidelity All-in-One Balanced ETF 0.36%, Fidelity All-in-One Growth ETF 0.38%, and Fidelity All-in-One Equity ETF 0.39%. Actual indirect management fees will be reflected in the management expense ratio in addition to applicable taxes, fixed administration fees, trailing commissions, portfolio transaction costs and expenses, as applicable, of each ETF/Fund, posted semi-annually.

# Strategic allocation overview

The ETFs and ETF Funds are rebalanced annually and periodically.\*



\*If the portfolio deviates from its neutral mix by greater than 5% between annual rebalancings, the portfolio will also be rebalanced back to its neutral mix. The underlying ETFs are subject to change at the discretion of the subadvisor. Those listed above may be removed from a Fidelity ETF's portfolio and other Underlying Fidelity ETFs not listed above may be added. Portfolio weightings are disclosed in the interim and annual management reports of fund performance and in the quarterly portfolio disclosure report. The values displayed may not total 100%.

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The investment risk level indicated is required to be determined in accordance with the Canadian Securities Administrators standardized risk classification methodology, which is based on the historical volatility of a fund, as measured by the ten-year annualized standard deviation of the returns of a fund or those of a reference index, in the case of a new fund.

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