



FIDELITY CANADA INSTITUTIONAL™

# Fidelity ClearPath® Index Plus

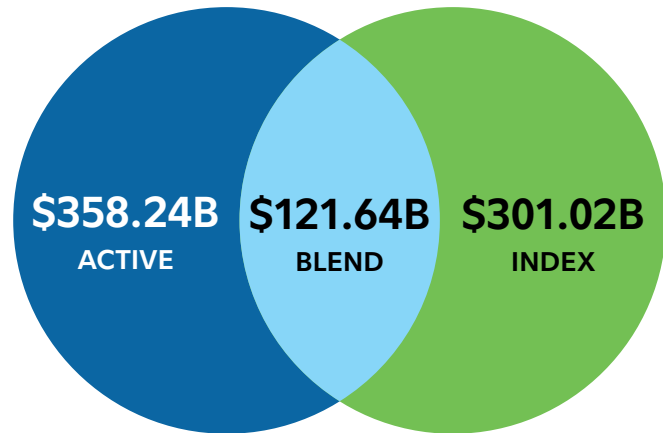
Your trusted retirement partner



Fidelity’s approach to managing target date strategies is unique, offering differentiated insights and research applied in an investment process that we believe is tailored to the needs and behaviours of plan members in Canada.

Target date investing is an integral part of what makes Fidelity a **retirement industry leader**.

## Fidelity target date by the numbers



**\$780.90B**  
TOTAL TARGET DATE ASSETS

Source: Fidelity Investments, assets under management as at February 29, 2024, shown in Canadian dollars. Data are unaudited and are accurate to the best of our knowledge.

Fidelity’s target date offering in Canada has been expanded to include Fidelity ClearPath® Index Plus, a solution that combines Fidelity’s long and successful experience in managing target date strategies with exposure to alternative assets.<sup>1</sup>

With the addition of Fidelity ClearPath Index Plus, plan sponsors now have more choice in selecting a solution that implements **asset allocation designed for a lifetime**, supported by a team committed to delivering **exceptional value at a competitive cost**.

Fidelity ClearPath Index Plus is designed to provide exposure to public equity and fixed income markets, primarily through index-tracking underlying building blocks. Alternative asset classes will complement these exposures to bring distinct investment attributes to the portfolio. We believe that exposure to alternative assets can improve the diversification properties of a target date portfolio, providing the potential for improved investment outcomes.

**Leveraging the same investment team, time-tested investment process and goal**



■ Alternative asset classes  
■ Public securities

**Glide path**

Horizon:  
Long-term

**Strategic asset allocation exposures**

|  |   |                                |
|--|---|--------------------------------|
| Canadian Equity Index                                | U.S. Equity Index                         | Alternative Assets             |
| International Equity Index                           | Canadian Corporate Bond Index             | Canadian Short-Term Credit     |
| Global Developed Markets Sovereign Bond Index Hedged | Global Inflation-Linked Bond Index Hedged | Canadian Money Market          |
| Canadian Government Long Bond Index                  | Canada Real Return Bond Index             | Canadian Government Bond Index |

**Alternatives within a target date strategy**



Offer independent sources of risk and return that can **improve diversification and performance consistency** in a target date portfolio.



Provide a **diverse set of exposures and distinct attributes** relative to traditional equity and fixed income assets.



Allocation will begin with a focus on **direct real estate, seeking strong, well-established managers**.

<sup>1</sup> Alternative assets may include, without limitation, real estate, infrastructure and private credit and/or issuers deploying alternative investment strategies, such as leverage, long-short strategies or derivative strategies offered in private markets.

## Comfort with a lifetime investment strategy

Fidelity believes that one of the greatest risks plan members face in retirement is longevity risk – the risk of outliving one’s assets. **Our focus is on helping plan members maintain their standard of living in retirement by balancing risk and return throughout their lifetime.**

We believe target date investing requires portfolio management insight, judgment and skill. Our investment process is managed with accountability and supported by one of the industry’s largest research teams. **Our strategic asset allocation research emphasizes research into plan member needs, portfolio diversification and the long-term forces that affect capital markets.**

The consistency of our philosophy and goals is **aligned** with that of **plan members** and is one of the distinguishing advantages setting Fidelity apart in Canada.

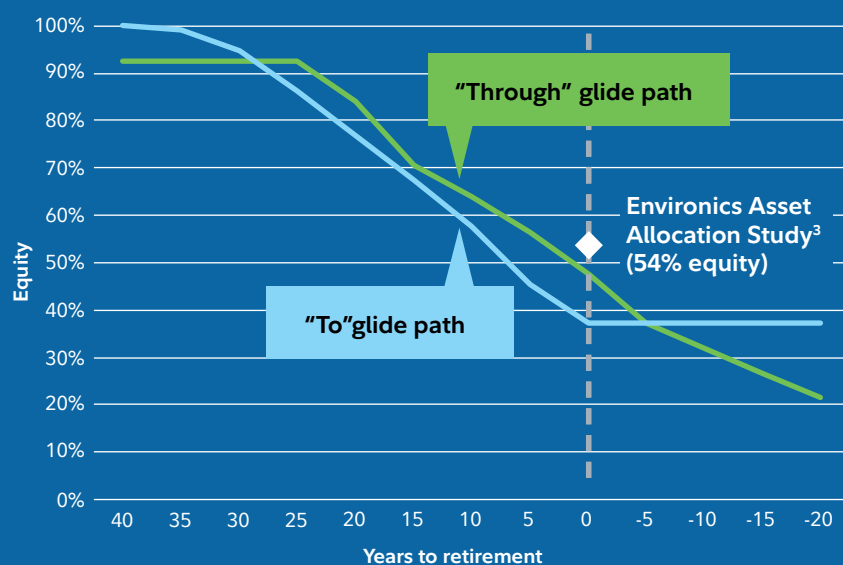
### Fidelity’s glide path investment process is focused on

- Canadian plan member needs and behaviours
- diversification by asset class and market environment to help manage risk and uncertainty
- capital market views that consider historical and forward-looking perspectives

## Asset allocation needs to evolve with age.

Fidelity’s strategic allocation balances return-seeking and diversifying assets to recognize multiple risks that a plan member may face: longevity, inflation and market drawdowns, to name a few. Fidelity’s asset allocation is similar to what an external advice channel would typically recommend at retirement. This allows for a more seamless transition, limiting basis or timing risk should the plan member leave the plan. Our strategic allocation continues to adjust after retirement, to reflect the changing mix of risks that plan members face through their lifetimes. In our view, “to” glide paths may miss the mark across these dimensions, leaving members exposed to undue risks.

### Glide paths: Allocation to equity (%)<sup>2</sup>



### Environics asset allocation study<sup>3</sup>

We commissioned Environics to do a study to better understand asset allocation between equities and fixed income at various stages of a client’s investment life. The results showed that on average, the exposure to equities was approximately 50% at retirement, similar to the strategic allocation in ClearPath.

<sup>2</sup> Assumes retirement age is 65. “To” composite (in green) reflects portfolio weightings of a passive competitor as at August 31, 2020, which is not affiliated with Fidelity Investments. “Through” glide path is shown for illustrative purposes only and may not represent the actual allocations of Fidelity’s ClearPath strategies. Source of “To” glide paths and total assets: eVestment. “To” glidepaths can generally be characterized as having asset allocation that derisks to the point of retirement; beyond the point of retirement, the asset mix would be consistent for all investors.

<sup>3</sup> Source: Environics Research, Fidelity Asset Allocation Study. Study sampled 239 advisors from December 2, 2016, to December 14, 2016.

## Why Fidelity ClearPath Index Plus?

- A solution that implements **asset allocation designed for a lifetime**, supported by a team committed to delivering **exceptional value at a competitive cost**.
- **Managed with a fiduciary mindset** and draws on **best-in-class investment resources** to help plan members stay on track toward their retirement goals.
- Includes **exposure to alternatives** to enhance the set of investment opportunities.
- A **long-tenured provider** with more than **25 years of experience** managing target date strategies.
- An organization that has **strong target date partnerships** with plan sponsors, recordkeepers and consultants.

## For more information, contact your Fidelity representative.

### Important information

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### Risks

Past performance is no guarantee of future results. An investment may be risky and may not be suitable for an investor’s goals, objectives and risk tolerance. Investors should be aware that an investment’s value may be volatile, and any investment involves the risk that you may lose money.

Fidelity ClearPath® Portfolios may invest in a combination of equity, fixed income, alternatives, money market funds and ETFs and allocate assets among these funds according to an asset allocation strategy consistent with each ClearPath Portfolio’s target date. The portfolios with a target date are designed to become more conservative and to hold a smaller percentage of equities as investors approach their retirement date. Once the target date is met, the ClearPath Portfolio continues becoming more conservative for 20 years, until the asset mix is approximately the same as Fidelity ClearPath® Income Portfolio. Ultimately, it is expected the portfolios will merge.

The investment risk of each Fidelity ClearPath Portfolio with a target date changes over time as its asset allocation changes. The portfolios are subject to the volatility of the financial markets, including that of equity and fixed income investments in Canada, the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. No target date portfolio is considered a complete retirement program, and there is no guarantee any single portfolio will provide sufficient retirement income at or through retirement. Amounts invested are not guaranteed at any time, including at or after the portfolios’ target dates.

Investments in alternative assets may be subject to additional risks, such as liquidity risk (due to assets being priced and traded at lower frequencies) and funding risk [the allocation to alternatives may be affected by the ability to invest customer flows (purchases or redemptions) in alternatives on a timely basis].

The value of a portfolio’s investments will vary day to day in response to many factors, including in response to adverse issuer, political, regulatory, market or economic developments. The value of an individual security or a particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

