THE INVESTMENT FUNDS INSTITUTE OF CANADA
L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA
IFIC
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April 30, 2003

Stephen Paglia, Senior Policy Analyst
Joint Forum Project Office
5160 Yonge Street
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E-mail: spaglia@fsco.gov.on.ca

Dear Mr. Paglia:

<u>Re: IFIC's Response to Consultation Paper 81-403, *Rethinking Point of Sale Disclosure for Segregated Funds and Mutual Funds*</u>

<u>Background</u>

We are writing to you on behalf of The Investment Funds Institute of Canada ("IFIC") 81-403 Working Group (the "Working Group").

IFIC is the national association of the Canadian investment funds industry, representing nearly 100% of the total mutual fund assets under management in Canada. IFIC's membership is comprised of mutual fund managers, retail distributors and affiliates from the legal, accounting and other professions.

We appreciate this opportunity to comment on the proposals and commend the Joint Forum for its initiative and consultative process. At the request of OSC representatives, IFIC had provided some preliminary comments on March 18, 2003. The comments below variously reflect and depart from IFIC's preliminary position on the issues.

<u>General Comments</u>

We applaud the Joint Forum's recognition that mutual fund prospectuses serve neither consumers nor the industry particularly well and that disclosure requirements should treat investment products consistently. We are heartened by the general thrust of the Paper and are fully supportive of efforts to make a cost-efficient disclosure system relevant, reliable and accessible to investors.

We have received general support from our Membership for the proposal to 'unbundle' the existing disclosure documents and implement the proposed four-part disclosure system. The 'access equals delivery' approach has also received enthusiastic endorsement.

Summary of Recommendations that Depart from the Proposals

We recommend:

- that the *Foundation* and *Fund Summary* documents together should constitute one disclosure package;
- that the Joint Forum establish principles for document content rather than mandate strict form of disclosure;
- that managers be permitted to create *Foundation* and *Fund Summary* documents for fund families;
- that some of the information which has been proposed to be imported to the *Foundation* document from the Annual Information Form be eliminated;
- that time-sensitive information, e.g. fund performance data, be referenced in the *Fund Summary* document and be presented on the fund company web-site or SEDAR for 'just in time' printing;
- that 'access equals delivery' be applied across the board for all documents, including the *Fund Summary* document; and
- that a consumer's pre-purchase due diligence be formalized in writing and administered by the dealer.

Response to Specific Request for Comments

Issue #1: **Disconnect Between Theory and Practice**

We agree with the Joint Forum's description of the disconnect between theory and practice on page 12 of the Paper. The major relevant difference between segregated funds and mutual funds that should be borne in mind is the legal structure: i.e. contract versus ownership in a trust or corporation.

Issues #2 and #12: **Elimination of Cooling-Off Period and Preservation of Consumer Protections**

You have asked us to comment on experiences with the rights of rescission and withdrawal. We understand that on the infrequent occasions the rights have been exercised, the investors have ordinarily been sophisticated and have used the rights in order to obtain a free put option, with the consequence that all other investors in the fund are harmed[1].

[1] Attached is a copy of an IFIC submission dated December 11, 1998 detailing some of the problems and inconsistencies of the rights of withdrawal and rescission granted to mutual fund investors under provincial and territorial securities legislation.

You have asked us to comment on cooling-off periods in the context of mutual fund sales. Response from our Membership suggests that there should be no cooling-off period; instead there should be a requirement that disclosure documents be made available before the trade.

We consider that basic consumer protections in the sales process are addressed in securities regulations, Mutual Fund Dealers Association rules and IFIC guidelines. We think that those protections along with the overall plan for fund disclosure, access to information and preservation of fundamental client redress mechanisms, including the right to sue for misrepresentation, ensure the preservation of essential consumer protections.

In supporting the elimination of the post-purchase “cooling-off” period and making the above recommendations, we are not suggesting that consumers bear all responsibility. In the proposed disclosure system, fund managers will remain responsible for currency, accuracy and availability of fund information, which will include coordination with SEDAR and dealers. Dealers will be responsible for ensuring consumers are aware of the features and availability of the disclosure documents and will administer a formalized consumer due diligence process (discussed on page 6 of this letter).

Issues #3, #5 and #6a: ***Foundation*** **and** ***Fund Summary*** **Document Access – SEDAR vs. Fund Company Web-site**

The proposals suggest that operators should post the *Foundation* document and the continuous disclosure documents for each fund they manage on their web-sites. We understand that companies use their web-sites extensively already and are in favour of increased use of the internet to make disclosure documents available.

We have been asked to comment on the usefulness of SEDAR for accessing individual disclosure documents about a mutual fund. SEDAR has great potential, but it is very difficult to use. We support the use of SEDAR and are of the view that it could be a useful, comprehensive (but not exclusive) source of information. The optimal result would be to improve SEDAR and also encourage managers to post documents on company web-sites or make such information available through toll-free telephone lines or other existing avenues of distribution. We would encourage as many information distribution channels as possible, provided that the fund manager remains the primary source and responsible for currency and accuracy of fund information.

Issues #6e, #8 and General Comment: ***Foundation*** **and** ***Fund Summary*** **Document Content**

You have not specifically asked for comment on the content of the *Foundation* document. The Paper proposes that the *Foundation* document serve as the fund’s base disclosure document. The *Fund Summary* document is proposed to highlight key aspects that are considered most necessary for making investment decisions.

We propose a fundamental departure from this model. We recommend moving away from the theoretical concepts of "base disclosure" (represented by the proposed *Foundation* document) and "point of sale disclosure" (represented by the proposed *Fund Summary* document) and recommend instead that the *Foundation* and *Fund Summary* documents combined should represent one disclosure package, one "liability bundle" as it were. We still support the concept of a compact *Fund Summary* document, but duplication of information would be eliminated, and fund managers would have the flexibility to decide what information should go in each document in response to market interest. That would mean that consumers should be aware that both documents exist and should have an opportunity to review them prior to purchase.

We encourage the Joint Forum to establish and regulate principles rather than mandate strict forms of disclosure. The mutual funds industry has demonstrated that it is able to produce user-friendly documents, when given the latitude to do so, without being tied to form requirements. Properly articulated and enforced principles are sufficient to ensure an acceptable level of disclosure.

We have been advised that some of the information in the current Annual Information Form (the "AIF") is irrelevant to investors and advisors, so ideally the proposed disclosure features of the *Foundation* document would include much of the information currently in the Simplified Prospectus but could eliminate some of the proposed information from the AIF. The mock *Foundation* documents submitted with this letter provide examples of what mutual fund managers may consider to be important information for investors to review and understand.

We recommend that it be a requirement that the *Fund Summary* document make reference to key information consumers should consider prior to making an investment decision and where that information can be found. We generally support the thinking in terms of the key information that might appropriately be included in the *Fund Summary* document on page 27 of the Paper (other than performance information), with the following comments:

- An IFIC Risk Classifications Working Group is considering recommendations regarding an industry risk classification standard and may recommend the endorsement of a risk classification standard and inclusion of risk classifications in the *Fund Summary*. This approach would be much more helpful for advisors and investors. Detailed explanations of risk are more suited to a *Foundation d*ocument.
- MER is important and should be explained in way that investors can truly understand. MER is audited only once a year and does not change much year to year. We therefore recommend that MER be included in the *Fund Summary* document and be given some prominence. In our Members' experience, explaining all of the detail (i.e. the key components) about what expenses are captured in an MER makes a simple explanation impossible. Leave the detail for the *Foundation* document or the *Consumers' Guide*.

- The only important disclosure about operations of a fund is information about the manager and the portfolio advisor of a fund. Any other operational information should be included in the *Foundation* document.

Neither an evergreen document nor a static *Fund Summary* document may be an appropriate place for fund performance. We recommend that the location of the most current performance information should be made clearly available to potential consumers. If managers wish to produce glossy *Fund Summary* documents, then the location of current performance data only would be provided. Alternatively, a ‘just in time’ *Fund Summary* document (which would be dated) could include performance information and be printed from a fund company web-site or SEDAR. In any event, we consider that performance has a bearing on investment decision-making and, at a minimum, the location of fund performance data should be referenced in the *Fund Summary* document.

In question 6e, you have asked us to comment on filing requirements. We recommend a review to ensure compliance with the principles on a random basis. Receipts should not be necessary.

Issues #4 and #9: **Individual Fund vs. Fund Family Approach for *Foundation* and *Fund Summary* Documents**

We believe that requiring a separate document for each fund is a fundamental flaw of the paper. Investors may wish to consider families of funds, not individual funds. Requiring individual summaries makes the buying process much more complex for investors. As well, we anticipate that advisors do not and will not keep numerous one-page documents in their briefcases for each fund, and individual *Fund Summaries* may create needless repetition, work and cost for a manager, all of which costs would impact investors.

We recommend that fund managers be allowed to create investor-friendly documents with all salient information in a format that is helpful to both the investor and the advisor. For the best results, we recommend that the form of that disclosure not be regulated. Managers should be permitted to create *Fund Summary* documents for families of funds governed by modified content principles (with reference to page 27 of the Paper). We provide an illustration of what a fund family *Fund Summary* document might look like in the enclosed Fidelity Investments mock document. The sample illustrates that a fund family approach does not have to result in a lengthy document.

Fund family documents are highly desirable, but only if managers are given the flexibility to make them work. With flexibility, managers will be able to impart salient information in a short document that advisors might actually use.

Issues #6b/c/d and #7: ***Fund Summary* Currency and Distribution**

You ask about the practical problem of updating *Fund Summaries* and ensuring that the updated versions are used appropriately by sales representatives. We recommend that all time-sensitive information that has the potential to mislead (e.g. performance) be excluded from static *Fund Summaries* and require that managers update the document no less than once per year. Dealers already have systems in place to disseminate updated documents.

The requirement for salespersons to review *Fund Summary* information with investors during the sales process has caused some confusion within our Membership. Questions have been raised about how active presentation of information would play out in various sales scenarios. For example, Members have identified that some channels are predominantly telephone or electronic, not face-to-face.

We recommend that instead of the requirement that salespersons review the fund details with clients, the concept of consumer responsibility should be introduced in the new model. The importance of pre-purchase review and digestion of information needs to be emphasized. Consumers should be required to acknowledge that they have reviewed the *Fund Summary* and *Foundation* documents and other information referenced in the *Fund Summary* document (e.g. performance information) to their satisfaction and have satisfactorily addressed questions prior to purchase OR formally waive their right to review this information. This acknowledgement could be provided in writing in face-to-face sales or by clicking a reviewed/declined option in the case of telephone or internet sales. This will have the dual advantage of reinforcing to investors their responsibility to do their due diligence and will provide the necessary protections for both parties in the absence of a cooling-off period. Administration of this due diligence formality would be the responsibility of the dealer.

We therefore recommend that the face-to-face sales process need not be given particular emphasis in the general discussion of disclosure. ‘Access equals delivery’ across the board for all information, including the *Fund Summary* document, is recommended, coupled with an emphasis on the duty of the investor to make an informed decision.

As well, we caution against wording that may cause confusion. We note particularly, under the discussion of the *Fund Summary* document in the fifth paragraph on page 27 of the Paper, the concepts “offer” and “in a meaningful way” are imprecise and open to interpretation.

You have asked about information needs of consumers investing on a periodic basis. It is our view that access to or delivery of disclosure documents should only be necessary on the establishment of the automatic plan.

Issues #10a/b/c and #11: ***Consumers’ Guide* Ownership, Distribution and Content**

The Joint Forum has raised some practical issues related to the *Consumer’s Guide*, including ownership and distribution of the *Guide*. We recommend that the regulators should own the document. Industry participants should have the ability to propose changes. If their submissions are of a time-sensitive nature, the document should be revised immediately. If not time-sensitive, but helpful, submissions should be incorporated once per year. The *Consumers' Guide* should be widely available on SEDAR, other regulatory web-sites, on manager and dealer web-sites, and in paper form in dealers' offices.

We recommend that disclosure of the availability and location of the *Consumers' Guide* should be mandated components of the *Fund Summary* document.

We recommend, as with all disclosure documents, that consumers self-select the information they want to review before the investment purchase. We see only benefits to the salesperson if he or she adds service value by offering this and other disclosure documents to the potential consumer and by acting as a resource person in answering questions.

You have asked us to comment on the content of the draft *Consumers' Guide* in Appendix 1 of the Paper. We are pleased that the content and language of the document are accessible without being overly simplistic and have no recommendations for improvement at this time. We have received some comment that the document should separate the mutual fund and segregated fund information to avoid confusion.

Issue #13: **Cost-Benefit Analysis**

The Joint Forum seeks our views on the costs versus the benefits of the proposals. We anticipate that the ideal form of regime will result in disclosure documents that advisors and investors can and will use, delivered at a reasonable cost, without a diminution in investor protection. Investors would also benefit directly because reductions in the costs of printing and mailing will reduce expenses otherwise paid by the funds.

Mock *Fund Summary* and *Foundation* Documents

We submit with this letter two mock *Fund Summary* documents and accompanying *Foundation* documents and are very grateful to Fidelity Investments and RBC Funds Inc. for preparing them for us. They offer a couple of possible approaches to illustrate how fund companies may choose to present information under the proposed more flexible regime.

Conclusion

We wish to conclude by again applauding the Joint Forum's initiative. We are supportive of the general thrust of the Consultation Paper and trust that the recommendations above and mock documents enclosed will be helpful.

The proposed new disclosure regime will be flexible and will allow documents to evolve over time. Broad use of the internet will minimize transition costs for the industry and will diminish costs for investors. Consumers will read the information, advisors will use the information, and reliability, currency, and access of information will enhance investor confidence.

We welcome and look forward to the opportunity to discuss these matters with you further. Please feel free to contact the undersigned by email at jmountain@ific.ca or by telephone at (416) 363-2150 x271 or Sarah Thomson by email at sthomson@ific.ca or by telephone at (416) 363-2150 x223 should you have any questions or if you require clarification about any of our comments.

Yours truly,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

ORIGINAL SIGNED BY J. MOUNTAIN

John Mountain
Vice President, Regulation

Attachments

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December 11, 1998

Mr. Robert B. Bouchard
Chair, CSA Mutual Fund Committee
c/o Manitoba Securities Commission
Woodsworth Building
1128-405 Broadway Avenue
Winnipeg, Manitoba
R3C 3L6

Dear Mr. Bouchard:

<u>Re: Rights of Withdrawal and Rescission</u>

Over the past few years, an issue that has become one of concern to Members of The Investment Funds Institute of Canada ("IFIC") is the inconsistency of the rights of withdrawal and rescission granted to mutual fund investors under provincial and territorial securities legislation. Our concern is that these inconsistencies, and the remedy for the right of withdrawal, can lead to investor prejudice.

We understand that there is a sub-group of the Mutual Fund Committee of the Canadian Securities Administrators (the "CSA") that is or will be examining this issue and accordingly we thought it appropriate to direct this letter to you.

We are also forwarding a copy of this letter to Glorianne Stromberg, who has undertaken a review of a broad range of issues impacting mutual fund investors on behalf of the Consumer Affairs department of Industry Canada. We understand that this is one of the areas she may have canvassed in her report.

<u>BACKGROUND</u>

<u>The Rights</u>

TO: Mr. Robert Bouchard
DATE: December 11, 1998
RE: Rights of Withdrawal and Rescission

The right of withdrawal allows a purchaser of mutual fund securities to withdraw from a purchase and receive the purchase amount and any fees paid in connection with the purchase. It is not available in New Brunswick, Quebec, and the Territories.

The right of rescission allows a purchaser to redeem mutual fund securities and receive the lesser of the redemption amount and the purchase value, plus any fees paid in connection with the purchase. It is available, generally in different forms, in each jurisdiction up to a maximum purchase of $50,000.

Report on Mutual Funds – 1969

The first extensive examination of these rights in the context of the mutual funds industry was done in the *Report on Mutual Funds – 1969* (the " 1969 Report"). The authors of the 1969 Report carefully examined the purpose and operation of these rights and ultimately concluded that a single right of rescission should be granted to investors. This right of rescission should be connected to the delivery of the trade confirmation and exercisable up to 7 days after receipt of the trade confirmation. It was believed that linking the right to the delivery of the trade confirmation would motivate distributors to process transactions as quickly as possible. The 1969 Report states that "the time when the investor is most likely to reconsider his decision, and the time from which the rescission period for sales of mutual fund shares or units should run, is the receipt of the confirmation…." (p.562).

Securities legislation in several jurisdictions at the time of the 1969 Report also granted purchasers a right of withdrawal linked to the delivery of the prospectus. The authors of the 1969 Report contended that the prospectus was of "scant value" to many investors and that until prospectus disclosure was significantly improved, delivery of the prospectus would not allow for the "adequate and detailed consideration" by an investor necessary to make such a right effective.

The Stromberg Report

Commissioner Stromberg touched on the issue of rights of withdrawal and rescission in her 1995 report entitled "Regulatory Strategies for the Mid-90's - Recommendations for Regulating Investment Funds In Canada" (the "Stromberg Report"). She noted that industry participants queried whether it was appropriate to apply statutory rights of withdrawal and rescission to the sale of mutual fund securities. They reported that the right of withdrawal allowed some investors to engage in market timing and opt to either redeem a purchase if the value of securities had gone up, or withdraw if the value had gone down. In the case of a withdrawal, the investor recovered any amounts he or she paid to the dealer in connection with the purchase.

Commissioner Stromberg acknowledged that the right of withdrawal could be abused in this manner, which would clearly circumvent its intended purpose. As a result, she recommended that the right simply provide that the amount recoverable by an investor be limited to the lesser of the amount paid to purchase the securities or the net asset value of the securities next determined after the notice of exercise of the right was given. In either case, any sales charges would also be returned to the investor.

IFIC's Administrative Steering Committee

Several Members of IFIC have reiterated the concerns identified in the Stromberg Report. During periods of recent market volatility, they have expressed concern over the lack of uniformity of the rights across jurisdictions and corresponding difficulty in applying them to specific situations. Perhaps more importantly, the lack of uniformity creates difficulty in disclosing the rights to investors. The necessarily vague disclosure diminishes the likelihood that investors will understand their rights and assert them in appropriate situations.

The IFIC's Administrative Steering Committee reviewed the rights of withdrawal and rescission under the securities legislation of all jurisdictions and noted the following:

> The "market timing" activities connected to the right of withdrawal as noted by Commissioner Stromberg are prejudicial to the remaining investors in a fund;
>
> Not all jurisdictions grant a right of withdrawal (i.e. New Brunswick, Quebec and the Territories do not);
>
> Certain jurisdictions that do not grant a right of withdrawal have a right of rescission that is connected to both the delivery of the prospectus and the trade confirmation;
>
> The right of withdrawal, where granted, has incorporated in it the concept of the dealer acting as "agent" of the purchaser, which impacts on whether a prospectus must be delivered to the purchaser; and
>
> There is no statutory time limitation on the exercise of the right of withdrawal, as there is with the right of rescission.

The Administrative Steering Committee struck a sub-committee (the "Sub-committee") to look at these issues in more depth and formulate recommendations to the CSA. IFIC also prepared a memorandum to Members summarizing the rights of withdrawal and rescission under securities legislation throughout Canada and suggesting some best practices they could adopt to fulfil the obligations to deliver prospectuses and trade confirmations. A copy of that memorandum is attached for your reference.

The Sub-committee has sought and received the input of IFIC Members on these issues and has endeavored to reflect them in the specific submissions and recommendations detailed below.

RECOMMENDATIONS

Proposed Single Right of Rescission

IFIC strongly recommends that securities legislation in all jurisdictions be amended to grant only one right to mutual fund investors nationally, which would replace the existing rights of withdrawal and rescission. For clarity, we want to confirm that this proposal extends only to rescissions of purchases of mutual fund securities as linked to the delivery of the prospectus and/or trade confirmation. We in no way intend to touch on or propose any changes to the rescission rights granted to investors where there has been a misrepresentation in a prospectus.

The right we propose would allow investors to rescind a purchase of mutual fund securities on certain conditions (outlined in more detail below) and to receive the lesser of the amount they paid on purchase or the net asset value next determined after giving notice of exercise of the right. They would also be entitled to a refund of any sales or other charges they may have paid in connection with the purchase.

This proposed single right of rescission represents a hybrid of certain recommendations made in the 1969 Report and the Stromberg Report, as well as certain concepts contained in the securities legislation of jurisdictions that only grant a single right. It is similar to the right provided under federal securities legislation in the United States.

We envision it having the following elements:

- ***The right is linked to the delivery of both the prospectus and the trade confirmation.*** Where there is no obligation to deliver a prospectus and confirmation, then there is no corresponding right. We believe that comments made about the usefulness of the prospectus in the 1969 Report are not applicable today. The reformulation of National Policy No. 36 through National Instrument 81-101 ("NI 81-101") and the initiatives that the industry have taken to improve prospectus disclosure indicate that good prospectus disclosure and delivery of the prospectus is perceived to be critical to the investing process. We also support the continuation of linking the right to the delivery of the trade confirmation as supported by the comments in the 1969 report. Accordingly, we feel that the right should be connected in part to prospectus delivery and delivery of the trade confirmation, to ensure there is motivation to continue to deliver both of them in a timely fashion. In this submission we intend that the term "prospectus" include the simplified prospectus or any disclosure document that may replace the simplified prospectus, such as the fund summary.

- ***Prospectuses and trade confirmations should continue to be delivered within the current requirements of applicable securities legislation.*** However, we believe the prospectus delivery requirement should be subject to the elimination of the concept, where applicable, of the dealer acting as "agent" of the purchaser in the case of purchases of mutual fund securities, as discussed in more detail below. We understand that the issue of timing of the delivery of the prospectus may be discussed in more detail in the context of NI 81-101.

- ***An investor who receives both the prospectus and trade confirmation has the right to rescind the purchase within two business days of receipt of the confirmation of trade.*** We believe this approach motivates industry participants to deliver both the prospectus and the trade confirmation in a timely way. It gives the investor the opportunity to consider his or her investment decision based on the prospectus disclosure and trade confirmation before the two day time period begins to run. There has been considerable discussion about whether a monetary limit, such as the current $50,000 limit for rescission , should be continued. If such a limit is retained, we think it would be appropriate to make it more reflective of the current view of who is a "sophisticated purchaser" by setting it at some higher number, such as $150,000.

- ***An investor who does <u>not</u> receive both the prospectus and the trade confirmation has the right to rescind the purchase within 7 days of receipt of his or her next statement of account.*** The rescission right we propose is not left open-ended but instead is closed off within a specified number of days of the receipt by the investor of his or her next account statement. An investor should by then have had ample opportunity to consider the investment decision he or she made. This right will be available to investors who do not receive both the prospectus and the trade confirmation and reinforces the importance of ensuring timely delivery of both of those items. We also recommend that investors be notified of this right in the account opening form and account statement, so that if they somehow do not receive a prospectus, they will still be aware of it.

- ***Notice of the rescission would have to be given in writing to the dealer by the investor, or to the fund company in its capacity as principal distributor of the fund in the case of purchases made from fund companies that sell directly to the public.***

- ***On exercise of the right of rescission, the purchaser would receive the lesser of the***

purchase price of the securities or the net asset value of the securities next determined following receipt of the notice, along with any commissions or other charges paid in connection with the purchase. This addresses the concerns raised in the Stromberg Report concerning abusive "market timing" practices that circumvent the purpose of the right of rescission and ensures the right is being exercised in appropriate circumstances.

Elimination of Right of Withdrawal and Concept of Agency

The practical effect of the single right of rescission we propose is, in our view, similar to that which would be achieved if the recommendations contained in the Stromberg Report were adopted. The amount an investor would receive on the exercise of the right of rescission is the same as that proposed in the Stromberg Report under the modified right of withdrawal.

However, our proposal differs significantly from the Stromberg Report in that it contemplates entirely eliminating the right of withdrawal for mutual fund purchases. The key reason for this recommendation is that where the right of withdrawal is provided in certain securities legislation, there is linked with it the concept of a dealer acting as "agent" of the purchaser. This concept impacts on whether a prospectus must be delivered to a purchaser and accordingly, on the right of withdrawal. Arguably, a mutual fund dealer that receives a front-end load sales commission from an investor could be considered to be acting as "agent" of the investor and therefore not be required to deliver the prospectus to the investor, if the dealer has a copy.

However, it is the experience of IFIC Members and the understanding of IFIC staff that the securities commissions are of the view that mutual fund investors must receive the prospectus, regardless of whether the dealer is acting as agent. IFIC Members are of the view that the agency concept does not make sense in the context of mutual fund sales and that it was and is probably more appropriately applicable to sales of non-mutual fund securities. In addition, the adoption of a single right would eliminate inconsistencies and make disclosure easier, thereby benefiting investors.

In making this recommendation, we are aware that investors in jurisdictions where this right exists would no longer enjoy any rights for purchases greater than the specified dollar amount, for example, $150,000. We believe that this is acceptable from a policy perspective. The rights are intended to protect the unsophisticated investor who may not fully understand the implications of an investment decision. As in other areas of securities legislation, we submit that it is appropriate to define whether or not an investor is sophisticated based on the dollar size of the transaction.

For all of these reasons, we are recommending that the CSA consider eliminating the right of withdrawal as it applies to mutual fund purchases and instead adopt the single right of rescission described above.

In the event that the CSA is not convinced that removal of the right of withdrawal is in the best interests of investors, notwithstanding the arguments made above, then we submit that the remedy available on exercise of the right of withdrawal should be limited to the lesser of the purchase price or the net asset value next determined following the notice of the exercise of the right. This approach would address Commissioner Stromberg's and the industry's concerns about abuses of the right, but it lessens any possible perception that a right is being taken away from investors.

Objectives Achieved

We believe adopting a single right of rescission would achieve many important objectives, including:

- addressing the potential abuses discussed in the Stromberg Report by eliminating the opportunity to select withdrawal or redemption depending on market activity and fluctuations in the values of mutual fund securities purchased;

- simplifying statutory rights for purchasers, and thereby the prospectus disclosure relating to statutory rights, to ensure that the rights are understood and exercised in appropriate circumstances;

- creating uniformity across jurisdictions and greater certainty for investors and industry participants; and

- clarifying and making more consistent the manner in which the rights are exercised and how they are administered at the dealer and fund company levels.

What Would Change Under this Proposed Single Right of Rescission?

The following key changes would result from the adoption of a single right of rescission:

- the right of withdrawal and concept of "agency" for mutual fund purchases would be eliminated;

- the amount to which an investor is entitled on exercise of the proposed right of rescission would not allow for the automatic return of the purchase amount currently contemplated under the right of withdrawal where that is available;

- an investor's right would be limited to purchases of less than a specified dollar amount i.e. $150,000; and

- the time within which the right of rescission is exercised would not be open-ended.

Conclusion

Almost thirty years have elapsed since the publication of the 1969 Report. Since then, only the Stromberg Report in 1995 has reviewed and discussed in so much detail the issues affecting the mutual funds industry. An important period of improvement and change has followed the Stromberg Report and presents, we believe, an ideal opportunity to address issues of significance to the mutual funds industry. Accordingly, we want to draw the attention of the CSA to the issue of rights of withdrawal and rescission and strongly encourage them to consider reviewing these rights and implementing the recommendations set out above. We believe they strike a fair balance and serve the interests of investors.

Should you have any questions or require further information, please do not hesitate to contact me at 363-2158 or Leslie Byberg, Senior Counsel, Regulation, at 363-2158 ext. 473.

Sincerely,

THE INVESTMENT FUNDS INSTITUTE OF CANADA

Per: Honourable Thomas Hockin,
President and Chief Executive Officer

CC: Members of the CSA Mutual Fund Sub-Committee
Commissioner Glorianne Stromberg, Ontario Securities Commission
John Mountain, IFIC
Laurie Gillett, IFIC
IFIC Rights of Withdrawal and Rescission Sub-committee
IFIC Administrative Steering Committee
IFIC Regulatory Steering Committee

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FIDELITY EQUITY FUNDS
SUMMARY DOCUMENT

FEBRUARY 28, 2003

This document is for illustrative purposes only.

FIDELITY EQUITY FUNDS

We offer 26 Fidelity equity funds and 16 RSP equity funds. The Fund Table gives a brief summary for each fund. If you are interested in our funds, we recommend that you seek advice from your advisor. We also recommend that you review the Foundation Document, a fund's most recent Management Report and the Consumers' Guide. All three include important information. See *Where can I get more information?* on the back page to find out how to obtain the documents.

SERIES

We offer four series of units called Series A units, Series F units, Series O units and Series T units. Not all series are available on all funds. Refer to the Fund Table to find out which of the series are offered for each of the funds. Series A, our regular units, and Series T, our tax efficient T-SWP units, are available to all investors. Series F units are generally available to investors with fee-based advisor accounts. Series O units are generally available to large financial institutions. Read the Foundation Document to learn more about the different fees payable by each series, the rights of each series, and about whether you can move from one series to another.

INVESTMENT STRATEGY

We generally use a bottom-up investment strategy when investing money for our equity funds. Bottom-up means that we construct a fund's portfolio one company at a time. We examine each company's potential for success in light of its current financial condition, its industry position, and economic and market conditions. We consider factors like growth potential, earnings estimates and quality of management.

Some of our funds employ additional strategies. For example, our Disciplined Equity™ funds aim to invest in the same sectors and in the same proportions as an index. This process means that we diversify a fund's assets across many sectors. Some of our other funds have less diversification: they concentrate investments in one sector, companies of similar size, or one country. We indicate in the Fund Table that these funds are more aggressive or that they employ a specialized strategy.

Each of our funds also has the ability to invest in cash, fixed-income instruments and derivatives. The funds can also engage in securities lending and repurchase programs.

RISK

You should never forget that you can lose money when investing. Our funds face a variety of risks and some funds face more than others. For a complete discussion about risk, please review the Fidelity funds Foundation Document. In the Fund Table, we've tried to give you a basic idea of each fund's level of risk. Speak to your advisor about the risks of our funds and about whether our funds make sense in your investment portfolio. You should be a long-term investor to consider these funds.

PERFORMANCE & FINANCIAL REPORTING

We provide regular updates of the performance and the financial results for all of our funds in a document called a Management Report. See *Where can I get more information?* on the back page to find out how to obtain Management Reports. You can also obtain performance updates from your advisor or by visiting *www.fidelity.ca*.

FEES AND EXPENSES

There are a variety of fees you will be charged if you decide to invest. Some of these you will pay directly, like a sales commission. Other fees, often referred to as **indirect expenses**, are collected from the assets of the funds. Indirect expenses lower the returns you wold have received if thee were no indirect expenses. The largest indirect expense is the management fee we collect for operating the funds. Out of the management fee we pay a variety of costs, including trailer fees to your advisor. The measurement of a fund's indirect expenses is the Management Expense Ratio or "MER". Refer to the Fund Table for the management fee and the MER for each of our funds. In some cases, depending on a number of factors, we may reduce the management fee for some investors by paying a management fee distribution.

The **direct expenses** you may pay are sales commissions. There are two types of commissions:

- **Initial sales charge –** You can choose to buy Series A or Series T units of a fund under the initial sales charge option. That means you pay from 0% to 5% when you buy a Fund. You and your advisor negotiate the amount you pay.
- **Deferred sales charge –** You can choose to buy Series A or Series T units of a fund under the deferred sales charge option. That means you pay a fee if you redeem your units within six years of buying them. Your charge is based on the original cost of your units and how long you held them. The Deferred Sales Charges table shows the deferred sales charge schedule. We pay your advisor 4.9% when you buy.

DEFERRED SALES CHARGES

If you redeem units	you'll pay a charge of
... during the first year you own them	6.0%
... during the second year you own them	5.5%
... during the third year you own them	5.0%
... during the fourth year you own them	4.5%
... during the fifth year you own them	3.0%
... during the sixth year you own them	1.5%
... after six years of owning them	zero

You may also pay transfer charges (0% to 2% if you decide to move between funds), change fees (0% to 2% if you decide to move between series of one fund), and short-term trading fees (0% to 2% if you decide to move out of a fund within 90 days of buying it).

DISTRIBUTIONS

Our funds pay distributions from time to time, depending on the fund, the series, the performance of the fund, and our efforts to optimize taxes. Distributions can be made up of income, capital gains, and returns of capital. Refer to the Foundation Document for more details about distributions.

TAX AND RSP FUNDS

All of our funds are can be held in RRSPs and other registered plans. Some are considered foreign property and therefore subject to a limit. Non-foreign property funds, we call them "Cdn" in the Fund Table, are not subject to a limit. An RSP fund gives you investment exposure in foreign markets, by trying to track the return of a corresponding fund with a foreign mandate, without the RSP limits. RSP funds have lower performance than their corresponding funds because they use complicated derivative strategies that add expenses and because of imperfections in tracking performance. RSP funds are distinct from corresponding funds and have special risks that are described in the Foundation Document.

Tax is a complicated area. We recommend that you obtain advice to understand the taxation implication of your fund investments.

FIDELITY EQUITY FUNDS

We offer 26 Fidelity equity funds and 16 RSP equity funds. The Fund Table gives a brief summary for each fund. If you are interested in our funds, we recommend that you seek advice from your advisor. We also recommend that you review the Foundation Document, a fund's most recent Management Report and the Consumers' Guide. All three include important information. See *Where can I get more information?* on the back page to find out how to obtain the documents.

SERIES

We offer four series of units called Series A units, Series F units, Series O units and Series T units. Not all series are available on all funds. Refer to the Fund Table to find out which of the series are offered for each of the funds. Series A, our regular units, and Series T, our tax efficient T-SWP units, are available to all investors. Series F units are generally available to investors with fee-based advisor accounts. Series O units are generally available to large financial institutions. Read the Foundation Document to learn more about the different fees payable by each series, the rights of each series, and about whether you can move from one series to another.

INVESTMENT STRATEGY

We generally use a bottom-up investment strategy when investing money for our equity funds. Bottom-up means that we construct a fund's portfolio one company at a time. We examine each company's potential for success in light of its current financial condition, its industry position, and economic and market conditions. We consider factors like growth potential, earnings estimates and quality of management.

Some of our funds employ additional strategies. For example, our Disciplined Equity™ funds aim to invest in the same sectors and in the same proportions as an index. This process means that we diversify a fund's assets across many sectors. Some of our other funds have less diversification: they concentrate investments in one sector, companies of similar size, or one country. We indicate in the Fund Table that these funds are more aggressive or that they employ a specialized strategy.

Each of our funds also has the ability to invest in cash, fixed-income instruments and derivatives. The funds can also engage in securities lending and repurchase programs.

RISK

You should never forget that you can lose money when investing. Our funds face a variety of risks and some funds face more than others. For a complete discussion about risk, please review the Fidelity funds Foundation Document. In the Fund Table, we've tried to give you a basic idea of each fund's level of risk. Speak to your advisor about the risks of our funds and about whether our funds make sense in your investment portfolio. You should be a long-term investor to consider these funds.

PERFORMANCE & FINANCIAL REPORTING

We provide regular updates of the performance and the financial results for all of our funds in a document called a Management Report. See *Where can I get more information?* on the back page to find out how to obtain Management Reports. You can also obtain performance updates from your advisor or by visiting *www.fidelity.ca*.

FUND TABLE

	SERIES	INCEPTION DATE	FUND SIZE (MILLIONS, DECEMBER 31, 2002)	INVESTMENT OBJECTIVE OUR EQUITY FUNDS AIM TO ACHIEVE LONG-TERM CAPITAL GROWTH BY INVESTING PRIMARILY IN EQUITY SECURITIES OF:	INVESTMENT STRATEGY	MER (AS AT FUND'S YEAR END)	MANAGEMENT FEE	RSP STATUS	RSP FUNDS*	RISK
CANADIAN										
Fidelity Canadian Disciplined Equity™ Fund	A,F,O,T	Sep. 30, 1998	$1,084	Canadian companies	Sector neutral, bottom up	2.51%	2.00%	Canadian	n/a	Moderately high
Fidelity Canadian Growth Company Fund	A,F,O	Jul. 12, 1994	$2,192	Canadian companies	Small to mid cap, bottom up	2.53%	2.00%	Canadian	n/a	High
Fidelity Canadian Large Cap Fund	A,F,O	Feb. 1, 1998	$223	Canadian large capitalization companies	Large cap, bottom up	2.45%	2.00%	Canadian	n/a	Moderately high
Fidelity Canadian Opportunities Fund	A,F,O	Jul. 24, 2000	$119	Canadian companies	Aggressive, bottom up	2.56%	2.00%	Canadian	n/a	High
Fidelity True North® Fund	A,F,O,T	Sep. 23, 1996	$3,391	Canadian companies	Canadian, bottom up	2.52%	2.00%	Canadian	n/a	Moderately high
AMERICAN										
Fidelity American Disciplined Equity™ Fund	A,F,O,T	Jul. 9, 2002	$84	U.S. companies	Sector neutral, bottom up	n/a	2.00%	Foreign	Yes	High
Fidelity American Opportunities Fund	A,F,O	Jul. 24, 2000	$178	U.S. companies	Aggressive, bottom up	2.56%	2.00%	Foreign	Yes	High
Fidelity American Value Fund	A,F,O	Oct. 31, 2002	$5	U.S. companies	Value, bottom up	n/a	2.00%	Foreign	No	Moderately high
Fidelity Growth America Fund	A,F,O,T	Sep. 20, 1990	$1,113	U.S. companies	American, bottom up	2.54%	2.00%	Foreign	Yes	Moderately high
Fidelity Small Cap America Fund	A,F,O	Apr. 05, 1994	$462	U.S. small capitalization companies	Small cap, bottom up	2.53%	2.00%	Foreign	Yes	High
INTERNATIONAL										
Fidelity Emerging Markets Fund	A,F,O	Dec. 9, 1994	$16	Emerging market companies	Emerging markets, bottom up	3.93%	2.00%	Foreign	No	Highest
Fidelity Europe Fund	A,F,O	May 29, 1992	$1,140	European companies	Europe, bottom up	2.57%	2.00%	Foreign	Yes	High
Fidelity Far East Fund	A,F,O	Sep. 17, 1991	$405	Southeast Asia companies	Far East, bottom up	2.75%	2.00%	Foreign	Yes	High
Fidelity Global Disciplined Equity™ Fund	A,F,O,T	Jul. 09, 2002	$19	Companies anywhere in the world	Sector neutral, bottom up	n/a	2.00%	Foreign	Yes	High
Fidelity Global Opportunities Fund	A,F,O	Jan. 30, 2002	$18	Companies anywhere in the world	Aggressive, bottom up	2.53%	2.00%	Foreign	Yes	High
Fidelity International Portfolio Fund	A,F,O,T	Nov. 30, 1987	$5,647	Companies anywhere in the world	Global, bottom up	2.52%	2.00%	Foreign	Yes	Moderately high
Fidelity Japan Fund	A,F,O	Jul. 5, 1993	$118	Japanese companies	Japan, bottom up	2.89%	2.00%	Foreign	Yes	High
Fidelity Latin America Fund	A,F,O	Jan. 19, 1994	$19	Latin American companies	Latin American, bottom up	3.09%	2.00%	Foreign	No	Highest
Fidelity NorthStar™ Fund	A,F,O	Oct. 31, 2002	$172	Companies anywhere in the world	North America, bottom up	n/a	2.20%	Foreign	Yes	High
Fidelity Overseas Fund	A,F,O	May 31, 1999	$169	Companies in Europe, Australasia and the Far East	International, bottom up	2.56%	2.00%	Foreign	Yes	Moderately high
SECTOR										
Fidelity Focus Consumer Industries Fund	A,F,O	Jun. 05, 1997	$26	U.S. consumer goods companies	Sector, bottom up	2.67%	2.00%	Foreign	No	High
Fidelity Focus Financial Services Fund	A,F,O	Jun. 05, 1997	$136	U.S. financial services companies	Sector, bottom up	2.66%	2.00%	Foreign	Yes	High
Fidelity Focus Health Care Fund	A,F,O	Jun. 05, 1997	$476	U.S. health care and medicine companies	Sector, bottom up	2.68%	2.00%	Foreign	Yes	High
Fidelity Focus Natural Resources Fund	A,F,O	Jun. 05, 1997	$25	Natural resource companies anywhere in the world	Sector, bottom up	2.68%	2.00%	Foreign	No	Highest
Fidelity Focus Technology Fund	A,F,O	Jun. 05, 1997	$274	U.S. technology companies	Sector, bottom up	2.68%	2.00%	Foreign	Yes	Highest
Fidelity Focus Telecommunications Fund	A,F,O	Jun. 05, 1997	$23	Telecommunications companies anywhere in the world	Sector, bottom up	2.67%	2.00%	Foreign	Yes	Highest

Fidelity Investments®

WHERE CAN I GET MORE INFORMATION?

You can get a copy of a fund's Foundation Document, most recent Management Report, and updated performance information at no cost by calling us at 1 800 263-4077, sending an e-mail to *cs.english@fmr.com* for English language versions or *sc.francais@fmr.com* for French language versions, or by asking your advisor.

You'll also find these documents on our website at *www.fidelity.ca* or at *www.sedar.com*.

Also consider requesting a Consumers' Guide. It provides general information about mutual funds. You can get one in the same ways mentioned above.

YOUR LEGAL RIGHTS

As an investor, you are given legal rights for your protection. These rights are different in each province and territory in Canada. If you want to learn more about these rights, review the Foundation Document or contact your local regulator. Contact information is available at *www.csa-acvm.ca*.

WHO IS FIDELITY AND WHAT DO WE DO?

Fidelity Investments has been in business for more than 50 years and is the largest mutual fund company in the world with more than 15 million investors. Fidelity companies provide most of the important services to the Fidelity funds, including investment management.

This document is for illustrative purposes only.

[Fidelity Investments logo]

Fidelity Equity Funds

Foundation Document

Series A, Series F and Series O units (unless otherwise indicated)

Equity Funds
Canadian Equity Funds
Fidelity Canadian Disciplined Equity™ Fund (Series T units also available)
Fidelity Canadian Growth Company Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Opportunities Fund
Fidelity True North® Fund (Series T units also available)
American Equity Funds
Fidelity American Disciplined Equity™ Fund (Series T units also available)
Fidelity RSP American Disciplined Equity™ Fund
Fidelity American Opportunities Fund
Fidelity RSP American Opportunities Fund
Fidelity American Value Fund
Fidelity Growth America Fund (Series T units also available)
Fidelity RSP Growth America Fund
Fidelity Small Cap America Fund
Fidelity RSP Small Cap America Fund
International Equity Funds
Fidelity Emerging Markets Fund
Fidelity Europe Fund
Fidelity RSP Europe Fund
Fidelity Far East Fund
Fidelity RSP Far East Fund
Fidelity Global Disciplined Equity™ Fund (Series T units also available)
Fidelity RSP Global Disciplined Equity™ Fund
Fidelity Global Opportunities Fund
Fidelity RSP Global Opportunities Fund
Fidelity International Portfolio Fund (Series T units also available)
Fidelity RSP International Portfolio Fund
Fidelity Japan Fund
Fidelity RSP Japan Fund
Fidelity Latin America Fund
Fidelity NorthStar™ Fund
Fidelity RSP NorthStar™ Fund
Fidelity Overseas Fund
Fidelity RSP Overseas Fund

Sector Funds

Fidelity Focus Consumer Industries Fund
Fidelity Focus Financial Services Fund
Fidelity RSP Focus Financial Services Fund
Fidelity Focus Health Care Fund
Fidelity RSP Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund
Fidelity RSP Focus Technology Fund
Fidelity Focus Telecommunications Fund
Fidelity RSP Focus Telecommunications Fund

February 28, 2003

No securities regulatory authority has expressed an opinion about these units. It's an offence to claim otherwise.

The funds and the securities of the funds offered under this Foundation Document are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

THIS DOCUMENT IS FOR ILLUSTRATIVE PURPOSES ONLY.

What’s inside

Introduction

In this document, *we*, *us*, *our* and *Fidelity* refer to Fidelity Investments Canada Limited.

This foundation document contains selected important information to help you make an informed investment decision about Fidelity Funds and to understand your rights as an investor.

It's divided into two parts. The first part explains the general information that applies to each Fidelity Equity Fund. The second part contains specific information about each of the Fidelity Equity Funds – each fund has its own Fund Profile.

Additional information about each fund is available in its Fund Summary Document and its most recently filed Management Report. These documents are incorporated by reference into this foundation document. That means they legally form part of this foundation document just as if they were printed in it.

You can get a copy of the funds' Fund Summary Document and most recent continuous disclosure, including financial statements and performance reports, at no cost by calling us at 1-800-263-4077, sending us an e-mail to cs.english@fmr.com for English language versions or sc.francais@fmr.com for French language versions, or by asking your advisor. You'll also find these documents on our website at www.fidelity.ca. or at www.sedar.com. Also consider obtaining the Consumers' Guide in the same ways.

General Fund Information

The Fidelity family of mutual funds has three major groups: Equity Funds, Asset Allocation and Balanced Funds, and Fixed-Income Funds. This foundation document is for Fidelity Equity Funds. You should review the Fund Summary Document and the Foundation Document for Balanced and Fixed-Income Funds if you are interested in non-equity fund investments. Following this general section is a Fund Profile for each fund.

It is important to review this general section carefully because the concepts described apply to each fund.

Investment Objective

We can't change the fund's investment objective unless we get approval from a majority of unitholders who vote at a special meeting we call.

About Series A, Series F, Series O and Series T

We offer four series of units called Series A units, Series F units, Series O units and Series T units. We may offer additional series in the future.

All of the Fidelity Equity Funds are available in Series A units, Series F units and Series O units. Fidelity Canadian Disciplined Equity Fund, Fidelity True North Fund, Fidelity American Disciplined Equity Fund, Fidelity Growth America Fund, Fidelity Global Disciplined Equity Fund, and Fidelity International Portfolio Fund are also available in Series T units.

Series A and Series T units are available to all investors. Series F units have lower fees than Series A and Series T units and are usually only available to investors who have fee-based accounts with dealers who have signed an eligibility agreement with us. Instead of paying sales charges, investors pay their dealer a fee for investment advice and other services they provide. We don't pay any commissions or trailer fees to dealers who sell Series F units, which means we can charge a lower management fee.

Your dealer is responsible for deciding whether you are eligible to buy and continue to hold Series F units. If you're no longer eligible to hold Series F units, your dealer is responsible for telling us to change your units into Series A units of the same funds or to redeem them.

Series O units are only available to selected investors who have been approved by us and have entered into a Series O Account Agreement with us. These investors are typically financial services companies that will use units of the Funds to facilitate offering other products to investors. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with us. No management fees are charged to the Funds with respect to the Series O units, but investors will be charged a negotiated administrative fee. We don't pay any commissions or trailer fees to dealers who sell Series O units. There are no sales charges payable by investors who purchase Series O units.

Each of Series A, Series F and Series T pays its proportionate share of common fund expenses in addition to expenses that it alone incurs. We pay common and specific expenses for Series O. The differences in expenses and fees between series mean that each series has a different net asset value per unit.

About Units

When you invest in a mutual fund, you're buying a piece of the fund called a unit. The Funds may issue an unlimited number of Units and they are non-assessable and fully paid when issued. All Units in a Series of a Fund rank equally with respect to distributions (other than Management Fee Distributions and Fund Expense Distributions) and on a winding up of a Fund. A unitholder of a Fund is entitled to one vote for each one dollar in value of Units owned based on the aggregate Series Net Asset Value thereof determined on the basis described below and calculated on the record date of a meeting of unitholders of all the Series of a Fund with no voting rights being attributed to portions of a dollar of such value. As well, a unitholder of each Series of a Fund will be entitled to one vote on the same basis in connection with a meeting of unitholders of that Series only. Fractional Units may be issued which carry the same rights and privileges and are subject to the same restrictions and conditions applicable to whole Units. All Units are redeemable and they are also transferable without restriction.

The rights and conditions attaching to the Units of each of the Funds may be modified only in accordance with the provisions attaching to such Units and the provisions of the Declaration.

Investment strategies

This investment strategy section of each Fund Profile tells you any unique aspects of how the portfolio manager tries to achieve the fund's objective.

In general, when buying and selling securities for a fund, we examine each company's potential for success in light of its current financial condition, its industry position, and economic and market conditions. We consider factors like growth potential, earnings estimates and quality of management.

All of the Fidelity Equity Funds can:

- hold cash and invest in fixed income securities. They can also engage in reverse repurchase transactions. All the funds, except the RSP Funds, can engage in repurchase transactions and securities lending agreements.

- use derivatives. See the *Derivative risk* section on page • for more information about derivatives. When a fund uses a derivative, it must hold another derivative or asset that will offset any losses from the contract, or cash that's equal to the fund's market exposure from the derivative.

- invest in small, medium, and large companies.

- invest in companies in regions, countries, or industries that are not the type of companies indicated in the fund's investment objective. For example, each of Canadian Equity Funds can invest in foreign securities up to the foreign content limit.

- depart from its investment objective by temporarily investing most or all of its assets in cash or fixed-income securities issued or guaranteed by a Canadian or U.S. government, government agency or company to try to protect it during a market downturn or for other reasons.

The portfolio advisor may actively trade a fund's investments. This can increase trading costs, which lower the fund's returns. It also increases the possibility that you'll receive taxable capital gains if you hold the fund in a non-registered account.

Investment Restrictions

All of the funds, except the RSP Funds, follow the standard investment restrictions and practices set by Canadian securities regulations. in securities legislation, including National Instrument 81-102. These restrictions and practices are designed in part to ensure that the investments of the Funds are diversified and relatively liquid. They also ensure the proper administration of the Funds. Except as described below, each Fund is managed according to these restrictions and practices. A copy of the standard investment restrictions and practices may be obtained upon written request to Fidelity.

To implement its investment strategy, each RSP Fund has received permission from the securities regulatory authorities to deviate from the standard investment restrictions and practices in the following ways:

(a) each RSP Fund may invest up to the allowable foreign content limit under the Income Tax Act (Canada) (the "Tax Act") of its assets in its Corresponding Fund. Without this approval, each RSP Fund would be limited to investing only 10% of its assets in its Corresponding Fund;

(b) the RSP Funds are permitted to have a shortfall in their cash cover position for a period not exceeding one day. Without this approval, there would be times when the exposure of an RSP Fund to the performance of a Corresponding Fund would be reduced;

(c) each RSP Fund is permitted to suspend a unitholder's right to redeem their Units whenever the right to redeem Units of its Corresponding Fund has been suspended. This is necessary because the pricing of the RSP Funds, and calculating the amount of the redemption proceeds, depends on the ability to price the Corresponding Fund.

The above approval was given subject to certain conditions. The principal conditions imposed are as follows:

(a) the arrangements between each RSP Fund and its Corresponding Fund must be done in a way that prevents any duplication of management fees;

(b) an RSP Fund cannot pay any sales, redemption or other charges when it purchases or redeems Units of its Corresponding Fund;

(c) the dates for calculating the net asset value of the RSP Fund and its Corresponding Fund must be compatible;

(d) all voting rights in the Corresponding Fund which can be exercised by the RSP Fund must be passed through to unitholders of the RSP Fund; and

(e) an RSP Fund can only invest up to the maximum amount permitted as foreign property for retirement plans (defined below) and can only change the amount that it invests directly in the Corresponding Fund if it changes its fundamental investment objective.

As an alternate method of implementing its investment strategy, each RSP Fund also received permission from the securities regulatory authorities to further deviate from the standard investment restrictions and practices in the following manner:

(a) each RSP Fund may invest more than 10% of its assets in a debt-like security with one or more counterparties (the “Deposit”) and thereby obtain exposure through the Deposit to its Corresponding Fund with respect to more than 10% of its assets;

(b) each RSP Fund (i) may permit the mark-to-market value of its exposure to the counterparty through its investment in the Deposit to exceed 10% of the net assets of the RSP Fund, and (ii) may maintain its investment in the derivative instrument (the “Swap”) that may be put to it by the counterparty in certain limited conditions provided that the RSP Fund then holds a promissory note (the “Note”) as cover for such derivative; and

(c) each RSP Fund may (i) hold the deposit to maturity even though it represents more than 15% of the RSP Fund’s net assets, and (ii) hold any Swap and Note which are put to it by the counterparty, subject to taking reasonable steps to close out such positions when it is possible to do so.

The granting of the foregoing regulatory approval is subject to the same conditions as those imposed under the prior approval given with respect to the RSP Funds described above.

RSP Funds

We have 16 RSP Equity Funds. The RSP Funds use derivatives such as forward contracts and/or debt-like securities that are linked to the performance of a foreign Fidelity Fund, which we call the corresponding fund. They also invest directly in their *corresponding fund* up to the foreign content limit and invest the rest of their assets in cash, Canadian money market instruments and reverse repurchase transactions. This allows them to get similar, but not identical, performance to the corresponding fund while remaining 100% eligible for RRSPs and other registered plans.

If you buy units of an RSP Fund, we'll send you the corresponding fund's annual financial report, the semi-annual report if you request it, and any other notices and materials about the corresponding fund. You generally won't have the ownership or other rights that go along with units of the corresponding funds. However, if unitholders of a corresponding fund are asked to vote on an issue, you can direct how you would like your proportionate share of the units of the corresponding fund held by the RSP Fund to be voted.

How the RSP Funds use derivatives

RSP Funds enter into derivative instruments, such as forward contracts and/or debt-like securities, with one or more financial institutions called counterparties. Under these derivatives, the RSP Fund and the counterparty make payments to each other. These payments are based on the price of the corresponding fund and on the cost of the forward contract. If the price of the corresponding fund goes down, the RSP Fund pays the counterparty the amount of the reduction and the cost of the forward contract. If the price goes up more than the cost of the forward contract, the counterparty pays the RSP Fund the excess.

Under a debt-like security, the RSP Fund deposits money with the counterparty who promises to repay the money based on the price of the corresponding fund and on the cost of the debt-like security. If the price of the corresponding fund goes down, the counterparty pays the RSP Fund the principal amount less the amount of the reduction and the cost of the debt-like security. If the price of the corresponding fund goes up more than the cost of the debt-like security, then the counterparty pays the RSP Fund the principal amount plus the excess. A special purpose trust guarantees the obligations of the counterparty to the RSP Fund. This is intended to protect the RSP Fund if the counterparty becomes bankrupt or insolvent.

The derivatives may be adjusted from time to time to reflect cash received or paid by the RSP Funds. Payments are usually made under the derivatives at the end of the contract period. Where forward contracts are used, the counterparty makes an interim payment to an RSP Fund if it owes money to the RSP Fund and the accrued value of the forward contracts is more than 10% of the net assets of the RSP Fund over a specified period. The counterparty may also pay earlier in other circumstances.

The RSP Funds must deposit cash or securities with the counterparties or their affiliates to cover their obligations to the counterparties. In some cases, the amount deposited represents a portion of the amount of the RSP Fund's assets which the RSP Fund wants to have linked to the performance of the corresponding fund through that derivative. In other cases, the amount deposited represents the entire amount of the RSP Fund's assets which the RSP Fund wants to have linked to the performance of the corresponding fund through that derivative.

The derivatives are automatically renewed if certain requirements have been met. Either party can cancel after giving the other party 60 days notice or, in some circumstances, immediately.

Although each RSP Fund tries to track the performance of its corresponding fund as closely as possible, the returns of the RSP Fund will always be lower than the returns of its corresponding fund. Before you invest in an RSP Fund, carefully consider the risks of RSP Funds, which we describe in the section. *What are the risks of investing in a mutual fund?* on page •.

Who should invest in this fund?

When you're deciding on a mutual fund, it's important to find one that has the same goal as you do. There is a section in each Fund Profile that tells you the kind of investor the fund may be suitable for and how the fund could fit in your portfolio. It's meant as a guide only. Your advisor can help you make the decisions about which funds best match your goals.

Distribution policy

For Series A, F and O, a fund generally distributes any income at the end of each quarter. Income for the fourth quarter and capital gains for the year are distributed between December 14 and December 31 of each year. We may choose to pay distributions at other times, including when you redeem units.

For funds with Series T, the fund will make monthly distributions of an amount comprised of a return of capital and/or net income on the last business day of each month. Those monthly distributions made at the end of each of the first three calendar quarters are most likely to include distributions of net income; however, other monthly distributions may also include distributions of net income. As well, for Series T, any income not distributed previously in the year and capital gains will be distributed by the fund between December 14 and December 31 of each year. This distribution must be reinvested in additional units of the fund.

Distributions on units held in Fidelity registered plans are always reinvested in additional units of the fund. Distributions on units held in other registered plans or in non-registered accounts are reinvested in additional units of the fund unless you tell us in writing that you want to receive them in cash. Cash distributions will be made directly to your bank account by way of electronic fund transfers. . You won't pay any sales charges on reinvested distributions or on cash distributions. Distributions paid on the redemption of units are not reinvested. You'll find more information about distributions and adjusted cost base in *Income tax considerations for investors.* We may charge you a fee of $25 for each payment you request by cheque in respect of Series T units.

Risks

Mutual funds are made up of many securities and the prices of those securities can go up or down. Here are some of the most common risks that can cause the value of funds to change. To find out which risks apply to each Fidelity Fund, see the individual Fund Profiles.

You must feel comfortable with the risk that you take. Before you invest, discuss it with your advisor.

Concentration risk

Some mutual funds may invest more than 10% of their net assets in securities of a single issuer. Such funds have less diversification which may have an adverse impact on a fund's returns. Concentration can also lead to increased volatility in a fund's unit price and it may increase the illiquidity of a fund's portfolio.

Credit risk

A fund can lose money if the issuer of a bond or other fixed-income security can't pay interest or repay principal when it's due. This risk is highest if the fixed-income security has a low credit rating or no rating at all. Fixed-income securities with a low credit rating usually offer a better return than securities with a high credit rating, but they also have the potential for substantial loss. These are known as *high yield securities*.

Currency risk

Funds that buy and sell securities in currencies other than the Canadian dollar can lose money when the Canadian dollar rises compared with the foreign currency. Here's how. The fund will convert its Canadian dollars to the foreign currency to buy a security. When the fund sells the security, it will convert the foreign currency back into Canadian dollars. If the Canadian dollar has risen in the meantime and the market value of the investment has stayed the same, the investment will be worth less in Canadian dollars when it's sold.

This can affect the day-to-day value of a fund, especially if it holds a lot of foreign investments. Of course, these kinds of investments have the potential to make money on exchange rates as well.

Derivative risk

A derivative is an investment that bases its value on how well another kind of investment, like a stock, bond, currency or market index, is doing. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Here are some examples of derivatives:

- **Options**. Options give you the right to buy or sell an asset like a security or currency at a set price and a set time. It's called an option because you can choose not to go ahead with the deal, although the other party must usually complete the deal if you say so. The other party normally gets a cash payment called a premium just for agreeing to give you the option.

- **Forward contracts**. In a forward contract, you agree today to buy or sell things like securities or currencies at a set price and a set time. You have to complete the deal or sometimes make or receive a cash payment, even if the price has changed by the time the deal closes.
- **Futures contracts**. A futures contract works much like a forward contract, except the price is set through a commodity exchange.
- **Swaps.** With a swap agreement, you and another party agree to exchange, or "swap," payments. The payments you and the other party make are based on an agreed underlying amount, like a bond. Each party's payments are calculated differently. For example, one party's payments may be based on a floating interest rate, while the other party's payments may be based on a fixed interest rate.
- **Debt-like securities**. With a debt-like security, the amount of principal or interest (or both) that you receive goes up or down depending on whether there is an increase or decrease in the value of an agreed underlying security, like a share.

You accept a number of risks when we use derivatives. Here are some of the most common ones:

- there's no guarantee that a fund will be able to buy or sell a derivative at the right time to make a profit or limit a loss
- there's no guarantee that the other party in the contract will live up to its obligations
- if the other party a fund is dealing with goes bankrupt, the fund could lose any deposits that were made as part of the contract
- if the derivatives are being traded on foreign markets, it may be more difficult and take longer to complete a deal. Foreign derivatives can also be more risky than derivatives traded on North American markets
- securities exchanges could set daily trading limits on options and futures contracts. This could prevent a fund from completing an options or futures deal, making it impossible to hedge properly, make a profit or limit a loss.

Mutual funds can use derivatives to help offset losses that other investments might suffer because of changes in stock prices, commodity prices, interest rates, or exchange rates. This is called *hedging*. While using derivatives for hedging has its benefits, it's not without its own risks. Here are some of them:

- there's no guarantee that a hedging strategy will always work
- a derivative won't always offset a drop in the value of a security, even if it has usually worked out that way in the past
- hedging doesn't prevent changes in the prices of the securities in a fund's portfolio, or prevent losses if the prices of the securities go down
- hedging can also prevent a fund from making a gain if the value of the currency, stock, or bond goes up
- a fund might not be able to make a deal to hedge against an expected change in a market if most other people are expecting the same change
- hedging may be costly.

Equity risk
Companies issue common shares and other kinds of equity securities to help pay for their operations and finance future growth. Equity securities can drop in price for many reasons. They're affected by general economic and market conditions, interest rates, political developments and changes within the companies that issue the securities. If investors have confidence in a company and believe it will grow, the price of its equity securities is likely to rise. If investor confidence falls, equity prices are likely to fall, too.

[sidebar]
No guarantees
Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund units aren't covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It's important to remember that like all mutual funds, there's no guarantee that when you redeem your Fidelity Funds, you'll get back the full amount of money you originally invested.

Foreign investment risk
There are some significant reasons to consider investing abroad. The economies of foreign countries may be growing much faster than Canada's economy. This can mean that investments in those countries may grow more quickly too. Foreign investments give you diversification because all your money isn't staying in Canada alone. Besides currency risk, foreign investments also have some other risks.

Not all countries are as well regulated as Canada and the United States or have the same consistent and reliable accounting, auditing and financial reporting standards. Your investments could suffer as a result. They also could suffer because a small number of companies could make up a large part of the market. If one of these companies does poorly the whole market could drop.

Sometimes foreign governments impose taxes, take over private businesses, or change the rights of foreign investors. They might impose currency controls that make it impossible to get your money out of the country, or they may devalue their currency. Riots and civil wars in some countries could hurt your investments. Even in some relatively well-regulated countries it can be difficult to get the information investors need about business operations. And it's sometimes hard to enforce the fund's legal rights in another country. Foreign countries may also experience relatively high inflation and high interest rates.

Fixed-income securities bought on foreign markets—even some government bonds—are often quite risky. There's a danger that the issuer won't pay off the debt or that the price of the securities will drop rapidly.

Of course, the amount of risk varies a lot from country to country. Securities in developed markets like Western Europe, for example, have lower foreign investment risk because they're well regulated and are relatively stable. Securities of governments and companies in the emerging or developing markets of Southeast Asia and Latin America have significant foreign investment risk.

Interest rate risk

Interest rates affect a lot more than the cost of your mortgage — they have an impact on a whole range of investments. When interest rates rise, fixed-income securities like treasury bills and bonds tend to fall in price. On the other hand, they tend to rise in price when interest rates are falling. Longer-term bonds, strip bonds and high yield securities are generally more sensitive to changes in interest rates than other kinds of securities.

The issuers of many kinds of fixed-income securities can repay the principal before the security matures. This is called making a prepayment and it can happen when interest rates are falling. It's a risk because if a fixed-income security is paid off sooner than expected, the fund may have to reinvest this money in securities that have lower rates.

Large transaction risk

Fidelity and others may offer investment products, such as our RSP Funds, which have returns that are based on the performance of one or more Fidelity Funds. These products may result in some investors making large purchases and redemptions of units of Fidelity Funds for reasons other than usual investment decisions. For example, they may buy and redeem units because of their obligations under derivative instruments. If these purchases or redemptions are significant, the funds may be required to buy or sell large investments for their portfolios. This can affect a fund's return because the fund may be forced to sell investments at unfavourable prices or hold a large amount of cash until it can find suitable investments.

Liquidity risk

Investors often describe the speed and ease with which an asset can be sold and changed into cash as its liquidity. Most of the securities owned by a mutual fund can usually be sold promptly at a fair price and so can be described as relatively liquid. But a fund may also invest in securities that are illiquid, which means they can't be sold quickly or easily.

Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. A fund that has trouble selling a security can lose money or incur extra costs.

Repurchase and reverse repurchase transactions and securities lending risk

Sometimes mutual funds enter into what are called *repurchase transactions*, *securities lending agreements* and *reverse repurchase transactions*. A *repurchase transaction* is where a fund sells a security to a party for cash and agrees to buy the same security back from the same party for cash. *Securities lending* is similar to a repurchase agreement, except that instead of selling the security and agreeing to buy it back later, the fund loans the security and can demand the return of the security at any time. In a *reverse repurchase transaction* a fund buys a security at one price from a party and agrees to sell the same security back to the same party at a higher price later on. It is a way for the fund to earn interest on cash balances.

The danger with these types of transactions is that the other party may default under the agreement or go bankrupt. In a *reverse repurchase transaction* the fund is left holding the security and may not be able to sell the security at the same price it paid for it, plus interest, if the market value for the security has dropped in the meantime. In the case of a *repurchase transaction* or *securities lending agreement*, the fund could incur a loss if the value of the security loaned or sold has increased more than the value of the cash and collateral held.

Fidelity reduces the risk by requiring the other party to put up collateral. The value of the collateral has to be at least 102% of the market value of the security sold (for a *repurchase transaction*), cash loaned (for a *reverse repurchase transaction*) or security loaned (for a *securities lending agreement*). The value of the collateral is checked and reset daily. We only deal with parties who appear to have the resources and the financial strength to live up to the terms of the agreements. Repurchase transactions and securities lending agreements are limited to 50% of a fund's assets. Collateral held by a fund for loaned securities and cash held for sold securities are not included in a fund's assets when making this calculation.

RSP Fund risk

RSP Funds have the same risks as their corresponding funds, but they also have special risks because of the way they use derivatives. The way the RSP Funds use derivatives is described in the section **"How the RSP Funds use derivatives"** on page •.

Each RSP Fund tries to track the performance of its corresponding fund as closely as possible, but the return of an RSP Fund will be lower than the return of its corresponding fund. There are a number of reasons for this:

- An RSP Fund pays expenses that a corresponding fund doesn't pay, including the costs of derivative instruments. Based on how the RSP Funds' current derivatives were priced, we estimate that these costs will be in the range of 0.25% to 0.55% a year. These costs may increase. If they do, the return of the RSP Fund will be reduced even more.
- There may be a delay between the time an investor buys units of an RSP Fund and the time the RSP Fund gets additional exposure to its corresponding fund through derivatives. During this delay, the RSP Fund can't track the performance of its corresponding fund on the purchase amount of those units. If new purchases are large compared to the existing investments in the RSP Fund, the difference between the return of the RSP Fund and its corresponding fund may be significantly increased.
- In the case of the debt-like security structure available to them, the RSP Funds may in certain cases be required to seek payment from a special purpose trust rather than the original counterparty. If a counterparty or the special purpose trust doesn't live up to its obligations for any reason, an RSP Fund may lose some or all of the money that the counterparty owes the RSP Fund.

A counterparty or the special purpose trust might not fulfill its obligations if it becomes bankrupt or insolvent, or for other reasons. If this happens, the RSP Fund could also lose any assets that are invested or on deposit with the counterparty or any investments the fund owns in securities of the counterparty. In any case, the value of the RSP Fund could drop significantly. Fidelity is not a counterparty and doesn't guarantee payment by any counterparty.

The ability of an RSP Fund to achieve its investment objective depends on our ability to find suitable counterparties that are willing to enter into derivatives on appropriate terms. An RSP Fund may not be able to find a counterparty or enough counterparties. It may not be able to find a suitable replacement for a counterparty that no longer wants to be a counterparty to the RSP Fund. If any of these things happen, the RSP Fund may be unable to track the performance of its corresponding fund. The return of the RSP Fund would then be similar to the return of a money market fund.

If new tax legislation eliminates the benefits of the RSP Funds, we may terminate the RSP Funds. If we can't find a suitable counterparty or tax laws change, we'll call a unitholder meeting within 120 days of the last contract or the legal change. We'll ask unitholders to approve a different investment objective, termination of the fund or some other course of action.

If you own deferred sales charge units and you want to redeem your units, you will still have to pay any deferred sales charge that applies. If you transfer your RSP Fund units to another Fidelity Fund, you may have to pay a transfer charge. In other words, changes in tax laws or trouble finding counterparties won't change your obligations if you buy deferred sale charge units.

If a unit price isn't calculated for a corresponding fund on a valuation day, we won't be able to calculate the price of an RSP Fund on that day. That means you won't be able to redeem or transfer units of the RSP Fund on that day.

[sidebar]
You'll find more about the RSP Funds and how they use forward contracts under *About our RSP Funds* on page •.

Series risk

All of the Fidelity Equity Funds are available in three series: Series A, Series F and Series O. Fidelity Canadian Disciplined Equity Fund, Fidelity True North Fund, Fidelity American Disciplined Equity Fund, Fidelity Growth America Fund, Fidelity Global Disciplined Equity Fund, Fidelity International Portfolio Fund, and Fidelity Canadian Asset Allocation Fund are also available in Series T. If a fund can't pay the expenses of one series using its proportionate share of the fund's assets for any reason, the fund will be required to pay those expenses out of the other series' proportionate share of the fund's assets. That could lower the investment returns of the other series. No expenses are charged to the funds for the Series O units they issue.

Small company risk
Small companies can be riskier investments than larger companies. For one thing, they're often newer and may not have a track record, extensive financial resources or a well-established market. This risk is especially true of private companies or companies that have recently become publicly traded. They generally don't have as many shares trading in the market, so it could be difficult for a fund to buy or sell small company stock when it needs to. All of this means their prices can change significantly in a short period of time.

Specialization risk
Some mutual funds specialize in investing in a particular industry or part of the world. Specialization lets the portfolio advisor focus on specific areas of the economy, which can boost profits if both the sector and the companies selected prosper. But if the industry or the geographic area has a slump, the fund will suffer because there are relatively few other investments to offset the slump. The fund must follow its investment objective and continue to invest primarily in securities in the industry or geographic area, whether or not it is growing.

Organization and management of the Fidelity Funds

The following table tells you about who's involved in running the Fidelity Funds.

Manager Fidelity Investments Canada Limited 483 Bay Street, Suite 200 Toronto, Ontario M5G 2N7	As manager, we are responsible for the day-to-day operations of the funds and provide all general management and administrative services. These include: • providing or arranging for investment advice • setting up brokerage arrangements to buy and sell portfolio investments • other general administrative services.
Trustee Fidelity Investments Canada Limited Toronto, Ontario	As trustee, we hold title to each fund's investments in trust for unitholders under the terms described in a declaration of trust.
Principal distributor Fidelity Investments Canada Limited Toronto, Ontario	As principal distributor, we have the exclusive right to distribute and arrange distribution of Fidelity Fund units anywhere in Canada where they qualify for sale. We can also act as a registered dealer where we're qualified to do so. We may hire non-affiliated or affiliate companies to assist in the sale of funds under the deferred sales charge option.
Custodian State Street Trust Company Canada Toronto, Ontario	The custodian (or its sub-custodians) holds the investments of the funds and keeps them safe to ensure that they are used only for the benefit of investors. The custodian is independent of Fidelity.
Registrar Fidelity Investments Canada Limited Toronto, Ontario	As registrar, we keep a record of all unitholders of the funds, process orders and issue account statements and tax slips to unitholders.
Auditor PricewaterhouseCoopers LLP Toronto, Ontario	The auditor is an independent chartered accounting firm. The firm audits the financial statements of each fund.
Portfolio advisors Fidelity Investments Canada Limited Toronto, Ontario Fidelity Investments Money Management, Inc. Merrimack, New Hampshire	The portfolio advisor makes the investment decisions for the fund, buys and sells all the investments in the fund and deals with brokers. Fidelity Investments Canada Limited has final responsibility for the management of each fund's portfolio. Fidelity Investments Money Management, Inc. is an affiliate of Fidelity Investments Canada Limited.

Fidelity Investments Canada Limited

Fidelity Investments Canada Limited was incorporated on February 13, 1987. As of February 28, 2003 we managed more than $27 billion in the Fidelity Funds.

We are one of a group of companies known as Fidelity Investments®. Each member of the group is a wholly owned subsidiary of FMR Corp. The head office of FMR Corp. is 82 Devonshire Street, Boston, Massachusetts, U.S.A. 02109.

Fidelity Investments specializes in investment management for individuals, either directly, through advisors, or though group retirement plans. We also provide a wide variety of financial services and products. As of February 28, 2003, the Fidelity Investments group managed more than $925 billion in more than 275 mutual fund portfolios and other institutional accounts around the world.

Fidelity Investments has been in business for more than 50 years and had grown to become one of the largest mutual fund companies in the world with more than 15 million investors around the world.

Material Documents

There are four key documents that govern the funds' existence and that set out the services to be provided to the funds. You can obtain a copy of the documents by contacting Fidelity or by visiting www.sedar.com.

The Funds exist pursuant to the ***Master Declaration of Trust*** which was Amended and Restated on September 27, 2002. The Declaration appoints Fidelity as trustee, sets out the rights of unitholders, and the rules by which Fidelity must act as trustee for the funds.

Fidelity has entered into a ***Master Management and Distribution Agreement*** dated August 30, 2001, as amended, with respect to all of the Funds. Under the terms of the Management Agreement, Fidelity has agreed to provide or arrange for the provision of all general management and administrative services required by each Fund in its day-to-day operations, including providing or arranging for the provision of investment advice, establishment of brokerage arrangements relating to the purchase and sale of the investment portfolios, and bookkeeping, record-keeping and other administrative services for the Fund.

The Funds' portfolio advisors are Fidelity and Fidelity Investments Money Management, Inc. (FIMM) of Merrimack, New Hampshire, U.S.A. Fidelity is a wholly-owned subsidiary of FMR Corp. and FIMM is an affiliate of Fidelity. Fidelity provides its investment advisory services to the Funds or arranges for these to be provided under the Management Agreement. Fidelity has entered into an ***Amended and Restated Master Sub-Advisory Agreement*** dated as of August 30, 2001, as amended, with FIMM to provide advisory services to each Fund. FIMM may sometimes retain other Fidelity companies, including FMR Co. Inc. (FMR) of Boston, Massachusetts, U.S.A. and Fidelity International Limited (FIL) of Hamilton, Bermuda, to provide investment advisory services to the Funds. Fidelity is responsible for any loss arising out of the failure of any Fidelity company to meet the mandated standard of care in providing advice to the Funds. There may be difficulty in enforcing any legal rights against FIMM, FMR, and FIL as each is resident, and substantially all of the assets of each are situate, outside Canada.

The Funds have entered into an ***Amended and Restated Master Custodian Agreement*** dated as of October 8, 2002 with State Street Trust Company Canada of Toronto, Ontario, to act as custodian of the Fund's portfolio securities The cash, securities and other assets of the Funds will be held by the Custodian at its principal office or at one or more of its branch offices or at offices of sub-custodians appointed by the Custodian in other countries.

Fund Governance
All of the Funds are organized as trusts. Fidelity, as trustee, is ultimately responsible for fund governance which is the responsibility of Fidelity's board of directors. Two members of the board of directors of Fidelity, Messrs. Brooks and Guy, are independent in that they are not members of the management of Fidelity nor are they employed by Fidelity or any of its affiliates. Details of the members of Fidelity's board of directors are available by contacting Fidelity.

Purchases, switches and redemptions

You've read the fund profiles. You've considered your investment objectives and risk tolerance. The next step is making your investment. The following pages tell you how to invest in Fidelity Funds, how much it will cost and other important details.

Opening an account
Before you make your first investment in Fidelity Funds, you need to open an account. There are several different kinds of Fidelity accounts, which we tell you about below.

You can open an account by contacting your advisor and completing an application. If you don't have an advisor, call us at 1-800-263-4077 for an information package. We'll be pleased to recommend advisors in your area.

You can also invest in Fidelity Funds through accounts or plans offered by other financial institutions. Ask your advisor for details.

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Minimum account size
Due to the high cost of administering accounts, you must keep at least $500 in your account. If your account falls below this amount, we may decide to redeem your units. We'll give you 30 days to bring the value of your account up to $500 before we redeem your units.

Non-registered accounts

With the exception of those funds that offer Series T units which require an initial investment of at least $5,000 per fund, you only need to invest $500 per fund to open a Fidelity non-registered account. Additional investments can be as small as $50 per fund. You don't pay any fees other than applicable sales charges for a Fidelity non-registered account.

Registered plans

For details about registered plans, please see *Registered Plans* on page •.

How to buy, redeem, transfer and change funds

All of the Fidelity Equity Funds are available in three series of units: Series A, Series F and Series O. Fidelity Canadian Disciplined Equity Fund, Fidelity True North Fund, Fidelity American Disciplined Equity Fund, Fidelity Growth America Fund, Fidelity Global Disciplined Equity Fund, and Fidelity International Portfolio Fund are also available in Series T units.

Series A and Series T units are available to all investors. Series F units and Series O units are available only to certain investors. Turn to page • to find out which Series you can invest in.

You can buy, redeem, transfer and change Fidelity Funds through any registered dealer.

When you buy, redeem or transfer units of a fund, we have to figure out what they're worth. We do this by calculating the net asset value per unit. The net asset value per unit is the basis of all transactions involving buying, redeeming, transferring, or reinvesting units.

Figuring out net asset value per unit

Here's how we calculate net asset value per unit for each series of a fund:

- We take the series' proportionate share of all the investments and other assets of the fund.
- We subtract the series' liabilities and its proportionate share of common fund liabilities. That gives us the net asset value for the series.
- We divide that number by the total number of units investors in that series are holding. That gives us the net asset value per unit.

To figure out what your mutual fund investment is worth, simply multiply the net asset value per unit for the series of units you own by the number of units you own. The Master Declaration of Trust contains more detail about how we calculate net asset value per unit.

We'll buy or redeem units for you on any day that The Toronto Stock Exchange (TSX) is open for trading. This is called a valuation day. A valuation day usually ends at 4 p.m.

Toronto time, unless the TSX closes earlier. In order to complete your transaction, we'll use the first net asset value per unit we calculate after receiving your instructions.

We won't be able to calculate the price of an RSP Fund if the unit price of its corresponding fund is not calculated on a valuation day.

All of the Equity Funds are valued and can be bought in Canadian dollars. International Funds (except the RSP Funds and Series T of Fidelity Global Disciplined Equity Fund and Fidelity International Portfolio Fund), Focus Funds and American Funds (except Series T of Fidelity American Disciplined Equity Fund and Fidelity Growth America Fund) can be bought in Canadian and U.S. dollars.

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What's the benefit of the U.S. dollar option?
Our U.S. dollar option allows you to invest in the funds using your American money. If you buy your units in U.S. dollars, you'll receive U.S. dollars when you redeem them. Whether you invest in Canadian or U.S. dollars, you'll have the same investment return.

About sales charges

You'll normally pay a commission to invest in Series A or Series T units of Fidelity Funds. This commission is also called a sales charge. The commission compensates your advisor for the advice and service he or she provides to you. You can choose to pay a commission when you buy your units (called an initial sales charge), or when you redeem your units (called a deferred sales charge). **If you don't tell us which sales charge option you want, we'll assume you've chosen the deferred sales charge.** You don't pay any sales charges if you invest in Series F or Series O units.

Paying when you buy your units

If you decide to pay a sales charge when you buy Series A or Series T units, you and your advisor will need to negotiate the level of the initial sales charge. See *Fees and expenses* for details. We deduct the percentage from the amount you invest and pay it to your advisor's dealer. See *Dealer compensation* for details.

Paying when you redeem your units

If you choose to pay the sales charge when you redeem your Series A or Series T units, we'll arrange for a commission payment to your dealer at the time that you buy your units. See *Dealer compensation* for details. When you redeem your units, we deduct the sales charge, if any, as a percentage of the cost of your units at the time you bought them. This charge, which is paid to us, is called a deferred sales charge because you can put off paying it. The charge gets lower the longer you hold your units and disappears after six years. You'll find the schedule for the deferred sales charge in *Fees and expenses*.

You won't pay a deferred sales charge if you:

- transfer units from one Fidelity Fund to another Fidelity Fund
- redeem no more than your 10% free amount, which we explain below
- choose to receive your distributions in cash

- redeem units you received from reinvested distributions.

10% free amount

Every calendar year, you can redeem up to 10% of your units that would otherwise be subject to the deferred sales charge, at no charge. We call this the *10% free amount*. The 10% free amount is based on the original cost of the units. You can use up your 10% free amount in one sale or spread it out over several sales, whichever you prefer. You can't carry forward an unused amount to the next year.

You'll use up some of your 10% free amount if you:

- choose to receive distributions in cash. We'll reduce your 10% free amount by the amount of the distribution. If you've already used some of your 10% free amount and then receive a distribution in cash that would put you over the 10% limit, we'll deduct the difference from the following year's 10% limit.
- redeem units you received from reinvested distributions. We'll reduce your 10% free amount by the value of these units at the time they were reinvested. If the value of these units is more than your 10% free amount, we'll reduce your 10% free amount for the next calendar year by the difference.

If you transfer units of one Fidelity Fund to another Fidelity Fund, we'll transfer the 10% free amount (or reduced amount for the next calendar year) on those units from the first fund to the second fund.

What else you need to know

Here are some other important facts about deferred sales charges:

- You can buy Series A or Series T units of a fund and pay an initial sales charge and buy other Series A or Series T units of the same fund and pay a deferred sales charge. If you want to redeem some of your units, you can tell us to redeem either the units you bought under the initial sales charge or the units with a deferred sales charge. If you don't tell us, we'll redeem any units you bought with an initial sales charge before we redeem units you hold under the deferred sales charge option.
- On April 2, 1999, we changed the way we calculate deferred sales charges and the 10% free amount. These changes only apply to units bought after April 2, 1999, not to units bought before then. We treat units bought on or before April 2, 1999 in the same way they were treated when investors bought them.
- When you redeem units held under the deferred sales charge option, we'll first redeem any units received from reinvested distributions paid on units bought after April 2, 1999 before we redeem any other units you hold under the deferred sales charge option. Then we'll redeem your oldest deferred sales charge units first. Of course, we'll use your 10% free amount, if any, to reduce your redemption charges.

How to buy Fidelity Funds

With the exception of those funds that offer Series T which require an initial investment of at least $5,000 per fund, the minimum initial investment for each fund is $500. The minimum for each additional investment is $50. We will not accept cash, money orders, or travellers' cheques.

If we receive your order before 4 p.m. Toronto time on a valuation day, we'll process your order that day. Otherwise, we'll process your order on the next valuation day. If the TSX closes earlier than 4 p.m., we may impose an earlier deadline.

You have to pay for your units when you buy them. If we don't receive payment in full within three business days of receiving your order, we'll redeem the units that you bought on the next valuation day or when we first learn that your payment will not be honoured. If we redeem them for more than you paid, the fund will keep the difference. If we redeem them for less than you paid, we'll charge your dealer for the difference plus any costs. Your dealer may be entitled to recover any losses from you.

What else you need to know
Here are some other important facts about buying Fidelity Funds:

- You'll receive a confirmation once we process your purchase. The confirmation is a record of your purchase and includes details about the units you bought and any commissions you paid. If you buy units through our pre-authorized chequing (PAC) plan, we'll send you a confirmation for your first purchase. After that, we'll send you regular account statements.
- We don't issue a certificate when you buy units of Fidelity Funds. Instead, you get regular statements showing how many units you own and their value.
- We may refuse any order to buy within one business day of receiving it. If we refuse your order, we'll return your money to you.
- We may require investors who are U.S. citizens or who are residents of the United States or any other foreign country to redeem their units, if their participation has the potential to cause regulatory problems.
- We won't accept orders to buy units during a period when we've suspended unitholders' rights to redeem units. See *Suspending your right to redeem units* on page • for details.

How to transfer Fidelity Funds
You can redeem one Fidelity Fund and use the proceeds to buy another Fidelity Fund. This is called transferring or switching.

You can only transfer between funds if you transfer units of the same series. You may have to pay your dealer a transfer charge. You negotiate the charge with your advisor. A short-term trading fee may also be payable. See *Transfer charge* and *Short-term trading fee* for details.

If you bought the original fund under the deferred sales charge, you won't pay a deferred sales charge when you transfer it. When you redeem the second fund later on, you'll pay a deferred sales charge based on the date when you bought the first fund. See *Fees and expenses* for details.

Changing to another series of the same fund

Changing Series A Units
You can change Series A units you bought under the initial sales charge option to Series F, Series O or Series T units of the same fund without charge.

You can change Series A units you bought under the deferred sales charge option to Series T units of the same fund, but if the units were purchased before April 2, 1999, you will not be able to receive cash distributions. Instead all distributions will be reinvested in additional units of Series T. You may have to pay a fee to your dealer. You negotiate the fee with your advisor. See *Change fee* on pages • and • for details.

You can only change to Series F and Series O units if you're eligible for these Series. See page • for details.

Changing Series F Units
You can change from Series F units to Series A or Series T units of the same fund if the Series A or Series T units are issued under the initial sales charge option. You may have to pay a fee to your dealer. You negotiate the fee with your advisor. See Fees and expenses for details.

You can also change from Series F units to Series O units subject to our approval. No fee is payable for this change. See page • for details.

Changing Series T Units
You can change from Series T units of a fund you bought under the initial sales charge option to Series A, Series F or Series O units of the same fund without charge.

You can change Series T units you bought under the deferred sales charge option to Series A units of the same fund. You may have to pay a fee to your dealer. You negotiate the fee with your advisor. See *Change fee* on pages • and • for details.

You can only change to Series F or Series O units if you're eligible for these Series of units. See page • for details.

Changing Series O Units
You can change from Series O units to Series A or Series T units of the same fund if the Series A or Series T units are issued under the initial sales charge option. You may have to pay a fee to your dealer. You negotiate the fee with your advisor. See Fees and expenses for details.

You can also change from Series O units to Series F units if you are eligible to purchase Series F units. No fee is payable for this change. See *Change fee* on pages • and • for details.

Other changes between series of the same fund are not allowed.

The amount of your investment, less any fees, which are paid by redeeming units, will be the same after the change. You will, however, own a different number of units because each series has a different unit price. Changing units from one series to another series of the same fund is not subject to tax.

[sidebar]
If you redeem or transfer units you hold outside a registered plan, any capital gain you make is subject to tax. For more information about how capital gains are taxed, see *Income tax considerations for investors*.

How to redeem Fidelity Funds

You can cash in your mutual fund by selling your units back to the fund. This is called a redemption. You'll receive the net asset value per unit on the day you redeem your units. We'll deduct any deferred sales charge or fees and send you the balance.

You must put your order to redeem in writing and sign it. An acceptable guarantor must guarantee your signature if the redemption is $10,000 or more. If a corporation, partnership, agent, fiduciary or surviving joint owner holds the units we may also ask for other documents.

If we receive your order before the end of a valuation day, we'll process it that day. Otherwise, we'll process your order on the next valuation day. You'll receive your money back in the same currency you used to buy the fund.

We won't process orders to redeem for:
- a past date
- a future date
- a specific price
- any units that haven't been paid for.

We'll send you your money within three business days of receiving your order, as long as your order is complete. If we don't receive your properly completed order within 10 business days of the sale, we'll buy back the units you sold at the close of business on the 10^{th} business day. If we buy them back for less than you sold them for, the fund will keep the difference. If we buy them back for more than you sold them for, we'll charge your dealer for the difference plus any costs. Your dealer may be entitled to recover any losses from you.

Suspending your right to redeem units

On rare occasions, we may temporarily suspend your right to redeem your fund units and postpone paying your sale proceeds. We can only do this under the following circumstances:
- if normal trading is suspended on any exchange on which securities or derivatives that make up more than half of the fund's total assets by value are traded and these securities or derivatives aren't traded on any other exchange that is a reasonable alternative for the fund, or

- if we’ve received permission from the Ontario Securities Commission, or
- if the right to redeem units of a corresponding fund has been suspended, we’ll automatically suspend the redemption of units of the RSP Fund that is linked to that corresponding fund.

If we receive your order to redeem on a day when we’ve suspended the calculation of net asset value per unit, you can withdraw your order before the end of the suspension period. Or you can redeem your units based on the net asset value per unit calculated on the first day after the suspension ends.

[sidebar]
We may charge you a deferred sales charge or a transfer charge, along with a short-term trading fee when you redeem or transfer units. See the section, *Fees and expenses*, for details.

Optional services

We offer the following plans to make it easier to buy and redeem Fidelity Funds. To sign up for a plan, contact your advisor or call us for details.

Pre-Authorized Chequing plan

Our pre-authorized chequing plan lets you invest a small amount at regular intervals. This can be an affordable and effective way to build your investments. Putting a little away at a time is a good way to get into the habit of investing.

Here are some facts about our pre-authorized chequing plan:

- You can invest as little as $50 each time. Just tell us how much you want to invest and when.
- We’ll withdraw the money directly from your bank account and invest it in the Fidelity Funds you choose.
- You can change how much you invest and how often or cancel the plan whenever you like.
- There are no fees for the plan, other than any sales charges.

Systematic Withdrawal Program

Our systematic withdrawal program lets you withdraw a fixed amount from your funds at regular intervals. This is an easy way to receive cash, while giving the rest of your money the chance to grow.

Here are some facts about our systematic withdrawal program:

- The systematic withdrawal program is available for non-registered accounts only.
- You can take out as little as $50 each time, as long as you have at least $5,000 in your account when you start the withdrawal program.
- You choose when you receive your money—monthly, quarterly, or every six months. We’ll send you a cheque or deposit the money directly into your bank account.

- There are no fees or charges for the withdrawal program other than any deferred sales charges or short-term trading fees.
- You can cancel the withdrawal program by telling us in writing.

It's important to remember that if your regular withdrawals are more than what your fund is earning, you'll eventually use up your original investment.

Registered plans

Registered plans receive special treatment under the *Income Tax Act* (Canada). A key benefit is that you don't pay tax on the money you earn in these plans until you withdraw it. In addition, contributions to an RRSP are deductible from your taxable earnings up to your allowable limit.

We offer the following Fidelity registered plans:

- Registered Retirement Savings Plans (RRSPs)
- Registered Retirement Income Funds (RRIFs)
- Registered Education Savings Plans (RESPs)
- Locked-in Retirement Accounts (LIRAs)
- Life Income Funds (LIFs)
- Locked-in Retirement Income Funds (LRIFs).

You can open any of these plans by investing or transferring as little as $500 per fund. There are no annual administration fees or fees to open, maintain or close a plan.

Group plans

A group plan is a collection of individual accounts, usually RRSPs or other registered plans, set up through an employer. If your employer has set up a group plan, you may be able to make contributions through payroll deductions.

The employer usually decides which Fidelity Funds will be available through a group plan. However, the employer and Fidelity aren't responsible for the performance of the investments. It's up to you to decide whether to buy, hold, or redeem units in a fund. Since there may be other investment choices available, you'll have to judge each choice on its own merits. You may want to discuss your choices with an independent advisor.

Fees and expenses

The following table shows the fees and expenses you may have to pay if you invest in Fidelity Funds. You may have to pay some of these fees and expenses directly. The funds may have to pay some of these fees and expenses, which will reduce the value of your investment in the fund.

Fees and expenses payable by the fund

Management fees	Each fund pays an annual management fee to Fidelity to cover the costs of managing the fund. The fee is calculated and accrued daily and paid monthly. In some cases, we may waive our right to receive a portion of the management fees.

The maximum annual rate of the management fee for Series A, Series F and Series T units is set out below. We charge an administrative fee directly to investors in Series O units.

	Annual management fee		
	Series A units	Series F units	Series T units
Equity Funds			
Canadian Equity Funds			
Fidelity Canadian Disciplined Equity Fund	2.00%	1.00%	2.00%
Fidelity Canadian Growth Company Fund	2.00%	1.00%	—
Fidelity Canadian Large Cap Fund	2.00%	1.00%	—
Fidelity Canadian Opportunities Fund	2.00%	1.00%	—
Fidelity True North Fund	2.00%	1.00%	2.00%
American Equity Funds			
Fidelity American Disciplined Equity Fund	2.00%	1.00%	2.00%
Fidelity RSP American Disciplined Equity Fund	2.00%	1.00%	—
Fidelity American Opportunities Fund	2.00%	1.00%	—
Fidelity RSP American Opportunities Fund	2.00%	1.00%	—
Fidelity American Value Fund	2.00%	1.00%	—
Fidelity Growth America Fund	2.00%	1.00%	2.00%
Fidelity RSP Growth America Fund	2.00%	1.00%	—
Fidelity Small Cap America Fund	2.00%	1.00%	—
Fidelity RSP Small Cap America Fund	2.00%	1.00%	—
International Equity Funds			
Fidelity Emerging Markets Fund	2.00%	1.00%	—
Fidelity Europe Fund	2.00%	1.00%	—
Fidelity RSP Europe Fund	2.00%	1.00%	—
Fidelity Far East Fund	2.00%	1.00%	—
Fidelity RSP Far East Fund	2.00%	1.00%	—
Fidelity Global Disciplined Equity Fund	2.00%	1.00%	2.00%
Fidelity RSP Global Disciplined Equity Fund	2.00%	1.00%	—
Fidelity Global Opportunities Fund	2.00%	1.00%	—
Fidelity RSP Global Opportunities Fund	2.00%	1.00%	—
Fidelity International Portfolio Fund	2.00%	1.00%	2.00%
Fidelity RSP International Portfolio Fund	2.00%	1.00%	—
Fidelity Japan Fund	2.00%	1.00%	—
Fidelity RSP Japan Fund	2.00%	1.00%	—
Fidelity Latin America Fund	2.00%	1.00%	—
Fidelity NorthStar Fund	2.20%	1.20%	—
Fidelity RSP NorthStar Fund	2.20%	1.20%	—
Fidelity Overseas Fund	2.00%	1.00%	—
Fidelity RSP Overseas Fund	2.00%	1.00%	—

	Annual management fee		
	Series A units	Series F units	Series T units
Sector Funds			
Fidelity Focus Consumer Industries Fund	2.00%	1.00%	—
Fidelity Focus Financial Services Fund	2.00%	1.00%	—
Fidelity RSP Focus Financial Services Fund	2.00%	1.00%	—
Fidelity Focus Health Care Fund	2.00%	1.00%	—
Fidelity RSP Focus Health Care Fund	2.00%	1.00%	—
Fidelity Focus Natural Resources Fund	2.00%	1.00%	—
Fidelity Focus Technology Fund	2.00%	1.00%	—
Fidelity RSP Focus Technology Fund	2.00%	1.00%	—
Fidelity Focus Telecommunications Fund	2.00%	1.00%	—
Fidelity RSP Focus Telecommunications Fund	2.00%	1.00%	—

Management fee and fund expense distributions

In some cases, we may reduce the management fee or fund expenses for certain Series A, Series F or Series T investors. Our decision to reduce our usual management fee or fund expenses depends on a number of factors, including the size of the investment, the expected level of account activity and the investor's total investments with us. In effect, the investors receive a rebate for the management fees or fund expenses that apply to their units. We do this by reducing the management fee charged to the fund or reducing the amount charged to the fund for certain expenses and having the fund pay out the amount of the reduction to the investors as a distribution. These are called management fee and fund expense distributions. We may increase or decrease the amount of distributions to certain investors from time to time.

RSP Funds

We make sure the RSP Funds don't pay duplicate management fees on their direct investments in the corresponding funds or on the derivatives they use which are based on the performance of the corresponding funds.

When an RSP Fund buys Series A units, Series F units or Series T units of a corresponding fund, we'll reduce the management fees payable by the RSP Fund so that there is no duplication of management fees and we'll reduce certain expenses payable by the RSP Funds. If we don't, we'll have the corresponding fund pay a management fee distribution and fund expense distribution in the same amounts. When an RSP Fund buys Series O units of a corresponding fund, we will only charge the RSP Fund for its proportionate share of the corresponding fund's operating expenses.

Payments made in connection with derivatives will eliminate any duplication of management fees and certain expenses of the corresponding fund. If they don't, we'll reduce the management fees and expenses that are charged to the RSP Fund.

Operating expenses

Each Series A, Series F and Series T of a fund is responsible for its proportionate share of common fund expenses in addition to expenses that it alone incurs. For Series O we pay common and specific expenses although each RSP Fund will be required to reimburse us for its proportionate share of certain operating expenses of its corresponding fund.

Operating expenses may include:

- transfer agency, pricing and bookkeeping fees, which are fees to process purchases and sales of units of the fund and to calculate the fund's unit price
- legal, audit and custodial fees
- costs of financial statements and other reports or filings
- taxes
- brokerage commissions
- interest charges

Derivatives costs paid by the RSP Funds	The RSP Funds pay the costs of their derivatives. These costs may include a premium and other costs. Based on the pricing of the funds' current derivatives, we estimate that these costs will be in the range of 0.25% to 0.55% a year. These costs may increase.
	Fees and expenses payable directly by you
Sales charges	*Initial sales charge* You may have to pay a sales charge if you choose to buy Series A or Series T units of a fund under the initial sales charge option. You and your advisor negotiate the amount you pay. The charge can be from 0% to 5% on any Fidelity Fund. We deduct the sales charge from the amount you invest and pay it to your dealer as a commission. You pay no sales charge when you buy Series F or Series O units of a fund.
	Deferred sales charge You'll pay a deferred sales charge if you choose to buy Series A or Series T units of a fund under the deferred sales charge option and you redeem your units within six years of buying them. The charge is based on the original cost of your units and how long you held them. We deduct the charge from the value of units you redeem. The charge is paid to us. The table below shows the deferred sales charge schedule: **If you redeem Series A or Series T units** — **You'll pay a charge of** during the first year you own them — 6.0% during the second year you own them — 5.5% during the third year you own them — 5.0% during the fourth year you own them — 4.5% during the fifth year you own them — 3.0% during the sixth year you own them — 1.5% after six years of owning them — zero You pay no deferred sales charge when you redeem Series F or Series O units of a fund.
Switch fees	*Transfer charge* You may have to pay a charge of up to 2% of the value of your units to your dealer when you transfer from Series A or Series T units of one Fidelity Fund to Series A or Series T units of another Fidelity Fund. You negotiate the charge with your advisor. You pay no transfer charge when you transfer from Series F units of one Fidelity Fund to Series F or Series O units of another Fidelity Fund or when you transfer Series O units of one Fidelity Fund to Series F or Series O units of another Fidelity Fund. If you transfer units within 90 days of buying them, you may also be charged a short-term trading fee. You will not be charged a deferred sales charge on a transfer.
	Change fee You may have to pay a fee of up to 2% of the value of your units to your dealer when you change from Series F units of a Fidelity Fund to Series A or Series T units of the same fund. You negotiate the charge with your advisor. You pay no change fee when you • change from Series F units of a Fidelity Fund to Series O units of the same

	fund, or • change from Series O units of a Fidelity Fund to Series F units of the same fund, or • change from Series A or Series T units of a Fidelity Fund to Series F or Series O units of the same fund. You'll find more information about changing units on page •.
Registered plan fees	None
Other	*Short-term trading fee* If you redeem or transfer units within 30 days of buying units of any series of Fidelity Far East Fund, Fidelity RSP Far East Fund, Fidelity Japan Fund, Fidelity RSP Japan Fund and Fidelity Focus Funds, you *will* be charged a short-term trading fee of 1% of the value of the units, unless we decide to waive the fee in special circumstances. If you redeem or transfer units of these funds between 31 and 90 days of purchase, you *may* be charged a short-term trading fee of 1% of the value of the units. If you redeem or transfer within 90 days of purchase units of any series of Fidelity Funds (other than those listed in the paragraph above), you *may* be charged a short-term trading fee of 1% of the value of the units. This fee is designed to protect unitholders from other investors moving quickly in and out of the funds. Frequent trading can hurt a fund's performance by forcing the portfolio manager to keep more cash in the fund than would otherwise be needed or to sell investments at an inappropriate time. It may also increase the fund's transaction costs. Short-term trading fees are paid to the fund and are in addition to any initial sales charge, deferred sales charge, or transfer charge. The fee is deducted from the amount you redeem or transfer, or it is charged to your account, and is retained by the fund. The short-term trading fee doesn't apply to units: • you receive from reinvested distributions • sold as a result of the death of a unitholder. *Cheque Fees* You may be charged a fee of $25 for each distribution which you request by cheque in respect of Series T distributions. *Insufficient Funds Fee* You may be charged a fee of $25 plus applicable taxes for each payment not honoured by your financial institution. *Series O Administrative Fee* The Funds do not pay any management fees in respect of Series O Units. Instead, you will have to pay an annual administrative fee to us which is negotiable. This fee accrues daily and is paid monthly.

Impact of sales charges

The table below shows the fees you would have to pay if you bought Series A or Series T units of a fund under our different purchase options. It assumes that:

- You invest $1,000 in Series A or Series T units of the fund for each period and redeem all of your units immediately before the end of the period.
- The sales charge under the initial sales charge option is 5%.
- The deferred sales charge under the deferred sales charge option applies only if you redeem your units within six years of buying them. See *Deferred sales charge* for the redemption fee schedule.
- You haven't used your 10% free amount under the deferred sales charge option.

	When you buy your units	After 1 year	After 3 years	After 5 years	After 10 years
Initial sales charge option	$50	–	–	–	–
Deferred sales charge option	–	$60	$50	$30	–

Dealer compensation

How your advisor and dealer are paid

Your advisor usually is the person you buy Fidelity Funds from. Your advisor could be a broker, financial planner or other person who's registered to sell mutual funds. Your dealer is the firm your advisor works for.

Commissions

Your advisor usually receives a commission when you invest in Series A units of Fidelity Funds. The commission depends on how you invest in the funds.

Initial sales charge option

You and your advisor decide on the percentage you'll be charged when you buy Series A or Series T units under the initial sales charge option. The percentage ranges from 0% to 5%. We deduct the sales charge from the amount you invest and pay it to your dealer as a commission. See *Fees and expenses* for details.

Deferred sales charge option

When you choose the deferred sales charge option for Series A or Series T units, we pay your dealer a commission of 4.9% of the amount you invest. You won't pay a charge unless you redeem your units within six years of buying them. See *Fees and expenses* for details.

Transfer charge

When you transfer from one Fidelity Fund to another Fidelity Fund, you may have to pay your dealer a transfer charge of up to 2%. You negotiate the charge with your advisor.

Change fee

When you change Series F or Series O units of a Fidelity Fund to Series A or Series T units of the same fund, you may have to pay your dealer a change fee of up to 2%. You negotiate the fee with your advisor.

Trailer fees

We pay trailer fees to your dealer on Series A and Series T units at the end of each quarter or, if the dealer qualifies, on a more frequent basis. We expect that dealers will pay a portion of the trailer fee to advisors for the services they provide to their clients. These fees are a percentage of the average daily value of the Series A and Series T units of each Fidelity Fund held by the dealer's clients. The fees depend on the fund and the sales charge option. We may change or cancel the terms of the trailer fees. The following table shows the maximum trailer fee rates:

Maximum annual trailer fee rate—Series A and Series T units

Fund	Initial sales charge option	Deferred sales charge option
All equity funds	1.00%	0.50%

Marketing support programs

We pay for materials we give to dealers to help support their sales efforts. These materials include reports and commentaries on securities, the markets and Fidelity Funds. We pay for our own marketing and advertising programs.

We may share with dealers some of their marketing and sales costs. We may also sponsor investment research conferences and sales training programs for dealers. The dealer, not Fidelity, decides who attends them. If the dealer sponsors a conference, the dealer, not Fidelity, decides when and where it takes place.

All of our programs that benefit dealers comply with securities laws. The funds do not pay the costs of these programs directly.

Introduction fees

We may pay a fee to dealers and others who introduce us to employers as potential clients for our group plan business.

Dealer compensation from management fees

We paid dealers compensation of approximately 44% of the total management fees we received from all the Fidelity Funds we managed during our financial year ended December 31, 2001. This includes amounts we paid to dealers for commissions, trailer fees, marketing support programs and introduction fees.

Income tax considerations for investors

This section is a summary of how taxes affect your investment in Fidelity Funds. It's written for individual unitholders who are residents of Canada and who hold their units as capital property.

We've tried to make this section as helpful and accurate as possible, but your situation may be different. Please consult a tax advisor about your own circumstances.

How the funds aim to make money

A fund can make money two ways. First, it can earn income. Examples are interest paid on bonds and dividends paid on stocks. A fund can also have capital gains if the value of its holdings goes up. If the fund sells an investment at a gain, the gain is *realized*. If the fund continues to hold the investment, the gain is *unrealized*.

Each year, the funds pay out a sufficient amount of their income (after deducting expenses) and realized capital gains so that the funds don't have to pay income tax. This is known as a *distribution*.

How your mutual fund investment is taxed

The tax you pay on your mutual fund investment depends on whether you hold your units in a registered plan or in a non-registered account.

Funds you hold in a registered plan

Registered plans (other than RESPs) are subject to penalty if, at the end of any month, the cost amount of foreign property held in the registered plan exceeds, generally, 30% of the cost amount of all property held in the registered plan. The cost amount of units held by a registered plan will be the adjusted cost base of those units, as described below. Switches between funds and distributions from the funds, including any return of capital, may affect the adjusted cost base of units held in your registered plan.

Funds you hold in a non-registered account

If you hold your units in a non-registered account, we'll send you a tax slip by the end of March each year. It shows your share of the fund's distributions of income and net capital gains for the previous year, as well as any allowable tax credits. Income may include dividend income from taxable Canadian corporations, foreign income and other income. Dividends paid by Canadian companies will be taxed subject to the gross-up and dividend tax credit. If the fund has earned foreign income, it may have paid foreign withholding tax. Some or all of this tax may be credited against the Canadian income tax you pay. Other income is fully taxable. Capital gains distributed by the funds will be treated as if you realized them directly. It is unlikely that fees paid by holders of Series O units will be deductible from income earned on those units.

You must include the income shown on the tax slip as part of your annual income. This applies whether your distributions were reinvested in units of the fund or were paid to you in cash.

If you receive more in distributions in a year than your share of the fund's income and capital gains for the year, you'll have a return of capital. You don't pay tax on a return of capital. Instead, it reduces the *adjusted cost base* of your units of the fund. If the adjusted cost base of your units is reduced to less than zero you will realize a capital gain, to the extent of the negative amount of adjusted cost base.

Capital gains and losses when you redeem your units

You'll have a capital gain if the money you make from redeeming or transferring a unit is more than the adjusted cost base of the unit, after deducting any costs of redeeming or transferring the unit. You'll have a capital loss if the money you receive from a sale is less than the adjusted cost base, after deducting any costs of redeeming or transferring your units. Generally, one-half of a capital gain is included in calculating your income.

You can make the following permitted changes without triggering a capital gain or a capital loss:

- Series A or Series T units of a fund purchased under the initial sales charge option to Series F or Series O units of the same fund
- Series A units of a fund purchased under the deferred sales charge option to Series T units of the same fund
- Series T units of a fund purchased under the deferred sales charge option to Series A

units of the same fund

- Series F units of a fund to Series A or Series T units of the same fund purchased under the initial sales charge option
- Series F units of a fund to Series O units of the same fund
- Series O units of a fund to Series A or Series T units of the same fund purchased under the initial sales charge option
- Series O units of a fund to Series F units of the same fund.

If you've bought units at various times, you will likely have paid various prices. The adjusted cost base of a unit is the average of the cost of all the units you hold in the fund. That includes units you got through reinvestments of distributions. If you've bought or sold units in U.S. dollars, the adjusted cost base and proceeds of disposition must be calculated in Canadian dollars.

In certain cases, individuals may also have to pay alternative minimum tax on the capital gains or dividends they earn.

Buying units late in the year
The unit price of a fund may include income and/or capital gains that the fund has earned or realized but not yet distributed. If you buy units, particularly if it's late in the year, you may end up paying tax on income and capital gains the fund earned or realized before you bought your units. This can happen when the fund makes a distribution in December of its net income and net realized gains for the whole year. This can also happen where a fund makes distributions of net income at other times, such as at the end of a quarter. You should consider how this tax cost might affect you when you buy units.

[sidebar]
How to calculate adjusted cost base
Here's how adjusted cost base is generally calculated:

- start with your initial investment, including any sales charges you paid
- add any additional investments including any sales charges you paid
- add any distributions you reinvested
- subtract any distributions that were a return of capital
- subtract the adjusted cost base of any previous redemptions.

To calculate adjusted cost base, you'll need to keep detailed records of the price you paid for your investments and the distributions you received on those units. It is expected that the monthly distribution on Series T units will frequently include a return of capital, which will affect the adjusted cost of your units. We will provide you with information regarding any distributions that are a return of capital. For more information, contact your tax advisor.

What are your legal rights?

Securities law in several provinces gives you the right to withdraw from an agreement to buy securities within two business days after you receive a foundation document or to cancel your purchase within 48 hours after you receive confirmation of a securities purchase. If you buy securities under a contractual plan, the time period for your right to withdraw from the purchase may be longer.

In several provinces and territories, securities law also gives you the right to cancel a purchase or, in some jurisdictions, claim damages if the foundation document or financial statements contain a misrepresentation. You must act within the time limit set by the securities legislation in your province or territory. You can find out more by consulting the securities legislation in your province or territory, by consulting a legal advisor, or by requesting and reviewing the Consumers' Guide.

FUND PROFILES

Fidelity Canadian Disciplined Equity™ Fund

Fund type	Canadian equity fund
Date started	Series A September 30, 1998, Series F October 10, 2000 and Series O May 18, 2001
Type of securities	Series A, Series F, Series O and Series T units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of Canadian companies.

Investment strategies
The fund aims to invest in the same sectors and in the same proportion as the S&P/TSX Capped Composite Index. Members of a team of analysts are assigned to each sector. They choose investments for their sector based on a thorough review of each company's management, financial conditions and potential for earnings growth over the long term.

These investments may or may not be included in the S&P/TSX Capped Composite Index. If the investment is not included in the index, we can decide which sector it belongs to. We regularly review the target allocations and rebalance the allocations, when necessary.

[sidebar]
What is the S&P/TSX Capped Composite Index?
The S&P/TSX Capped Composite Index is made up of the largest and most actively traded companies on the Toronto Stock Exchange. These companies are divided into 10 sectors. The sectors are based on the Global Industry Classification Standard. Examples include energy, industrials, and financials. The size of a sector equals the total size of all of the companies in a sector. The size of a sector compared to the S&P/TSX Capped Composite Index is its weighting, which is simply a percentage. If a company makes up more than 10% of the value of the index, it's "capped" at 10%.

What are the risks of investing in the fund?
The fund invests primarily in equity securities of Canadian companies. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	

Risk checklist	Main risk	Additional risk	Not a risk
Credit		●	
Currency		●	
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add a Canadian equity fund to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity Canadian Growth Company Fund

Fund type	Canadian equity fund
Date started	Series A July 12, 1994, Series F October 10, 2000 and Series O August 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of Canadian companies.

Investment strategies
The fund may invest in small, medium and large companies, but tends to focus on small and medium companies.

What are the risks of investing in the fund?
The fund invests in equity securities of smaller Canadian companies. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency		●	
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company	●		
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of Canadian small and medium-sized companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity Canadian Large Cap Fund

Fund type	Canadian equity fund
Date started	Series A February 1, 1988, Series F October 10, 2000 and Series O January 2, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of Canadian companies and tends to focus on large companies.

Investment strategies
We consider large companies to be those similar in size to the companies in the TSX 100 index. When determining if a company is large, we include all of the company's shares, including those not listed on a stock exchange.

What are the risks of investing in the fund?
The fund invests primarily in equity securities of Canadian companies. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency		●	
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of large Canadian companies to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity Canadian Opportunities Fund

Fund type	Canadian equity fund
Date started	Series A July 24, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren’t foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of Canadian companies. The fund may sometimes have significant exposure to relatively few companies and industries. We may also choose to invest up to 10% of the fund’s assets at the time of purchase in the securities of private companies.

Investment strategies

The fund invests in companies that we believe offer the potential for growth over the long term and whose shares trade at prices reflecting attractive valuations. We also use this investment approach to choose the companies in which the fund makes a substantial investment. When deciding which private companies the fund invests in, we also look at the share price of the company relative to its potential price if the company were to be taken public or acquired by another company.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of Canadian companies. That means its value will change when the prices of the equities it invests in change.

The fund may concentrate its investments in relatively few companies and industries. This makes the fund riskier than funds with greater diversification.

The fund’s value can change for other reasons. The checklist below shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency		●	
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company	●		
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of Canadian companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity True North® Fund

Fund type	Canadian equity fund
Date started	Series A September 23, 1996, Series F October 10, 2000 and Series O January 2, 2001
Type of securities	Series A, Series F, Series O and Series T units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of Canadian companies.

Investment strategies
The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?
The fund invests primarily in equity securities of Canadian companies. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency		●	
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?
You might want to consider this fund if you are a long term investor and you wish to add a Canadian equity fund to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity American Disciplined Equity™ Fund

Fund type	U.S. equity fund
Date started	Series A July 9, 2002, Series F July 9, 2002 and Series O July 9, 2002
Type of securities	Series A, Series F, Series O and Series T units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies.

Investment strategies

The fund aims to invest in sectors in approximately the same proportions as those sectors are represented in the S&P 500 index. The way we define the sectors is described below. Members of a team of analysts are assigned to each sector. They put forward suggestions for investments for their sector based on a thorough review of each company's management, financial conditions and potential for earnings growth over the long term and the portfolio manager makes the final investment decisions.

The investments made by the fund may or may not be included in the S&P 500 index. If the investment is not included in the index, we can decide which sector it belongs to. We regularly review the target allocations and rebalance the allocations, when necessary.

[sidebar]

What are the sectors?

The S&P 500 index is made up of 500 U.S. companies. These companies are currently divided into 122 sub-industries that are added together to form 10 sectors, all based on the Global Industry Classification Standard ("GICS"). We start with the same sub-industries as the GICS and then group the sub-industries into 7 sectors instead of 10. Our financial services, health care, and technology sectors are identical to the GICS sectors. We lump together the GICS telecommunications and utilities sectors into one sector. Our consumer sector includes the GICS consumer staples sector and a portion of the GICS consumer discretionary sub-industries. The remaining GICS consumer discretionary sub-industries are added to our cyclical sector along with the GICS industrials sector and a portion of the GICS materials sub-industries. Our natural resources sector is made up of the GICS energy sector and the remaining GICS materials sub-industries. The size of each sector equals the total size of the S&P 500 member companies in the sector.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of U.S. companies. That means its value will change when the prices of the equities it invests in change.

The fund’s value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add a U.S. equity fund to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP American Disciplined Equity™ Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity American Disciplined Equity Fund
Date started	Series A July 9, 2002 and Series F July 9, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity American Disciplined Equity Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The Fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity American Disciplined Equity Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity American Disciplined Equity Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		

Risk checklist	Main risk	Additional risk	Not a risk
Securities Lending			●
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of U.S. companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity American Opportunities Fund

Fund type	U.S. equity fund
Date started	Series A July 24, 2000, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies.

Investment strategies

The fund may invest in small, medium and large companies, and may concentrate its investments in relatively few industries and companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of U.S. companies. That means its value will change when the prices of the equities it invests in change.

The fund may concentrate its investments in relatively few industries. This makes the fund riskier than funds with greater diversification.

Fidelity RSP American Opportunities Fund invests in Fidelity American Opportunities Fund. If investors in the RSP Fund redeem a large number of units, Fidelity American Opportunities Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of U.S. companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP American Opportunities Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity American Opportunities Fund
Date started	Series A July 24, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity American Opportunities Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity American Opportunities Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity American Opportunities Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		

Risk checklist	Main risk	Additional risk	Not a risk
Securities Lending			●
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of U.S. companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity American Value Fund

Fund type	U.S. equity fund
Date started	Series A October 8, 2002 and Series F October 8, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies.

Investment strategies

We invest in securities of companies that we believe are undervalued in the marketplace in relation to factors such as the company's assets, sales, earnings, growth potential, or cash flow, or in relation to securities of other companies in the same industry. We consider traditional and other measures of value such as price/book (P/B) ratio, price/sales (P/S) ratio, price/earnings (P/E) ratio, and the discounted value of a company's projected future free cash flows. The types of companies in which the fund may invest include companies experiencing positive fundamental change, such as a new management team or product launch, a significant cost-cutting initiative, a merger or acquisition, or a reduction in industry capacity that should lead to improved pricing; companies whose earnings potential has increased or is expected to increase more than generally perceived; and companies that have enjoyed recent market popularity but which appear to have temporarily fallen out of favour for reasons that are considered non-recurring or short-term.

We focus primarily on a company's valuations when deciding whether or not to invest in the company. We also consider industry, market and economic conditions affecting the company.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of U.S. companies. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of U.S. companies to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity Growth America Fund

Fund type	U.S. equity fund
Date started	Series A September 20, 1990, Series F October 10, 2000, Series O January 2, 2001
Type of securities	Series A, Series F, Series O and Series T units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies.

Investment strategies

The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of U.S. companies. That means its value will change when the prices of the equities it invests in change.

Fidelity RSP Growth America Fund invests in Fidelity Growth America Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Growth America Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of U.S. companies to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity RSP Growth America Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Growth America Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Growth America Fund, while maintaining 100% registered plan eligibility.

Investment strategies
The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Growth America Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?
The fund has the same risks as Fidelity Growth America Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of U.S. companies. To invest in this fund, you should be able to accept a moderately high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Small Cap America Fund

Fund type	U.S. equity fund
Date started	Series A April 5, 1994, Series F October 10, 2000 and Series O September 24, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. small capitalization companies.

Investment strategies

In addition to small companies, the fund may invest in medium and large companies and in securities of companies outside of the U.S.

[sidebar]

What's market capitalization?

Market capitalization is a measure of the size of a company. It's calculated by multiplying the current share price by the number of shares held by investors.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of smaller U.S. companies. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company	●		
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of small U.S. companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Small Cap America Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Small Cap America Fund
Date started	Series A July 9, 2002 and Series F July 9, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Small Cap America Fund, while maintaining 100% registered plan eligibility.

Investment strategies
The Fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Small Cap America Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?
The fund has the same risks as Fidelity Small Cap America Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company	●		
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of U.S. companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Emerging Markets Fund

Fund type	Emerging markets equity fund
Date started	Series A December 9, 1994 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are “foreign property” when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve high total investment return.

It invests primarily in equity securities of companies in emerging market countries.

[sidebar]

What’s an emerging market?

At Fidelity, we generally consider an emerging market country to be any country other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States.

Investment strategies

We normally diversify the fund’s investments across different emerging market countries. We base these allocations on the size of the market in each country relative to the size of the markets in emerging market countries as a whole. The fund may, however, invest virtually all of its assets in any one country.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of companies in emerging markets. That means its value will change when the prices of the equities it invests in change.

Prices of securities in developing or emerging countries tend to go up and down much more than in more developed countries. That’s because of the greater uncertainty of investing in smaller, less liquid markets and less established economies.

The fund’s value can change for other reasons. The checklist below shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of companies in emerging markets to your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

Fidelity Europe Fund

Fund type	European equity fund
Date started	Series A May 29, 1992, Series F October 10, 2000 and Series O January 2, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are “foreign property” when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies in the United Kingdom and continental Europe, including the European Community and the European Free Trade Association.

[sidebar]
What are the European Community and the European Free Trade Association?
The European Community (EC) is an economic alliance of 15 European nations that was created in 1957 to foster trade and co-operation among its members. Its former name, European Economic Community, was dropped in 1993 when the Maastricht Treaty on European Union was ratified.

The European Free Trade Association was founded in 1960 and includes Iceland, Liechtenstein, Norway and Switzerland. It promotes free trade and economic co-operation among its members.

Investment strategies
We normally diversify the fund’s investments across different European countries. We base these allocations on the size of the market in each country relative to the size of the markets in Europe as a whole.

What are the risks of investing in the fund?
The fund invests primarily in equity securities of companies in Europe. That means its value will change when the prices of the equities it invests in change.

This fund concentrates its investments in a single geographic region of the world. Prices of securities in these markets may move up and down together. This makes the fund riskier than funds with greater geographic diversification.

Fidelity RSP Europe Fund invests in Fidelity Europe Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Europe Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund’s value can change for other reasons. The checklist below shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of European companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Europe Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Europe Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Europe Fund, maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Europe Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Europe Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●
Series		●	

Risk checklist	Main risk	Additional risk	Not a risk
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of European companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Far East Fund

Fund type	Far East equity fund
Date started	Series A September 17, 1991, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies located or operating in countries in Southeast Asia. These countries include Australia, Hong Kong, India, Indonesia, Malaysia, New Zealand, the People's Republic of China, the Philippines, Singapore, South Korea, Taiwan and Thailand. The fund doesn't invest in Japan.

Investment strategies

We normally diversify the fund's investments across different Southeast Asian countries. We base these allocations on the size of the market in each country relative to the size of the markets in Southeast Asia as a whole.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of companies in Southeast Asia. That means its value will change when the prices of the equities it invests in change.

This fund concentrates its investments in a single geographic region of the world. Prices of securities in these markets may move up and down together. This makes the fund riskier than funds with greater geographic diversification.

Fidelity RSP Far East Fund invests in Fidelity Far East Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Far East Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		

Risk checklist	Main risk	Additional risk	Not a risk
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of Southeast Asian companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Far East Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Far East Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Far East Fund, maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Far East Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Far East Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●
Series		●	

Risk checklist	Main risk	Additional risk	Not a risk
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of Southeast Asian companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Global Disciplined Equity™ Fund

Fund type	Global equity fund
Date started	Series A July 9, 2002, Series F July 9, 2002 and Series O July 9, 2002
Type of securities	Series A, Series F, Series O and Series T units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world.

Investment strategies

The fund aims to invest in sectors and in regions in approximately the same proportion as those sectors and regions are represented in the MSCI World index. The six regions are the United States, the United Kingdom, Europe excluding the United Kingdom, Japan, Pacific excluding Japan, and Canada. The way we define the sectors is described below. Members of a team of analysts are assigned to each sector. They put forward suggestions for investments within their sector based on a thorough review of each company's management, financial conditions and potential for earnings growth over the long term and the portfolio manager makes the final investment decisions.

The investments made by the fund may or may not be included in the MSCI World index. If the investment is not included in the index, we can decide which sector and region it belongs to. We consider a number of factors to determine whether an investment is tied to a particular country or region including: the source of government guarantees (if any); the primary trading market; the issuer's domicile, sources of revenue, and location of assets; whether the investment is included in an index representative of a particular country or region; and whether the investment is exposed to the economic fortunes and risks of a particular country or region. We regularly review the target allocations and rebalance the allocations, when necessary.

[sidebar]

What are the sectors?

The MSCI World index is made up of over 1,500 developed world companies. The companies are divided into sub-industries which, other than those located in the U.S., are added together to form 10 sectors all based on the Global Industry Classification Standard ("GICS"). For the non-U.S. regions, the fund aims to invest in sectors in the same proportions as the 10 GICS sectors. It is possible that the individual portions of the fund invested in each of the 5 non-U.S. regions may be invested in different proportions that the GICS sectors.

For the U.S., we modify the GICS sectors. We start with the same sub-industries as the GICS and then group the sub-industries into 7 sectors instead of 10. Our financial services, health care, and technology sectors are identical to the GICS sectors. We lump together the GICS telecommunications and utilities sectors into one sector. Our consumer sector includes the GICS consumer staples sector and a portion of the GICS consumer discretionary sub-industries. The remaining GICS consumer discretionary sub-industries are added to our cyclical sector along with the GICS industrials sector and a portion of the GICS materials sub-industries. Our natural resources sector is made up of the GICS energy sector and the remaining GICS materials sub-industries. The size of each sector equals the total size of the MSCI member companies in the sector. For the U.S., the fund aims to invest in sectors in the same proportion as these 7 sectors, as defined above.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of companies anywhere in the world. That means its value will change when the prices of the equities it invests in change. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization			●

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add a foreign equity fund to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Global Disciplined Equity™ Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Global Disciplined Equity Fund
Date started	Series A July 9, 2002 and Series F July 9, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Global Disciplined Equity Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The Fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Global Disciplined Equity Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Global Disciplined Equity Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		

Risk checklist	Main risk	Additional risk	Not a risk
Securities Lending			●
Series		●	
Small company		●	
Specialization			●

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of global companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Global Opportunities Fund

Fund type	Global equity fund
Date started	Series A January 30, 2002, Series F January 30, 2002 and Series O January 30, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the Fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world.

Investment strategies

We normally diversify the fund's investments across different countries and regions. We base these allocations on the size of the market in each country and region relative to the size of the international market as a whole. The fund may, however, concentrate its investments in relatively few countries, regions, industries and companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of companies anywhere in the world. That means its value will change when the prices of the equities it invests in change.

The fund's value can change for other reasons. The checklist shows you which risks apply to the fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization		●	

Who should invest in the fund?

You might want to consider the fund if you are a long term investor and you wish to add the growth potential of companies around the world to your portfolio. To invest in the fund, you should be able to accept a high level of risk.

Fidelity RSP Global Opportunities Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Global Opportunities Fund
Date started	Series A January 30, 2002 and Series F January 30, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Global Opportunities Fund, while maintaining 100% registered plan eligibility.

Investment strategies
The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Global Opportunities Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?
The fund has the same risks as Fidelity Global Opportunities Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company		●	
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to invest in a core foreign equity fund. To invest in this fund, you should be able to accept a moderately high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity International Portfolio Fund

Fund type	Global equity fund
Date started	Series A November 30, 1987, Series F October 10, 2000 and Series O January 2, 2001
Type of securities	Series A, Series F, Series O and Series T units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world.

Investment strategies

We normally diversify the fund's investments across different countries and regions. We base these allocations on the size of the market in each country and region relative to the size of the international market as a whole.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of companies anywhere in the world. That means its value will change when the prices of the equities it invests in change.

Fidelity RSP International Portfolio Fund invests in Fidelity International Portfolio Fund. If investors in the RSP Fund redeem a large number of units, Fidelity International Portfolio Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●

Risk checklist	Main risk	Additional risk	Not a risk
Securities Lending		●	
Series		●	
Small company		●	
Specialization			●

Who should invest in this fund?
You might want to consider this fund if you are a long term investor and you wish to add a core foreign equity fund to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity RSP International Portfolio Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity International Portfolio Fund
Date started	Series A September 16, 1999, Series F October 10, 2000 and Series O January 2, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity International Portfolio Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity International Portfolio Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity International Portfolio Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		

Risk checklist	Main risk	Additional risk	Not a risk
Securities Lending			●
Series		●	
Small company		●	
Specialization			●

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to invest in a core foreign equity fund. To invest in this fund, you should be able to accept a moderately high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Japan Fund

Fund type	Japanese equity fund
Date started	Series A July 5, 1993, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of Japanese companies.

Investment strategies

The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of companies in Japan. That means its value will change when the prices of the equities it invests in change.

This fund concentrates its investments in a single geographic region of the world. Prices of securities in these markets may move up and down together. This makes the fund riskier than funds with greater geographic diversification.

Fidelity RSP Japan Fund invests in Fidelity Japan Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Japan Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of Japanese companies to your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Japan Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Japan Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Japan Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Japan Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Japan Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●
Series		●	

Risk checklist	Main risk	Additional risk	Not a risk
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of Japanese companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Latin America Fund

Fund type	Latin American equity fund
Date started	Series A January 19, 1994 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are “foreign property” when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective
This fund aims to achieve high total investment return.

It invests primarily in equity securities of Latin American companies.

[sidebar]
The fund defines Latin America as Mexico and all countries in Central America and South America.

Investment strategies
We normally diversify the fund’s investments across different Latin American countries. We base these allocations on the size of the market in each country relative to the size of the markets in Latin America as a whole.

What are the risks of investing in the fund?
The fund invests primarily in equity securities of companies in Latin America. That means its value will change when the prices of the equities it invests in change.

This fund concentrates its investments in a single geographic region of the world. Prices of securities in these markets may move up and down together. This makes the fund riskier than funds with greater geographic diversification.

The fund’s value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add the growth potential of Latin American companies to your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

Fidelity NorthStar™ Fund

Fund type	Global equity fund
Date started	Series A October 8, 2002 and Series F October 8, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world.

Investment strategies
We consider investment in companies that are in special situations such as those experiencing restructurings, regulatory changes, financial difficulty, or management changes. We choose companies that we believe offer the potential for growth over the long term and whose shares trade at prices reflecting attractive valuations.

Although we anticipate investing primarily in North American companies, we have the ability to invest in companies anywhere in the world. The fund may invest in small, medium and large companies. The fund may sometimes have significant exposure to relatively few companies, industries, countries, or to one size of company. It may hold a higher proportion of securities that are illiquid than other funds.

We may choose to invest up to 10% of the fund's assets at the time of purchase in the securities of private companies. When deciding which private companies the fund invests in, we also look at the share price of the company relative to its potential price if the company were to be taken public or acquired by another company.

What are the risks of investing in the fund?
The fund may concentrate its investments in relatively few companies and industries or in securities of private companies. This makes the fund riskier than funds with greater diversification or more liquid securities.

Fidelity RSP NorthStar Fund invests in Fidelity NorthStar Fund. If investors in the RSP Fund redeem a large number of units, Fidelity NorthStar Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		

Risk checklist	Main risk	Additional risk	Not a risk
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company	●		
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add a foreign equity fund to a small part of your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP NorthStar™ Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity NorthStar Fund
Date started	Series A October 8, 2002 and Series F October 8, 2002
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	100% eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity NorthStar Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The Fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity NorthStar Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity NorthStar Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending		●	
Series		●	
Small company	●		

Risk checklist	Main risk	Additional risk	Not a risk
Specialization		●	

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the growth potential of U.S. companies. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Overseas Fund

Fund type	Europe, Australasia and Far East (EAFE) equity fund
Date started	Series A May 31, 1999, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies located or operating in Europe, Australasia and the Far East.

Investment strategies
We normally diversify the fund's investments across different countries and regions. We base these allocations on the size of the market in each country and region relative to the size of the world market as a whole.

What are the risks of investing in the fund?
The fund invests primarily in equity securities of companies outside North America. That means its value will change when the prices of the equities it invests in change.

Fidelity RSP Overseas Fund invests in Fidelity Overseas Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Overseas Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist on the next page shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company		●	
Specialization			●

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to add a core foreign equity fund to your portfolio. To invest in this fund, you should be able to accept a moderately high level of risk.

Fidelity RSP Overseas Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Overseas Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Overseas Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Overseas Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Overseas Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity		●	
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●
Series		●	

Risk checklist	Main risk	Additional risk	Not a risk
Small company		●	
Specialization			●

Who should invest in this fund?
You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to invest in a core foreign equity fund. To invest in this fund, you should be able to accept a moderately high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Focus Consumer Industries Fund

Fund type	U.S. sector equity fund
Date started	Series A June 5, 1997, Series F October 10, 2000 and Series O September 25, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are “foreign property” when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies that manufacture and sell consumer goods.

[sidebar]

What’s included in the consumer goods industry?

Consumer goods and services include appliances, cars, clothing, cosmetics, entertainment, food and beverages, homes, household products, leisure, personal computers, restaurants and travel.

Investment strategies

The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of consumer products companies in the United States. That means its value will change when the prices of the equities it invests in change.

The fund concentrates its investments in a single industry and holds a relatively small number of securities that tend to be affected by the same factors. This makes the fund riskier than funds with greater diversification.

The success of manufacturers and retailers of consumer goods is closely tied to the performance of the economy, interest rates, competition and consumer confidence. Changes in household income, consumer spending and consumer tastes may directly affect the fortunes of these companies.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to gain exposure to the growth potential of the U.S. consumer goods industry for a small part of your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity Focus Financial Services Fund

Fund type	U.S. sector equity fund
Date started	Series A June 5, 1997, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies that provide financial services.

[sidebar]

What's included in the financial services industry?

The financial services industry includes banking, brokerage and investment management, investment banking, life insurance, personal loans, property and casualty insurance, and savings and loans companies.

Investment strategies

The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of financial services companies in the United States. That means its value will change when the prices of the equities it invests in change.

The fund concentrates its investments in a single industry and holds a relatively small number of securities that tend to be affected by the same factors. This makes the fund riskier than funds with greater diversification.

The financial services industry is very sensitive to changes in interest rates. Prices of financial services companies tend to move in the opposite direction to interest rates. Many financial services companies are heavily regulated, which may limit the amount and types of loans they can make and the interest rates they can charge. Losses from loan defaults can negatively affect the industry. Changes in regulations could severely impact the industry.

Fidelity RSP Focus Financial Services Fund invests in Fidelity Focus Financial Services Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Focus Financial Services Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to gain exposure to the growth potential of the U.S. financial services industry for a small part of your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Focus Financial Services Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Focus Financial Services Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Financial Services Fund, while maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Financial Services Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Focus Financial Services Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		

Risk checklist	Main risk	Additional risk	Not a risk
Securities Lending			●
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the U.S. financial services industry for a small portion of your portfolio. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Focus Health Care Fund

Fund type	U.S. sector equity fund
Date started	Series A June 5, 1997, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies that design, make or sell products or services related to health care and medicine.

[sidebar]

What's included in the health care industry?

We consider the health care industry to include biotechnology firms, health maintenance organizations and companies involved in hospital management, medical products and pharmaceuticals.

Investment strategies

The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of health care companies in the United States. That means its value will change when the prices of the equities it invests in change.

The fund concentrates its investments in a single industry and holds a relatively small number of securities that tend to be affected by the same factors. This makes the fund riskier than funds with greater diversification.

Many companies in the health care industry are regulated by governments. The process to receive government approval could affect the price and availability of products and services. Products and services may quickly become obsolete.

Fidelity RSP Focus Health Care Fund invests in Fidelity Focus Health Care Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Focus Health Care Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	

Risk checklist	Main risk	Additional risk	Not a risk
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to gain exposure to the growth potential of the U.S. health care industry for a small part of your portfolio. To invest in this fund, you should be able to accept a high level of risk.

Fidelity RSP Focus Health Care Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Focus Health Care Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Health Care Fund, while maintaining 100% registered plan eligibility.

Investment strategies
The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Health Care Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?
The fund has the same risks as Fidelity Focus Health Care Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the U.S. health care industry for a small portion of your portfolio. To invest in this fund, you should be able to accept a high level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Focus Natural Resources Fund

Fund type	International sector equity fund
Date started	Series A June 5, 1997, Series F October 10, 2000 and Series O September 25, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are “foreign property” when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world that own or develop natural resources or supply goods and services to those companies.

[sidebar]

What’s included in the natural resources industry?

We consider natural resources industries to include agriculture, energy, metals, natural gas, oil, paper & forest products, and precious metals.

Investment strategies

The fund may shift its emphasis from one natural resource industry to another. It may invest in small, medium and large companies, and it may invest up to 10% of its assets in gold or gold certificates.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of natural resources companies anywhere in the world. That means its value will change when the prices of the equities it invests in change.

The fund concentrates its investments in a single industry and holds a relatively small number of securities that tend to be affected by the same factors. This makes the fund riskier than funds with greater diversification.

The natural resources industry is very sensitive to changes in the world economy. The price of a natural resource company’s securities may depend largely on the supply and demand for the resource the company is involved with. In the past, precious metals have experienced large swings in price over short periods of time. They may be affected by unpredictable world events like currency devaluation and political upheaval.

The fund’s value can change for other reasons. The checklist below shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	

Risk checklist	Main risk	Additional risk	Not a risk
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to gain exposure to the growth potential of the natural resources industry for a small part of your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

Fidelity Focus Technology Fund

Fund type	U.S. sector equity fund
Date started	Series A June 5, 1997, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are "foreign property" when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of U.S. companies that are positioned to benefit from advances in technology.

[sidebar]

What's included in the technology industry?

We consider technology industries to include computer services, computer software, computer systems, communications systems, electronics, office equipment, scientific instruments and semiconductors.

Investment strategies

The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of technology companies in the United States. That means its value will change when the prices of the equities it invests in change.

The fund concentrates its investments in a single industry and holds a relatively small number of securities that tend to be affected by the same factors. This makes the fund riskier than funds with greater diversification.

The technology industry is highly competitive and the fortunes of companies can rise and fall over a short period of time. Technology companies tend to have short operating histories and short product life cycles. They are often subject to an aggressive pricing environment.

Fidelity RSP Focus Technology Fund invests in Fidelity Focus Technology Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Focus Technology Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund's value can change for other reasons. The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative		●	
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to gain exposure to U.S. technology companies for a small part of your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

Fidelity RSP Focus Technology Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Focus Technology Fund
Date started	Series A January 31, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective
This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Technology Fund, while maintaining 100% registered plan eligibility.

Investment strategies
The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Technology Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?
The fund has the same risks as Fidelity Focus Technology Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment		●	
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement			●
Reverse repurchase agreements		●	
RSP Fund	●		
Securities Lending			●

Risk checklist	Main risk	Additional risk	Not a risk
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to the U.S. technology companies for a small portion of your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

Fidelity Focus Telecommunications Fund

Fund type	International sector equity fund
Date started	Series A July 24, 2000, Series F October 10, 2000 and Series O January 31, 2001
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	The units are “foreign property” when purchased by registered plans (other than RESPs).

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world that are involved in the development, manufacture or sale of telecommunications services and/or equipment.

Investment strategies

When making investment decisions, we also take into account the amount the fund has invested in different regions of the world. The fund may invest in small, medium and large companies.

What are the risks of investing in the fund?

The fund invests primarily in equity securities of telecommunications companies anywhere in the world. That means its value will change when the prices of the equities it invests in change.

The fund concentrates its investments in a single industry and holds a relatively small number of securities that tend to be affected by the same factors. This makes the fund riskier than funds with greater diversification.

The telecommunications industry, particularly telephone operating companies, is subject to government regulation of rates of return and services that may be offered. The telecommunications industry is highly competitive and the fortunes of companies can rise and fall over a short period of time.

Fidelity RSP Focus Telecommunications Fund invests in Fidelity Focus Telecommunications Fund. If investors in the RSP Fund redeem a large number of units, Fidelity Focus Telecommunications Fund may have to sell its investments at unfavourable prices, which can lower its returns.

The fund’s value can change for other reasons. The checklist below shows you which risks apply to this fund. You’ll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	

Risk checklist	Main risk	Additional risk	Not a risk
Currency	●		
Derivative		●	
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement		●	
Reverse repurchase agreements		●	
RSP Fund			●
Securities Lending		●	
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you are a long term investor and you wish to gain exposure to telecommunications companies for a small part of your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

Fidelity RSP Focus Telecommunications Fund

Fund type	RSP Fund providing exposure to the performance of Fidelity Focus Telecommunications Fund
Date started	Series A July 24, 2000 and Series F October 10, 2000
Type of securities	Series A, Series F and Series O units of a mutual fund trust
Eligibility for registered plans	Eligible for registered plans. Units of the fund aren't foreign property.

What does the fund invest in?

Investment objective

This fund aims to achieve long-term capital growth.

It mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Telecommunications Fund while maintaining 100% registered plan eligibility.

Investment strategies

The fund mostly uses derivatives to seek performance that closely tracks the performance of Fidelity Focus Telecommunications Fund by investing directly in that fund up to the foreign property limit and by using forward contracts, debt-like securities and other derivatives. The fund invests the balance of its assets in cash, money market instruments and other securities, as permitted by securities regulators. These investments allow the fund to maintain 100% registered plan eligibility and to cover its positions in the forward contracts and other derivatives.

What are the risks of investing in the fund?

The fund has the same risks as Fidelity Focus Telecommunications Fund. It also has other risks because it enters into derivatives with counterparties, which are usually financial institutions.

The checklist below shows you which risks apply to this fund. You'll find a complete description of each risk starting on page •.

Risk checklist	Main risk	Additional risk	Not a risk
Concentration		●	
Credit		●	
Currency	●		
Derivative	●		
Equity	●		
Foreign investment	●		
Interest rate		●	
Large transaction		●	
Liquidity	●		
Repurchase agreement			●
Reverse repurchase agreements		●	

Risk checklist	Main risk	Additional risk	Not a risk
RSP Fund	●		
Securities Lending			●
Series		●	
Small company		●	
Specialization	●		

Who should invest in this fund?

You might want to consider this fund if you're investing through a registered plan (other than an RESP) and you hold the maximum allowable amount of foreign property. You also should be a long term investor who wishes to gain exposure to telecommunications companies for a small portion of your portfolio. To invest in this fund, you should be able to accept the highest level of risk.

If you're investing through a non-registered account or RESP or if the foreign property holdings in your registered plan are below the foreign content limit, you should buy the corresponding fund directly because you'll get a better return and generally, better tax treatment. Most of the distributions the fund pays outside of a registered plan are considered income, which is taxed at a higher rate than capital gains.

CERTIFICATE OF THE FUNDS, MANAGER, PROMOTER, AND PRINCIPAL DISTRIBUTOR

DATED: February 28, 2003

This Foundation Document, the Management Reports dated December 31, 2002, and the Fund Summary Document, dated February 28, 2003 for the Fidelity Equity Funds (as set out on the front cover of this document, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Foundation Document and do not contain any misrepresentation.

.	.
Chief Executive Officer Fidelity Investments Canada Limited	Chief Financial Officer Fidelity Investments Canada Limited

ON BEHALF OF THE BOARD OF DIRECTORS OF
FIDELITY INVESTMENTS CANADA LIMITED
AS TRUSTEE, MANAGER, PROMOTER AND PRINCIPAL DISTRIBUTOR
OF THE FUNDS

.	.
Director	Director

[Back cover]

Fidelity Investments Canada Limited
483 Bay Street, Suite 200
Toronto, Ontario
M5G 2N7

You can find additional information about each fund in Fund Summary Document and most recent continuous disclosure, including financial statements and performance reports. These documents are incorporated by reference into this foundation document. That means they legally form part of this document just as if they were printed in it.

You can get a copy of the funds' its fund summary document and management reports, at no cost, by calling us at 1-800-263-4077, sending us an e-mail at cs.english@fmr.com for English language versions or sc.francais@fmr.com for French language versions, or by asking your advisor. You'll also find this foundation and management reports on our website at www.fidelity.ca.

These documents and other information about the funds are also available at www.sedar.com.

Also consider obtaining the Consumers' Guide in the same ways.

Fidelity Funds

Series A, Series F and Series O units (unless otherwise indicated)

Equity Funds
Canadian Equity Funds
Fidelity Canadian Disciplined Equity™ Fund (Series T units also available)
Fidelity Canadian Growth Company Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Opportunities Fund
Fidelity True North® Fund (Series T units also available)
American Equity Funds
Fidelity American Disciplined Equity™ Fund (Series T units also available)
Fidelity RSP American Disciplined Equity™ Fund
Fidelity American Opportunities Fund
Fidelity RSP American Opportunities Fund
Fidelity American Value Fund
Fidelity Growth America Fund (Series T units also available)
Fidelity RSP Growth America Fund
Fidelity Small Cap America Fund
Fidelity RSP Small Cap America Fund

International Equity Funds
Fidelity Emerging Markets Fund
Fidelity Europe Fund
Fidelity RSP Europe Fund
Fidelity Far East Fund
Fidelity RSP Far East Fund
Fidelity Global Disciplined Equity™ Fund (Series T units also available)
Fidelity RSP Global Disciplined Equity™ Fund
Fidelity Global Opportunities Fund
Fidelity RSP Global Opportunities Fund
Fidelity International Portfolio Fund (Series T units also available)
Fidelity RSP International Portfolio Fund
Fidelity Japan Fund
Fidelity RSP Japan Fund
Fidelity Latin America Fund
Fidelity NorthStar™ Fund
Fidelity RSP NorthStar™ Fund
Fidelity Overseas Fund
Fidelity RSP Overseas Fund
Sector Funds
Fidelity Focus Consumer Industries Fund
Fidelity Focus Financial Services Fund
Fidelity RSP Focus Financial Services Fund
Fidelity Focus Health Care Fund
Fidelity RSP Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund
Fidelity RSP Focus Technology Fund
Fidelity Focus Telecommunications Fund
Fidelity RSP Focus Telecommunications Fund

RBC ADVISOR GLOBAL TITANS CLASS
SUMMARY DOCUMENT

March 28, 2003

INTRODUCTION

This fund summary contains selected important information about the RBC Advisor Global Titans Class to help you make an informed investment decision and understand your rights as an investor.

You will find more information about the fund in the foundation document, statement of fund performance, its most recently filed annual financial statements and any subsequent interim financial statements. For a free copy of any of these documents, including a statement of portfolio transactions, call us at 1-800-662-0652 or ask your dealer.

You can also get free copies of these documents on our website at www.rbcadvisor.com or by sending an email to funds@rbc.com.

These documents and other information about the funds are also available at www.sedar.com.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

The table below tells you about the companies that are involved in managing or providing services to the fund. RBC Funds Inc. (*RBC FI*), The Royal Trust Company (*Royal Trust*) and RBC Global Investment Management Inc. (*RBC GIM*) are all wholly-owned subsidiaries of Royal Bank of Canada (*RBC Royal Bank*) and are members of RBC Financial Group.

Manager RBC Funds Inc. Royal Trust Tower P.O. Box 7500, Station A Toronto, Ontario M5W 1P9	RBC FI is the manager of the fund. RBC FI is responsible for the day-to-day business of the fund and appoints investment advisors for the fund.
Custodian The Royal Trust Company Montreal, Quebec	The custodian holds the assets of the fund. The custodian is an affiliate of RBC FI.
Portfolio Advisor RBC Global Investment Management Inc. Toronto, Ontario	RBC FI has retained RBC GIM as the primary investment advisor. It provides investment advice and portfolio management services to the funds. The portfolio advisor is an affiliate of RBC FI.
Registrar The Royal Trust Company Toronto, Ontario	Royal Trust keeps a record of who owns all fund securities and the record of the number of securities held. Royal Trust is an affiliate of RBC FI.
Auditor	The auditor performs the required examination of the annual

PricewaterhouseCoopers LLP Toronto, Ontario	financial statements of the fund.

RBC ADVISOR GLOBAL TITANS CLASS

(Class of RBC Advisor Global Fund Inc.)

Fund details

Type of fund	Global equity fund
Date started	October 15, 2001
Securities offered	Shares – Series A shares and Series F shares
Registered plan eligibility	Eligible for registered plans such as RRSPs, RRIFs, RESPs and DPSPs, subject to foreign content limits.
Foreign property	The shares of the class will be foreign property under the *Income Tax Act* (Canada).
Fees and expenses - Series A shares	Management fee of 2.00% plus operating expenses.
Fees and expenses - Series F shares	Management fee of 0.75% plus operating expenses.

What does the fund invest in?

Investment objectives

- to provide long term capital growth

The fund invests primarily in equity securities of a diversified mix of companies operating in various countries around the world and across a range of sectors.

Investment strategies

The portfolio advisor is supported by its Global Sector Team, which comprises a team of portfolio managers and research analysts focusing on the global investment environment. The team analyzes factors unique to companies in each sector, providing global research capabilities to support the stock selection process.

- the fund seeks to invest in the best investment ideas from across a range of sectors
- stock selection is driven by a disciplined process of qualitative business appraisal and quantitative modelling
- stocks are selected based on key attributes, including:
  - established player with a leading market position or defensible niche

- predictable growth
- high and sustainable profitability
- sound financial position
- strong management and continuity
- attractive relative value

- the fund invests in a focused list of companies, but will diversify across sectors
- the fund will focus on mid- to large-cap stocks, but may also invest in smaller companies
- overall portfolio risk is managed by assessing the expected performance and volatility of each investment held by the fund relative to other securities held by the fund
- the fund may also hold cash and fixed income securities to protect value in certain market conditions
- the fund may invest in ADRs in order to efficiently add global exposure and reduce the complexity of cross-border transactions. ADRs do not eliminate the currency risk or foreign investment risk associated with an investment in a foreign company
- the fund may use derivatives for hedging purposes and may also use derivatives such as options, futures, forwards and swaps for non-hedging purposes as a substitute for direct investment, as long as the funds use of derivatives is consistent with its investment objectives. See *Derivative risk* on page 5 for more information
- the fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income and/or as a short-term cash management tool. See page 9 for more information.

What are the risks of investing in the fund?

Investing in the fund may result in the following risks:

- market risk
- currency risk
- foreign investment risk
- class risk
- liquidity risk
- derivative risk
- multiple series risk
- small cap risk
- securities lending, repurchase and reverse repurchase transaction risks.

Who should invest in this fund?

This fund may be right for you if:

- you want potential for long term growth from your investment

- you want a core global equity investment for your portfolio with exposure to the best performing companies globally across a range of sectors
- you are planning to hold your investment for the long term and can tolerate medium-to-high investment risk
- you are seeking tax efficiency through the ability to switch between classes of the corporation without creating a taxable event.

Past performance

The following charts show the fund's past performance. Although past performance can help you understand the risks of investing in the fund, it is not indicative of future performance. Both the fund's and the benchmark's returns listed in this section include reinvested distributions (which increase returns over time) but do not take into account any income taxes that might reduce returns. The fund's returns are also reported after accounting for fees and expenses charged to it which lower the fund's returns compared to the benchmark.

Year-by-year returns

This chart shows how the fund's value has increased or decreased for each one-year period for the past 10 years or since the fund's inception, whichever is earlier. The chart also highlights the variability of fund returns from year to year and shows, in percentage terms, how much an investment made on January 1 in each year would have grown or decreased by December 31 in that year.

[Insert chart]

Annual compound returns

This table shows the fund's annual compound return for each period indicated, ending on December 31, 2002. We also compare it the benchmark's return for the same period.
[Insert chart]

Financial Highlights

DISTRIBUTIONS AND NET ASSET VALUE PER SHARE	SERIES A 2001[1]	SERIES F 2001[1]
Distributions		
From net investment income	$ –	$ –
From net realized gains on investments	–	–
Return of capital	–	–
Total annual distributions	$ –	$ –
Net Asset Value		
Net asset value per share	$ 10.46	$ 10.48

RATIOS AND SUPPLEMENTAL DATA (Dec. 31)	SERIES A 2001[1]	SERIES F 2001[1]
Net assets (000s)	$ 1 040	$ 10
Number of shares outstanding (000s)	99	1
Management expense ratio	2.68%	1.61%
Portfolio turnover rate	4.34%	4.34%

1. For the period October 15, 2001 to December 31, 2001.
Since the fund has existed for less than five years, financial highlights are available only since inception.

RBC ADVISOR GLOBAL TITANS CLASS
FOUNDATION DOCUMENT

Offering Series A Shares and Series F Shares

March 28, 2003

TABLE OF CONTENTS TO BE INSERTED ONCE DOCUMENT FINALIZED

INTRODUCTION

This foundation document relates to the offering of Series A and Series F securities of the RBC Advisor Global Titans Class. In this document, *we*, *us* and *our* refer to RBC Funds Inc. *Fund* or *funds* refers to the RBC Advisor Global Titans Class. The term *corporation* refers to RBC Advisor Global Fund Inc. We refer to units and shares collectively as *securities* and to unitholders and shareholders collectively as *securityholders*.

For a free copy of the funds' regulatory documents, including a statement of portfolio transactions, when available, call us toll-free at 1-800-662-0652, or ask your dealer.

You can also get copies of this foundation document, the fund's summary document and the financial statements from the RBC Advisor Funds' website at www.rbcadvisor.com or by contacting us at funds@rbc.com.

NAME, FORMATION AND HISTORY OF THE FUND

This foundation document contains information about the RBC Advisor Global Titans Class In this document:

- *We*, *us* and *our* refer to RBC Funds Inc. (*RBC FI*).
- *Fund* refers to the RBC Global Titans Class.
- The term *Corporation* refers to RBC Advisor Global Fund Inc.
- *RBC Advisor Corporate Fund* refers to the RBC Global Titans Class which is a class of shares of the Corporation.
- We refer to units and shares collectively as *securities* and to unitholders and shareholders collectively as *securityholders.*

The principal address of the fund is Royal Trust Tower, P.O. Box 7500, Station A, Toronto, Ontario, M5W 1P9.

We are the manager of the fund and RBC Global Investment Management Inc. (*RBC GIM*) is the primary investment advisor to the fund. RBC GIM, with its international affiliates, now combines all of the investment management companies that provide investment management services to the businesses dealing with individual clients within RBC Financial Group. This entity and its international affiliates now have over 170 employees, $40 billion in assets under management and offices in major international centres. RBC GIM is a wholly-owned subsidiary of Royal Bank of Canada (*RBC Royal Bank*). We refer to RBC Royal Bank and affiliated companies of RBC Royal Bank as the *RBC Financial Group*.

A mutual fund may be set up as a mutual fund trust or a mutual fund corporation.

The RBC Advisor Global Titans Class is a class of RBC Advisor Global Fund Inc., a mutual fund corporation formed under the laws of Canada by Articles of Incorporation (*Articles*) dated August 20, 2001. The Corporation has one class of common shares (the *Common Shares*). It also has 1,000 authorized classes of special shares known as *mutual fund shares*.

Fund	**Date established**[1]	**Material changes**
RBC Advisor Global Titans Class	October 10, 2001	N/A

[1] The funds were established on October 10, 2001, but were not offered until October 15, 2001.

SPECIFIC INFORMATION ABOUT THE MUTUAL FUND DESCRIBED IN THIS DOCUMENT

Fund details

This table gives you a brief summary of the fund. It describes what type of mutual fund it is and when it was established. The table also highlights whether the fund is considered Canadian content or foreign property within a registered plan. You will find more information about registered plans and foreign content starting on page150. It also tells you the management fee for the fund.

About Series A, Series F and Advisor Series securities

Series A securities are available to all investors. Series F securities are designed for investors who have fee-based accounts with their dealers. These investors pay their dealer an annual fee for investment advice and other services. We do not pay any sales charges or trailing commissions to dealers in respect of Series F securities held by their clients, which means that we can charge a lower management fee.

Each series pays its proportionate share of common fund expenses in addition to expenses that it alone incurs. The difference in expenses and fees between series means that each series has a different net asset value per security.

Your dealer is responsible for deciding whether you are eligible to buy and to continue to hold Series F securities. If you are no longer eligible to hold Series F securities, your dealer is responsible for telling us to change your securities into Series A securities or to redeem them.

What does the fund invest in?

Investment objectives

This section outlines the investment objectives of the fund and the type of securities the fund may invest in, in order to achieve those investment objectives.

Investment strategies

This section describes the principal investment strategies that the portfolio advisor uses to achieve the fund's investment objectives. It gives you a better understanding of how your money is being managed.

This section also highlights:

- any significant investment restrictions adopted by the fund
- the percentage of the fund that may be invested in foreign securities
- the potential use of derivatives and a description of how they will be used.

The fund has received an exemption from the Canadian securities regulators to engage in transactions in debt securities in which, without the exemption, they would be prohibited from engaging. Pursuant to such exemption, the fund may, in accordance with certain conditions imposed by the regulators:

- invest in non-government debt securities even if a related underwriter acts as an underwriter of such securities; and
- purchase from or sell to related dealers that are principal dealers in the Canadian debt securities market, non-government debt securities or government debt securities in the secondary market.

The risks of investing

General investment risks

The value of a mutual fund can change from day to day because the value of the securities it invests in can be affected by changes in interest rates, the economy, financial markets or company news. As a result, when you redeem your mutual fund securities, they may be worth more or less than when you bought them.

Here are the specific risks, listed in alphabetical order, that can affect the value of your investment in the fund.

Class risk

Each class of the corporation has its own investment objective and own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the share value for that class, thereby reducing the share value. If one class is unable to pay its expenses or liabilities, the mutual fund corporation as a whole is legally responsible to pay those expenses. As a result, the share price of other classes may also be reduced.

Currency risk

Most mutual funds are valued in Canadian dollars. However, mutual funds that purchase foreign securities may be required to pay for such securities using a foreign currency and receive a foreign currency when they sell them. As a result, changes in the value of the Canadian dollar compared to foreign currencies will affect the value of any foreign securities in a mutual fund. For example, if the Canadian dollar rises relative to a foreign currency (like the U.S. dollar or the euro), the Canadian dollar value of an investment denominated in that foreign currency may decline. This decline may reduce, or even eliminate, any return the mutual fund has earned on the security. On the other hand, a mutual fund may also benefit from changes in exchange rates.

Currency exposure increases the volatility of foreign investments. Some mutual funds may hedge (protect against) the risk of changes in the foreign currency exchange rate.

Derivative risk

A derivative is a kind of investment whose value is derived from the performance of other investments or from the movement of interest rates, exchange rates or market indices.

The fund may use derivatives as permitted by the Canadian Securities Administrators. The fund may expand its current use of derivatives if permitted by the Canadian Securities Administrators. The fund may use derivatives as long as their use is consistent with the individual fund's investment objectives. **The fund cannot use derivatives for speculative trading or to create a portfolio with excess leverage.** The fund uses derivatives, securities regulations require that the fund hold enough assets or cash to cover its commitments in the derivative contracts. This limits the amount of losses that could result from the use of derivatives.

There are many different types of derivatives – they usually take the form of a contract to buy or sell a specific commodity, currency, stock or market index. The most common types of derivatives are:

- A futures or forward contract – these are agreements made today to buy or sell a particular currency or security on a specific day in the future at a specified price or to pay an amount based on the future value.
- An option contract – these are agreements that give the buyer the right, but not the obligation, to buy or sell certain securities within a certain time period, at a specified price.
- A swap agreement – these are negotiated contracts between parties agreeing to exchange payments based on returns of different investments. The most common type is an interest rate swap. Party A agrees to pay Party B a fixed amount based on a pre-set interest rate. In return, Party B agrees to pay Party A a floating amount based on a reference rate such as bankers acceptances or LIBOR.

Derivatives are a cornerstone of sound portfolio management and can help a mutual fund achieve its investment objectives. Derivatives may be used in two different ways:

- to hedge (or protect) against potential losses due to changes in interest rates, foreign exchange rates, commodity prices and stock prices, or
- as a substitute to investing directly in a particular security or market. A mutual fund may use derivatives instead of buying the actual security because it may be cheaper or more efficient. For example, a fund can buy a futures contract linked to the Standard & Poor's 500 stock index more easily and cheaply than directly buying all 500 stocks that make up the S&P 500 index.

Derivatives have their own special risks. Here are some of the common ones:

- Using derivatives for hedging may not always work and it could limit a mutual fund's potential to make a gain.
- The price of a derivative may not accurately reflect the value of the underlying currency or security.

- There is no guarantee that a mutual fund can close out a derivative contract when it wants to. If, for example, a stock exchange imposes trading limits, it could affect the ability of a mutual fund to close out its position in derivatives. This type of event could prevent a mutual fund from making a profit or limiting its losses.
- Derivatives traded on foreign markets may be harder to trade and have higher credit risks than derivatives traded in North America.
- The other party to a derivative contract may not be able to live up to its agreement to complete the transaction.

Foreign investment risk

Foreign investments are affected by world economic factors. There is often less information available about foreign companies and many countries have less stringent accounting, auditing and reporting standards than we do in Canada. Some foreign stock markets have less trading volume, which may make it more difficult to sell an investment or make prices more volatile. Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or it may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of a mutual fund's investment. As a result, mutual funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

Some mutual funds may purchase American Depository Receipts (ADRs), which are U.S. dollar denominated certificates representing ownership in the shares of foreign-based companies, to improve the fund's ability to buy and sell foreign holdings. ADRs do not eliminate the foreign investment risk associated with an investment in a foreign company.

Liquidity risk

Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. Most securities owned by a mutual fund can be sold easily and at a fair price. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily.

Some securities may be illiquid because of legal restrictions, the nature of the investment, or because of features like guarantees. Another reason for illiquidity is a lack of buyers interested in a particular security or market. Difficulty in selling securities may result in a loss or reduced return for a fund.

Market risk

The market value of a mutual fund's investments will rise and fall based on specific company developments and broader equity market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based. Some mutual funds will experience greater short-term fluctuations than others.

Multiple series risk

The fund has multiple series of securities. Each series has its own fees and expenses which are tracked separately. Those expenses will be deducted in calculating the security value for that series, thereby reducing its security value. If one series is unable to pay its expenses or liabilities, the mutual fund as a whole is legally responsible to pay those expenses. As a result, the security value of the other series may also be reduced. See *Purchases, switches and redemptions* and *Fees and expenses* for more information regarding how the security value for each series is calculated.

Securities lending, repurchase and reverse repurchase transaction risks

The fund may enter into securities lending arrangements and repurchase and reverse repurchase transactions in accordance with the rules of the Canadian Securities Administrators. Income earned through securities lending, repurchase and reverse repurchase transactions enhances the net asset value of the fund.

In a securities lending transaction, a mutual fund lends its securities to a borrower in exchange for a fee. A repurchase agreement takes place when a mutual fund sells a security at one price and agrees to buy it back later from the same party at a higher price. The difference between the higher price and the original price is like the interest payment on a loan. A reverse repurchase agreement is the opposite of a repurchase agreement and occurs when the mutual fund buys a security at one price and agrees to sell it back to the same party at a higher price. The other party to a securities lending transaction, repurchase agreement or reverse repurchase agreement delivers collateral to the mutual fund in order to secure the transaction.

Securities lending, repurchase and reverse repurchase transactions come with certain risks. If the other party to the transaction cannot complete the transaction, the mutual fund may be left holding the collateral delivered by the other party to secure the transaction. In a securities lending or repurchase transaction, the mutual fund could lose money if the value of collateral held and cash received does not increase as much as the securities loaned or agreed to be repurchased. In a reverse repurchase transaction, the mutual fund could lose money if the value of the securities purchased drops relative to the cash and collateral delivered. To minimize these risks, the other party must provide collateral that is worth at least 102 per cent of the value of the mutual fund’s securities or cash and of the type permitted by the Canadian Securities Administrators. The value of the transactions and the collateral are monitored daily and the collateral adjusted appropriately by the custodian of the funds.

Small cap risk

Securities of small cap companies tend to be traded less frequently and in smaller volumes. As a result, the prices of shares of small cap companies tend to be less stable than those of large cap companies. Their value may rise and fall more sharply than other securities and they may be more difficult to buy and sell. Mutual funds that invest in small cap companies are more likely to have large changes in value.

Who should invest in this fund?

This section explains the type of investor that the fund may be suitable for. As an investor, the most important part of your financial plan is understanding:

- your objectives – what are you expecting from your investments – income, growth, or a balance of the two
- your investment time horizon – how long are you planning to invest
- your risk tolerance – how much volatility in your investment are you willing to accept.

When looking at the risks for the fund, you should also consider how the fund will work with your other investment holdings. For instance, if you are considering an aggressive growth fund, it may be too risky if it is your only investment. If you plan on holding it as a portion of your overall portfolio, it may be a good way to increase your potential portfolio returns while limiting the overall risk of the portfolio – benefiting from diversification.

Past performance

The charts show investors how Series A securities of the fund have performed in the past. They include calendar year returns of the fund, as well as a performance comparison between the fund and a broadly diversified benchmark.

Performance data indicated in the charts is calculated from the date on which the securities offered under this prospectus were first made available to the public. There is sometimes a time lag between the date a fund was formed and the date it was first made available to the public.

Distribution policy

You earn money from the fund when it distributes amounts to you out of interest, dividend and other income earned and capital gains realized on their underlying investments. This section explains when the fund will make distributions.

For mutual fund corporations, the board of directors determines the timing and the amount of dividends to be paid. Dividends paid may be either capital gains dividends or ordinary dividends. Generally, such dividends will be declared payable to investors in the various classes on such basis as the board of directors considers reasonable.

For registered plans (like RRSPs, RRIFs, RESPs and DPSPs) distributions are automatically reinvested in additional securities of the same fund. For non-registered accounts, distributions are reinvested in additional securities of the same fund unless you tell your dealer that you want them in cash. You will find more information about distributions in *Income tax considerations for investors* on page••.

Financial highlights

This table shows the financial highlights of the fund for up to the past five fiscal years and is designed to help investors better understand the financial performance of the fund. This information is derived from the funds' audited annual financial statements. Please see page•• for more information about how you can obtain the funds' audited financial statements. The tables shown in this section includes information such as:

- Distribution history – a summary of the actual amount the fund has distributed over the last five years, including a breakdown of income (including interest and dividends), capital gains distributions and any returns of capital.
- Year-end Net Asset Value (*security value*) – shows the security value of the fund as at December 31, which allows you to see the change in the actual value of the fund from year to year.
- Management Expense Ratio (*MER*) – a measure of the costs charged to the fund by the manager to cover the expenses of operating it. The MER is expressed as a percentage of the fund's net assets and is paid out of the fund's assets before the fund's security value or rate of return is calculated. Some funds have higher MERs than others because they are more costly to operate. If two funds earn the same return before the MER is paid, the one with the higher MER will have a lower net return.
  The MER includes the fund's management fee and operating expenses. The MER represents payments for investment management, distribution, securityholder recordkeeping and other operating expenses of the fund. In the case of each of the portfolios, its proportionate share of each underlying fund's management expense ratio is included within the operating expenses of the portfolio. The MER also now includes GST and other taxes that are charged to the fund. Different series of a fund will have different MERs.
- Portfolio turnover rate – a measure of the buying and selling activity within the fund. A higher turnover rate indicates more trading activity and trading costs within a fund. There is also a greater chance that a fund with a higher turnover rate will realize income or gains and that you will receive a capital gains distribution which you may have to pay tax on if you hold the fund in a non-registered account. While the turnover rate does provide some measure of relative tax efficiency, it should not be relied upon as an accurate predictor of distributions or the tax efficiency of the distributions.

Fund expenses indirectly borne by investors

This table provides an example of the costs of investing in the fund. These costs reflect the MER of the fund that is paid out of the fund's assets. While you do not pay these costs directly, they do lower the fund's returns. See *Fees and expenses* for more information.

The example shows the expenses you would pay if:

- you invested $1,000 in the fund for the time periods shown
- the fund earned five per cent each year
- the MER for the fund remained the same in all periods as it was in the fund's last financial year.

ORGANIZATION AND MANAGEMENT OF THE FUND

The table below tells you about the companies that are involved in managing or providing services to the fund. RBC Funds Inc. (*RBC FI*), The Royal Trust Company (*Royal Trust*) and RBC Global Investment Management Inc. (*RBC GIM*) are all wholly-owned subsidiaries of Royal Bank of Canada (*RBC Royal Bank*) and are members of RBC Financial Group.

Manager RBC Funds Inc. Royal Trust Tower P.O. Box 7500, Station A Toronto, Ontario M5W 1P9	RBC FI is the manager of the fund. RBC FI is responsible for the day-to-day business of the fund and appoints investment advisors for the fund.
Custodian The Royal Trust Company Montreal, Quebec	The custodian holds the assets of the fund. The custodian is an affiliate of RBC FI.
Portfolio Advisor RBC Global Investment Management Inc. Toronto, Ontario	RBC FI has retained RBC GIM as the primary investment advisor. It provides investment advice and portfolio management services to the funds.
Registrar The Royal Trust Company Toronto, Ontario	Royal Trust keeps a record of who owns all fund securities and the record of the number of securities held. Royal Trust is an affiliate of RBC FI.
Auditor PricewaterhouseCoopers LLP Toronto, Ontario	The auditor performs the required examination of the annual financial statements of the fund.

RBC ADVISOR GLOBAL TITANS CLASS

(Class of RBC Advisor Global Fund Inc.)

Fund details

Type of fund	Global equity fund
Date started	October 15, 2001
Securities offered	Shares – Series A shares and Series F shares
Registered plan eligibility	Eligible for registered plans such as RRSPs, RRIFs, RESPs and DPSPs, subject to foreign content limits.
Foreign property	The shares of the class will be foreign property under the *Income Tax Act* (Canada).
Fees and expenses - Series A shares	Management fee of 2.00% plus operating expenses.
Fees and expenses - Series F shares	Management fee of 0.75% plus operating expenses.

What does the fund invest in?

Investment objectives

- to provide long term capital growth

The fund invests primarily in equity securities of a diversified mix of companies operating in various countries around the world and across a range of sectors.

Investment strategies

The portfolio advisor is supported by its Global Sector Team, which comprises a team of portfolio managers and research analysts focusing on the global investment environment. The team analyzes factors unique to companies in each sector, providing global research capabilities to support the stock selection process.

- the fund seeks to invest in the best investment ideas from across a range of sectors
- stock selection is driven by a disciplined process of qualitative business appraisal and quantitative modelling
- stocks are selected based on key attributes, including:
  - established player with a leading market position or defensible niche
  - predictable growth
  - high and sustainable profitability
  - sound financial position
  - strong management and continuity
  - attractive relative value

- the fund invests in a focused list of companies, but will diversify across sectors
- the fund will focus on mid- to large-cap stocks, but may also invest in smaller companies
- overall portfolio risk is managed by assessing the expected performance and volatility of each investment held by the fund relative to other securities held by the fund
- the fund may also hold cash and fixed income securities to protect value in certain market conditions
- the fund may invest in ADRs in order to efficiently add global exposure and reduce the complexity of cross-border transactions. ADRs do not eliminate the currency risk or foreign investment risk associated with an investment in a foreign company
- the fund may use derivatives for hedging purposes and may also use derivatives such as options, futures, forwards and swaps for non-hedging purposes as a substitute for direct investment, as long as the funds use of derivatives is consistent with its investment objectives. See *Derivative risk* on page 5 for more information
- the fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income and/or as a short-term cash management tool. See page 9 for more information.

<u>What are the risks of investing in the fund?</u>

Investing in the fund may result in the following risks which are described in more detail beginning on page ••:

- market risk
- currency risk
- foreign investment risk
- class risk
- liquidity risk
- derivative risk
- multiple series risk
- small cap risk
- securities lending, repurchase and reverse repurchase transaction risks.

<u>Who should invest in this fund?</u>

This fund may be right for you if:

- you want potential for long term growth from your investment
- you want a core global equity investment for your portfolio with exposure to the best performing companies globally across a range of sectors
- you are planning to hold your investment for the long term and can tolerate medium-to-high investment risk
- you are seeking tax efficiency through the ability to switch between classes of the corporation without creating a taxable event.

Distribution policy

The board of directors determines the timing and the amount of dividends to be paid. In addition, dividends paid may be either capital gains or ordinary dividends. Dividends will be paid only to the extent necessary to minimize the overall tax liability of the corporation. It is expected that the fund's ordinary dividends will be paid annually in December and capital gains dividends will be paid at the discretion of the board of directors. See *Income tax considerations for investors* on page 149 for more information.

Dividends are automatically reinvested in additional shares of the fund unless you tell your dealer that you want them in cash. Dividends on shares held in registered plans are always reinvested.

Fund expenses indirectly borne by investors

This table is intended to help an investor compare the cost of investing in this fund with the cost of investing in other mutual funds and shows the fees and expenses paid by the fund that are indirectly borne by an investor. See *Fees and expenses* on page 142 for more information.

		1 YEAR		3 YEARS		5 YEARS		10 YEARS
RBC Advisor Global Titans Class	$	27.47	$	86.60	$	151.79	$	345.51

Based on a $1,000 investment and 5% return each year. Actual performance may vary.

INVESTMENT PRACTICES AND RESTRICTIONS

Investments

The fundamental investment objective of the fund may not be changed without the consent of a majority of securityholders of the fund. The board of directors, in the case of the RBC Advisor Corporate Funds, can make other changes to the investment strategies and activities of a fund without the consent of securityholders, subject to any required approval of the Canadian securities regulators.

Investments in derivative instruments

The fund may use derivatives as permitted by the Canadian securities regulators. The risk factors associated with the use of derivatives are disclosed on page ••.

RBC GIM is responsible for managing the risks associated with the use of derivatives. RBC GIM has written guidelines that set out the objectives and goals for derivatives trading which are established and reviewed annually by the board of directors of RBC GIM. In addition, RBC GIM has written control policies and procedures in place that set out the risk management procedures applicable to derivatives trading. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies and positions ensuring that these functions are performed by individuals independent of those who trade. Limits and controls on derivative trading are part of RBC GIM's compliance regime. All derivatives transactions are reviewed daily by a specially trained team who ensure that the derivatives positions of the funds are within the existing control policies and procedures. As the use of derivatives by the funds is limited, RBC GIM does not currently conduct simulations to test the portfolio under stress conditions. Derivative strategies and positions are regularly monitored by RBC GIM management and reviewed by the Audit Committee of the Board of Governors on a quarterly basis. See *Corporate governance of the funds* on page 32. Compliance with these policies and procedures is monitored periodically by internal auditors of RBC Royal Bank.

Investments in securities lending transactions, repurchase agreements and reverse repurchase agreements

The fund may enter into securities lending arrangements and repurchase and reverse repurchase transactions in accordance with the rules of the Canadian Securities Administrators.

Pursuant to an agency agreement, RBC FI has appointed Royal Trust to act as the agent of RBC FI and the fund and to enter into securities lending transactions, repurchase agreements and reverse repurchase agreements on behalf of the fund. The agency agreement provides for the types of transactions that may be entered into by the fund, types of portfolio assets of the fund that may be used, collateral requirements, limits on transaction sizes, permitted counterparties to the transactions and investment of any cash collateral. The agent will:

- ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- value the loaned or purchased securities and the collateral every day to ensure that the collateral is worth at least 102 per cent of the value of the securities;
- invest any cash collateral in accordance with the investment restrictions specified in the agency agreement;
- invest no more than 50 per cent of the total assets of a fund in securities lending, repurchase or reverse repurchase transactions at any one time; and
- assess the creditworthiness of the counterparties to securities lending, repurchase or reverse repurchase transactions.

The securities lending transactions of the fund may be terminated by the fund at any time. Repurchase agreements or reverse repurchase agreements of the fund will have a maximum term of 30 days.

RBC FI and Royal Trust review the agency agreement and the securities lending and repurchase and reverse repurchase arrangements annually to ensure that they comply with Canadian securities regulations and the fund governance policies of the RBC Advisor Funds described above.

The risk factors associated with securities lending, repurchase and reverse repurchase transactions are disclosed in the simplified prospectus of the funds. RBC GIM is responsible for managing the risks associated with securities lending, repurchase and reverse repurchase transactions. RBC GIM has written guidelines that set out the objectives and goals with respect to securities lending arrangements, repurchase transactions and reverse repurchase transactions which are established and reviewed annually by the board of directors of RBC GIM. RBC GIM has written control policies and procedures in place that set out the risk management procedures applicable to securities lending, repurchase and reverse repurchase transactions. All securities lending, repurchase and reverse repurchase positions are reviewed by RBC GIM as part of this compliance regime to ensure the funds are within the existing control limits. As the use of securities lending, repurchase and reverse repurchase transactions by the funds is limited, RBC GIM does not currently conduct simulations to test the portfolio under stress conditions. Securities lending arrangements and repurchase and reverse repurchase agreements will be regularly monitored by RBC GIM management and reviewed by the Audit Committee of the Board of Governors on a regular basis. See *Corporate governance of the funds* on page 32. Internal auditors of RBC Royal Bank monitor compliance with these policies and procedures periodically.

Investment restrictions

Subject to the exceptions described below, we manage each the fund in accordance with the standard mutual fund investment restrictions and practices contained in securities legislation, including National Instrument 81-102 – Mutual Funds (*NI 81-102*). These restrictions and practices are designed in part to ensure that the investments of the fund are diversified and relatively liquid and to ensure the proper administration of the fund.

The fund may be subject to prohibitions on certain investments applicable to dealer-managed mutual funds pursuant to NI 81-102. Subject to certain exceptions, the fund shall not knowingly make an investment in the securities of an issuer:

- for which RBC GIM or an associate or affiliate of RBC GIM has acted as an underwriter (of more than five per cent of the securities underwritten) for a period of at least 60 days following the conclusion of the distribution of the underwritten securities to the public; or

- of which any partner, director, officer or employee of RBC GIM or any partner, director, officer or employee of any affiliate or associate of RBC GIM is an officer or director, provided that this prohibition shall not apply where any such partner, director, officer or employee does not:

  - participate in the formulation of investment decisions made on behalf of the fund;

  - have access prior to implementation to investment decisions made on behalf of the fund; and

- influence (other than through research, statistical and other reports generally available to clients) the investment decisions made on behalf of the fund.

Foreign property

Registered plans, other than RESPs, are subject to a penalty tax under the *Income Tax Act* (Canada) (*Tax Act*) if they invest in foreign property in excess of the limits set out in the Tax Act. RESPs have no foreign property restrictions.

Shares of the RBC Advisor Global Titans Class constitute foreign property under the Tax Act. Therefore, this fund does not have any restrictions under the Tax Act on the amount of the fund's assets that can be invested in foreign property.

DESCRIPTION OF SECURITIES OF THE FUND

RBC Advisor Global Titans Class

The Corporation has separate classes of mutual fund shares and separate series of each class. Each series is divided into shares of equal value. All shares of a series have equal rights and privileges. Holders of the mutual fund shares are *shareholders.* The Corporation may issue fractions of mutual fund shares of each class and series. These fractions have all the rights, privileges, restrictions and conditions (other than the right to vote) applicable to a whole mutual fund share of the relevant class and series in the proportion which they bear to one whole mutual fund share, including the right to receive dividends.

Dividends, including capital gains dividends, may be paid in respect of a series of mutual fund shares whether or not dividends are paid on any other series of mutual fund shares of the same class.

Shareholders are entitled at any time to redeem their shares. Please see *Redemptions* on page •• for a description of redemption request procedures. Upon thirty days' written notice, the Corporation may redeem or reclassify the mutual fund shares of a shareholder who no longer satisfies the eligibility requirements with respect to such shares.

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, shareholders of mutual fund shares of each class shall, in priority to any distribution of the property and assets of the Corporation among the holders of common shares, be entitled to receive in respect of each mutual fund share an amount, in cash or property, equal to the net asset value per share for shares of the relevant series determined as of the date of distribution but shall not be entitled to participate in the distribution of any other assets or property of the Corporation. The Corporation may deduct any applicable redemption charges from such proceeds.

Unless otherwise required by securities legislation or corporate law, mutual fund shareholders are not entitled to receive notice of or to attend meetings of shareholders of the Corporation or to vote at any such meeting. Common shareholders of the Corporation are entitled to such rights.

Please see *Meeting of securityholders* below for a description of your voting rights as a mutual fund shareholder.

Meeting of securityholders

Subject to certain exceptions described in NI 81-102, the following changes cannot be made to the fund unless a majority of voting mutual fund securityholders of the fund approve of them:

- a change in the basis of calculation of a fee or expense that is charged to the fund in a way that could result in an increase in charges to the fund;
- a change in the manager of the fund (other than to an affiliate of RBC FI);
- a change in the fundamental investment objectives of the fund;
- a change of the auditors of the fund;
- in certain cases, if the fund undertakes a reorganization with, or transfer of its assets to, or acquires assets from another mutual fund; and
- if the security value of a fund will be calculated less often.

At any meeting of securityholders of the fund or a series of the fund, each securityholder will be entitled to one vote for each whole security registered in the securityholder's name, except meetings at which the holders of securities of another series are entitled to vote separately as a series.

CALCULATION OF SECURITY VALUE

You buy or redeem securities of each series of the fund at the net asset value per security for a series of a fund (*security value*). The issue or redemption price of securities of a series of the fund is the next security value of that series of the fund determined after the receipt of the purchase or redemption order. The security value of each series of the fund is determined on each valuation date after the Toronto Stock Exchange *(TSX)* closes or at such other time that the board of directors decides *(valuation time)*. The valuation date for the fund is any day when RBC FI's office in Toronto is open for business.

Here is how we calculate the security value of a series of the fund:

- We take the value of all the investments and other assets of the series.
- We subtract the liabilities. This gives us the aggregate net asset value for the series.
- We divide this amount by the total number of securities of the series that investors in the fund are holding. That gives us the security value for the series.

We will determine in good faith whether liabilities of a fund are attributable to all or only certain series of a fund.

To determine what your investment in a fund is worth, simply multiply the security value of the series of securities you own by the number of securities you own.

In general, the prices of series of classes of the Corporation are calculated in the manner discussed above. However, common expenses of the Corporation are shared by all classes and are allocated on an equitable basis. These expenses include income taxes and refundable capital gains taxes. We have the right, however, to allocate expenses to a particular class where it is reasonable to do so.

VALUATION OF PORTFOLIO SECURITIES

The value of any security or property held by a fund or any of its liabilities will be determined in the following way:

- Cash, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received or receivable, distributions receivable and interest accrued and not yet received, will be valued at their full amount unless RBC FI has determined that the cash or other asset is not worth that amount. RBC FI will then determine a reasonable value.
- Securities quoted in foreign currencies are translated to Canadian dollars using the prevailing rate of exchange as quoted by customary banking sources on the valuation date.
- Bonds, debentures and other obligations are valued by taking the average of the latest available bid and ask quotations on the valuation date. Notes and money market instruments are valued at their current market value on the valuation date. RBC FI may determine this value based on the cost of the investments, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost and the proceeds (less income previously credited for such security) will be recorded as income not capital.
- The value of any security which is listed or dealt in upon any stock exchange or exchanges is determined by taking its latest available sale price of a board lot on the principal stock exchange on which it is listed (or, lacking any such sales or records, or if the last such sale is not within the latest available bid and ask quotations on the valuation date, RBC FI will have the discretion to determine the fair value of the listed security based on market quotations RBC FI believes most closely reflect the fair value of the investment). In calculating the value of inter-listed investments, RBC FI may permit over-the-counter (*OTC*) rather than stock exchange quotations to be used when they appear to reflect more closely the fair value of any particular investment; but if such stock exchange or OTC quotations do not properly reflect the prices which would be received by the fund upon the disposal of such investments, RBC FI may place values upon such investments which appear to it to reflect most closely the fair value of such investments.
- The value of any security, the resale of which is restricted or limited by reason of any representation, undertaking or agreement by a fund or by the fund's predecessor in title, will be the lesser of: (i) the value thereof based on reported quotations in common use; and (ii) that percentage of the market value of securities of the same class, the resale of which is not restricted or limited by reason of any representation, undertaking or agreement, equal to the percentage that the fund's acquisition cost was of the market value of such securities at the

time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made when the date on which the restrictions will be lifted is known.

- Long positions in clearing corporation options, options on futures, OTC options, debt-like securities and listed warrants will be valued at their current market value.
- Where a covered clearing corporation option, option on futures or OTC option is written, the premium received by the fund shall be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or OTC option that would have the effect of closing the position. Any differences resulting from the revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the net asset value of the particular fund. The securities, if any, which are the subject of a written clearing corporation option or OTC option will be valued at their current market value.
- The value of a futures contract, forward contract or swap will be the gain or loss that would be realized if, on the valuation date, the position in the futures contract, forward contract or swap, as the case may be, were to be closed out unless *daily limits* are in effect, in which case fair value, based on the current market value of the underlying interest, shall be determined by RBC FI.
- Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.
- The value of any security which is not listed or dealt in upon any stock exchange is determined at the most recently available sale price on a valuation date, or if such sale price is not available, at a sale price determined by RBC FI, based on relevant market and/or company data that RBC FI believes most closely reflects the fair value of the investment.
- In this annual information form, unless otherwise indicated, *current market value* means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the valuation time on the valuation date, provided that, if no sale has taken place on a valuation date, the average of the bid and ask quotations immediately prior to the valuation time on the valuation date shall be used.
- Units of the various funds held by the Royal Select Portfolios will be valued at their respective unit values on the relevant valuation date.
- Units of the underlying funds held by the Royal Select Choices Portfolios will be valued at their net asset value as communicated by the managers of the underlying funds to RBC FI.
- If a valuation date of a fund is not a business day, the prices or quotations of the prior business day will be used to value the asset or liability.
- If the valuation principles described above are inappropriate, RBC FI will determine a value which it considers to be fair and reasonable (the *fair value*). The following are instances in the past three years where RBC FI has determined the fair value of a fund’s assets:
  - On or about September, 1999, while the Taiwanese stock market was closed as a result of an earthquake.
  - On or about September, 2001, while the Taiwanese stock market was closed as a result of a typhoon.

– As a result of the terrorist attacks in the U.S. on September 11, 2001 and the resulting closure of U.S. and Canadian stock exchanges, the Canadian securities regulatory authorities approved an exemption not to value any mutual fund with more than five per cent U.S. exposure while the U.S. stock exchanges were closed.

PURCHASES, SWITCHES AND REDEMPTIONS

How the securities are valued

The fund's securities are divided into several series. Series A and Series F securities of RBC Advisor Funds are offered under this foundation document. Each series is divided into units or shares of equal value. When you invest in the fund, you are actually buying securities of a specific series of the fund.

All transactions are based on the series net asset value per security (*security value*). We usually calculate the security value on each business day after the Toronto Stock Exchange (*TSX*) closes, but in some circumstances, we may calculate it at another time set by the trustee in the case of a mutual fund trust or by the board of directors in the case of the corporation. A business day is any day when RBC FI's office in Toronto is open for business. The security value can change daily.

The security value is the price used for all sales and redemptions of securities of that series (including sales made on the reinvestment of distributions). The price at which securities are issued or redeemed is based on the next security value determined after the receipt of the purchase or redemption order.

Here is how we calculate the security value of each series of the fund:

- We establish the value of all the fund's investments and other assets.
- We then subtract the liabilities. This gives us the net asset value for the series.
- We divide this amount by the total number of securities of the series that investors in the fund are holding. That gives us the security value for the series.

To determine what your investment in a fund is worth, simply multiply the security value of the series of securities you own by the number of securities you own.

Although the purchases and redemptions of securities are recorded on a series basis, the assets attributable to all of the series of a fund are pooled to create one fund for investment purposes.

The financial sections of most major Canadian newspapers list the current Series A unit value of each of the funds. These values are also available on our website at www.rbcadvisor.com.

PURCHASES OF SECURITIES

You may purchase securities the fund through your dealer. Your dealer must send your order to us on the same day it is received. It is the responsibility of each dealer to transmit orders to us in a timely manner and to assume all associated costs.

Subject to its right of rejection of any purchase order, a purchase order for securities of a series of a fund which is received by us prior to 4:00 p.m. Eastern time on any valuation date will be priced at the security value of such series that day. If a purchase order is received by us after 4:00 p.m. Eastern time on a valuation date, it will be priced at the security value of such series on the next valuation date. If the board of directors, in the case of the RBC Advisor Corporate Funds, decides to calculate the security value of a series at a time other than 4:00 p.m. Eastern time, the security value will be determined relative to that time. Note that your dealer may establish an earlier cut-off time.

Within three business days after a purchase order is received, the trustee will issue the units or the Corporation will issue the shares, as the case may be, subject to a right of rejection, at the security value of the series on the date that the purchase order was received. Securities may be issued only in exchange for cash.

RBC FI may accept or reject purchase orders, in whole or in part, within one business day of the order. If a purchase order is rejected, the monies received with the order will be returned to the investor immediately.

A dealer may make arrangements with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed purchase order caused by the investor.

Purchase options

When you invest in Series A or Advisor Series securities of the fund you may choose either of the following two purchase options:

Initial sales charge *(paying when you buy your securities*) – a negotiable sales charge of between zero-per-cent and five-per-cent of the amount you invest is paid to your dealer.

Deferred sales charge *(paying when you redeem your securities)* – no sales charge is payable at the time of purchase. We will pay the dealer a selling commission of five-per-cent of the net asset value of the securities purchased by an investor choosing this option. See *Deferred sales charge option* in the simplified prospectus for a summary of the charges payable by investors with respect to this purchase option if the securities are redeemed within a period of six years from the date of purchase.

Excessive trading

We may refuse your order to buy or switch securities or any future orders if you trade excessively, which we explain below.

Most mutual funds are considered long term investments, so we discourage investors from buying, redeeming or switching securities frequently. A switch is the redemption of securities of one fund to purchase securities of another.

We discourage investors from excessive trading because it generates significant costs for a fund. This can reduce a fund's returns, which affects all securityholders. As a result, we may charge you a short-term trading fee of up to two per cent of the value of the securities you redeem when you redeem or switch out of a fund within 90 days of purchasing those securities. This short-term trading fee is payable to the fund, not RBC FI.

We may refuse your purchase or switch order if it would disrupt the efficient and cost-effective management of the RBC Advisor Funds.

Whether your trading is considered to be excessive will be determined by RBC FI in its sole discretion.

Purchases

There is no limit to the number of securities you can buy, except under certain circumstances. We may limit or "cap" the size of a fund by restricting new purchases, including securities bought through switches. If we do this, we will continue to allow purchases through existing pre-authorized investment plans and reinvestments of distributions. We will continue redemptions and the calculation of the fund's security value for each series. We may subsequently decide to start accepting new purchases or switches to that fund at any time.

Free redemption amount

Every calendar year, you can redeem up to 10 per cent of your Series A or Advisor Series securities that would otherwise be subject to the deferred sales charge, at no charge. We call this the 10 per cent free amount. The 10 per cent free amount is calculated as 10 per cent of :

- the number of securities you owned as of December 31st of the preceding year, plus
- a pro-rated portion of the number of securities you purchased this calendar year.

You can use up your 10 per cent free amount in one sale or spread it out over several sales, whichever you prefer. You cannot carry forward any unused portion to the next year.

If you switch from securities of one fund to another fund, we will transfer the 10 per cent free amount on those securities from the first fund to the second fund.

What else you need to know

If you purchase Series A or Advisor Series securities of the fund through both the initial sales charge option and the deferred sales charge option, your dealer can tell us which securities you wish to redeem. If your dealer does not tell us, we will redeem any securities you bought with an initial sales charge before we redeem securities you hold under the deferred sales charge option to minimize your sales charges.

Minimum investments

You must invest and maintain a minimum balance. The table below outlines the minimum along with the minimum requirements for pre-authorized investment plans. See *Optional services* on page •• for more information regarding pre-authorized investment plans.

Fund	Minimum Initial Investment and Balance[1]	Minimum Additional Investments/Redemptions[1]
RBC Advisor Global Titans Class	$1,000	$50

[1] Your dealer may require higher amounts.

Minimum investment levels are established in an effort to control the cost of servicing accounts, which impacts all securityholders. If your balance falls below the minimum, we may redeem your securities. Prior to taking any action, we will give your dealer 30 days' notice to bring the value of your account up to the minimum levels.

We will not accept orders to buy securities during a period when we have suspended the right of securityholders to redeem securities. See *When you may not be allowed to redeem your securities* on page •• for details.

SWITCHES AND RECLASSIFICATIONS OF SECURITIES

A switch is the exchange of securities of one fund for securities of another. You can switch securities from one RBC Advisor Fund to another as long as you:

- maintain the relevant minimum balance in each fund, and
- switch for securities purchased under the same sales charge option.

Switching your investment from shares of one RBC Advisor Corporate Fund to another RBC Advisor Corporate Fund is not considered a disposition for tax purposes and will not result in a capital gain or loss or affect your foreign content in a registered plan. Switching from shares of an RBC Advisor Corporate Fund to units of an RBC Mutual Fund Trust, or vice versa, or switching from units of one RBC Mutual Fund Trust to units of another is considered a disposition and may result in a capital gain or loss for tax purposes or it may affect your foreign content in a registered plan. You are responsible for tracking and reporting to the Canada Customs and Revenue Agency any capital gain or loss that you realize.

If a securityholder requests a switch from securities of one fund to securities of another fund, the purchase of securities will be at the security value of those securities on the date of redemption from the first fund.

A reclassification is the change of securities of one series into securities of another series of the same fund. You can have Series A securities purchased under the initial sales charge option reclassified into Series F securities of the same fund without charge if you are eligible to purchase Series F securities. You can also have Series F securities reclassified into Series A securities of the same fund if the Series A securities are issued under the initial sales charge option. See *Fees and expenses* in the simplified prospectus for details.

The value of your investment, less any fees, will be the same immediately after the reclassification. You will, however, own a different number of securities because each series has a different security value. If you cease to be eligible to hold securities of a series because you no longer meet the relevant eligibility requirements, your securities will be reclassified into securities of the series of the fund that you are eligible to hold. A reclassification of securities will not result in a capital gain or loss or affect the foreign content of your registered plan because a reclassification is not considered a disposition for tax purposes.

Reclassifications

A reclassification is the change of securities of one series into securities of another series of the same fund. You can have Series A securities purchased under the initial sales charge option reclassified into Series F securities of the same fund without charge if you are eligible to buy Series F securities. See page 144 for details.

You can also have Series F securities reclassified into Series A securities of the same fund if the Series A securities are issued under the initial sales charge option.

The value of your investment, less any fees, will be the same immediately after the reclassification between series. You may, however, own a different number of securities because each series may have a different security value. Reclassifying securities from one series to another series of the same fund is not a disposition for tax purposes.

REDEMPTIONS

You can sell securities at any time. This is called a redemption. Your dealer must send your redemption request on the same day it is received. Redemption requests will be handled in the order in which they are received. The fund will not process redemption requests specifying a forward date or specific price. The dealer must assume all associated costs.

Redemption orders which are received by RBC FI before 4:00 p.m. Eastern time on any valuation date will be processed using that day's security value. Redemption orders which are received by RBC FI after 4:00 p.m. Eastern time on a valuation date will be processed using the next business day's security value. If the board of directors of the Corporation, decides to calculate security value at a time other than after the usual closing time of the TSX, the security value received will be determined relative to that time. Note that your dealer may establish an earlier cut-off time. Redemption requests received by your dealer will be transmitted to the RBC FI office administering the fund on the day of the request. You will receive the redemption proceeds, in the currency in which you bought the fund, within three business days of your dealer submitting your properly completed order.

If you hold any shares in certificate form, you must sign the back of your certificate, have your signature guaranteed by a bank, trust company or broker or dealer, and return the certificate with your instructions.

Your redemption or switch transaction will not be processed until your dealer has received all documentation. Your dealer must provide all required documents within 10 business days of the date of your redemption order. If not, we will repurchase the securities for your account. If the cost of repurchasing the securities is more than the sale proceeds, your dealer must pay the difference and any related costs.

A dealer may make provision in arrangements that it has with a securityholder that will require the securityholder to compensate the dealer for any losses suffered by the dealer in connection with any failure of the securityholder to satisfy the requirements of a fund or securities legislation for a redemption of securities of the fund.

When you may not be allowed to redeem your securities

Under extraordinary circumstances, you may not be allowed to redeem your securities. We may refuse your order to redeem if:

- normal trading is suspended on any stock exchange or market where more than 50 per cent of the assets of a fund are listed or traded, or
- we get permission from the Canadian Securities Administrators to allow us to temporarily suspend the redemption of securities.

A fund will not allow the purchase of securities of a fund when the right to redeem securities is suspended.

OPTIONAL SERVICES

This section tells you about the optional services we offer to investors.

Pre-authorized investment plan

If you want to invest in a fund on a regular basis, you can use a pre-authorized investment plan.

Here is how the plan works:

- The table on page •• under the heading *Minimum investments* outlines the minimum balance, the minimum initial investment and the minimum additional investments required for the fund.
- You can invest semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have. For more information, please ask your dealer.
- We will automatically transfer money from your bank account with any financial institution to purchase securities in the fund.
- We will cancel your plan if your payment is returned because there are not sufficient funds in your bank account.

Systematic withdrawal plan

If you would like to make regular withdrawals from your non-registered investment in a fund, you can open a systematic withdrawal plan. Here is how the plan works:

- You must have at least $10,000 in your non-registered account to set up a systematic withdrawal plan.

- You can choose to withdraw $100 or more monthly, quarterly, or semi-annually.
- We will deposit the money directly to your bank account.
- If you decide to discontinue your systematic withdrawal plan and your investment is below the minimum balance for a fund, we may ask you to increase your investment to the minimum amount or to redeem your remaining investment in the fund.

It is important to remember that if you withdraw more than your investment is earning, you will reduce and eventually use up your original investment. Remember, a systematic withdrawal plan is like a redemption. You are responsible for tracking and reporting to the CCRA any capital gain or loss you incur on securities disposed of.

Registered plans

Registered plans receive special treatment under the *Income Tax Act* (Canada). A key benefit is that you do not pay tax on the money you earn in these plans until you withdraw it. In addition, contributions to an RRSP are deductible from your taxable earnings up to your allowable limit. You should consult your tax advisor for more information about the tax implications of registered plans.

RESPONSIBILITY FOR OPERATIONS OF THE FUNDS

Manager

RBC FI is the manager of the fund. The address, phone number and website address of RBC FI is Royal Trust Tower, P.O. Box 7500, Station A, Toronto, Ontario, M5W 1P9, 1-800-662-0652 and www.rbcadvisor.com. You can contact us by e-mail at funds@rbc.com.

RBC FI manages the fund pursuant to the terms of management agreements (*Management Agreements*) between RMFI and the Corporation dated October 9, 2001 in respect of the RBC Advisor Corporate Funds, assigned to RBC FI as of January 31, 2002.

RBC FI is responsible for day-to-day operations of the fund and appoints investment advisors which manage the funds' investments and supervises brokerage arrangements for the purchase and sale of fund securities and other assets. RBC FI is paid a fee as compensation for the services it provides to the fund. The amount of those fees is set out at the start of each individual fund's section in the simplified prospectus of the funds. RBC FI currently manages other mutual funds offered to the public including the Royal Mutual Funds.

The Management Agreements may be terminated on 90 days' written notice by either party. However, the trustee or the Corporation, as the case may be, may terminate the agreement at any time, without notice, if RBC FI fails to perform its duties under the Management Agreement, becomes bankrupt or insolvent or fails to maintain any registration or qualification it needs in order to act as a manager of any of the funds.

The name and municipality of residence, position and office held with RBC FI and current principal occupation of each of the directors and officers of RBC FI are as follows:

Name	Municipality of Residence	Position and Office held with RBC FI	Current Principal Occupation
M. George Lewis	Pickering, Ontario	Director, Chairman and Chief Executive Officer, RBC FI	Director, Chairman and Chief Executive Officer, RBC FI and Director, Chairman and Chief Executive Officer, RBC GIM
Frank Lippa	Maple, Ontario	Director, Chief Financial Officer, RBC FI	Director, Chief Financial Officer of RBC FI
Brenda J. Vince	Etobicoke, Ontario	Director, President and Chief Operating Officer, RBC FI	Director, President and Chief Operating Officer of RBC FI
Arthur L. Charow	Thornhill, Ontario	Director, RBC FI	Vice-President and Chief Financial Officer, Royal Trust
Peggy Dowdall-Logie	Toronto, Ontario	Director, Vice-President, Risk Management and Compliance, RBC FI	Head of Risk Management and Compliance, RBC GIM
Anne Lockie	Toronto, Ontario	Director, RBC FI	President and Chief Executive Officer, RMFI and Executive Vice-President, RBC Royal Bank
Nancy E. Church	Toronto, Ontario	Corporate Secretary, RBC FI	Corporate Secretary of RBC FI
Sharon Acorn	Toronto, Ontario	Vice-President, Systems & Operations, RBC FI	Vice-President, Systems & Operations, RBC FI
Jonathan Hartman	Oakville, Ontario	Vice-President, Business Development, RBC FI	Vice-President, Business Development, RBC FI
Tamarie Dobias	Toronto, Ontario	Vice-President, Marketing and Communications, RBC FI	Vice-President, Marketing and Communications, RBC FI
Paul Butler	Whitby, Ontario	Vice-President, Products, RBC FI	Vice-President, Products, RBC FI
William Hill	Toronto, Ontario	Vice-President, Advisor Channel Sales, RBC FI	Vice-President, Advisor Channel Sales, RBC FI
David Richardson	Toronto, Ontario	Vice-President, Relationship Management, RBC FI	Vice-President, Relationship Management, RBC FI

Each of the people listed above has held his or her current position with the manager or a similar position with RMFI, the previous manager, and his or her principal occupation during the five years preceding the date hereof, except for M. George Lewis, who from January, 1998 to July 3, 2000 was Managing Director, Head of Institutional Equities, RBC Dominion Securities Inc. and prior to January, 1998 was Director of Research, RBC Dominion Securities Inc., Frank Lippa, who prior to October, 2000, was Vice-President and Chief Financial Officer, RBC GIM, Brenda J. Vince, who between June, 1996 and October, 2000, was Vice-President, Marketing for RMFI, Arthur L. Charow, who prior to January, 1999 was Vice-President and Chief Financial Officer of RBC Insurance, Peggy Dowdall-Logie, who from June, 2000 to January, 2002 was Manager, Registrant Legal Services and General Manager, Registrant Regulation for the Ontario Securities Commission, from July, 1999 to February, 2000 was a consultant for Arthur Andersen, from

May, 1999 to July, 1999 was Senior Legal Counsel for the Ontario Securities Commission, and from November, 1997 to May, 1999 was Director, Investment Management Consulting for PricewaterhouseCoopers LLP, Anne Lockie, who, in addition to her current principal occupation, is also Executive Vice-President, Sales for RBC Royal Bank, and who from February, 1999 to October 1999 was Senior Vice-President, Manitoba and Saskatchewan, Executive Management, RBC Royal Bank, and prior to February 1999, was Senior Vice-President and General Manager, Saskatchewan Head Office Management, RBC Royal Bank, Nancy E. Church, who from January, 2001 until January, 2002 was Manager, National Compliance, RMFI, from April, 2000 to January, 2001, was General Counsel and Corporate Secretary, Enwave District Energy Limited, from March, 1998 to April, 2000, was Vice-President, Corporate Secretary and General Counsel, Terastar Realty Corporation and prior to March, 1998 was Counsel, Jasper Financial Group, Sharon Acorn, who from September, 2000 to February, 2002 was Senior Manager, Systems and Service Delivery for RMFI and prior to September, 2000 was Director, Development and Technology for RMFI, Jonathan A. Hartman, who from October, 2000 to February, 2001 was Senior Manager, Business Development for RMFI and prior to October, 2000 was Manager, Product Development for RMFI, Tamarie Dobias, who from October, 1998 to February, 2002 was Senior Manager, Marketing with RMFI, and prior to June, 1998 was Manager, Marketing with RBC Royal Bank, Paul Butler, who from November, 2000 to February, 2002 was Senior Manager, Product Development with RMFI, from August, 1998 to November, 2000 was Senior Manager, Offshore Funds with RBC Global Private Banking and prior to August, 1998 was Senior Manager, Alternative Distribution Channels with RMFI, and William Hill, who prior to November, 2001 was Regional Manager, Ontario with RMFI.

Investment advisors

RBC Global Investment Management Inc. of Toronto, Ontario is the investment advisor for the fund

The investment advisor provides investment analysis and recommendations with respect to the fund. As compensation for their services, RBC GIM receives a fee from RBC FI. This fee is not charged to the fund.

The name, title and length of service by persons employed by RBC GIM or the sub-advisors who are principally responsible for the day-to-day management of a fund or implementing its investment strategy are shown in the tables below:

RBC Global Investment Management Inc.

Name	**Funds for which Responsible**	**Position and Office**	**Principal Business Association During Preceding Five Years**
M. George Lewis	All funds	Director, Chairman and Chief Executive Officer	Received MBA from Harvard University; Chartered Financial Analyst; associated with RBC GIM since 2000
Dan Chornous	All funds	Chief Investment Officer*	Chartered Financial Analyst; associated with RBC GIM since 2002; prior thereto, associated with RBC Dominion Securities Inc.

Name	Funds for which Responsible	Position and Office	Principal Business Association During Preceding Five Years
Sarah Khoo	RBC Advisor Global Titans Class RBC Advisor Global Consumer Trends Class RBC Advisor Global Balanced Class	Global Sector Research Director and Portfolio Manager Chair, Global Equity Committee	Received MBA from University of Texas in Austin; Chartered Financial Analyst; associated with RBC GIM since 2000; prior thereto was employed by Mackenzie Financial from 1998; prior thereto was employed by Royal Trust Global Investment Group

* Effective November 1, 2002

The investment decisions of the individuals listed in the table above made on behalf of RBC GIM are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by research, analysis and internal investment committees. Investment decisions are overseen by the Chief Investment Officer.

RMFI, which was previously the manager of the funds, and RBC GIM entered into primary investment advisor agreements (*Primary Investment Advisor Agreements*) dated October 9, 2001 in respect of the RBC Advisor Corporate Funds and assigned to RBC FI as of January 31, 2002. The Primary Investment Advisory Agreements provide that either party may terminate the agreement on 30 days' prior written notice to the other party. RBC FI also has the right to terminate the agreement immediately if RBC GIM commits certain acts or fails to perform its duties under the agreement.

Brokerage arrangements

RBC GIM or the sub-advisor of a fund makes decisions as to the purchase and sale of fund securities, including underlying funds and other assets of the funds such as cash and term deposits as well as decisions regarding the execution of portfolio transactions of a fund, including the selection of market, broker and the negotiation of commissions.

In effecting portfolio transactions, RBC GIM or the sub-advisor places brokerage business with numerous investment dealers and brokers on the basis of the best price and service. Subject to these requirements, RBC GIM, on behalf of certain of the funds, has established standard brokerage arrangements with RBC Dominion Securities Inc. (*RBC DS*), an investment dealer which is an affiliate of RBC GIM and RBC FI and a member of the RBC Financial Group. Purchases of units of the underlying funds are effected by RBC GIM through RBC DS pursuant to an agreement which has been entered into on competitive terms and conditions.

Brokerage business is allocated by investment advisors based on quality of service and the terms offered for specific transactions. From time to time brokerage business may be allocated to RBC DS, an investment dealer which is an affiliate of RBC Royal Bank. The business will be on competitive terms and conditions, including as to brokerage fees. There are no ongoing contractual arrangements with any broker, other than RBC DS, with respect to securities transactions of the funds.

Since October 15, 2001, the following companies have provided investment decision-making services in the nature of research, statistical and similar services to RBC GIM in return for the allocation by RBC GIM of portfolio transactions: Banc of America; Merrill Lynch, Thomas Weisel; Cannaccord Capital; Wachovia; Commission Direct Inc.; ScotiaMcLeod Inc.; TD

Newcrest; CIBC World Markets Inc.; UBS Bunting Warburg Inc.; HSBC Securities (Canada) Inc.; First Associates Investments Inc.; Salomon Smith Barney; The Bear Stearns Co. Inc.; ITG Inc.; SG Cowan Securities Inc.; William O'Neil & Co. Inc.; TIR Securities; Rochdale Securities Inc.; and Davis, Mendel, Regenstein, in respect of the following funds: RBC Advisor U.S. Equity Class, RBC Advisor Global Titans Class, RBC Advisor Global Communications and Media Class, RBC Advisor Global Consumer Trends Class, RBC Advisor Global Financial Services Class, RBC Advisor Global Health Sciences Class, RBC Advisor Global Industrials Class, RBC Advisor Global Resources Class, and RBC Advisor Global Technology Class. RBC FI does not participate in or influence the decision making process concerning the selection of brokers.

RBC Advisor Global Fund Inc.

The business and affairs of RBC Advisor Global Fund Inc. are managed by its Board of Directors. The Board of Directors has engaged RBC FI to act as manager for the funds comprising the Corporation. The fund is administered in its day-to-day operations by the manager.

<u>*Directors and officers*</u>

The name and municipality of residence and current principal occupation of each of the directors and officers of the Corporation are as follows:

Name	**Municipality of Residence**	**Position and Office held with the Corporation**	**Current Principal Occupation**
M. George Lewis	Pickering, Ontario	Director, Chief Executive Officer	Director, Chairman and Chief Executive Officer, RBC FI and Director, Chairman and Chief Executive Officer, RBC GIM
Brenda J. Vince	Etobicoke, Ontario	Director, President	Director, President and Chief Operating Officer, RBC FI
Frank Lippa	Toronto, Ontario	Director, Chief Financial Officer	Director, Chief Financial Officer, RBC FI
Gordon J. Feeney	Etobicoke, Ontario	Director	Company Director
Michael G. Thorley	Etobicoke, Ontario	Director	Partner, Torys, Barristers and Solicitors
Nancy E. Church	Toronto, Ontario	Corporate Secretary	Corporate Secretary of RBC FI
Jonathan A. Hartman	Oakville, Ontario	Vice-President, Business Development	Vice-President, Business Development, RBC FI

Each of the people listed above has held his or her current position with the manager and his or her principal occupation during the five years preceding the date hereof, except for M. George Lewis, who from January, 1998 to July 3, 2000 was Managing Director, Head of Institutional Equities, RBC Dominion Securities Inc., and prior to January, 1998 was Director of Research, RBC Dominion Securities Inc., Brenda J. Vince, who prior to October, 2000 was Vice-President, Marketing for RMFI, Frank Lippa, who prior to October, 2000 was Vice-President and Chief Financial Officer, RBC GIM, Gordon J. Feeney, who prior to July, 2001 was Deputy Vice-Chairman for RBC Financial Group, Nancy E. Church, who from January, 2001 to January 2002 was Manager, National Compliance, RMFI, from April 2000 to January, 2001 was General Counsel and Corporate Secretary of Enwave District Energy Limited, from March, 1998 to April, 2000 was Vice-President, Corporate Secretary and General Counsel of Terastar Realty Corporation, and prior to March, 1998 was Counsel for Jasper Financial Group, and Jonathan A. Hartman, who from October, 2000 to February, 2001 was Senior Manager, Business Development for RMFI and prior to October 2000 was Manager, Product Development for RMFI.

Custodian

Royal Trust of Montreal, Quebec is also the custodian of the assets of the fund pursuant to a master custodial agreement between Royal Trust and RMFI, which was previously the manager of the funds dated January 1, 1995 and assigned to RBC FI as of January 31, 2002. Royal Trust receives a fee from the fund for the custodial services provided. Either party may terminate the custodial agreement by giving the other party 30 days' notice.

Auditor

The auditor of the fund is PricewaterhouseCoopers LLP of Toronto, Ontario.

Registrar

Royal Trust keeps a record of and acts as registrar to all securities purchased, processes orders and issues account statements to investors. The register of the fund is kept in Toronto, Ontario.

CONFLICTS OF INTEREST

Principal holders of securities

(a) **Fund**

Except as stated below, as at October 11, 2002 no other person or company owns of record or, to the knowledge of the relevant fund or the manager, beneficially, directly or indirectly, more than 10 per cent of the outstanding securities of the fund.

RBC Advisor Global Titans Class

Name	Type of Ownership	Number of units Owned	Percentage of Outstanding units
Royal Bank of Canada	Direct	98,946	52.1%

(b) **Manager**

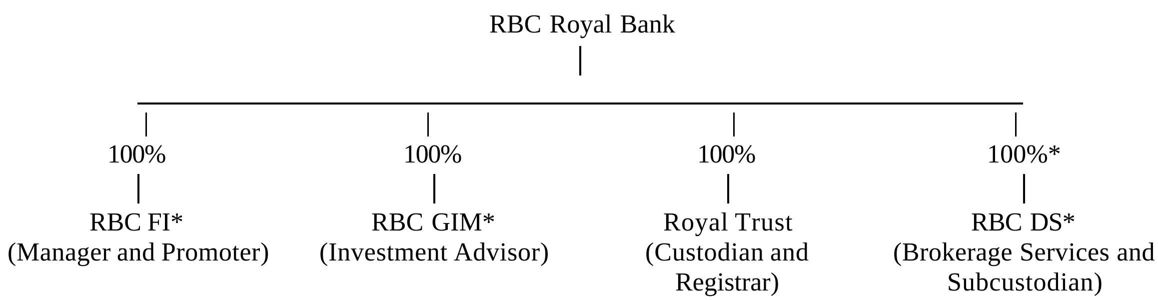
Except as stated below, as at October 11, 2002, no person or company owned of record or, to the knowledge of the manager, beneficially, directly or indirectly, more than 10 per cent of the outstanding shares of RBC FI, the manager of the fund.

Name	**Type of Ownership**	**Number of Shares Owned**	**Percentage of Outstanding Shares**
RBC Royal Bank	Beneficial	10 Common Shares	100%

The percentage of securities of each class or series of voting or equity securities of RBC Royal Bank beneficially owned, directly or indirectly, in aggregate, by all the directors and officers of RBC FI is no more than three per cent.

Affiliated entities

The following companies that provide services to the fund or RBC FI in relation to the fund are affiliated with RBC FI:



*RBC FI, RBC GIM and RBC DS are indirect wholly-owned subsidiaries of RBC Royal Bank.

The amount of fees received by each of the above-listed companies from the funds are contained in the audited financial statements of the fund.

The following individuals are directors or officers of RBC FI and also of an affiliated entity of RBC FI:

Name	**Position with Manager**	**Position with Affiliate**
M. George Lewis	Director, Chairman and Chief Executive Officer	Director, Chairman and Chief Executive Officer, RBC GIM Director, RT Investment Management Holdings Inc.
Frank Lippa	Director, Chief Financial Officer	Director, Chief Financial Officer, RBC GIM
Peggy Dowdall-Logie	Director, Vice-President, Risk Management and Compliance	Head of Risk Management and Compliance, RBC GIM, Director, RT Investment Management Holdings Inc.
Arthur L. Charow	Director	Vice-President and Chief Financial Officer, Royal Trust

Name	**Position with Manager**	**Position with Affiliate**
Anne Lockie	Director	President and Chief Executive Officer, RMFI, Executive Vice-President, RBC Royal Bank

CORPORATE GOVERNANCE OF THE FUND

The Corporation has a board of directors which has overall responsibility for management of the Corporation. The board of directors of the Corporation have delegated responsibility for the day-to-day management and administration of the fund to RBC FI.

Royal Trust has an independent Board of Governors under the Declaration of Trust. The Board of Governors acts in an advisory capacity and provides guidance to RBC FI. See *Board of Governors* below.

Policies, procedures, practices and guidelines

As manager of the fund, RBC FI is responsible for the day-to-day management, administration and operation of the fund.

RBC FI has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the fund. The systems used by RBC FI in relation to the fund monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the fund, while ensuring compliance with applicable regulatory, compliance and corporate requirements. RBC FI personnel responsible for compliance, together with management of RBC FI and RBC GIM, ensure that these policies, procedures, practices and guidelines are communicated from time to time to all relevant persons and updated as necessary (including the systems referred to above) to reflect changing circumstances. RBC FI also monitors the application of all such policies, procedures, practices and guidelines to ensure their continuing effectiveness.

RBC FI has retained RBC GIM as primary investment advisor to provide investment advice and portfolio management services to the fund. RBC GIM is an indirect wholly-owned subsidiary of RBC Royal Bank.

Compliance with the investment practices and investment restrictions mandated by securities legislation is monitored by RBC GIM on a regular basis. This monitoring is conducted by a department of RBC GIM that is physically and organizationally separate from RBC GIM's portfolio managers. The investment practices and restrictions for the fund and guidelines for derivative use, securities lending transactions, repurchase agreements and reverse repurchase agreements are outlined on page ••.

RBC FI has also adopted a *Code of Ethics for Personal Investing* (the *Code*) which is designed to prevent potential, perceived or actual conflicts between the interests of RBC FI and its staff with the interests of investors and the funds. Under the Code, certain senior RBC FI personnel are required to pre-clear most personal securities transactions in order to ensure that those trades do not conflict with the best interests of the funds and have not been offered to the person because of the position they hold in RBC FI. RBC FI has also adopted the basic principles set out in the

Code of Ethics on Personal Investing established by the Investment Funds Institute of Canada. RBC GIM has a similar code and pre-clearance procedure which applies to all of its employees.

The Board of Governors also advises the board of directors of the Corporation in respect of potential conflicts of interest related to the fund. See *Board of Governors* below.

Board of Governors

Royal Trust has established an independent Board of Governors which provides guidance to the board of directors of the Corporation and the board of directors of RBC FI, the manager of the funds. The majority of the Board members are independent from the RBC Financial Group. The Board provides advice on issues of an investment and regulatory nature, including overall investment strategies, policies and potential conflicts of interest related to the fund. The Board must approve any proposed increase in the management fees or any change to the auditors of the fund. The Board also serves as a forum to discuss major trends and developments within the mutual fund industry and financial services in general.

Set forth below are the names, municipalities of residence and principal occupation(s) of each of the members of the Board of Governors:

Name	**Municipality of Residence**	**Current Principal Occupation**
Mary C. Arnold*†	Edmonton, Alberta	Managing Director, Arnold Consulting Group Ltd.
Gordon J. Feeney*	Etobicoke, Ontario	Company Director
Selwyn B. Kossuth*†	Mississauga, Ontario	Financial Consultant
Lloyd R. McGinnis	Winnipeg, Manitoba	Chief Executive Officer, ISIS Canada, a civil engineering research and consulting organization
Elaine C. Phénix	Montreal, Québec	President, Phenix Capital Inc.
Joseph P. Shannon	Long Point, Inverness County, Nova Scotia	President, Atlantic Corp. Ltd., a holding company in the transportation, health care, real estate, cable television, construction and technology industries
Michael G. Thorley*†	Etobicoke, Ontario	Partner, Torys, Barristers and Solicitors
Jim Yuel	Saskatoon, Saskatchewan	President and Chief Executive Officer, PIC Investment Group Inc.

* Member of the Audit Committee of the Board of Governors
† Member of the Independent Committee

FEES AND EXPENSES

This section outlines the fees and expenses you may pay directly or indirectly when you invest in the fund. The fund pays some fees and expenses which you pay indirectly because they reduce the value of your investment.

Fees and expenses payable by the fund	
Management fees	RBC FI, as manager of the fund, is entitled to a management fee payable by the fund. The management fee for each series of securities varies.
Operating expenses	The fund pays its own operating expenses. These expenses may include regulatory filing fees and other day-to-day operating expenses including recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications and applicable taxes. We may, in some years and in certain cases, pay a portion of the funds' operating expenses. The decision to absorb expenses is reviewed annually and determined at the discretion of the manager, without notice to securityholders. Operating expenses of the fund will be allocated among each series of a fund in a fair and equitable manner in accordance with the services used.

Fees and expenses payable directly by you	
Sales charge ***Initial sales charge option***	You may have to pay a sales charge if you choose to buy Series A or Advisor Series securities under the initial sales charge option. You and your dealer negotiate the amount you pay. The charge may range from zero per cent to five per cent of the purchase order. We deduct the sales charge from the amount you invest and pay it to your dealer as a commission. You pay no sales charge when you buy Series F securities of the fund.
Fees for switches and reclassifications	You may have to pay your dealer a fee of up to two per cent of the value of the securities you acquire when you switch between funds (including classes of the mutual fund corporation). This fee is not paid to the fund. You negotiate the fee and pay it directly to your dealer. There is no fee for reclassifying your securities from one series to another series of the same fund.

Fees and expenses payable directly by you		
Short-term trading fees	The fund may charge a short-term trading fee of up to two per cent of the value of the securities if you redeem your securities within 90 days of buying them. This will not apply if you are using the proceeds to buy another series of securities of the same fund. This fee is designed to protect securityholders from other investors moving quickly in and out of the fund. Frequent trading can hurt a fund's performance by forcing the portfolio manager to keep more cash in the fund than would otherwise be needed, or to sell investments at an inappropriate time. It may also increase the fund's transaction costs. Short-term trading fees are paid to the fund you have redeemed from, not to RBC FI. The fee is deducted from the amount you redeem or transfer and is retained by the fund. The short-term trading fee does not apply to securities that you receive from reinvested distributions or that are sold as a result of the death of a securityholder.	
Redemption fees ***Deferred sales charge option***	You will pay a deferred sales charge if you choose to buy Series A or Advisor Series securities under the deferred sales charge option and you redeem your securities within six years of buying them. The table below shows the deferred sales charge schedule:	
	If you redeem	**you pay**
	During the first year During the second year During the third year During the fourth year During the fifth year During the sixth year Thereafter	6.0% 5.5% 5.0% 4.5% 3.5% 2.0% NIL
	You pay no sales charge when you redeem Series F securities of a fund.	
Other fees and expenses	If you purchase securities and do not provide payment in time, we will cancel your order and redeem the securities. If we redeem the securities for more than the value they were issued for, the difference will go to the fund. If we redeem the securities for less than the value they were issued for, we will pay the difference and collect this amount, plus the cost of doing so, from your dealer. Your dealer may require you to reimburse the amount paid if they suffer a loss as a result.	

Impact of sales charges

The following table shows the fees that you would pay if you bought Series A or Advisor Series securities under our different purchase options. It assumes that:

- you invested $1,000 in Series A or Advisor Series securities of the fund
- you held that investment for one, three, five or 10 years and you redeemed the entire investment immediately before the end of that period
- the sales charge under the initial sales charge option is five per cent
- the sales charge under the deferred sales charge option is only payable if you sell your shares within six years of buying them. See *Fees and expenses* for the redemption fee schedule.
- you have not used your 10 per cent free amount under the deferred sales charge option.

		Redemption fee before end of:			
	Fee at time of purchase	**1 year**	**3 years**	**5 years**	**10 years**
Initial Sales Charge Option	$50	Nil	Nil	Nil	Nil
Deferred Sales Charge Option	Nil	$60	$50	$35	Nil

DEALER COMPENSATION

How your investment professional and dealer are paid

Your investment professional usually is the person from whom you purchase the fund. Your investment professional could be a broker, financial planner or advisor who is registered to sell mutual funds. Your dealer is the firm your investment professional works for.

For Series A and Advisor Series securities

Your investment professional usually receives a commission when you invest in Series A or Advisor Series securities of the fund. The commission depends on how you invest in the fund.

Initial sales charge option

When you choose the initial sales charge option for Series A or Advisor Series securities, you and your investment professional decide on the percentage you will be charged. The percentage ranges from zero per cent to five per cent of the amount you invest. We deduct the sales charge from the amount you invest and pay it to your dealer.

Deferred sales charge option

When you choose the deferred sales charge option for Series A or Advisor Series securities, we pay your dealer a commission of five per cent of the amount you invest. You will not pay a charge unless you redeem your securities within six years of buying them.

Switch fee

When you switch from one RBC Advisor Fund to another, you may have to pay your dealer a switch fee of up to two per cent. You negotiate the fee with your investment professional.

Trailing commissions

We pay dealers a quarterly service fee, known as a "trailing commission," based on the total value of Series A or Advisor Series securities their clients hold in the funds. The quarterly commission is no more than ¼ of 1.15 per cent for the initial sales charge option and ¼ of 0.50 per cent for the deferred sales charge option. These fees depend on the fund and the sales charge option. We may change the terms of the service fee. Dealers typically pay a portion of the service fee to the investment professionals for the services they provide to their clients.

For Series F securities

We do not pay sales charges or trailing commissions on Series F securities.

Other forms of dealer support

We may provide a broad range of marketing and support programs to assist dealers in business promotional activities relating to the sale of our funds, all in accordance with securities legislation.

DEALER COMPENSATION FROM MANAGEMENT FEES

Approximately 28.15% per cent of the total management fees of the RBC Advisor Funds was used to pay for broker commissions or other promotional activities of the RBC Advisor Funds in the financial year ended December 31, 2001.

INCOME TAX CONSIDERATIONS

This section describes how your investment in a fund will be subject to Canadian income tax. This description assumes that:

- you are a Canadian resident individual, and
- you hold your securities as capital property.

The following is a general summary of the principal Canadian federal income tax considerations for the funds and for holders of securities of the funds and is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the *tax proposals*), and our understanding of the current published administrative and assessing policies of the Canada Customs and Revenue Agency (*CCRA*). This summary does not take into account or anticipate any changes in law other than the tax proposals whether by legislative, administrative or judicial action and it does not take into account provincial or foreign income tax legislation or considerations.

The Corporation qualifies as a "mutual fund corporation," as defined in the Tax Act, effective as of the date of its incorporation and will continue to qualify as a mutual fund corporation. This summary is based on the assumption that the Corporation will so qualify at all material times. If the Corporation was to not so qualify, the income tax consequences described below could be materially different.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Therefore, prospective securityholders are advised to consult their own tax advisers about their individual circumstances.

Taxation of the funds

RBC Advisor Corporate Funds

Capital gains may be realized by the Corporation in a variety of circumstances, including on the disposition of portfolio assets of the Corporation as a result of shareholders of a class of the Corporation switching their shares of such class for shares of another class. The taxable portion of capital gains (net of the allowable portion of capital losses) realized by the Corporation will be subject to tax at normal corporate rates, but taxes paid thereon by the Corporation are generally refundable on a formula basis when shares of the Corporation are redeemed or when the Corporation pays capital gains dividends. Accordingly, if sufficient amounts are paid by the Corporation on the redemption of its shares or as capital gains dividends, generally the Corporation will not pay tax on its capital gains.

The Corporation will be subject to the refundable tax under Part IV of the Tax Act on taxable dividends received by it from taxable Canadian corporations in an amount equal to 33-1/3 per cent of such dividends. Any Part IV tax will be refundable on the basis of $1.00 for each $3.00 of taxable dividends paid by the Corporation.

With respect to other income received by the Corporation, such as interest and foreign dividends, the Corporation will generally be subject to tax at normal corporate rates subject to permitted deductions for expenses of the Corporation and applicable credits for any foreign taxes paid.

Although the Corporation represents a number of separate funds, it must compute its income and net capital gains for tax purposes as a single entity. All of the Corporation's revenues, deductible expenses, capital gains and capital losses in connection with all of its investment portfolios, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income or loss of the Corporation and applicable taxes payable by the Corporation as a whole. For example, expenses, tax deductions and losses arising from the Corporation's investments and activities in respect of one class or series of shares may be deducted or offset against income or gains arising from the Corporation's investments and activities in respect of other classes or series of shares. The Corporation may pay capital gains dividends to shareholders of any class of the Corporation so that it will not pay tax on capital gains realized by it in any investment portfolio. As a result of being required to calculate its income as a single entity, the overall result for a shareholder of a class of the Corporation will differ from what would be the case if the shareholder had invested in a mutual fund trust, which made the same investments as the fund.

Additional tax considerations relevant to the RBC Advisor Corporate Funds are set out below in the section entitled *All funds*.

The Corporation is required to compute its income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses with respect to their foreign investments that will be taken into account in computing their income for tax purposes.

A fund that invests in derivatives as a substitute for direct investment will include gains and deduct losses in connection with such derivative activities on income account rather than as capital gains and capital losses.

Foreign investment entities

Proposed new tax rules have been announced that deal with investments in certain foreign investment entities. If these new tax rules are passed as proposed, they may require a fund that invests in securities of such foreign investment entities to include in the fund's income either the fund's share of the foreign investment entity's income for the year whether or not the fund has received such income, or any gains or losses accrued for the year on the fund's securities in the entity on a mark-to-market basis whether or not such gains or losses have been realized by the fund. It is currently proposed that the new tax rules apply for taxation year beginning after 2002.

Taxation of shareholders

Taxable shareholders of RBC Advisor Corporate Funds

Where shares are not held through a registered account, the shareholder of a class of shares of the Corporation will be required to include in his or her income the Canadian dollar amount of any dividends paid on shares of the fund, other than capital gains dividends, whether received in cash or reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply to such dividends.

Capital gains dividends will be paid to the shareholders of the funds, at the discretion of the board of directors with respect to the timing, the amount and the class of shareholders to whom the dividends will be paid, out of the capital gains realized by the Corporation, including capital gains realized on the disposition of portfolio assets occurring as a result of shareholders of a class switching their shares into shares of another class. The amount of a capital gains dividend will be treated as a capital gain in the hands of the shareholder and will be subject to the general rules relating to the taxation of capital gains which are described below.

The switch by a shareholder of shares of one class of the Corporation into shares of another class or the reclassification of shares of a series into shares of a different series of the same class, will be deemed not to be a disposition of the switched or reclassified shares, for purposes of the Tax Act. As a result, such a shareholder will not realize a capital gain or capital loss on this type of a switch or reclassification. The shareholder's cost of the shares acquired on such a switch or reclassification will be the adjusted cost base to the shareholder of the switched or reclassified shares immediately before the switch or reclassification. This cost will be required to be averaged with the adjusted cost base of any other shares of the same series owned by the shareholder in determining the shareholder's adjusted cost base per share.

Additional tax considerations applicable to taxable shareholders of the Corporation are set out below in the section entitled *All taxable securityholders*.

When securityholders acquire securities in a fund, the net asset value of the securities and therefore a portion of the price paid may reflect income and realized capital gains of the fund that have not been distributed, and accrued capital gains that have not been realized by the fund. This may particularly be the case near year-end before the final year-end distributions have been made. When and if such income and realized capital gains are distributed by the fund, and when and if such accrued capital gains are realized and distributed, such income and gains must be taken into account by the securityholders in computing their income for tax purposes, even though such amounts were reflected in the price paid by the securityholders. If the amount of such distributions are reinvested in additional securities of the fund, the amounts will be added to the securityholders' adjusted cost base of their securities.

Upon the actual or deemed disposition of a security of a fund, including the redemption of a security by a fund to pay fees and including a switch of securities of a fund into another fund (other than a switch of shares of one class of the Corporation to another), a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the securities exceed (or are exceeded by) the aggregate of the adjusted cost base to the holder of such securities and the costs of disposition. One-half of a capital gain realized on the disposition will be included in income as a taxable capital gain. One-half of any capital loss realized (an "allowable capital loss") may be deducted against any taxable capital gains, subject to and in accordance with the detailed rules of the Tax Act. Shareholders should consult their own advisors with respect to provisions of the Tax Act which reduce any such losses by the amount of certain dividends received on shares of the Corporation.

Individuals are subject to an alternative minimum tax which may apply in respect of amounts treated as dividends and capital gains.

Holders of Series F securities should consult with their tax advisors regarding whether fees payable by them may be deductible or may be added to the cost of their securities for tax purposes.

Registered plans

In general, the amount of a distribution or dividend paid or payable to a registered plan (such as an RRSP, RRIF, DPSP or RESP) from a fund and gains realized by a registered plan on a disposition of securities of a fund will not be taxable under the Tax Act. However, amounts withdrawn from a registered plan (other than a return of contributions from an RESP) may be subject to tax. The amount of distributions or dividends reinvested in additional securities will increase the registered plan's tax cost of securities of the fund for purposes of calculating the registered plan's percentage of foreign content. Registered planholders are responsible for keeping a record of their investment, including for purposes of calculating their permitted foreign content under the Tax Act. The foreign content rules do not apply to RESPs.

Upon a switch of securities of one fund into another fund (other than a switch of shares of one class of the Corporation for shares of another class), a registered plan will be considered to have sold the switched securities for cash, even though the registered plan has reinvested in securities of the other fund. The registered plan's tax cost of the newly acquired securities of the other fund will be the value at that time of the amount reinvested for purposes of calculating the registered plan's percentage of foreign content. A switch of shares of one class of the Corporation to shares of another class or a reclassification of securities of a series into securities of another series of the same fund, will not be considered to be a disposition for purposes of the Tax Act, and therefore, the tax cost of the newly acquired or reclassified securities will be the same amount as the tax cost of the switched securities or the former series of securities for purposes of the foreign property calculation of the registered plan.

Eligibility for registered plans

The securities of the fund are qualified investments for registered plans.

Shares of the RBC Advisor Corporate Funds are foreign property. In general, registered plans, registered pension plans and certain other investors will be liable to pay tax under Part XI of the Tax Act if, at the end of any month, the cost to the plan of its foreign property exceeds 30 per cent of the cost to it of all of its property. RESPs are not subject to the rules relating to foreign property.

For funds held outside a registered plan

Buying securities before a distribution/dividend payment

The net asset value of the securities may include income and/or capital gains that have been earned but not yet distributed. If you buy securities of a fund just before it makes a distribution/declares a dividend, you will be taxed on that distribution/dividend payment even though it may have been reflected in the price you paid for your securities. Any amount reinvested in additional securities of the fund will be added to the adjusted cost base of your securities.

Distributions/dividends

Mutual fund corporation

- If you hold shares in a fund that is a class of shares of the corporation, you may receive ordinary dividends which will be treated as taxable dividends paid by a Canadian company. The amount of such dividends will be included in computing your income whether or not they are reinvested in additional shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by Canadian companies will apply to such dividends.

- You may also receive a capital gains dividend. The corporation may realize capital gains on the disposition of portfolio assets including as a result of shareholders of a class switching their shares into shares of another class. Capital gains dividends will be paid out of such capital gains so that shareholders and not the corporation will pay the capital gains tax. The directors of the corporation will decide when, how much, and to which class of shareholders capital gains dividends will be paid. If you receive a capital gains dividend, you will be treated as if you had realized a capital gain in the amount of the dividend, whether or not the amount is reinvested in additional shares of the fund. One-half of your net capital gains for the year will be included in your income.
- You will be informed each year of the amount of ordinary dividends and capital gains dividends that have been paid out to you.

Calculating your capital gains or losses when you redeem your securities

You are responsible for tracking and reporting to the CCRA any capital gain or loss that you realize. Your capital gain or loss for tax purposes on a redemption or switch of securities (other than a switch between classes of the corporation) is the difference between the amount you receive for the redemption or switch (less any costs of a disposition such as fees) and the adjusted cost base of those securities. One-half of a capital gain or a capital loss is taken into account in determining taxable capital gains and allowable capital losses. The amount of a taxable capital gain is included in your income. Allowable capital losses are only deductible against taxable capital gains in accordance with detailed tax rules. You may also realize capital gains or losses on securities redeemed to pay any fees in connection with switches or short-term trading fees.

If you have bought securities at various times, you will likely have paid various prices. This includes securities you received through reinvested distributions, switches or reclassifications. Your adjusted cost base of a security of a series is the weighted average cost of all the securities you hold in that series of the fund. Here is an example of how to calculate the adjusted cost base of your securities of a series of a fund:

- Suppose you own 1,000 securities of a series of a fund for which you paid $10 each. That is $10,000.
- Now suppose you bought another 100 securities of the same series of the same fund at $12 each. That is $1,200.
- You have spent $11,200 for 1,100 securities of the fund.
- Your new adjusted cost base is $11,200 divided by 1,100 securities or $10.18 per security.

Other considerations when calculating adjusted cost base:

- In the case of shares of the corporation, add the adjusted cost base of any shares of another class that have been switched into shares of the series for which you are calculating your adjusted cost base.
- You also add back any sales charges paid.

A change of securities from one series to another series of the same fund is not considered to be a disposition of the former securities, so no capital gain or loss will arise on the change. While your adjusted cost base per security may change, the total adjusted cost base of your securities will not.

If you switch your investment from shares of one class of the corporation to shares of another class of the corporation, you will not be considered to have sold or redeemed your shares, and the total adjusted cost base of your new shares will be the same as the total adjusted cost base of the shares that were switched. However, a switch in any other case (e.g. from shares of one class of the corporation to units of a mutual fund trust, or from units of one mutual fund trust to units of another mutual fund trust or to shares of the corporation) will be treated as a disposition of the switched securities and an acquisition of the new securities. Therefore, on such a switch, you may realize a capital gain or loss and the adjusted cost base of your investment may change.

If you sell a fund for a capital loss, the CCRA will not allow the loss, if you, your spouse or another person affiliated with you (including a corporation that you own) has bought units of the fund which will be considered to be "substituted property" within 30 days before or after the date you sell your units. In these circumstances, the loss may be deemed to be a "superficial loss" and is non-deductible. In these cases, the amount of the "superficial loss" is added to the adjusted cost base of the substituted property.

Portfolio turnover rate

The higher the portfolio turnover rate in a year, the greater the chance that a securityholder may receive a distribution that must be included in income for the year. If reinvested, this amount will be added to the cost of the securityholder's securities for tax purposes. There is not necessarily a relationship between a high turnover rate and the performance of a mutual fund.

REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEE

Each member of the Board of Governors will be entitled to receive an annual fee of $15,000 and a fee of $1,500 for each meeting of the Board of Governors attended by the member. A portion of these fees will be paid by the RBC Advisor Funds. Each member of the Board will also be reimbursed for expenses incurred in connection with performing duties as a member of the Board of Governors. Each member of the Audit Committee of the Board of Governors also receives a fee of $1,500 for each meeting of the Audit Committee that he or she attends. A portion of these fees will be paid by the RBC Advisor Funds. For a description of the role of the Board of Governors, please see *Corporate governance of the funds* on page 32.

Each member of the Board of Directors of RBC Advisor Global Fund Inc., except members related to RBC Financial Group, will be entitled to receive an annual fee of $3,000 and a fee of $500 for each meeting of the Board of Directors attended by the director. These fees will be paid by RBC Advisor Global Fund Inc.

MATERIAL CONTRACTS

The material contracts of the fund are listed below:

- the Management Agreements;
- the Primary Investment Advisor Agreements; and
- the master custodial agreement.

Each of the foregoing are described under the heading *Responsibility for operations of the funds*.

Copies of the material contracts listed above may be examined by prospective or existing securityholders at the principal office of the funds during ordinary business hours.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back if you do not receive our simplified prospectus, or to make a claim for damages if the simplified prospectus, annual information form or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

CERTIFICATE (MARK – HELP!!!!)

This annual information form, the financial statements and the auditors' report thereon of RBC Advisor Global Titans Class, dated December 31, 2001 together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.

Dated: October 11, 2002

CERTIFICATE OF RBC ADVISOR GLOBAL FUND INC.

By: *"M. George Lewis"*
M. George Lewis
Chief Executive Officer

By: *"Frank Lippa"*
Frank Lippa
Chief Financial Officer

On behalf of the Board of Directors of
RBC Advisor Global Fund Inc.

By: *"Brenda J. Vince"*
Brenda J. Vince
Director

By: *"Michael Thorley"*
Michael Thorley
Director

CERTIFICATE OF RBC FUNDS INC.

By: *"M. George Lewis"*
M. George Lewis
Chairman and Chief Executive Officer
RBC Funds Inc.
on behalf of The Royal Trust Company, trustee of each of the RBC Advisor Mutual Fund Trusts, and as Manager and Promoter of the funds

By: *"Frank Lippa"*
Frank Lippa
Chief Financial Officer
RBC Funds Inc.
on behalf of The Royal Trust Company, trustee of each of the RBC Advisor Mutual Fund Trusts, and as Manager and Promoter of the funds

On behalf of the Board of Directors
of RBC Funds Inc.,
on behalf of The Royal Trust Company,
trustee of each of the RBC Advisor Mutual Fund Trusts, and as Manager and Promoter of the funds

By:	*“Brenda J. Vince”*	By:	*“Peggy Dowdall-Logie”*
	Brenda J. Vince Director		Peggy Dowdall-Logie Director