

# FEATURE FUND

## FUND DETAILS

FUND NAME: **Fidelity Canadian Opportunities Fund**  
SERIES: **Segregated Funds B, C & H**  
FUND MANAGER: **Fidelity Investments**  
INCEPTION DATE: **January 1, 2002**  
FUND VOLATILITY LEVEL: **Medium**

## FUND DESCRIPTION

The Fidelity Canadian Opportunities Fund is Assumption Life's feature fund for June 2022 due to its excellent long-term performance and, given the recent market volatility, its high sharpe ratio.

## WHY INVEST?

- A contrarian strategy that aims to identify value in out-of-favor stocks.
- Focused on small and mid-capitalization companies.
- Investments focused primarily in Canada.

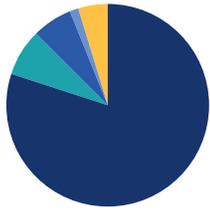
## 5-YEAR SPOTLIGHT AS OF MAY 31, 2022

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### QUARTILE PERFORMANCE

STANDARD  
DEVIATION  
**12.82%**

5-YEAR  
SHARPE RATIO  
**0.66**



### ASSET ALLOCATION

**Canadian Equity**  
80.11%

**United States Equity**  
7.66%

**Cash & Equivalents**  
6.17%

**Foreign Equity**  
1.44%

**Canadian Fixed Income**  
0.06%

**Other**  
4.56%

## Fidelity Canadian Opportunities Fund - Commentary

**Portfolio Manager:** Hugo Lavallée

With volatility comes opportunity. As we sail through this turbulent period, Hugo believes it is important not to lose sight of one's long-term investment goal. Patience is required for a contrarian investor. However, the key is to make sure that the companies he owns in the portfolio would be able to withstand the test of time as we transition into a new paradigm. Namely, the companies need to have good balance sheets to support themselves through drawdowns. In his opinion, companies that have good business fundamentals and, often times, lots of cash on their balance sheets, will help management teams navigate this challenging environment.

Currently, Hugo is focused on two key questions when looking at companies:

**1. What is the most bearish scenario** (e.g., significant margin erosion, losing pricing power, etc.) and what share price would make him feel comfortable;

**2. What is the appropriate weight for any given holding**, evaluated on a risk/reward basis. The companies that he bought might currently have depressed earnings, but they are not permanently impaired. With patience and over a two-to-three-year horizon, he believes that things will improve and these companies could be good long-term compounders.

Full commentary available on **Advisor Corner**.

*Available in Vesta, Assumption Life's investment application platform.*

Please note that the recent announcement of the closure of purchases by new investors into the Fidelity Canadian Opportunities Fund, does not apply to the Assumption product offering. Assumption Life continues to offer the Fidelity Canadian Opportunities Fund to new and existing clients in its segregated Fund line up

Source of all data: Lipper, A Refinitiv Company.

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