Fidelity® Emerging Markets Fund

Key Takeaways

- For the fiscal year ending October 31, 2018, the fund's Retail Class shares returned -14.51%, trailing the -12.49% result of the benchmark MSCI Emerging Markets Index.
- Amid slowing economic growth in much of the world, deteriorating trade relations between the U.S. and China, and investors' more-defensive mindset, Portfolio Manager Sammy Simnegar's focus on high-quality businesses with positive stock-price momentum had mixed results the past 12 months.
- The fund's performance versus the benchmark was most negatively affected by sector and industry weightings, while stock selection had a slightly positive impact overall.
- More specifically, positioning within the energy sector was the biggest relative detractor, along with picks in consumer staples and communication services. Geographically, stock picking in China and India detracted most.
- Conversely, security selection in information technology was by far the largest relative contributor, followed by picks in consumer discretionary, although the latter was largely offset by a sizable overweighting in this underperforming group.
- Regionally, non-benchmark exposure to the United States and continental Europe added value. Lastly, a cash position of roughly 1%, on average, provided some cushion in a declining market.
- As of October 31, Sammy continues to position the fund for an expanding global economy, but remains cautious about recent economic slowing and favors companies that he thinks can grow in a variety of market environments.

MARKET RECAP

International equities returned -8.08% for the 12 months ending October 31, 2018, according to the MSCI ACWI (All Country World Index) ex USA Index. A modestly positive first half of the period gave way to a confluence of overwhelmingly negative factors – including escalating trade tensions, a surging U.S. dollar, tepid economic growth in Europe, global central bank tightening, concerns about Italy's budget stalemate with the EU, and weakness in China's stock market – that yielded a -11% second-half return. The index lost 8% in October alone, its largest monthly drop in more than six years. Among sectors, new-media-infused communications services (-15%) was hit the hardest, while economically sensitive consumer discretionary (-13%), information technology (-12%), financials (-10%), industrials (-9%) and materials (-7%) stocks also fared poorly. Even the more defensive real estate (-9%), utilities (-6%) and consumer staples (-5%) sectors weren't spared this period. Conversely, elevated crude-oil prices fueled a positive return for energy (+7%), the top-performing sector, followed by the relatively stable-growing health care segment (+2%). Regionally, emerging markets (-12%) fared the worst, hampered by the impact of foreign exchange and concerns about economic weakness in China, India and South Korea. Sluggish growth also pressured shares in continental Europe (-9%). Stocks in Japan (-3%) and the U.K. (-4%) held up better, followed by Canada (-5%) and Asia-Pacific ex Japan (-6%).

Fidelity INVESTMENTS

Sammy Simnegar
Portfolio Manager

Fund Facts

Trading Symbol:	FEMKX
Start Date:	November 01, 1990
Size (in millions):	$4,342.86

Investment Approach

- Fidelity® Emerging Markets Fund is a diversified emerging-markets equity strategy that seeks capital appreciation.
- Our investment approach focuses on "best of breed" growth stocks that are underappreciated by the market. We favor dominant franchises and industry leaders that exhibit strong balance sheets, secular-growth tailwinds, rising earnings-per-share growth, attractive industry structures with high return on invested capital, and shareholder-oriented management.
- We seek to mitigate some of the risk inherent to emerging-markets stocks by limiting active position sizes and by emphasizing high-quality, stable-growing companies that generate strong free cash flow and don't need to access the debt markets to fund their growth.
- We strive to uncover these companies through in-depth fundamental analysis, working in concert with Fidelity's global research organization, which includes a team of dedicated "on-the-ground" emerging-markets specialists.

Q&A

An interview with Portfolio Manager Sammy Simnegar

Q: Sammy, how did the fund perform for the fiscal year ending October 31, 2018?

The fund's Retail Class shares returned -14.51% the past 12 months, trailing the -12.49% result of the benchmark MSCI Emerging Markets Index. The fund also trailed its peer group average, although to a lesser extent.

Q: What was noteworthy about the investment environment the past 12 months?

It was a generally challenging period to be investing outside of the United States, especially after mid-April, when the U.S. dollar strengthened against a number of key foreign currencies.

An appreciating dollar dampened the returns of stocks denominated in other currencies for U.S. investors and also encouraged investment capital to flow out of foreign countries and into the U.S. A stronger greenback was especially hard on emerging markets that have deficits in their current (trade) accounts. Consequently, we saw a number of these stock markets – and their currencies – register sizable drops this period. Within this group, Argentina and Turkey were examples of markets that hurt the fund.

Part of the reason for the dollar's strength this period was rising U.S. interest rates. After hiking interest rates three times in 2017, the U.S. Federal Reserve (Fed) did so again three more times so far in 2018, with an expectation of more in the coming months.

Slowing economic growth in a number of developed and emerging markets – especially China – also contributed to the dollar's strength. In fact, during the third quarter of 2018, China's economy grew at the slowest pace since the end of the Global Financial Crisis. Additionally, trade tensions between the U.S. and other countries – again, China was especially noteworthy – raised concerns about investments tied to those countries.

Against this backdrop, 10 of 11 market sectors in our MSCI benchmark suffered negative returns for the 12 months ending October 31. Only energy stocks managed to finish in with gains for the period. Likewise, most major geographic markets in the benchmark recorded a negative result, with Russia and Brazil being two notable exceptions, as both were aided by higher crude oil prices.

Q: What factors hurt the fund's performance versus the benchmark?

My focus on high-quality businesses with positive stock-price momentum had mixed results in a period where more-defensive investments outperformed. Compared with the benchmark, sector and industry weightings were the primary reason for the fund's underperformance, while stock selection had a slightly positive impact overall.

Taking a more granular view, positioning in energy was the biggest relative detractor, along with picks in consumer staples and communication services. Geographically, stock picking in China and India detracted most.

At the individual stock level, avoiding Brazil-based metals miner and benchmark component Vale detracted most from relative performance. Shares of the company advanced roughly 64%, despite China's decision to close many of its steel mills. Although this move eliminated an important source of demand for Vale's iron ore, which I thought might hurt the stock, the company benefited from strong demand for its high-quality ore this period.

Avoiding a trio of state-run energy giants, Brazil's Petroleo Brasileiro (+49%) – aka Petrobras, Russia's Lukoil (+50%) - and China's CNOOC (+32%), also worked against us, as energy was one of the few bright spots among emerging markets this period. As I've explained in previous reports, I tend to avoid state-owned companies due to what I view as an insufficiently shareholder-friendly attitude on their part.

I'll also mention the fund's out-of-index stake in Argentine bank Banco Macro (-49%), which was hurt by broadly deteriorating sentiment toward Argentina after President Mauricio Macri was forced to seek a rescue package from the International Monetary Fund. Macri was attempting to "steady the ship" after the country's currency and inflation spiraled out of control earlier in 2018. Consequently, I exited this position prior to the end of the period.

Q: What helped relative performance?

Stock selection in information technology was by far the largest relative contributor. Picks in consumer discretionary further aided our relative result, although this positive was largely offset by a sizable overweighting in this underperforming group. Regionally, non-benchmark exposure to the United States and continental Europe paid off. Lastly, a cash position of roughly 1%, on average, provided some cushion in a declining market.

Among individual holdings, the portfolio's top relative contributor was IRB Brasil Resseguros, given the stock's strong showing and timely positioning on our part. In fact, our position here returned roughly 104%, more than twice the stock's benchmark return. The firm is a Brazil-based provider of reinsurance in which the fund had a sizable overweighting. This stock had several things going for it, including an advantage provided by the company's status as a formerly state-owned enterprise, which gave it access to more-comprehensive data that aided its underwriting.

IRB Brasil Resseguros also was lifted by improving sentiment toward Brazil after general elections that took place in October. Initially, investors had been wary of the new President, Jair Bolsonaro, who ran as a far-right candidate. However, Bolsonaro filled his administration with what were generally viewed to be market-friendly appointees, thereby easing the market's concerns.

Another contributor was an out-of-benchmark stake in Wirecard, which I purchased in the fund during the period. This Germany-based provider of online payment processing benefited from the secular shift toward e-commerce. Our position was aided by strong organic growth, improving profit margins and, most importantly, increasing free cash flow. Although the stock posted a healthy gain (+68%), I believe there is still room for improvement and thus am maintaining our position.

Avoiding benchmark holding Hon Hai Precision also proved timely, as the stock returned -42% for the 12 months ending October 31. This Taiwan-based company earns a large portion of its income from assembling Apple's iPhone® devices, and sales of the newest iPhone models have lagged expectations. The company operates with a low profit margin and return on invested capital, so I prefer to invest in other Apple suppliers that I believe have more favorable business models.

Q: What's your outlook as of October 31, Sammy?

My view is that the global economic recovery that began in 2009 is now in its later innings. Growth is slowing around the globe, and the U.S. seems to be in the best shape among the major economies. However, even there, with U.S. inflation picking up and the Fed firmly in tightening mode, I'm cautious about the longer-term outlook.

As I will discuss in more detail later in this report, I have not strayed from my emphasis on high-quality businesses with positive stock-price momentum, but I've begun implementing more-stringent tests for a stock to be deemed "high quality." At this point in the cycle, I'm investing with an eye toward which firms are best positioned to grow in a variety of economic and market environments. ■

Sammy Simnegar on investing late in the economic cycle:

"One point that's hit home for me in the past year is the importance of adjusting my investment strategy to some extent as the global economic recovery ages. Earlier in the recovery, it was beneficial to actively overweight China-based stocks, because China is a key driver of almost all global growth outside the U.S., and the Chinese government was very active with fiscal and monetary stimulus.

"Things are much different now. China's economy is slowing, and although the government is taking steps to prevent a so-called 'hard landing' – that is, a significant economic downturn – it also is grappling with a huge amount of systemic debt and a widely recognized property bubble. Consequently, Chinese officials are reluctant to go 'all in' on stimulating the economy at this point.

"In this recent market downturn, few stocks have been spared, be they blue-chips traded in Hong Kong or A-shares traded on the Shanghai or Shenzhen exchanges. Another way to say this is that the correlation among the shares of China-based companies has been relatively high, regardless of quality.

"Given these developments, I think it's important to look for promising growth stories not tied to China. One company that fits this criteria and is a holding within the fund as of October 31, is Germany-based online payments processor Wirecard, which recently projected five-year growth in the 20% area.

"Another example is Constellation Brands, a U.S. company that produces beer, wine and spirits, including the Corona and Modelo brands of beer. Most of Constellation's breweries are in Mexico, and the majority of its sales are in the U.S. Also, the firm has a foothold in other promising markets.

"I will continue to 'turn over rocks' in an effort to diversify the fund by owning high-quality growth companies less sensitive to markets in China."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
IRB Brasil Resseguros SA	Financials	0.57%	45
Wirecard AG	Information Technology	0.44%	38
Hon Hai Precision Industry Co. Ltd. (Foxconn)	Information Technology	-0.86%	33
Steinhoff International Holdings NV (South Africa)	Consumer Discretionary	-0.03%	21
MasterCard, Inc. Class A	Information Technology	0.55%	21

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Vale SA	Materials	-0.78%	-42
Baidu.com, Inc. sponsored ADR	Communication Services	0.05%	-41
Petroleo Brasileiro SA - Petrobras (ON)	Energy	-0.75%	-40
Banco Macro SA sponsored ADR	Financials	0.32%	-25
Lukoil PJSC	Energy	-0.53%	-25

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
International Equities	91.02%	100.00%	-8.98%	0.78%
Emerging Markets	81.33%	100.00%	-18.67%	-0.18%
Developed Markets	9.69%	0.00%	9.69%	0.96%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Domestic Equities	8.01%	0.00%	8.01%	-0.44%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	0.97%	0.00%	0.97%	-0.34%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

"Tax-Advantaged Domiciles" represent countries whose tax policies may be favorable for company incorporation.

COUNTRY DIVERSIFICATION

Country	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
China	24.22%	30.04%	-5.82%	1.16%
India	11.98%	8.67%	3.31%	-0.29%
Brazil	9.21%	7.98%	1.23%	-0.76%
United States	8.01%	--	8.01%	-0.44%
Taiwan	7.12%	11.85%	-4.73%	2.44%
Korea (South)	6.61%	13.96%	-7.35%	0.86%
South Africa	5.24%	5.94%	-0.70%	0.14%
Russia	3.63%	3.94%	-0.31%	1.25%
France	2.91%	--	2.91%	0.64%
Philippines	2.77%	1.04%	1.73%	0.21%
Mexico	2.66%	2.86%	-0.20%	-0.61%
Indonesia	1.78%	2.07%	-0.29%	0.11%
Thailand	1.54%	2.51%	-0.97%	-0.10%
Chile	1.45%	1.11%	0.34%	0.34%
Germany	1.21%	--	1.21%	0.04%
Hong Kong	1.15%	--	1.15%	-1.68%
United Kingdom	1.07%	--	1.07%	0.00%
Peru	1.03%	0.44%	0.59%	0.59%
Other Countries	6.41%	N/A	N/A	N/A
Cash & Net Other Assets	0.89%	0.00%	0.89%	-0.29%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Samsung Electronics Co. Ltd.	Information Technology	4.90%	5.69%
Tencent Holdings Ltd.	Communication Services	4.78%	5.88%
Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	4.59%	4.06%
Alibaba Group Holding Ltd. sponsored ADR	Consumer Discretionary	4.15%	4.43%
Naspers Ltd. Class N	Communication Services	2.21%	2.50%
Itau Unibanco Holding SA	Financials	1.71%	1.40%
Ping An Insurance (Group) Co. of China Ltd. (H Shares)	Financials	1.69%	1.44%
Baidu.com, Inc. sponsored ADR	Communication Services	1.64%	--
Reliance Industries Ltd.	Energy	1.45%	1.32%
Housing Development Finance Corp. Ltd.	Financials	1.42%	1.33%
10 Largest Holdings as a % of Net Assets		**28.55%**	**29.31%**
Total Number of Holdings		**117**	**129**

The 10 largest holdings are as of the end of the reporting period, and may not be representative of the fund's current or future investments. Holdings do not include money market investments.

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Financials	21.05%	24.48%	-3.43%	-1.13%
Consumer Discretionary	17.66%	10.24%	7.42%	0.95%
Information Technology	16.77%	15.14%	1.63%	0.59%
Consumer Staples	10.66%	6.54%	4.12%	3.13%
Communication Services	10.53%	13.43%	-2.90%	0.12%
Materials	8.57%	7.78%	0.79%	1.30%
Industrials	6.65%	5.42%	1.23%	-1.48%
Energy	2.46%	8.65%	-6.19%	-0.75%
Real Estate	2.08%	2.83%	-0.75%	0.88%
Health Care	1.99%	2.88%	-0.89%	-2.04%
Utilities	0.61%	2.61%	-2.00%	-1.21%
Other	0.00%	0.00%	0.00%	0.00%

FISCAL PERFORMANCE SUMMARY: Periods ending October 31, 2018

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Emerging Markets Fund Gross Expense Ratio: 0.97%[2]	-17.51%	-18.60%	-14.51%	6.36%	2.27%	7.93%
MSCI Emerging Markets Net MA Index	-16.53%	-15.70%	-12.49%	6.56%	0.82%	7.91%
Morningstar Fund Diversified Emerging Mkts	-16.82%	-16.69%	-13.34%	4.90%	0.01%	7.39%
% Rank in Morningstar Category (1% = Best)	--	--	58%	28%	8%	36%
# of Funds in Morningstar Category	--	--	842	710	511	230

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/01/1990.

[2] This expense ratio is from the prospectus in effect as of the date shown above and generally is based on amounts incurred during that fiscal year. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. Performance shown is that of the fund's Retail Class shares (if multiclass). You may own another share class of the fund with a different expense structure and, thus, have different returns. To learn more or to obtain the most recent month-end or other share-class performance, visit fidelity.com/performance, institutional.fidelity.com, or 401k.com. Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. **Please see the last page(s) of this Q&A document for most-recent calendar-quarter performance.**

Definitions and Important Information

Information provided in this document is for informational and educational purposes only. To the extent any investment information in this material is deemed to be a recommendation, it is not meant to be impartial investment advice or advice in a fiduciary capacity and is not intended to be used as a primary basis for you or your client's investment decisions. Fidelity, and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in, and receive compensation, directly or indirectly, in connection with the management, distribution and/or servicing of these products or services including Fidelity funds, certain third-party funds and products, and certain investment services.

FUND RISKS

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.

IMPORTANT FUND INFORMATION

Relative positioning data presented in this commentary is based on the fund's primary benchmark (index) unless a secondary benchmark is provided to assess performance.

Effective after close of business on 6/29/18, the fund's primary benchmark changed from the MSCI Emerging Markets Index Gross to the MSCI Emerging Markets Index Net MA.

As of September 28, 2018, S&P® and MSCI made changes to the Global Industry Classification Standard (GICS) classification framework. The Telecommunication Services sector was broadened and renamed Communication Services to include additional companies previously classified in the Information Technology and Consumer Discretionary sectors, and the Internet Software & Services industry/sub-industry was eliminated.

INDICES

It is not possible to invest directly in an index. All indices represented are unmanaged. All indices include reinvestment of dividends and interest income unless otherwise noted.

MSCI Emerging Markets Index Net MA Index is a market-capitalization-weighted index that is designed to measure the investable equity market performance for global investors of emerging markets. Index returns are adjusted for tax withholding rates applicable to U.S. based mutual funds organized as Massachusetts business trusts.

MSCI ACWI (All Country World Index) ex USA Index is a market-capitalization-weighted index designed to measure the investable equity market performance for global investors of large and mid-cap stocks in developed and emerging markets, excluding the United States.

MARKET-SEGMENT WEIGHTS

Market-segment weights illustrate examples of sectors or industries in which the fund may invest, and may not be representative of the fund's current or future investments. Should not be construed or used as a recommendation for any sector or industry.

RANKING INFORMATION

 The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or redistributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees and expenses.

% Rank in Morningstar Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1%. % Rank in Morningstar Category is based on total returns which include reinvested dividends and capital gains, if any, and exclude sales charges. Multiple share classes of a fund have a common portfolio but impose different expense structures.

RELATIVE WEIGHTS

Relative weights represents the % of fund assets in a particular market segment, asset class or credit quality relative to the benchmark. A positive number represents an overweight, and a negative number is an underweight. The fund's benchmark is listed immediately under the fund name in the Performance Summary.

Manager Facts

Sammy Simnegar is a portfolio manager in the Equity division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to more than 26 million individuals, institutions, and financial intermediaries.

In this role, Mr. Simnegar is responsible for managing Fidelity and Fidelity Advisor International Capital Appreciation Fund and Fidelity VIP International Capital Appreciation Portfolio (since 2008), Fidelity and Fidelity Advisor Emerging Markets Fund and Fidelity VIP Emerging Markets Portfolio (since 2012), and co-managing Fidelity and Fidelity Advisor Total International Equity Fund (since 2014).

Prior to assuming his current position in January 2008, Mr. Simnegar was an equity analyst at Fidelity, focusing on Emerging Markets energy, materials, and industrials from 2003 to 2007; U.S. Regional Banks from 2001 to 2003; and real estate, hotels, and emerging telecom from 1998 to 2001.

Before joining Fidelity in 1998, Mr. Simnegar worked as an equity analyst at JP Morgan from 1997 to 1998, and as a senior trade analyst at Trans Alliance Group, Inc. from 1994 to 1996. He has been in the financial industry since 1994.

Mr. Simnegar earned his bachelor of arts degree in history from the University of California and his master of business administration degree in international finance from Columbia Business School.

PERFORMANCE SUMMARY:
Quarter ending December 31, 2018

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Emerging Markets Fund Gross Expense Ratio: 0.96%[2]	-18.02%	7.72%	2.69%	8.37%

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/01/1990.
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Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Past performance is no guarantee of future results.

Views expressed are through the end of the period stated and do not necessarily represent the views of Fidelity. Views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund. The securities mentioned are not necessarily holdings invested in by the portfolio manager(s) or FMR LLC. References to specific company securities should not be construed as recommendations or investment advice.

Diversification does not ensure a profit or guarantee against a loss.

Information included on this page is as of the most recent calendar quarter.

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