PORTFOLIO MANAGER Q&A | AS OF OCTOBER 31, 2023

Fidelity® China Region Fund

Key Takeaways

- For the fiscal year ending October 31, 2023, the fund's Retail Class shares gained 24.34%, topping the 21.06% advance of the benchmark, the MSCI Golden Dragon Index.
- The past 12 months, the three markets in the benchmark – China, Taiwan and Hong Kong – posted gains of roughly 21%, 27% and 9%, respectively.
- The region was driven partly by investor exuberance for China's decision in late 2022 to abandon its strict "zero-COVID" policy and aim for normalization of the economy. That said, the gain was front-loaded in roughly the first three months of the period, with all three markets backtracking some thereafter.
- Global markets were aided by easing inflationary pressure in the West and the perception that the U.S. Federal Reserve and several other key central banks were nearing the end of their aggressive rate-hike campaigns. Investor enthusiasm for generative artificial intelligence further helped lift share prices.
- Security selection in all three country components meaningfully bolstered the fund's performance versus the benchmark, along with an underweight in Hong Kong. Among sectors, communication services, information technology and consumer discretionary stood out for their contributions – again, mainly due to stock picking.
- Conversely, modest out-of-benchmark exposure to several markets, including Australia and the U.K., detracted a bit. Financials, health care and energy detracted the most among sectors.
- As of October 31, Co-Managers Ivan Xie and Peifang Sun are cautiously optimistic about the region's prospects for 2024. They look for some of the stimulus measures implemented by China to drive economic improvement. Meanwhile, they say the inventory destocking weighing on much of the rest of the world could be lessening, potentially aiding exports from the China Region.

MARKET RECAP

International equities gained 20.77% for the six months ending April 30, 2023, according to the MSCI ACWI (All Country World Index) ex USA Index, as asset prices around the world experienced a near-synchronous upturn after a challenging period the prior six months, including record-high inflation, which prompted the U.S. Federal Reserve and other central banks to aggressively raise interest rates and tighten monetary policy.. Reflecting these improved market dynamics, the index rose 11.81% in November and 20.00% in the first half of the six-month period. In the second half, the index gained 0.64% amid growing concerns about the health of the global economy, given the failure of two U.S. regional banks in March. Against this backdrop, all regions in the index gained for the six months. Europe ex U.K. (+30%) led by a wide margin, followed by the United Kingdom (+23%), Japan, emerging markets and Asia Pacific ex Japan (+17% each). Conversely, Canada (+9%) was the weakest-performing region. By sector, 10 of 11 groups posted a double-digit gain for the period. Consumer discretionary (+29%) was the top performer, followed by communication services (28%), industrials (+24%) and information technology (+23%). In contrast, energy (+9%) lagged amid declining prices for crude oil and natural gas. Energy and industrials each rose about 14%. Conversely, four defensive-oriented sectors lagged the most: real estate (+4%), health care (+6%), consumer staples (+7%) and utilities (+8%).

Ivan Xie
Co-Manager

Peifang Sun
Co-Manager

Fund Facts

Trading Symbol:	FHKCX
Start Date:	November 01, 1995
Size (in millions):	$894.96

Investment Approach

- Fidelity® China Region Fund is a regional equity fund that seeks long-term growth of capital by investing primarily in the common stocks of companies located, or with primary operations, in Hong Kong, Taiwan or China.
- We employ an actively managed investment strategy emphasizing diligent bottom-up stock selection and focused portfolio construction. We believe that in-depth, independent fundamental research can provide differentiated insights that help develop our best ideas.
- The fund pursues a two-pronged approach: Seek growth at a reasonable price in core holdings and opportunistically invest in cyclically depressed stocks and/or turnaround stories with attractive risk-reward.
- Fundamentals, valuation and risk-reward are the heart of our buy discipline. In general, we invest the core of the portfolio in firms with high and sustainable rates of organic growth that are well-positioned among industry peers. We favor strong or improving balance sheets and reasonable valuation relative to growth potential.
- Our investment team works together to identify attractive opportunity sets, fully leveraging Fidelity's global research capabilities.

Q&A

An interview with Co-Portfolio Managers Ivan Xie and Peifang Sun

Q: Ivan, how did the fund perform for the fiscal year ending October 31, 2023?

I.X. The fund's Retail Class shares gained 24.34% the past 12 months, topping the 21.06% advance of the benchmark, the MSCI Golden Dragon Index. The fund roughly tripled the return of its peer group average, the Morningstar Fund China Region Category.

Q: What did you find noteworthy about the investment backdrop the past 12 months?

I.X. The three markets in the benchmark – China, Taiwan and Hong Kong – posted gains of roughly 21%, 27% and 9%, respectively.

The region's strong performance this period was driven partly by investor exuberance over China's decision in late 2022 to abandon its strict "zero-COVID" policy and aim for normalization of the economy. The gain, however, was front-loaded in roughly the first three months of the period, with all three markets backtracking some thereafter. Despite various stimulus measures employed by the Chinese government, consumer spending there remained lackluster, and exports also were relatively weak due to economic softness in the U.S., Europe and Japan, among other areas.

China's property market remained a concern amid excess supply and prices that were elevated given the level of demand. Reflecting this state of affairs, real estate (+1%) was the weakest performer among the 11 sectors in the benchmark. However, several other sectors were quite strong, including communication services (+48%), energy (+32%), information technology (+30%), consumer discretionary (+20%) and financials (+20%).

Global markets also were aided by easing inflationary pressure in the West and the perception that the U.S. Federal Reserve and several other key central banks were nearing the end of their aggressive rate-hike campaigns.

Investor enthusiasm for generative artificial intelligence further helped share prices. November 2022 saw the arrival of OpenAI's "chatbot" ChatGPT, which triggered a huge reaction from the global business community, as companies in virtually every industry immediately began discussing how to embrace the large language models used by generative AI applications.

Q: How did you position the fund in this environment, and what helped the fund outperform its benchmark?

I.X. We moved to a less-defensive tilt, given the opportunities we saw from a reopening China. The fund owned quite a few reopening plays and internet stocks that did well.

Versus the benchmark, security selection in all three country components meaningfully bolstered the fund's performance the past 12 months, along with an underweight in Hong Kong. Among sectors, communication services, information technology and consumer discretionary stood out for their contributions – again, mainly due to stock picking.

The top individual contributor versus the benchmark was a sizable overweight in Zijin Mining Group, where the fund's position advanced roughly 66%. The China-based company's primary assets are copper and gold, and it also mines zinc and lithium. After an initial surge, the price of copper finished the period modestly higher, aided by supply disruptions and demand from the electric-vehicle and clean-energy industries. Meanwhile, gold benefited from high global inflation, geopolitical uncertainty and central bank purchases. We reduced this position to lock in profits.

Overweighting Taiwan Semiconductor Manufacturing (+37%) also helped. This stock was, by far, the fund's largest individual holding the past 12 months. The company's position of leadership in process technology for semiconductor manufacturing has positioned it as the foundry of choice for those requiring high-end computing solutions, such as generative AI applications. Even given its recent growth, we think the valuation of this stock remains reasonable. We trimmed the stake a bit but maintained a meaningful overweight.

Larger-than-benchmark exposure to NetEase (+102%) was another success this period. NetEase started as a Chinese internet portal in the late 1990s but has now become the second-largest mobile game company in China. The firm owns one of the most well-known multiplayer franchises in China: Fantasy Westward Journey. Over the past decade, NetEase has capitalized on the industry shift toward mobile gaming and now focuses on developing innovative, high-quality, long-cycle games with a mobile-first approach. Every year, the company publishes dozens of games across almost every genre. In addition, NetEase is collaborating with other firms to release games based on famous intellectual property, such as Harry Potter and Lord of the Rings. We added to this position.

Q: Peifang, what detracted from the fund's relative performance?

P.S. Modest out-of-benchmark exposure to several markets, including Australia and the U.K., hurt a bit. Financials, health care and energy hurt our relative result the most among sectors. Moreover, a cash position averaging roughly 2% of the fund's assets was a drag on performance in a strongly rising market.

Among individual holdings, an overweight stake in Shenzhen YUTO Packaging Technology, which returned -17% in the fund, was the largest detractor from relative performance. The company specializes in high-end paper packaging, and Apple is its largest customer. Most of the stock's decline occurred in the first quarter of 2023, after Apple reported its first quarterly revenue decline in roughly four years, primarily due to manufacturing disruption in China that hampered production of its iPhone® devices. Beyond Apple, there was a slowdown in global smartphone demand, and Shenzhen YUTO's stock suffered as a result. We reduced the position but maintained a smaller overweight.

Meituan (-11%), another overweight position, was the portfolio's second-largest relative detractor. The company is China's largest food-delivery service and also offers customers an online platform for booking local services such as hotels and restaurants. Greater competition was one factor weighing on the stock, as tech firm ByteDance rolled out a food-delivery service in China via its short-form video app Douyin, pitting itself against major local service companies like Meituan. Despite this headwind, we believe Meituan is a high-quality internet company with a bright future.

Q: Any final thoughts for shareholders as of October 31?

P.S. Ivan and I are cautiously optimistic about the region's prospects for 2024. We expect some of the stimulus measures implemented by the Chinese government to drive economic improvement. Meanwhile, the inventory destocking weighing on much of the rest of the world could be lessening, potentially aiding exports from the China Region.

With that said, we continue to supplement the fund's offensive holdings with select defensive companies with strong balance sheets and stable earnings growth, given the possibility of further headwinds from China's property segment and a broader slowdown outside the region. ■

Co-Manager Ivan Xie compares China and post-boom, 1990s Japan:

"At a high level, China's economy today looks very similar to Japan's in the early 1990s. Both countries had tremendous economic growth in the prior two decades before encountering structural headwinds to growth. However, after comparing key macroeconomic metrics, we believe China today is likely to do better than Japan in the early '90s, with a less severe real estate downturn and a more stable banking system.

"While both countries faced real estate bubbles at the inflection point, China had less significant home-price inflation during the expanding part of the cycle, due to various policies curbing speculation. If we believe that government intervention will work on the way down as well, then China is likely to see a less sharp home-price correction than Japan did.

"In addition, Japanese corporates bought a lot of real estate assets using leverage (debt) during the boom times and experienced a decade-long balance sheet recession after the bubble burst. Chinese corporates, on the other hand, didn't widely participate in real estate speculation and are therefore unlikely to experience a similar balance sheet recession.

"Despite highly levered economies in both cases, Chinese banks are probably in better shape than their Japanese peers were in the early '90s, because Chinese banks have meaningfully higher loan-loss reserve ratios, as well as stronger government backing. Therefore, China's banking system is likely to function better in a downturn in providing credit to the economy.

"In summary, we believe China will fare better than Japan did in its contracting cycle. With that said, we acknowledge that China today is facing more headwinds in demographics, economic structure and geopolitics than Japan in the early 1990s, which adds to the challenges facing its economy and equity market."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Zijin Mining Group Co. Ltd. (A Shares)	Materials	1.79%	73
Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	6.60%	71
NetEase, Inc.	Communication Services	1.01%	66
PDD Holdings, Inc. ADR	Consumer Discretionary	0.78%	61
Li Auto, Inc. ADR	Consumer Discretionary	0.65%	58

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Shenzhen YUTO Packaging Technology Co. Ltd. (A Shares)	Materials	0.80%	-59
Meituan	Consumer Discretionary	1.31%	-54
MediaTek, Inc.	Information Technology	0.31%	-41
Milkyway Chemical Supply Chain Service Co. Ltd. (A Shares)	Industrials	0.42%	-40
Shenzhen Inovance Technology Co. Ltd. (A Shares)	Industrials	0.72%	-37

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
International Equities	97.65%	100.00%	-2.35%	-0.58%
Emerging Markets	96.46%	100.00%	-3.54%	-0.35%
Developed Markets	1.19%	0.00%	1.19%	-0.23%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Domestic Equities	0.85%	0.00%	0.85%	0.17%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	1.50%	0.00%	1.50%	0.41%

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	62.76%	59.45%	3.31%	2.78%
Taiwan	25.42%	29.98%	-4.56%	-0.89%
Hong Kong	6.73%	10.57%	-3.84%	-1.45%
Korea (South)	1.22%	--	1.22%	0.16%
Other Countries	2.33%	N/A	N/A	N/A
Cash & Net Other Assets	1.54%	0.00%	1.54%	0.47%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	20.38%	17.78%
Tencent Holdings Ltd.	Communication Services	9.86%	9.83%
Alibaba Group Holding Ltd.	Consumer Discretionary	6.52%	5.56%
AIA Group Ltd.	Financials	4.60%	5.53%
Meituan Class B	Consumer Discretionary	3.42%	4.04%
NetEase, Inc.	Communication Services	2.84%	1.97%
China Construction Bank Corp. (H Shares)	Financials	2.71%	2.42%
Industrial & Commercial Bank of China Ltd. (H Shares)	Financials	2.60%	2.19%
PDD Holdings, Inc. ADR	Consumer Discretionary	2.49%	1.58%
Kweichow Moutai Co. Ltd. (A Shares)	Consumer Staples	2.18%	2.01%
10 Largest Holdings as a % of Net Assets		**57.62%**	**53.61%**
Total Number of Holdings		**79**	**87**

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
Information Technology	27.23%	25.14%	2.09%	-0.25%
Consumer Discretionary	21.75%	19.22%	2.53%	-2.23%
Financials	14.52%	18.82%	-4.30%	-0.32%
Communication Services	14.42%	12.50%	1.92%	0.29%
Health Care	5.56%	3.73%	1.83%	-0.10%
Industrials	4.55%	5.25%	-0.70%	1.48%
Consumer Staples	4.33%	4.02%	0.31%	0.10%
Materials	3.03%	3.36%	-0.33%	0.33%
Energy	1.83%	1.90%	-0.07%	0.59%
Real Estate	1.29%	3.75%	-2.46%	-0.51%
Utilities	0.00%	2.32%	-2.32%	0.21%
Other	0.00%	0.00%	0.00%	0.00%

FISCAL PERFORMANCE SUMMARY: Periods ending October 31, 2023

	Cumulative		Annualized			
	6 Month	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year/ LOF[1]**
Fidelity China Region Fund Gross Expense Ratio: 0.94%[2]	-7.02%	-4.92%	24.34%	-10.77%	5.01%	4.49%
MSCI Golden Dragon Net MA Index	-8.69%	-6.94%	21.06%	-10.41%	0.98%	3.00%
Fidelity China Region Fund Linked Index	-8.69%	-6.94%	21.06%	-10.41%	0.98%	3.00%
Morningstar Fund China Region	-13.27%	-14.08%	8.63%	-12.03%	0.47%	1.44%
% Rank in Morningstar Category (1% = Best)	--	--	7%	38%	13%	5%
# of Funds in Morningstar Category	--	--	120	97	77	53

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/01/1995.
[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, or estimated amounts for the current fiscal year in the case of a newly launched fund. 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, and presentation of, this document are for informational and educational purposes only and are not a recommendation to take any particular action, or any action at all, nor an offer or solicitation to buy or sell any securities or services presented. It is not investment advice. Fidelity does not provide legal or tax advice.

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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. The risks are particularly significant for funds that focus on a single country or region.

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.

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.

Fidelity China Region Fund Linked Index represents the performance of the MSCI Golden Dragon Index since June 1, 2007, and the MSCI Golden Dragon Plus Index prior to that date.

MSCI Golden Dragon Net MA Index is a market capitalization-weighted index designed to represent the performance of the equity markets of Hong Kong, Taiwan, and China.

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 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. They should not be construed or used as a recommendation for any sector or industry.

RANKING 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

Ivan Xie is a portfolio manager in the Equity division of 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. Xie co-manages Fidelity and Fidelity Advisor China Region Fund.

Previously, Mr. Xie was a research analyst responsible for covering the Southeast Asian financials, Indonesia consumers, and Great China materials sectors. Prior to joining Fidelity in 2010, Mr. Xie worked as an investment associate with Bain Capital. Previously, Mr. Xie was a consulting associate at McKinsey & Company. He has been in the financial industry since 2008.

Mr. Xie earned his minor degree in management science and engineering from Stanford University, his bachelor of science degree in computer science from National University of Singapore, and his master of business administration degree from The Wharton School of the University of Pennsylvania.

Peifang Sun is an equity research analyst and 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 institutions, financial intermediaries, and individuals.

In this role, Ms. Sun is responsible for covering the Great China Consumer industries. In addition, Ms. Sun co-manages Fidelity China Region Fund.

Prior to assuming her current role, she covered Asia-Pacific insurance, transportation, utilities, renewables, and internet industries.

Prior to joining Fidelity in 2008, Ms. Sun was a deputy representative at Hannover Re Shanghai Representative Office from 2004 to 2007. Previously, she worked as a senior associate/associate in Assurance and Business Advisory at PricewaterhouseCoopers from 2000 to 2004. She has been in the financial industry since 2000.

Ms. Sun earned her bachelor of international finance degree from Shanghai Jiao Tong University and her master of business administration degree from New York University's Stern School of Business. She is also a CFA® charterholder.

PERFORMANCE SUMMARY:
Quarter ending March 31, 2024

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity China Region Fund Gross Expense Ratio: 0.92%[2]	-2.81%	-13.39%	2.89%	5.35%
% Rank in Morningstar Category (1% = Best)	5%	20%	4%	2%
# of Funds in Morningstar Category	107	92	73	52

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/01/1995.

[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, or estimated amounts for the current fiscal year in the case of a newly launched fund. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

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