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

Fidelity® International Discovery Fund

Key Takeaways

- For the fiscal year ending October 31, 2023, the fund's Retail Class shares gained 7.04%, notably lagging the 14.65% advance of the benchmark MSCI EAFE Index.
- Portfolio Manager Bill Kennedy says his growth and quality bias hampered the fund's performance versus the benchmark the past 12 months, as international value and low-quality stocks significantly outperformed their growth and high-quality counterparts.
- Bill's bottom-up focus remained on high-quality, durable companies with above-average revenue- and earnings-growth prospects, as well as a reasonable valuation.
- By sector, security selection in energy, health care, consumer discretionary and financials significantly hampered the portfolio's result versus the benchmark this period.
- Geographically, investment choices in Europe ex U.K., emerging markets and the U.K. were sizable relative detractors.
- The biggest individual relative detractors were an overweight in Norway-based exploration & production company Equinor, a non-benchmark position in HDFC Bank (-3%) in India and notably outsized exposure to Japanese medical equipment firm Olympus (-22%).
- Conversely, a small non-benchmark stake and stock picks in the U.S. helped relative performance.
- Topping the list of individual relative contributors were two global semiconductor companies: U.S.-based Nvidia (+91%) and BE Semiconductor Industries (+70%) in the Netherlands.
- As of October 31, Bill expects economies around the world to slow due to the lagging effect of high interest rates. However, he remains encouraged that growth companies in Europe ex U.K. – a region representing roughly half the benchmark this period – are better positioned than before the pandemic and attractively valued relative to history.

MARKET RECAP

International (non-U.S.) equities gained 12.27% for the 12 months ending October 31, 2023, according to the MSCI ACWI (All Country World Index) ex USA Index, as global economic expansion and slowing inflation in some markets provided a favorable backdrop for risk assets. After returning -15.86% in 2022, the index's upturn has been largely driven by a narrow set of companies in the information technology and communication services sectors, in part due to excitement about generative artificial intelligence. The index rose 14.07% year to date through July, including gains in both June (+4.50%) and July (+4.07%). The rally sputtered for the next three months (-11.33%), however, amid a stalling pattern in disinflationary trends, heightened global recession and geopolitical risks, soaring yields on long-term U.S. government bonds and weak economic conditions in the eurozone as well as China. The three-month decline left non-U.S. stocks up 1.15% year to date through October. Currency fluctuation also helped bolster non-U.S. equity performance overall. For the full 12 months, nearly all regions advanced, with Europe ex U.K. (+18%) and Japan (+17%) leading, whereas Canada (-0.38%) lagged by the widest margin. Each of the 11 sectors advanced, with information technology (+21%) and consumer discretionary (+19%) leading the way. Conversely, four defensive-oriented sectors lagged by the widest margin: real estate (+4%), health care (+6%), consumer staples (+7%) and utilities (+8%).

Fidelity INVESTMENTS

William Kennedy
Portfolio Manager

Fund Facts

Trading Symbol:	FIGRX
Start Date:	December 31, 1986
Size (in millions):	$7,136.38

Investment Approach

- Fidelity® International Discovery Fund is a diversified international equity strategy that seeks capital growth by investing primarily in non-U.S. stocks.
- We manage the fund with a long-term view, focusing on high-quality companies with above-average growth prospects that are trading at reasonable prices.
- Layered into this investment framework is a desire to own businesses that have stable and high returns on capital, durable competitive positions, consistent profitability, solid free-cash-flow generation, good balance sheets and management teams whose interests are aligned with those of shareholders.
- We strive to uncover these companies through in-depth fundamental, technical and quantitative analysis, working in concert with Fidelity's global research team, with the goal of producing above-index performance over a full market cycle.

Q&A

An interview with Portfolio Manager William Kennedy

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

It was a challenging year. The fund's Retail Class shares gained 7.04% the past 12 months, notably lagging the 14.65% advance of the benchmark MSCI EAFE Index. The portfolio trailed the peer group average as well, albeit by a much smaller margin.

Q: What factors drove the strong gain of the MSCI EAFE Index the past 12 months?

Amid a backdrop of elevated interest rates, reduced but still high inflation, geopolitical unrest and economic uncertainty, investors largely favored international value stocks over their growth counterparts this period.

Within the benchmark, multiple sectors – many of which were value oriented – rose between roughly 18% and 22% this period. Financials – the biggest sector in the benchmark – led the way, propelled by the strength of European banks. Energy stocks also stood out, buoyed by elevated prices for oil and gas. The utilities, industrials and materials sectors, which tend to be value oriented, outperformed. In total, these five sectors represented 50% of the benchmark this period. Information technology and consumer discretionary, which are considered growth sectors, fared quite well, but represented only 20% of the benchmark.

Geographically, results were mixed. Equity markets in continental Europe and Japan stood out to the upside, whereas Asia Pacific ex Japan and emerging markets, which are not in the benchmark, posted only modest gains.

Q: Why did the fund lag the benchmark?

This period wasn't the best backdrop for my strategy, which favors high-quality companies with durable revenue- and earnings-growth prospects and a stock trading at a reasonable valuation. Specifically, I like to own shares of firms that have either better-than-average or good earnings visibility, and business prospects that are improving. As a result, the fund didn't have much exposure to cyclical and low-quality stocks, which tend to have less earnings visibility but were among the biggest winners the past 12 months. Geographically, investment choices in continental Europe, at 43% of the fund's assets, on average, as well as emerging markets and the U.K., notably weighed on relative performance. By sector, security selection and an underweight in energy, plus stock picks in health care, consumer discretionary and financials, were big detractors versus the benchmark.

Q: Which stocks were the biggest detractors versus the benchmark this period?

An overweight in Norway-based Equinor (-23%) hurt relative performance most the past 12 months. This exploration & production stock fit my criteria for earnings growth at a reasonable price at the time of purchase and rallied sharply when oil and gas prices were rising in 2022. However, the stock came under pressure in 2023, as commodity prices declined. As a result, I parted ways with Equinor during the first half of the period.

Another big relative detractor was outsized exposure to Japan-based medical device manufacturer Olympus (-22%). Shares of the firm declined after the U.S. Food and Drug Administration issued a warning letter regarding quality failings for the company's endoscopes. I met with the management team and was disappointed with the new CEO' s response to the FDA, which led me to eliminate the fund's holding before October 31.

Q: What else notably hurt?

A non-benchmark position in India's HDFC Bank (-3%) detracted for the 12 months. I've followed HDFP for about 30 years and view it as a high-quality business, with a strong franchise and skilled management team. However, it came under pressure amid a complicated merger with its former parent company that has led to investor uncertainty about whether or not the new entity will be able to deliver hoped-for cost synergies. I have confidence in management, however, and believe there are a lot of cost and revenue benefits to be realized.

A non-benchmark allocation to India-based conglomerate Reliance Industries (-7%) hindered relative performance this period. Half of the company's business is in petrochemicals, an industry that has been pressured by overcapacity and slowing economic growth. In turn, this has dampened demand for several of its products, including polyethylene and polyvinyl chloride, which are used in myriad applications for plastics. I eliminated Reliance from the portfolio.

Lastly, a non-benchmark holding in Australian self-storage real estate investment trust National Storage REIT Stapled returned -20% this period. Real estate stocks have faltered amid elevated inflation, which has led to higher interest rates, particularly in Australia. Still, I think this a good business, given its ability to raise prices and grow through accretive acquisitions. Plus, demand for storage is strong due to rising property prices and downsizing.

Q: Which stocks helped relative performance?

Topping the list were two global semiconductor companies that I added to the portfolio this period. The industry underwent a recession in 2022, with the cycle bottoming in the second half of 2023, making valuations quite attractive. That's when I started building a non-benchmark position in U.S.-based Nvidia, a global leader in semiconductor chips used for artificial intelligence. The stock rose 91% the past 12 months, buoyed by surging demand for AI chips.

Another noteworthy standout was a larger-than-benchmark stake in Netherlands-based BE Semiconductor Industries (+70%). The firm designs and makes equipment for a new and innovative type of semiconductor packaging called hybrid bonding. The most sophisticated chips are moving to this new packaging form, and BE has dominant market share. I like stocks such as these, based on my reasonable confidence that the earnings should either match or exceed managements' forecasts for the coming year.

Lastly, this period I established an outsized holding in Italian bank Unicredit (+33%). The stock rose under the leadership of a fairly new CEO who has aggressively bought back stock and delivered net profit well above consensus forecasts.

Shares of Japan-based conglomerate Hitachi (+40%) also contributed to the portfolio's relative result, buoyed by a restructuring that included selling low-profit, highly cyclical businesses and buying information technology-related companies. Furthermore, Hitachi completed its purchase of Swiss firm ABB's power grid business, which has benefited from ever-increasing demand for electricity. Both Unicredit and Hitachi were top-10 holdings on October 31, a reflection of my interest in businesses that I think are improving.

Q: What's your outlook, Bill, at period end?

I expect economies around the world to slow, given the interest rate hikes we've seen in recent years. However, I'm always looking for companies with a stock that appears cheap versus history and with earnings that, in my view, are more certain than the average company.

I'm finding some good opportunities, particularly in Europe, where growth-oriented companies have underperformed for some time, making their stocks cheap relative to history. Moreover, many of these firms improved their balance sheets immensely during the pandemic. Plus, the dollar is very strong versus other currencies.

High-quality businesses that look attractively priced and operate in nations with cheap currencies are right up my alley. I'm also targeting specific stocks that I think have opportunities for self-help, whether through restructuring or some other means. ■

Portfolio Manager Bill Kennedy on investment opportunities in AI:

"Many investors believe the U.S. benefits disproportionately from AI, but I think that perception is overstated. Much of the innovation for AI has occurred in the U.S. However, there are a lot of foreign companies that also are participating in the AI boom. For example, they're using AI to improve their business, providing components to propel AI's advance, or spreading AI's capabilities globally. Given how big AI will be in the coming decade, I think it's important to have exposure to all these different types of firms.

"This period, I established stakes in Wolters Kluwer, which is based in the Netherlands, and RELX in the U.K. Both are industrials companies with global reach that are using AI to deliver more value to their customers. Each provides information services to a range of end markets, including the legal and medical fields. They're moving from paper-based output to online delivery, allowing a lawyer, for example, to use AI to look for case precedent or go through court rulings on similar issues, thereby saving valuable time previously spent reading through and summarizing findings.

"Elsewhere, I boosted the fund's stake in the information technology sector this period – from roughly 12% to about 17% of assets – adding mostly to semiconductor & semiconductor equipment companies. Among my purchases were Nvidia and BE Semiconductor, both top relative contributors for the 12 months. I initiated a position in South Korea-based Samsung Electronics, which makes the DRAM – or Dynamic Random-Access Memory – chips that accelerate AI processing. Another new addition was Netherlands-based ASML Holding, which owns 100% of the market for extreme ultraviolet technology, the most advanced technology for manufacturing chips. ASML is the fund's No. 3 holding as of October 31.

"Also in tech, I established a stake in Microsoft, which owns roughly 49% of OpenAI, the company that developed ChatGPT, a natural language processing tool driven by AI. In addition, Microsoft's cloud-computing division Azure is home to the servers that perform these critical AI calculations."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
NVIDIA Corp.	Information Technology	0.64%	57
BE Semiconductor Industries NV	Information Technology	0.77%	45
UniCredit SpA	Financials	0.66%	35
Hitachi Ltd.	Industrials	1.38%	29
Renesas Electronics Corp.	Information Technology	1.01%	28

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
Equinor ASA	Energy	0.51%	-100
HDFC Bank Ltd. sponsored ADR	Financials	2.24%	-48
Olympus Corp.	Health Care	0.45%	-43
Reliance Industries Ltd.	Energy	0.47%	-38
National Storage REIT unit	Real Estate	0.83%	-34

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
International Equities	93.19%	100.00%	-6.81%	-0.99%
Developed Markets	81.96%	100.00%	-18.04%	1.24%
Emerging Markets	11.23%	0.00%	11.23%	-2.23%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Domestic Equities	3.01%	0.00%	3.01%	0.57%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	3.80%	0.00%	3.80%	0.42%

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.

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Financials	19.31%	19.10%	0.21%	-4.14%
Information Technology	16.58%	7.86%	8.72%	1.22%
Industrials	15.27%	15.68%	-0.41%	2.05%
Consumer Discretionary	13.21%	11.87%	1.34%	-2.45%
Health Care	12.18%	13.13%	-0.95%	0.11%
Materials	6.25%	7.49%	-1.24%	0.64%
Consumer Staples	6.24%	9.95%	-3.71%	0.45%
Energy	3.17%	4.90%	-1.73%	1.40%
Communication Services	2.88%	4.19%	-1.31%	0.45%
Real Estate	1.11%	2.34%	-1.23%	-0.17%
Utilities	0.00%	3.49%	-3.49%	0.01%
Other	0.00%	0.00%	0.00%	0.00%

COUNTRY DIVERSIFICATION

Country	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
Japan	18.95%	22.87%	-3.92%	0.10%
United Kingdom	16.86%	15.32%	1.54%	4.86%
France	11.19%	12.10%	-0.91%	-1.93%
Netherlands	6.37%	4.41%	1.96%	1.08%
Germany	4.39%	8.29%	-3.90%	-1.02%
India	4.36%	--	4.36%	-1.70%
Italy	4.11%	2.68%	1.43%	1.71%
Canada	3.84%	--	3.84%	1.29%
Denmark	3.80%	3.42%	0.38%	0.65%
Ireland	3.38%	0.53%	2.85%	0.53%
United States	3.01%	--	3.01%	0.57%
Switzerland	2.95%	9.89%	-6.94%	-0.71%
Taiwan	2.09%	--	2.09%	0.01%
China	2.02%	--	2.02%	-1.68%
Australia	1.80%	7.19%	-5.39%	0.03%
Spain	1.40%	2.62%	-1.22%	0.14%
Sweden	1.39%	3.07%	-1.68%	-1.28%
Korea (South)	1.35%	--	1.35%	0.34%
Belgium	1.22%	0.99%	0.23%	-0.73%
Hong Kong	1.16%	2.35%	-1.19%	-0.14%
Other Countries	0.93%	N/A	N/A	N/A
Cash & Net Other Assets	3.43%	0.00%	3.43%	0.07%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Novo Nordisk A/S Series B	Health Care	3.35%	1.91%
AstraZeneca PLC (United Kingdom)	Health Care	2.71%	2.87%
ASML Holding NV (Netherlands)	Information Technology	2.65%	2.30%
Nestle SA (Reg. S)	Consumer Staples	2.50%	2.68%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	2.26%	3.67%
HDFC Bank Ltd.	Financials	2.10%	2.05%
Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	2.09%	1.80%
Hitachi Ltd.	Industrials	2.02%	1.60%
Air Liquide SA	Materials	1.86%	1.49%
UniCredit SpA	Financials	1.76%	1.00%
10 Largest Holdings as a % of Net Assets		**23.30%**	**22.30%**
Total Number of Holdings		**146**	**152**

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.

FISCAL PERFORMANCE SUMMARY: Periods ending October 31, 2023

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity International Discovery Fund Gross Expense Ratio: 0.98%[2]	-8.44%	-0.35%	7.04%	-0.21%	3.88%	3.13%
MSCI EAFE Index (Net MA)	-7.80%	2.94%	14.65%	5.95%	4.32%	3.26%
Morningstar Fund Foreign Large Growth	-9.94%	-0.01%	9.08%	-1.89%	4.18%	3.75%
% Rank in Morningstar Category (1% = Best)	--	--	71%	43%	58%	63%
# of Funds in Morningstar Category	--	--	414	383	332	229

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/31/1986.

[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

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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.

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.

MSCI EAFE Index (Net MA Tax) is a market-capitalization-weighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. & Canada. Index returns are adjusted for tax withholding rates applicable to U.S. based mutual funds organized as Massachusetts business trusts (NR).

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. They 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

William Kennedy 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 institutions, financial intermediaries, and individuals.

In this role, Mr. Kennedy manages Fidelity International Discovery Fund, Fidelity Advisor International Discovery Fund, Fidelity Worldwide Fund, and Fidelity Advisor Worldwide Fund. He is also co-manager for the Fidelity Sustainable International Equity Fund.

Prior to assuming his current responsibilities, Mr. Kennedy managed Fidelity Pacific Basin Fund and Fidelity Advisor Japan Fund. Previously, he served as an assistant portfolio manager and as a research analyst covering investment opportunities in India and the regional power sector. Mr. Kennedy also served as director of equity research in Fidelity's Hong Kong office as well as group leader of the Global Research group. He has been in the financial industry since 1990.

Mr. Kennedy earned his bachelor of arts degree in economics from the University of Notre Dame. He is also a CFA® charterholder.

PERFORMANCE SUMMARY:
Quarter ending March 31, 2024

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity International Discovery Fund Gross Expense Ratio: 0.62%[2]	17.67%	0.80%	7.93%	5.38%
% Rank in Morningstar Category (1% = Best)	22%	47%	38%	53%
# of Funds in Morningstar Category	407	383	327	223

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 12/31/1986.

[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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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.

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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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