

Fidelity® International Small Cap Fund

Key Takeaways

- For the semiannual reporting period ending April 30, 2024, the fund's Retail Class shares gained 17.22%, versus 17.45% for the benchmark MSCI All Country World ex U.S. Small Cap Index.
- According to Portfolio Manager David Jenkins, the beginning of the reporting period roughly coincided with an important bottom in global equity prices, leading to a sizable rally, with gains in four of the six months for the benchmark, and only modest pullbacks in January and April.
- Relatively subdued inflation enabled the U.S. Federal Reserve and other key central banks to keep further short-term interest rate hikes on hold and even contemplate cuts, a stance that won market participants' approval. An expanding global economy and enthusiasm about generative artificial intelligence also fueled investors' bullish stock market sentiment.
- Small-caps roughly kept pace with large-caps the past six months, unlike in some recent periods, when large-caps strongly outperformed.
- A sizable underweight in the strong-performing Indian equity market detracted most from the fund's performance versus the benchmark, followed by security selection in Australia and Canada. Out-of-benchmark exposure to the U.S. and a cash position of about 2%, on average, also hurt.
- Conversely, investment choices in the U.K., Germany, China and Hong Kong contributed to the fund's relative result, along with outsized exposure to Mexican stocks.
- As of April 30, David continues to emphasize stable-growth companies with what he considers good earnings visibility and minimal debt, given the uncertain economic environment. With that said, he is somewhat more open to the idea of a soft economic landing and is encouraged that central banks in Brazil and Switzerland have begun to cut short-term interest rates.

MARKET RECAP

International (non-U.S.) equities gained 17.80% for the six months ending April 30, 2024, according to the MSCI All Country World ex USA Index, as global economic expansion and, perhaps most notably, a slowing in the pace of inflation and a shift to more-dovish monetary policy in some markets provided a favorable backdrop for risk assets. The index's strong performance this period was partly driven by a narrow set of companies in the information technology sector, due to exuberance for generative artificial intelligence. Following historic global monetary tightening in some countries since early 2022, investor sentiment shifted in November 2023 to a view that policy rates had peaked in some markets, and that policymakers would likely cut rates in 2024. This provided support for international stocks, and the index gained 14.50% in the final two months of 2023 before adding 2.89% year to date through April 30. For the full six months, each of six regions in the index advanced, with Europe ex U.K. and Japan (+20% each) leading by the widest margin, while Canada gained 19%. The U.K. finished about on par with the index, whereas emerging markets (+16%) and Asia Pacific ex Japan (+14%) lagged. All 11 sectors advanced this period, with information technology (+29%) finishing out front, followed by industrials (+26%) and financials (+20%). Conversely, consumer staples (+4%) lagged by the widest margin. Communication services and utilities (+12% each) stocks underperformed as well.



David Jenkins
Portfolio Manager

Fund Facts

Trading Symbol:	FISMX
Start Date:	September 18, 2002
Size (in millions):	\$4,585.08

Investment Approach

- Fidelity® International Small Cap Fund is an opportunistic international small-cap strategy focused on our best ideas across geographies. The fund seeks capital appreciation.
- We favor higher-quality small-cap companies trading at a discount to their intrinsic (fair) value because we believe this combination can lead to outperformance over the course of a market cycle.
- This is a value-oriented approach where the fund looks to optimize the risk/reward trade-off by investing at the intersection of value and quality. Investing in "undiscovered" or "out of favor" securities is the key, in our view, to finding attractive valuations for "quality" businesses.
- Typically, businesses we own require less capital to grow, which leads to strong free cash flow. The combination of strong free cash flow and an unencumbered balance sheet allows astute management teams the flexibility to deploy capital for inorganic (acquisition-driven) growth or returns to shareholders.

Q&A

An interview with Portfolio Manager David Jenkins

Q: David, how did the fund perform for the six months ending April 30, 2024?

The fund's Retail Class shares gained 17.22%, versus 17.45% for the benchmark MSCI All Country World ex U.S. Small Cap Index and 17.00% for the peer group average.

Looking slightly longer term, the fund was up 9.82% for the trailing 12 months, versus 9.70% for the benchmark and 5.99% for the peer group average.

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

The beginning of the reporting period roughly coincided with an important bottom in global equity prices, leading to a sizable rally, with gains in four of the six months for the benchmark, and only modest pullbacks in January and April. Relatively subdued inflation enabled the U.S. Federal Reserve and other key central banks to keep further short-term interest rate hikes on hold and even contemplate cuts, a stance that won market participants' approval. An expanding global economy and enthusiasm about generative artificial intelligence also fueled investors' bullish stock market sentiment this period.

Within the benchmark, industrials (+24%) stocks led the way, followed by financials (+23%) and information technology (+21%). No sectors recorded a negative return, although consumer staples (+9%), energy and communication services (+11% each) notably lagged. By region, the U.K. (+22%) finished the six-month period with the best result, followed closely by Europe ex U.K. (+21%), where equity markets in Denmark (+31%), Sweden (+30%), Italy (+29%) and Spain (+28%) were particularly strong. Japan, the country with the largest benchmark weighting, checked in with an approximately 12% gain. Meanwhile, emerging markets, Asia Pacific ex Japan and Canada registered advances of 18%, 17% and 15%, respectively, for the six months. Small-caps roughly kept pace with large-caps this period, unlike more recently when large-caps strongly outperformed.

Q: What particularly detracted from performance versus the benchmark?

A sizable underweight in the strong-performing Indian stock market detracted hurt most, followed by security selection in Australia and Canada. Non-benchmark exposure to the U.S.

and a cash position of about 2%, on average, also hurt. Turning to sectors, stock selection in both health care and consumer discretionary weighed on the portfolio's relative result, as did larger-than-benchmark exposure to the lagging consumer staples sector.

An overweight stake in Selamat Sempurna was the fund's biggest individual relative detractor, with the stock returning -18% the past six months. The Indonesia-based company is a leading producer of filters for automobiles and heavy machinery. Ninety percent of sales are aftermarket and recurring in nature. The first quarter of 2024 saw a modest decline in sales and profit, although this was not too surprising, given the comparatively high base from last year and some uncertainty in Indonesia due to upcoming elections. It's worth pointing out that there is no analyst coverage of the firm, and management issues no formal financial guidance, so it's difficult to pinpoint why the shares declined. What I can say is that, in my opinion, the stock remains attractively valued, with a quality business model and a good track record of growth, so I remain positive on it and added to our share count this period.

Outsized exposure to Tsuruha Holdings (-12%) was another disappointment. It is one of the largest drug-store chains in Japan and has had great success growing its market share by acquiring "mom and pop" stores and then improving their efficiency. In November, the stock surged higher on speculation that the firm might be taken private. Subsequently, it was announced that retailer Aeon would take a roughly 20% stake in the company and Tsuruha would remain publicly listed. This plan disappointed investors. However, the gyrations in share price did not materially affect the business, which continued to perform well, in my opinion. Thus, I maintained the fund's overweight position.

It also hurt to hold a non-benchmark stake in Adtalem Global Education (-4%), a for-profit education company based in the U.S. that owns and manages higher education institutions across a broad range of disciplines. In late January, a report was published alleging that Adtalem was at risk of losing access to some federal funding. The report also advocated shorting the stock, which declined approximately 20% almost immediately. However, management convincingly refuted the report, in our view, so we decided to maintain our exposure to the stock since the valuation was very attractive and enrollment had increased.

Q: What notably helped?

Investment choices in the U.K., Germany, China and Hong Kong contributed to the fund's relative result, along with outsized exposure to Mexican stocks. Among sectors, picks in communication services, materials and information technology all notably helped.

Out-of-benchmark exposure to Germany-based Rheinmetall (+93%) topped the list of individual relative contributors for

the period. The maker of military vehicles and weapons continued to see strong orders for its products amid that nation's increased defense spending. Germany has been a leader in providing military aid to help Ukraine defend itself against Russia's aggression, providing an additional source of revenue. The October outbreak of major conflict between Israel and the terrorist group Hamas reinforced the need for military preparedness among the major nations of the world, prompting investors to favor Rheinmetall and other defense-related firms. I reduced our stake, though it was the portfolio's largest holding at period end.

Lastly, I'll mention an overweight position in Ashtead Technology Holdings (+75%). The company is a leading provider of equipment rentals, advanced underwater technology and support services to the global offshore energy industry. Although the business originally focused on oil field projects, it recently expanded its footprint to include offshore wind projects and has benefited from various government incentives. Given its growing presence in renewable energy, I think Ashtead was widely misunderstood, although that has changed somewhat in the past year or so. Nevertheless, this is a great example of my preference for investing in underappreciated stocks that the broader investment community has overlooked. Given the increasing recognition of the firm's merits, I trimmed the position the past six months, though it was the fund's No. 2 holding as of period end.

Q: Any final thoughts for shareholders as of April 30, David?

Given the uncertain economic environment, I continue to emphasize stable-growth companies with good earnings visibility and minimal debt. With that said, I'm somewhat more open to the idea of a soft landing and am encouraged by central banks in Brazil and Switzerland beginning to cut short-term interest rates.

For now, though, I'm maintaining the vast majority of the fund's holdings in what I believe to be high-quality firms with the financial strength to survive a recession without needing to raise capital. ■

Portfolio Manager David Jenkins on investing in emerging markets:

"I'm always on the lookout for good investment opportunities in emerging markets. That's because I typically have trouble finding enough emerging companies that measure up to my quality standards. I'm not about to buy a stock just to fill some quota of emerging-markets holdings. I'd rather hold off, especially if I can find a developed-market stock in a similar industry with a comparable valuation and better management, which often happens.

"This period, though, I did add a couple of interesting emerging-markets firms to the portfolio. One was Athens International Airport, whose primary business is operating duty-free shops. The early-2024 initial public offering of a 30% stake in the airport, Greece's largest gateway for tourists, attracted strong demand, marking the first successful launch of a major IPO in Europe this year. Greece is a major tourist destination in Europe, and we are seeing a normalization of inbound tourism, now that the pandemic seems to be in the rearview mirror. With an improved tourism backdrop and recently completed upgrades to Greece's network of 14 regional airports, expectations are high for activity at Athens International. Moreover, the terms of the concession agreement with the Greek government are favorable, and the stock traded at a reasonable 13 times estimated 2025 earnings as of period end.

"The other position is something of a special situation: Pepkor Holdings Limited, a South African retailer. The firm generates about 80% of its profits from non-fashion, staple apparel items. The multiple ascribed to the business by the market has been depressed by its association with the Steinhoff family and resulting overhang from the liquidation of its investment. The Steinhoff estate has already sold down its stake from 78% to roughly 43%, and the expectation is that the remaining portion will be divested this year, at which time I believe the valuation of Pepkor could increase significantly. Additionally, the company has a new CEO who has returned to lead the business for zero compensation, apart from out-of-the-money call options worth 3% of the firm, thereby providing significant incentive to boost the stock price."

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
International Equities	93.37%	100.00%	-6.63%	0.89%
Developed Markets	70.68%	69.60%	1.08%	0.72%
Emerging Markets	22.69%	30.40%	-7.71%	0.17%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Domestic Equities	2.26%	0.00%	2.26%	-0.25%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	4.37%	0.00%	4.37%	-0.64%

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
Industrials	21.41%	21.16%	0.25%	0.49%
Financials	13.49%	11.67%	1.82%	0.75%
Consumer Discretionary	12.31%	11.72%	0.59%	-1.50%
Consumer Staples	10.26%	6.20%	4.06%	-0.22%
Information Technology	9.31%	11.63%	-2.32%	-0.43%
Materials	8.14%	11.60%	-3.46%	-0.03%
Real Estate	5.88%	8.69%	-2.81%	0.21%
Health Care	5.58%	6.53%	-0.95%	0.11%
Communication Services	4.29%	3.66%	0.63%	0.55%
Energy	3.60%	4.14%	-0.54%	0.69%
Utilities	1.36%	3.00%	-1.64%	0.03%
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	19.10%	21.51%	-2.41%	-0.61%
United Kingdom	17.20%	9.33%	7.87%	0.71%
Canada	4.94%	6.73%	-1.79%	-0.04%
Germany	4.65%	2.83%	1.82%	0.42%
Mexico	4.53%	0.60%	3.93%	0.35%
Taiwan	3.80%	6.82%	-3.02%	0.03%
Australia	3.02%	5.99%	-2.97%	-0.19%
China	3.01%	2.47%	0.54%	-0.39%
Spain	2.81%	1.32%	1.49%	-0.83%
Italy	2.63%	2.25%	0.38%	0.59%
France	2.43%	2.40%	0.03%	0.38%
Austria	2.33%	0.59%	1.74%	0.12%
India	2.33%	8.19%	-5.86%	-0.08%
Hong Kong	2.26%	1.04%	1.22%	0.36%
United States	2.26%	--	2.26%	-0.25%
Brazil	1.98%	1.30%	0.68%	0.33%
Netherlands	1.77%	1.01%	0.76%	0.08%
Sweden	1.76%	3.66%	-1.90%	-0.13%
Singapore	1.55%	1.18%	0.37%	-0.09%
Norway	1.52%	1.57%	-0.05%	-0.03%
Philippines	1.43%	0.21%	1.22%	0.12%
Korea (South)	1.41%	3.97%	-2.56%	-0.24%
Greece	1.30%	0.17%	1.13%	1.13%
Finland	1.12%	0.76%	0.36%	0.03%
Ireland	1.00%	0.20%	0.80%	-0.16%
Other Countries	5.95%	N/A	N/A	N/A
Cash & Net Other Assets	1.91%	0.00%	1.91%	-0.76%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Rheinmetall AG	Industrials	1.77%	1.35%
Ashtead Technology Holdings PLC	Industrials	1.54%	1.16%
International Games Systems Co. Ltd.	Communication Services	1.36%	1.07%
Qualitas Controladora S.A.B. de CV	Financials	1.11%	0.81%
Talanx AG	Financials	1.04%	1.09%
Gruma S.A.B. de CV Series B	Consumer Staples	1.01%	1.10%
RHI Magnesita NV	Materials	0.97%	0.90%
Renesas Electronics Corp.	Information Technology	0.97%	1.08%
Premier Foods PLC	Consumer Staples	0.94%	0.68%
Century Pacific Food, Inc.	Consumer Staples	0.93%	0.80%
10 Largest Holdings as a % of Net Assets		11.64%	10.64%
Total Number of Holdings		203	202

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 April 30, 2024

	Cumulative		Annualized			
	6 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Fidelity International Small Cap Fund Gross Expense Ratio: 1.01% ²	17.22%	0.67%	9.82%	0.90%	6.44%	6.36%
MSCI All Country World ex US Small Cap - Net MA Linked	17.45%	0.68%	9.70%	-1.46%	5.61%	4.73%
Fidelity International Small Cap Fund Linked Index	17.45%	0.68%	9.70%	-1.46%	5.61%	4.73%
Morningstar Fund Foreign Small/Mid Blend	17.00%	0.19%	5.99%	-2.16%	4.58%	4.04%
% Rank in Morningstar Category (1% = Best)	--	--	13%	6%	11%	2%
# of Funds in Morningstar Category	--	--	103	89	84	49

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 09/18/2002.

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](https://www.fidelity.com/performance), institutional. [fidelity.com](https://www.fidelity.com), or [401k.com](https://www.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.

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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 securities of smaller, less well-known companies can be more volatile than those of larger companies.

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 International Small Cap Fund Linked Index represents the performance of the MSCI ACWI (All Country World Index) ex USA Small Cap Index since April 1, 2014, and the MSCI EAFE Small Cap Index prior to that date.

MSCI All Country World ex US Small Cap - Net MA Linked represents the performance of the MSCI All Country World ex US Small Cap (Net MA) since April 1, 2014, and the MSCI All Country World Small Cap ex US (Gross) prior to that date.

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

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% 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

David Jenkins 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. Jenkins manages the Fidelity and Fidelity Advisor International Small Cap Funds.

Prior to his current role, Mr. Jenkins managed the Japan Smaller Companies Fund.

Prior to joining Fidelity in 2007, Mr. Jenkins served as a vice president and equity analyst at Eaton Vance Management. Previously, he was a senior investment associate focusing on domestic value equities at Putnam Investments. He has been in the financial industry since 2000.

Mr. Jenkins earned his bachelor of science degree in business finance from Brigham Young University. 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 Small Cap Fund Gross Expense Ratio: 1.01% ²	13.71%	2.80%	7.47%	6.58%
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# of Funds in Morningstar Category	103	89	84	49

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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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