Fidelity® International Capital Appreciation Fund

Key Takeaways

- For the semiannual reporting period ending April 30, 2024, the fund gained 21.67%, topping the 17.80% advance of the benchmark MSCI All Country World ex USA Index.
- According to Portfolio Manager Sammy Simnegar, 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.
- 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 investors' approval. An expanding global economy and enthusiasm about generative artificial intelligence also fueled market participants' bullish stock market sentiment.
- By region, the fund's performance versus the benchmark benefited most from strong picks and outsized exposure to Europe ex U.K., especially the Netherlands. An underweight and favorable security selection in emerging markets also stood out, particularly in China. Among sectors, an overweight and investment choices in information technology lifted relative performance the most.
- On the other hand, stock picking in India held back the portfolio's relative return, making it one of our few meaningful disappointments geographically. From a sector standpoint, security selection in financials detracted most, mainly due to investment choices among banks, where an underweight also hurt, given they were one of the stronger-performing industries this period.
- Sammy believes that, despite considerable uncertainty at period end, either a soft landing or mild recession is the most likely scenario in the most prominent global economies. With that said, conflict in the Middle East could unsettle international equity markets, especially if it escalates.

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.

Sammy Simnegar
Portfolio Manager

Fund Facts

Trading Symbol:	FIVFX
Start Date:	November 01, 1994
Size (in millions):	$5,351.10

Investment Approach

- Fidelity® International Capital Appreciation Fund is a diversified international equity strategy that seeks capital growth by investing primarily in non-U.S. stocks.
- Our investment approach seeks to identify high-quality growth stocks benefiting from long-term "mega trends," as well as the three "B's" – brands, barriers to entry and "best in class" management teams – using a proprietary quantitative screen and bottom-up fundamental analysis.
- Although the fund has wide latitude to underweight and overweight sectors and geographies relative to its benchmark, the MSCI All Country World ex USA Index, it employs a unique risk-managed portfolio construction process that attempts to optimize alpha (risk-adjusted excess return). Rather than adjusting security weights according to conviction, we use an equal-active-weight approach, which helps to limit the impact of dramatic fluctuations in any single position, while still allowing for high active share (benchmark differentiation).

Q&A

An interview with Portfolio Manager Sammy Simnegar

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

The fund gained 21.67%, topping the 17.80% advance of the benchmark MSCI All Country World ex USA Index, and outpacing the peer group average by 2.89 percentage points.

Looking back a bit longer term, the fund was up 15.54% for the trailing 12 months, handily outpacing the 9.51% increase of the benchmark and bettering the peer group average by a somewhat wider margin.

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.

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. In fact, Brazil reduced its key rate four times during the period, extending an easing cycle that began in August 2023. Europe also joined the fray, with Switzerland lowering its key interest rate in March. An expanding global economy and enthusiasm about generative artificial intelligence also fueled investors' bullish stock market sentiment.

Within the benchmark, information technology (+29%) stocks led the way, followed by industrials (+26%) and financials (+20%). No sectors recorded a negative return, although consumer staples (+4%), utilities and communication services (+12% each) lagged the most.

By region, Europe ex U.K. (+20%) finished the six-month period with the best result, bolstered by the equity markets in the Netherlands (+35%), Denmark and Sweden (+28% each), Italy (+27%) and Ireland (+26%). Japan, the country with the largest benchmark weighting, checked in with a 20% gain, while Canada, the U.K. and emerging markets registered advances of 19%, 18% and 16%, respectively. On the other hand, stock markets in Asia Pacific ex Japan (+14%) underperformed the broader benchmark.

Q: What contributed most to the fund's performance versus the benchmark?

Strong picks and outsized exposure to Europe ex U.K. provided the biggest lift in terms of the portfolio's relative result, especially the Netherlands. Security selection in France was another positive factor. An underweight and favorable investment choices in emerging markets also stood out, particularly in China. Among sectors, an overweight and stock picking in information technology lifted relative performance most. The fund's two largest relative contributors were from the semiconductors & semiconductor equipment industry, which posted a noteworthy 43% increase for the period. A sizable overweight and security selection among chip stocks added the most value compared with the benchmark.

Topping this list was an out-of-benchmark position in Nvidia (+117%). The U.S. chipmaker continued to capitalize on booming interest in language-generating artificial intelligence. After years of investment in the development of chips and software for AI, the firm dominates the market for advanced graphics chips that are the lifeblood of new generative AI systems, including the viral chatbot ChatGPT. In mid-February, Nvidia reported financial results for the three months ending January 28 that far exceeded expectations – sales roughly tripled and earnings surged about eightfold – while also raising its forecast for its next fiscal quarter. I considerably reduced the fund's stake, given its outsized gain, in line with my equal-active-weight strategy, which seeks to limit the impact of any one holding, while still allowing for significant differentiation from the benchmark.

Larger-than-benchmark exposure to shares of Tokyo Electron (+70%) also bolstered the fund's relative result. The stock surged in February after the Japanese chipmaking gear producer lifted its operating income forecast for its fiscal year by 11%, beating analyst estimates. Demand is surging from Chinese semiconductor ventures buying up legacy equipment, as U.S. trade restrictions prevent them from acquiring the best chips for tasks like artificial intelligence. The firm's management also said it expected investment from makers of dynamic random-access memory to rebound this year. Tokyo Electron was a top-10 holding on April 30, though I reduced exposure to the stock a bit this period.

Q: What notably hurt?

Stock picking in India held back the portfolio's relative return, making it one of our few meaningful disappointments geographically. From a sector standpoint, security selection in financials detracted most, mainly due to investment choices among banks, where an underweight also hurt, given they were one of the stronger-performing industries this period.

On an individual basis, Japan-based OBIC (-19%), which I purchased for the fund in the first quarter, was the foremost relative detractor the past six months. Classified in the software & services category of information technology, the firm provides system integration offerings, including developing enterprise resource planning software for personnel, payroll, working condition management, marketing and production systems. In an uncertain global economic environment, I was attracted to the company's prospects for high-single-digit to low-double-digit revenue growth and healthy cash flow growth. With that said, the stock was pressured during the period by a weaker yen and expectations of rising interest rates in Japan.

Lastly, the stock of managed health care and insurance giant UnitedHealth Group – a non-benchmark position – returned about -9% for the period and notably detracted from relative performance. In January, the firm reported Q4 financial results that topped consensus estimates on both the top and bottom lines, although medical costs as a percentage of premiums were higher than analysts had been expecting. Then, in late February, the shares came under further pressure after the U.S. Department of Health and Human Services opened an investigation into the company following a cyberattack to determine if there was a breach of patients' protected health care data. Given the uncertainty here, I exited this position prior to period end.

Q: Please describe your outlook, Sammy.

Despite considerable uncertainty as of April 30, I believe either a soft landing or mild recession is the most likely scenario in the most prominent global economies. In particular, the significant increase in U.S. spending on infrastructure, reshoring, new semiconductor capacity and combatting climate change should help the U.S. economy achieve a soft landing and have spillover benefits for other nations around the world. Parallel spending on some of these priorities in foreign developed markets should dovetail nicely with U.S. spending.

Another positive for the global outlook is the low level of unemployment in most key markets. As long as people have jobs, they'll probably spend freely, which I believe bodes well for future economic growth, at least in the foreseeable future. Moreover, with interest rates as high as they are, the Fed and other central banks have plenty of room to reduce rates, if necessary.

On the downside, ongoing conflict in Ukraine and Gaza remains a wild card, and if a resurgence in inflation threatens to forestall central bank efforts to reduce interest rates, that would be worrisome. ■

Sammy Simnegar on opportunities in industrial companies:

"Along with information technology, the industrials sector stood out as a major overweight within the portfolio at the end of April. Granted, this was already the case at the beginning of the reporting period. However, I further increased exposure to industrials stocks this period, especially in the capital goods industry.

"To my way of thinking, there are several compelling reasons to invest in industrial companies right now. Global economies continue to give off mixed signals, appearing healthy by some measures but wobbly according to others. I am therefore attracted to a sector like industrials with idiosyncratic drivers of growth that could prevail, even if global economies weaken further.

"The fund's top industrial overweights as of April 30 were Ashtead Group and Schneider Electric. The former is a U.K.-based provider of construction, industrial and general equipment rentals, and I expect the firm to derive major benefits from the trend in U.S. onshoring. It is growing revenue at double digits and trading at an attractive mid-teens price-to-earnings ratio at period end.

"Elsewhere, Schneider Electric, headquartered in France, is a high-quality industrial company benefiting from the transition to cleaner energy through its electric grid portfolio and industrial automation business. The market expects sustainable double-digit earnings-per-share growth, and the stock was trading at a mid-20s P/E as of April 30. Both of the aforementioned stocks were among the portfolio's largest holdings at period end."

LARGEST CONTRIBUTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
NVIDIA Corp.	Information Technology	1.45%	109
Tokyo Electron Ltd.	Information Technology	1.61%	77
ASM International NV (Netherlands)	Information Technology	1.63%	53
ASML Holding NV (Netherlands)	Information Technology	1.67%	45
Schneider Electric SA	Industrials	1.47%	41

** 1 basis point = 0.01%.*

LARGEST DETRACTORS VS. BENCHMARK

Holding	Market Segment	Average Relative Weight	Relative Contribution (basis points)*
OBIC Co. Ltd.	Information Technology	1.02%	-48
UnitedHealth Group, Inc.	Health Care	0.72%	-38
Dassault Systemes SA	Information Technology	1.54%	-32
Alimentation Couche-Tard, Inc. Class A (multi-vtg.)	Consumer Staples	1.41%	-23
AstraZeneca PLC (United Kingdom)	Health Care	0.26%	-21

** 1 basis point = 0.01%.*

ASSET ALLOCATION

Asset Class	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
International Equities	87.99%	100.00%	-12.01%	2.81%
Developed Markets	71.51%	71.75%	-0.24%	3.60%
Emerging Markets	16.48%	28.25%	-11.77%	-0.79%
Tax-Advantaged Domiciles	0.00%	0.00%	0.00%	0.00%
Domestic Equities	10.65%	0.00%	10.65%	-2.24%
Bonds	0.00%	0.00%	0.00%	0.00%
Cash & Net Other Assets	1.36%	0.00%	1.36%	-0.57%

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
Information Technology	25.55%	12.83%	12.72%	1.38%
Industrials	24.93%	13.84%	11.09%	2.08%
Financials	21.86%	21.40%	0.46%	3.19%
Consumer Discretionary	10.20%	11.67%	-1.47%	-3.52%
Health Care	6.14%	9.29%	-3.15%	-1.72%
Materials	4.94%	7.55%	-2.61%	-2.60%
Consumer Staples	3.39%	7.45%	-4.06%	-0.73%
Communication Services	1.63%	5.17%	-3.54%	1.93%
Energy	0.00%	5.78%	-5.78%	0.34%
Utilities	0.00%	3.06%	-3.06%	0.17%
Real Estate	0.00%	1.95%	-1.95%	0.07%
Other	0.00%	0.00%	0.00%	0.00%

COUNTRY DIVERSIFICATION

Country	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Six Months Ago
France	15.73%	7.77%	7.96%	1.05%
United Kingdom	13.70%	9.78%	3.92%	3.48%
Canada	11.77%	7.51%	4.26%	-0.41%
United States	10.65%	--	10.65%	-2.24%
India	9.80%	5.11%	4.69%	-0.51%
Japan	8.19%	14.79%	-6.60%	1.72%
Netherlands	6.47%	3.21%	3.26%	0.07%
Taiwan	3.78%	4.85%	-1.07%	0.05%
Denmark	3.11%	2.39%	0.72%	-1.64%
Ireland	3.04%	0.23%	2.81%	-0.37%
Sweden	2.93%	1.98%	0.95%	1.35%
Switzerland	2.92%	5.86%	-2.94%	-1.54%
Germany	1.99%	5.52%	-3.53%	-0.49%
Italy	1.76%	1.77%	-0.01%	0.05%
Uruguay	1.45%	--	1.45%	0.01%
Indonesia	1.45%	0.48%	0.97%	-0.02%
Other Countries	0.03%	N/A	N/A	N/A
Cash & Net Other Assets	1.23%	0.00%	1.23%	-0.35%

10 LARGEST HOLDINGS

Holding	Market Segment	Portfolio Weight	Portfolio Weight Six Months Ago
Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	3.78%	3.16%
ASML Holding NV (Netherlands)	Information Technology	3.07%	2.67%
Novo Nordisk A/S Series B	Health Care	3.07%	2.98%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Discretionary	2.33%	2.45%
Schneider Electric SA	Industrials	2.01%	1.76%
SAP SE	Information Technology	1.99%	0.80%
L'Oreal SA	Consumer Staples	1.87%	1.97%
Tokyo Electron Ltd.	Information Technology	1.82%	1.77%
ASM International NV (Netherlands)	Information Technology	1.81%	1.60%
ICICI Bank Ltd.	Financials	1.78%	1.73%
10 Largest Holdings as a % of Net Assets		**23.53%**	**22.85%**
Total Number of Holdings		**64**	**63**

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 Capital Appreciation Fund Gross Expense Ratio: 0.73%[2]	21.67%	3.28%	15.54%	1.63%	8.21%	8.03%
MSCI All Country World ex USA (Net MA) Index	17.80%	2.89%	9.51%	0.51%	5.21%	4.10%
Morningstar Fund Foreign Large Growth	18.78%	2.17%	7.07%	-2.75%	5.57%	5.24%
% Rank in Morningstar Category (1% = Best)	--	--	8%	15%	15%	7%
# of Funds in Morningstar Category	--	--	404	380	327	223

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/01/1994.

[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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Before making any investment decisions, you should consult with your own professional advisers and take into account all of the particular facts and circumstances of your individual situation. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in these materials because they have a financial interest in them, 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.

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 All Country World ex USA Index (Net MA Tax) 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. Index returns are adjusted for tax withholding rates applicable to U.S. based mutual funds organized as Massachusetts business trusts.

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

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 institutions, financial intermediaries, and individuals.

In this role, Mr. Simnegar is responsible for managing Fidelity and Fidelity Advisor International Capital Appreciation Fund, Fidelity VIP International Capital Appreciation Portfolio, Fidelity International Capital Appreciation K6 Fund, Fidelity Advisor International Capital Appreciation SMA, Fidelity Magellan Fund, Fidelity Magellan Commingled Pool, Fidelity Magellan ETF, and Fidelity Independence Fund.

Prior to assuming his current position, Mr. Simnegar managed Fidelity and Fidelity Advisor Emerging Markets Fund and Fidelity VIP Emerging Markets Portfolio, and co-managed Fidelity and Fidelity Advisor Total International Equity Fund. Additionally, Mr. Simnegar was an equity analyst at Fidelity, focusing on emerging-market energy, materials, and industrials; U.S. regional banks; and real estate, hotels, and emerging telecom.

Before joining Fidelity in 1998, Mr. Simnegar worked as an equity analyst at JP Morgan, and as a senior trade analyst at Trans Alliance Group, Inc. 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 March 31, 2024

	Annualized			
	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity International Capital Appreciation Fund Gross Expense Ratio: 0.73%[2]	21.45%	4.53%	10.02%	8.49%
% Rank in Morningstar Category (1% = Best)	10%	14%	13%	6%
# of Funds in Morningstar Category	407	383	327	223

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 11/01/1994.

[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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