

Portfolio manager: Steven Kirk

Performance for 12 month periods in GBP (%)

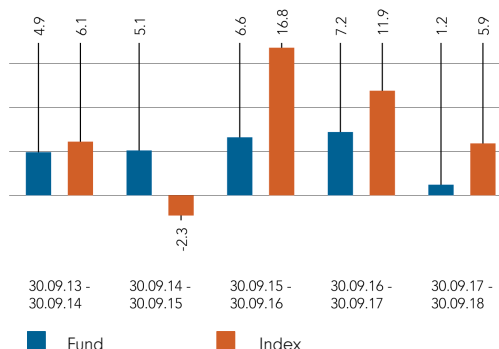
## Performance over quarter in GBP (%)

Fund	-3.1
Market index	-0.8

FTSE All Share TR

Market index is for comparative purposes only.

Source of fund performance is Fidelity. Basis: nav-nav with income reinvested, in GBP, net of fees. Other share classes may be available. Please refer to the prospectus for more details.



## Market Environment

UK equities declined during the third quarter, as investor sentiment was weighed down by uncertainty related to Brexit negotiations. Hopes for a softer Brexit suffered a setback as there was no breakthrough in talks between the UK and European Union (EU) at their summit meeting in Austria. Overall, there is some nervousness among investors as the deadline nears for the UK to exit the EU. In addition, concerns over an escalation of the trade war between the US and China and its impact on global growth hampered market sentiment. On a market-cap basis, mid-cap stocks, which are domestically focussed, were the biggest decliners amid an uncertain economic outlook. On the policy front, the Bank of England raised interest rates for the second time in a decade by a quarter of a percentage point, from 0.5% to 0.75%. This is the highest level since March 2009. The UK economy grew by 0.4% in the second quarter of 2018, despite Brexit-related uncertainty, mainly driven by strong growth in the services sector. Consumer price inflation rose more sharply than expected to 2.7% in August, the highest level in six months. Health care equities were the best performers during the period, largely benefiting from attractive valuations and strong earnings releases. Utilities stocks underperformed the broader market as UK bond yields rose during the quarter, given a pick-up in inflation.

## Fund Performance

The fund underperformed the index as key holdings in the industrials and consumer services sectors hampered returns.

## Key holdings disappointed despite good growth prospects

Shares in Associated British Foods fell as it reported weak profits from its sugar division due to ongoing weakness in sugar prices in the EU. The position was retained given its exposure to the attractive retail business through Primark, which has a long runway for growth. The holding in Hostelworld, a hostel-focused online booking platform, also held back gains.

## Notable contributors

The position in McCarthy was the top contributor to performance. The company is well positioned to take advantage of any improvement in the property market over the long term. Electronics and aerospace products manufacturer Meggitt rose after it lifted its revenue guidance for the year. Trading in the second quarter proved stronger than previously anticipated. The company also upgraded its guidance for the current financial year after recording strong growth across its civil aftermarket (which supplies spare parts and other services used in repair and maintenance), military and energy units.

## Fund Positioning

I look for undervalued companies that have the potential to witness an acceleration in growth. I prefer industry winners and strong franchises with good management teams that have the potential to deliver long-term returns.

## High-conviction positions in industrials

Plastic piping systems manufacturer Polypipe is a key holding in the portfolio as it has strong pricing power with good growth prospects. I like consumer credit reporting agency Experian as it is well-placed to take advantage of increased data proliferation and the use of analytics to drive decision making among business-to-business customers. It is also expanding into new industries (e.g. health care). I am positive on building materials distribution company Ferguson as it has a strong runway for growth. CRH, one of the largest building materials companies, is another key position in the fund. The stock is trading at a reasonable valuation and has an attractive growth profile. The company restructured its operations post the 2008 financial crisis and is now poised to benefit from expected infrastructure growth in the US and Europe.

## Positive on Crest Nicholson

The company has a strong balance sheet and high dividend yield. It is focusing on moving away from the slowing London market. Its high land bank and focus on operational efficiencies is likely to support its margins, even if the property market slows down in the short term.

## Important Information

Past performance is not a reliable indicator of future results. The fund's returns can be affected by fluctuations in currency exchange rates.

The value of investments and any income from them may go down as well as up and an investor may not get back the amount invested. The use of financial derivative instruments may result in increased gains or losses within the fund.



**Fidelity**  
INTERNATIONAL

## UNITED KINGDOM FUND A-GBP

30 SEPTEMBER 2018

## Attribution

Performance attribution is produced in the currency shown below. For funds with multiple share classes, the attribution return reflects the aggregate performance across all the share classes. It may therefore deviate from the published return for a particular share class. When using the analysis for hedged share classes, please consider that the attribution is shown before the impact of hedging.

The contributions shown in the tables are before the impact of charges. If charges are applied, their effect is captured in the "Other" category in the tables and will also be reflected in the fund return.

All investments, including derivatives, linked to a particular issuing company have been combined to form a total percentage for each issuing company.

The sector/industry and country contribution tables (where relevant) display a maximum of eleven individual sectors/industries or countries. For funds investing in more than eleven sectors/industries or countries, only top five and bottom five are listed, with the contribution from other sectors/industries or countries shown in the "Other Sectors" or "Other Countries" category.

Currency of attribution UK Sterling (GBP)

Three month relative return (%) -1.77

## Position Contribution (%)

3 months

	Average Relative Weight	Relative Performance Contribution		Average Relative Weight	Relative Performance Contribution
<b>TOP CONTRIBUTORS</b>			<b>TOP DETRACTORS</b>		
MCCARTHY & STONE PLC	2.8	0.93	ASSOCIATED BRITISH FOODS PLC	3.4	-0.53
MEGGITT PLC	3.8	0.55	IG GROUP PLC	2.4	-0.52
ENTERTAINMENT ONE LTD	2.5	0.33	HOSTELWORLD GROUP PLC	1.4	-0.41
SHIRE PLC	2.7	0.24	G4S	3.7	-0.31
HSBC HOLDINGS PLC	-5.7	0.22	WEIR GROUP PLC	3.0	-0.30
VODAFONE GROUP PLC	-1.9	0.19	FORTERRA PLC	2.1	-0.29
FERGUSON PLC	2.5	0.17	EDDIE STOBART LOGISTICS PLC	1.6	-0.27
TED BAKER PLC	1.9	0.14	HOWDEN JOINERY GROUP PLC	2.3	-0.27
EXPERIAN PLC	2.2	0.13	ASTRAZENECA PLC	-2.3	-0.26
MERLIN ENTERTAINMENTS PLC	2.1	0.12	ON THE BEACH GROUP PLC	1.6	-0.25

Positions in other funds - including ETFs (Exchange Traded Funds) - can appear in this table, but index derivatives form part of an "Index / Unclassified" category which will appear in the table(s) below when relevant.

## Sector/Industry Contribution (%)

3 months

## Country Contribution (%)

3 months

## CONTRIBUTIONS TO RELATIVE RETURN

	Average Relative Weight	Security Selection	Sector/ Industry Selection	Total Relative Contribution
<b>icb Industry</b>				
Utilities	-2.6	0.00	0.14	0.14
Telecommunications	-2.9	0.00	0.13	0.13
Consumer Goods	1.0	-0.17	0.18	0.02
Technology	-0.9	0.00	0.00	0.00
Health Care	-4.1	0.14	-0.16	-0.03
Basic Materials	-2.1	-0.11	-0.04	-0.15
Oil & Gas	-4.4	0.00	-0.19	-0.18
Financials	-13.6	-0.54	0.21	-0.33
Consumer Services	6.9	-0.59	0.04	-0.56
Industrials	21.7	-0.49	-0.36	-0.85

## CONTRIBUTIONS TO RELATIVE RETURN

	Average Relative Weight	Security Selection	Country Selection	Total Relative Contribution
Austria	0.0	0.00	0.00	0.00
United Kingdom	-0.9	-1.82	0.00	-1.82

<b>Total Primary Assets</b>	<b>-0.9</b>	<b>-1.76</b>	<b>-0.06</b>	<b>-1.82</b>	<b>Total Primary Assets</b>	<b>-0.9</b>	<b>-1.82</b>	<b>0.00</b>	<b>-1.82</b>
Other*	0.9			0.04	Other*	0.9			0.04
<b>TOTAL</b>	<b>0.0</b>			<b>-1.77</b>	<b>TOTAL</b>	<b>0.0</b>			<b>-1.77</b>

\*Other includes portfolio components not already listed such as cash, expenses and other miscellaneous items.

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