

Portfolio manager: Jing Ning

Performance for 12 month periods in USD (%)

Performance over quarter in USD (%)

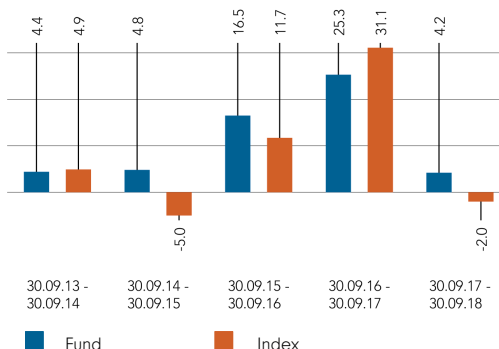
Fund -1.5

Market index -6.5

MSCI China Capped 10% (N)

Market index is for comparative purposes only.

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



Market Environment

Chinese equities declined over the quarter. Uncertainty around the economic impact of deleveraging and ongoing trade frictions with the US hurt investor sentiment. Against this backdrop, the rally in growth stocks reversed direction as investors rotated out of sectors that were trading at premium valuations. Leading internet companies slid as regulatory and competitive concerns, as well as earnings disappointments led to worries around their earnings prospects. Real estate stocks also declined. On a positive note, the oil & gas sector outperformed as rising crude oil prices supported their profitability prospects. Meanwhile, positive earnings growth buoyed telecommunications and banking stocks in a risk-off environment. Economic growth over the April-June period slowed slightly from the previous quarter, but remained on track to meet the government's full-year target. The growth in services activity also continued over the quarter. Meanwhile, policymakers have adopted a pro-growth stance through fiscal measures to support domestic demand against the backdrop of an uncertain external trade environment. For instance, authorities encouraged local governments to issue bonds to fund existing infrastructure projects and bolster economic activity.

Fund Performance

The fund outperformed the index in a quarter that saw discouraging headlines and macroeconomic concerns subdue investor sentiment. Nonetheless, some of my preferred holdings were among the leading contributors to performance. Their improving profitability prospects attracted investor interest amid a rotation away from growth stocks trading at premium valuations.

Conviction holdings added value

Railway equipment manufacturer Zhuzhou CRRC Times Electric was a key contributor to returns as locomotive orders recovered from trough levels due to rising demand for high speed trains. The exposure to China Mobile enhanced gains in light of its attractive valuations coupled with strong dividend yield. Its better-than-expected half-year earnings also supported sentiment.

Favourable operating environment supported energy stocks

Preferred holdings in CNOOC and China Petroleum and Chemical advanced in an environment of rising oil prices. The former's half-year results reflected strong cash flow generation and cost control. Firm oil prices supported an operational improvement in the latter's exploration and production segment, while improved domestic demand aided its refining and chemicals business earnings.

Short-term concerns held back Gree Electric

Gree Electric Appliances declined as weaker-than-expected dividend payout hurt its shares.

Fund Positioning

The fund is focused on opportunities arising from the long-term structural changes that are underway in China. As an aggregate of my security selection process, the fund is overweight in the energy, materials and consumer staples sectors. Conversely, it remained notably underweight in the internet, catalogue retail and interactive media & services areas of the market.

Conviction holdings retained

China Mobile has the leading market share in the mobile segment. It is trading at undemanding valuations, and has a strong balance sheet, industry leading margins and attractive dividend yield. Zhuzhou CRRC Times Electric's railway-related order book is likely to be supported by the government's push towards railway transportation. I also retain my conviction in resources-led holdings CNOOC and Anhui Conch Cement.

Favour high-quality financials

China Life Insurance is held as a beneficiary of structural growth in the Chinese insurance industry. It has a strong brand and distribution network. The company's focus on improving its product mix as well as its growing protection products business should increase the value of its new business. Large banks with relatively sound fundamentals such as Industrial and Commercial Bank of China, China Merchants Bank and Agricultural Bank of China are also among the key holdings in the portfolio. China Merchants Bank is held for its best-in-class retail banking business and good management team.

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. This fund invests in emerging markets which can be more volatile than other more developed markets. Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be difficult to sell.



Fidelity
INTERNATIONAL

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 US Dollar (USD)

Three month relative return (%) 5.31

Position Contribution (%)

3 months

	Average Relative Weight	Relative Performance Contribution		Average Relative Weight	Relative Performance Contribution
TOP CONTRIBUTORS			TOP DETRACTORS		
ZHUZHOU CRRC TIMES ELECTRIC CO LTD	2.3	0.53	PING AN INS GROUP CO CHINA LTD	-3.4	-0.58
JD COM INC	-1.6	0.50	GREE ELECTRIC APPLIANCES INC OF ZHUHAI	1.7	-0.21
CNOOC LTD	2.4	0.48	GUANGSHEN RAILWAY CO LTD	1.2	-0.20
LENOVO GROUP LTD	0.8	0.33	VIPSHOP HLDGS LTD	0.4	-0.17
SUNNY OPTICAL TEC(GROUP)CO LTD	-0.7	0.28	CHINA LIFE INSURANCE CO LTD	2.9	-0.14
SINOTRUK HONG KONG LTD	0.6	0.28	UNI-PRESIDENT CHINA HLDGS LTD	1.1	-0.14
CHINA MOBILE LTD	1.8	0.28	SKYWORTH DIGITAL HOLDINGS LTD	0.4	-0.13
CHINA PETROLEUM & CHEM CORP	1.4	0.27	FANG HLDGS LTD	0.4	-0.12
CHINA MERCHANTS BANK CO LTD	1.4	0.27	CHINA EVERGRANDE GROUP	-0.6	-0.11
TENCENT HLDGS LTD	-3.4	0.26	SINOPHARM GROUP CO LTD	-0.4	-0.10

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					CONTRIBUTIONS TO RELATIVE RETURN				
	Average Relative Weight	Security Selection	Sector/ Industry Selection	Total Relative Contribution		Average Relative Weight	Security Selection	Country Selection	Total Relative Contribution
GICS Sector					China	-7.2	5.07	0.00	5.07
Health Care	-1.5	0.24	0.71	0.95	Hong Kong	1.4	-0.03	-0.17	-0.20
Consumer Discretionary	-4.9	0.28	0.63	0.91					
Energy	5.2	-0.07	0.93	0.86					
Information Technology	-0.6	0.07	0.70	0.77					
Industrials	1.8	0.76	-0.21	0.55					
Real Estate	-0.1	0.49	0.00	0.48					
Materials	3.3	0.25	0.20	0.45					
Communication Services	-10.2	-0.57	1.00	0.43					
Utilities	-2.3	0.03	0.01	0.04					
Consumer Staples	1.9	-0.23	-0.03	-0.26					
Financials	1.6	-0.33	0.03	-0.30					
Total Primary Assets	-5.8	0.90	3.96	4.87	Total Primary Assets	-5.8	5.04	-0.18	4.87
Other*	5.8			0.44	Other*	5.8			0.44
TOTAL	0.0			5.31	TOTAL	0.0			5.31

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

Important Information

This information must not be reproduced or circulated without prior permission. Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America. Fidelity only offers information on its own products and services and does not provide investment advice based on individual circumstances. This communication is not directed at, and must not be acted upon by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required. Unless otherwise stated all products and services are provided by Fidelity International, and all views expressed are those of Fidelity International. Fidelity, Fidelity International, the Fidelity International logo and F symbol are registered trademarks of FIL Limited.

Morningstar annualised growth rates, total return, sector median performance and ranks - Data Source - © 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; 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.

Before investing you should read the key information document, which is available in your local language through the website www.fidelityinternational.com or from your distributor.

Austria: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our European Service Centre in Luxembourg, FIL (Luxembourg) S.A. 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg as well as with the Austrian paying agent UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Wien, FIL (Luxembourg) S.A. - Zweigniederlassung Wien, Mariahilfer Strasse 36, 1070 Wien or www.fidelity.at. Issued by FIL (Luxembourg) S.A.

Chile: Neither the issuer nor the securities have been registered with the Superintendencia de Valores y Seguros pursuant to law no. 18,045, the Ley de Mercado de Valores, and regulations thereunder. This document does not constitute an offer of, or an invitation to subscribe for or purchase, the securities in the republic of Chile, other than to individually identified buyers pursuant to a private offering within the meaning of article 4 of the Ley de Mercado de Valores (an offer that is not "addressed to the public at large or to a certain sector or specific group of the public").

Croatia: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our distributors, from our European Service Centre in Luxembourg, FIL (Luxembourg) S.A. 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg and from our paying agent Zagrebacka banka d.d., Trg bana Josipa Jelacica 10, 10000 Zagreb. Issued by FIL (Luxembourg) S.A.

Czech Republic: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available in your local language along with the current annual and semi-annual reports free of charge from our paying agent UniCredit Bank Czech Republic a.s., Železovská 1525/1, 14092 Prag 4 - Michle, Czech Republic. Issued by FIL (Luxembourg) S.A.

Denmark: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available in your local language along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank or from www.fidelity.dk. Issued by FIL (Luxembourg) S.A.

Finland: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank and from www.fidelity.fi. Issued by FIL (Luxembourg) S.A.

France: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank or visit the Fidelity website. Issued by FIL Gestion, a portfolio management company approved by the AMF under the number GP03-004, 29 rue de Berni, 75008 Paris.

Germany: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from FIL Investment Services GmbH, Postfach 200237, 60606 Frankfurt/Main or www.fidelity.de. Issued by FIL Investment Services GmbH.

Hungary: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our distributor Raiffeisenbank Zentralbank Österreich AG, Akadémia u. 6, 1054 Budapest. Issued by FIL (Luxembourg) S.A.

Iceland: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank. Issued by FIL (Luxembourg) S.A.

Italy: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank. Issued by FIL (Luxembourg) S.A.

Luxembourg: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our distributors or www.fidelity.lu. Issued by FIL (Luxembourg) S.A.

Malta: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from Growth Investments Limited (which is licensed by the MFSA). Fidelity Funds are promoted in Malta by Growth Investments Ltd in terms of the EU UCITS Directive and Legal Notices 207 and 309 of 2004. The Funds are regulated in Luxembourg by the Commission de Surveillance du Secteur Financier. Issued by FIL (Luxembourg) S.A.

Netherlands: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from FIL (Luxembourg) S.A., Netherlands Branch (registered with the AFM), World Trade Centre, Tower H, 6th Floor, Zuidplein 52, 1077 XV Amsterdam (tel. 0031 20 79 77 100) or from www.fidelity.nl. Fidelity Funds is authorised to offer participation rights in The Netherlands pursuant to article 2:66 (3) in conjunction with article 2:71 and 2:72 Financial Supervision Act. Issued by FIL (Luxembourg) S.A.

Norway: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank or from www.fidelity.no. Issued by FIL (Luxembourg) S.A.

Peru: Fidelity Funds SICAV has not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

Portugal: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge. Fidelity Funds is registered with the CMVM and the legal documents can be obtained from locally authorised distributors. Issued by FIL (Luxembourg) S.A.

Romania: Investments should be made on the basis of the current prospectus and KIID (key investor information document), which are available along with the current annual and semi-annual reports free of charge from our distributors and from our European Service Centre in Luxembourg, FIL (Luxembourg) S.A. 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg. The KIID is available in Romanian language. Issued by FIL (Luxembourg) S.A.

Slovakia: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our paying agent UniCredit Bank Slovakia, a.s., Sančova 1/A 81333, Slovakia. Issued by FIL (Luxembourg) S.A.

Spain: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge. For the purposes of distribution in Spain, Fidelity Funds is registered with the CNMV Register of Foreign Collective Investment Schemes under registration number 124, where complete information is available from Fidelity Funds authorised distributors. The purchase of or subscription for shares in Fidelity Funds shall be made on the basis of the KIID that investors shall receive in advance. The KIID is available for inspection at the offices of locally authorised distributors as well as at the CNMV. Issued by FIL (Luxembourg) S.A.

Sweden: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank, from our European Service Centre in Luxembourg, FIL (Luxembourg) S.A. 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg or from www.fidelity.se. Issued by FIL (Luxembourg) S.A.

Switzerland: Investments should be made on the basis of the current prospectus and KIID (key investor information document), which are available along with the current annual and semi-annual reports free of charge from our distributors, from FIL Luxembourg S.A. and from our legal representative and paying agent in Switzerland: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich. Issued by FIL Investment Switzerland AG authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority FINMA.

United Kingdom: Investments should be made on the basis of the KIID (key investor information document) which is available at www.fidelity.co.uk. The full prospectus may also be obtained from Fidelity. Please note that not all funds in the SICAV fund range are suitable for UK investors and tax advice should be sought before investing. Fidelity Funds is recognised under section 264 of the Financial Services and Markets Act 2000. Investors should note that loss caused by such recognised funds will not be covered by the provisions of the Financial Services Compensation Scheme (or by any similar scheme in Luxembourg) if the fund is unable to meet its obligations, however claims for loss in regards to such recognised funds against a Financial Conduct Authority authorised firm such as Fidelity will be. Issued by FIL Pensions Management, authorised and regulated by the Financial Conduct Authority and Financial Administration Services Limited, authorised and regulated by the Financial Conduct Authority.

United Arab Emirates: For the United Arab Emirates, the DFIC branch of FIL Distributors International Limited, is regulated by the DFSA for the provision of Arranging Deals in Investments only. All communications and services are directed at Professional Clients only. Persons other than Professional Clients, such as Retail Clients, are NOT the intended recipients of our communications or services. Investments should be made on the basis of the current prospectus and KIID (key investor information document), which are available along with the current annual and semi-annual reports free of charge from our distributors.

CL3631 CL1305203/NA English T1a



Fidelity
INTERNATIONAL