



Fidelity Canadian Equity Investment Trust

**Semi-Annual
Management Report of
Fund Performance**

December 31, 2011



Caution Regarding Forward-looking Statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

Semi-Annual Management Report of Fund Performance as at December 31, 2011 Fidelity Canadian Equity Investment Trust

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements for the investment fund. You can get a copy of the semi-annual financial statements at your request, and at no cost, by calling 1-800-263-4077, by writing to us at Fidelity Investments, 483 Bay St. Suite 300, Toronto ON M5G 2N7 or by visiting our website at www.fidelity.ca or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure relating to the investment fund.

Management Discussion of Fund Performance

Results of Operations

Units of this investment trust are only available for purchase by other Fidelity Funds and Pools and are not available for public purchase.

Fidelity Canadian Equity Investment Trust ("Fund"), Series O, returned -7.9% for the six-month period ended December 31, 2011. By way of comparison, the S&P/TSX Composite Index, broadly representative of the Canadian equity market, returned -8.9% for the same period. The Fund's outperformance is primarily attributable to investments in the energy and materials sectors. At the end of the period under review, the Fund had exposures of approximately 27.7% and 19.9% to the energy and materials sectors, respectively, which was similar to the weighting of these sectors in the benchmark index.

The specific benchmark, the S&P/TSX Capped Composite Index, is the same as the broad-based benchmark, except that it is adjusted quarterly so that no single security has a relative weight in the Index greater than 10%.

The Canadian stock market declined during the review period, amid uncertainty caused by the European debt crisis and concerns about China's outlook for economic growth. However, Canada's economic momentum remained robust in the latter part of 2011, with Canada's GDP growing in the third quarter at an annualized rate of 3.5%. A surge in exports helped to calm growing concern that the country was facing significantly slower growth or recessionary conditions.

Lead manager Andrew Marchese kept sector weightings closely in line with the benchmark, with security selection driving incremental returns. While the Fund is neutrally positioned at the sector level, the portfolio can deviate from the industry and company exposures of the benchmark.

The portfolio manager reduced exposure to select companies in the consumer discretionary sector, preferring to invest in companies that he had better conviction in, such as companies with more attractive business models. In the materials sector, exposure to the metals and mining industry was reduced, given an uncertain demand outlook. In the materials sector, Mr. Marchese is focusing on the "best in class" companies with strong management and production profiles. In the financials sector, exposure to select banks was reduced, based on an outlook for slowing growth in retail banking in Canada, in areas such as home mortgages and personal lending. As a result of consolidating investment positions, Mr. Marchese increased the Fund's cash holdings, which will be used to take advantage of attractive opportunities when they arise.

Recent Developments

Looking forward into 2012, the portfolio manager sees both risks and opportunities. He believes that policy error is one of the key risks to watch. In addition, three large macro factors that dominated 2011 will continue to be important to watch closely in the year 2012. These include policy decisions and changing growth in the U.S., China and Europe. However, if policy decisions move in the right direction, injections of liquidity could help direct the economy into a new market cycle. Canadian economic data over the past 3 months has been illustrative of a slowing Canadian economy. In this environment, the portfolio manager believes it is essential to focus on company fundamentals to understand the upside and downside implications of events and market movements for Canadian stocks.

The Fund's sector weightings remain closely aligned with the ten Global Industry Classification Standard sectors of the S&P/TSX Capped Composite Index, reflecting the team's intention to add return through selecting strong stocks, and not through active sector allocation relative to the market. However, a preference to own certain stocks may lead to an overweight, underweight or neutral position in various industries in each sector, relative to the Index.

As at December 31, 2011, the Fund's largest industry exposure was to the oil, gas and consumable fuels industry, accounting for 26.9% of total assets, followed by commercial banks, accounting for 19.4%. The real estate management and development industry ended the period accounting for the largest overweight, while the metals and mining industry accounted for the Fund's largest underweight exposure.

Accounting Standards

Changeover to International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) of the Canadian Institute of Chartered Accountants (CICA) had planned to adopt International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board, effective January 1, 2011. Subsequently, the AcSB deferred the adoption of IFRS for investment companies, which include investment funds. Investment companies may continue to apply existing GAAP standards until fiscal years beginning on or after January 1, 2014.

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Management Discussion of Fund Performance – continued

The manager is reviewing and developing a plan to meet the above timetable for changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of presentations and disclosures in the financial statements of the Fund. Currently, two significant areas that may impact the presentation are IAS 32 Financial Instruments: Presentation, and IAS 27 Consolidated and Separate Financial Statements. The manager is currently assessing the Fund's unitholder structure and investments to determine the impact of these standards. The manager has currently not identified any changes that will impact net asset value per unit (NAVPU) as a result of the changeover to IFRS. However, this present determination is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

Related Party Transactions

Manager and Portfolio Advisor

The Fund is managed by Fidelity Investments Canada ULC (Fidelity). Fidelity is a wholly-owned subsidiary of FMR LLC. FMR LLC is the parent company of a group of subsidiaries collectively known as Fidelity Investments.

Fidelity provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, bookkeeping, record-keeping and other administrative services for the Fund.

Pyramis Global Advisors, LLC (Pyramis), an affiliate of Fidelity, provides investment advice to the Fund. Pyramis has entered into a sub-advisory agreement with Pyramis Canada ULC; an affiliate of Fidelity, to provide investment advice with respect to all or a portion of the investments of the Fund. Pyramis provides investment advice with respect to the Fund's investment portfolio and arranges for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements.

The Fund is only offered in Series O units and is not available for public purchase. The Fund was created as an underlying investment trust for the FCSC Private Pools. This Fund does not pay management and advisory fees.

Brokerage Commissions

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of Fidelity, including National Financial Services LLC, provided it determines that these affiliates' trade execution abilities and costs are comparable to those of non-affiliated, qualified brokerage firms, on an execution-only basis. Commissions paid to brokerage firms that are affiliates of Fidelity were \$0 for the period ended December 31, 2011. Fidelity receives standing instructions from the IRC in respect of policies and procedures governing best execution, which includes brokers affiliated to Fidelity, at least once per year.

Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the period end of the years shown. This information is derived from the Fund's audited annual and/or unaudited semi-annual financial statements. Please see the front page for information about how you can obtain the Fund's annual or semi-annual financial statements.

Series O

	Six-months ended December 31, 2011	2011	Periods ended June 30, 2010	2009 ^B
The Series' Net Assets per Unit				
Net assets, beginning of period ^{C, H}	\$ 16.4870	\$ 14.1676	\$ 12.7670	\$ 10.0000
Increase (decrease) from operations:				
Total revenue	.1828	.3794	.3738	.2056
Total expenses	—	—	—	—
Realized gains (losses)	(.1097)	.5203	.2887	.1751
Unrealized gains (losses)	(1.3403)	1.3777	(.2026)	3.0827
Total increase (decrease) from operations^C	(1.2672)	2.2774	.4599	3.4634
Distributions:				
From income (excluding dividends)	(.0102)	(.0377)	(.0275)	(.0032)
From dividends	(.3233)	(.2212)	(.1130)	(.0084)
From capital gains	(.0680)	(.2610)	(.0631)	(.0016)
Return of capital	—	—	—	—
Total distributions^{C, D}	(.4015)	(.5199)	(.2036)	(.0132)
Net assets, end of period^{C, H}	\$ 14.7959	\$ 16.4870	\$ 14.1676	\$ 12.7670
Ratios and Supplemental Data				
Net asset value (000s) ^E	\$ 310,574	\$ 323,288	\$ 150,367	\$ 28,165
Units outstanding ^E	20,961,585	19,566,669	10,608,609	2,201,926
Management expense ratio ^A	—%	—%	—%	—%
Management expense ratio before waivers or absorptions ^A	—%	—%	—%	—%
Portfolio turnover rate ^F	7%	66%	27%	18%
Trading expense ratio ^G	.03%	.19%	.16%	.30%
Net asset value per unit, end of period	\$ 14.8163	\$ 16.5224	\$ 14.1740	\$ 12.7909

^A No fees are charged to the Series.

^B For the period October 31, 2008 (inception date) to June 30, 2009.

^C Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

^D Distributions were paid in cash or reinvested in additional units of the Fund, or both.

^E This information is provided as at period end of the year shown.

^F The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of the portfolio securities, excluding short-term securities.

^G The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

^H The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

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Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance was changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



^A Since the Commencement of Operations, from November 24, 2008 to June 30, 2009.

^B For the period July 1, 2011 to December 31, 2011.

Summary of Investment Portfolio as at December 31, 2011

Asset Mix

	% of Fund's Net Assets
Canadian Equities	95.8
Foreign Equities	0.1
Cash and Cash Equivalents	4.2
Net Other Assets (Liabilities)	(0.1)

Sector Mix

	% of Fund's Net Assets
Financials	27.7
Energy	27.7
Materials	19.9
Telecommunication Services	5.6
Industrials	5.2
Consumer Discretionary	2.7
Consumer Staples	2.5
Health Care	1.7
Information Technology	1.6
Utilities	1.3
Cash and Cash Equivalents	4.2
Net Other Assets (Liabilities)	(0.1)

Top 25 Issuers

	% of Fund's Net Assets
1. The Toronto-Dominion Bank	6.6
2. Barrick Gold Corp.	5.0
3. Enbridge, Inc.	4.5
4. Cash and Cash Equivalents	4.2
5. Suncor Energy, Inc.	4.2
6. Goldcorp, Inc.	3.7
7. Canadian Natural Resources Ltd.	3.3
8. Potash Corp. of Saskatchewan, Inc.	3.3
9. Canadian National Railway Co.	3.3
10. TransCanada Corp.	2.8
11. Bank of Nova Scotia	2.7
12. Bank of Montreal	2.7
13. Cenovus Energy, Inc.	2.6
14. Royal Bank of Canada	2.4
15. Talisman Energy, Inc.	2.3
16. Canadian Imperial Bank of Commerce ...	2.1
17. National Bank of Canada	2.1
18. BCE, Inc.	2.1
19. Rogers Communications, Inc.	1.9
20. Brookfield Asset Management, Inc.	1.7
21. TELUS Corp.	1.6
22. Keyera Corp.	1.5
23. Valeant Pharmaceuticals International, Inc.	1.4
24. Intact Financial Corp.	1.4
25. Baytex Energy Corp.	1.3
	70.7

Total Fund Net Assets \$310,145,000

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent annual report, semi-annual report, quarterly report or simplified prospectus for the investment fund and/or underlying fund is available at no cost, by calling 1-800-263-4077, by writing to us at Fidelity Investments Canada ULC, 483 Bay St. Suite 300, Toronto ON M5G 2N7 or by visiting our web site at www.fidelity.ca or SEDAR at www.sedar.com.



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