



# **Fidelity Global Disciplined Equity<sup>®</sup> Currency Neutral Fund**

**Semi-Annual Management  
Report of Fund  
Performance**  
September 30, 2010



## **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 September 30, 2010**

## **Fidelity Global Disciplined Equity® Currency Neutral Fund**

*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 200, Toronto ON M5G 2N7 or by visiting our website at [www.fidelity.ca](http://www.fidelity.ca) or SEDAR at [www.sedar.com](http://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**

Fidelity Global Disciplined Equity® Currency Neutral Fund ("Fund"), Series O, returned -1.9% for the six-month period ending September 30, 2010. By way of comparison, the MSCI All Country World Index – Hedged CAD, broadly representative of world equities, returned -2.3% (in Canadian dollar terms). The Fund's outperformance of the benchmark can be primarily attributed to security selection in Europe. In addition, the Fund's outperformance is also attributable to its currency neutral strategy, which is to hedge against exchange rate fluctuations. The Fund ended the period with about 26% of its holdings in Europe, in-line with the benchmark weight. In terms of sector and regional positioning, the Fund is managed with a neutral approach, allowing stock selection to be the primary driver of returns. While the Fund is neutrally positioned at the sector level, the industry group allocations deviated from the benchmark.

During the second quarter of 2010, worries about a potential sovereign debt crisis, first in Greece, and then in Portugal and Spain, weighed heavily on global equity markets; investors fled riskier assets in favour of U.S. government bonds and cash. A crisis was averted through joint intervention by the European Monetary Union and the International Monetary Fund, which pledged a rescue package and provided markets with additional liquidity through central bank facilities. Persistent weakness in U.S. employment numbers also weighed on investor sentiment.

In China, economic indicators showed signs of moderation, but remained firmly in expansionary territory. Nevertheless, equity investors remained cautious about the potential impact on economic growth of efforts by the Chinese government to implement structural reforms and withdraw its stimulus measures.

During the third quarter of 2010, there was a recovery in Europe, despite concerns surrounding sovereign debt problems in the eurozone. Emerging markets continued to perform well, and while the world is still grappling with the fear of a slowing economic recovery, central bank policy makers are expected to allow more quantitative easing.

During the period under review, the Fund's exposure to the consumer discretionary sector was increased, particularly to the retailing industry, to take advantage of attractively valued companies that are benefiting from robust discretionary spending. In the information technology sector, assets were shifted from U.S. software companies to U.S. technology hardware companies, to take advantage of improving fundamentals and attractive valuations for technology hardware stocks. There were also some concerns about short-term revenue and earnings for software companies. The portfolio managers also focused on themes such as improving PC demand and are investing in semiconductor capital equipment manufacturers that stand to benefit as PC manufacturing capacity expands. Exposure to the financials sector was increased during the period, particularly to diversified financials companies. The U.S. sector portfolio manager is more optimistic than a year ago, but remains cautious about commercial real estate exposure; as a result, the manager continues to avoid smaller regional banks in favour of larger, more diversified banks. This defensive positioning has been balanced with increased exposure to companies that are more leveraged to the capital markets, such as asset management and exchanges. In the telecommunication services sector, the manager added exposure to select stocks that exhibited favourable risk/reward characteristics and attractive relative valuations. Exposure to defensive sectors, such as health care and utilities, fell during the period.

From a regional perspective, exposure to Europe rose during the period; markets rebounded as concerns about the eurozone sovereign debt crisis subsided and signs of encouraging company earnings provided market support. The Fund's exposure to Canada also rose, owing to the relative strength of its economy.

### **Recent Developments**

Lead portfolio manager Michael Strong noted that global leading indicators suggest slowing global economic growth. Europe remained a concern, due to aggressive fiscal tightening that could threaten growth, particularly in the eurozone periphery. Economic concerns about the U.S. remained, and both fiscal and monetary policies are expected to remain loose. Japan showed signs of recovery, but faced a volatile currency and deflation fears. Opinions on Asia (ex Japan) are mixed: although a slowdown in China and a slowing rate of company earnings would likely pressure surrounding economies and stock prices in the region, respectively, domestic demand remained resilient, and unemployment rates remained relatively low. Emerging markets benefited from strong growth and lower debt levels, these markets may not be immune to a global slowdown. Canada still enjoys a relatively stronger financial sector and better consumer sentiment, and longer-term demand for raw materials will likely benefit its economy.

In the current scenario, the portfolio managers' fundamental approach is to seek companies that offer fundamental upside and balance sheet strength and that have attractive relative valuations.

## **Fidelity Global Disciplined Equity® Currency Neutral Fund Management Discussion of Fund Performance – continued**

U.S. subportfolio manager John Power is encouraged by continued accommodative monetary policy in the U.S., which contributed to improved sentiment as the quarter progressed. Credit spreads have come down considerably, resulting in improved access to the debt markets. Mr. Power continues to see improvements in corporate earnings strength and believes companies will continue to beat expectations. The portfolio manager and his team are focusing on select large-cap stocks that are competitive leaders in their industry groups. The sector weightings remain closely aligned with those of the benchmark, reflecting the team's intention to add value through stock selection, not macro-level sector calls.

During the period, international subportfolio manager César Hernández focused on identifying strong and attractively valued companies, while attempting to keep the sector and regional exposures neutral. He has kept the subportfolio neutrally positioned, relative to sector and regional exposure, while focusing on stock selection to drive relative performance.

As at September 30, 2010, the Fund's largest absolute exposure was to the financials sector, followed by the information technology sector. Geographically, the U.S. accounted for the largest absolute exposure, at over 37% of the Fund's primary assets.

### **Independent Review Committee**

Michael Hayes retired from the Independent Review Committee on February 22, 2010, and Salvatore Tino was appointed on the same date for a term of three years.

### **Harmonized Sales Tax (HST)**

The governments of Ontario and British Columbia have harmonized the provincial sales tax with the federal goods and services tax. This resulted in an increase in the management expense ratio of each Series of the Fund effective July 1, 2010.

### **Accounting Standards**

#### *Changeover to International Financial Reporting Standards*

The Canadian Accounting Standards Board ("AcSB") confirmed its plan to adopt International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, effective January 1, 2011. In September 2010, the Accounting Standards Board (AcSB) of the CICA approved a one year deferral of 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, 2012. For the Fund, IFRS will apply to semi-annual and annual financial statements for fiscal years beginning on or after January 1, 2012.

The manager is reviewing and developing a plan to meet the timetable published by the Canadian Institute of Chartered Accountants (CICA) for changeover to International Financial Reporting Standards (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.

#### *Amendments to Section 3862 Financial Instruments – Disclosures*

The AcSB of the CICA recently issued an amendment to CICA Handbook, Section 3862: Financial Instruments – Disclosures. The new financial reporting standards are effective for annual financial statements relating to fiscal years ending after September 30, 2009. The amendments require that an entity disclose the classification, for each class of financial instrument, of fair value measurements within a fair value hierarchy. The hierarchy includes three levels: Level 1, quoted prices in active markets; Level 2, measurements determined using valuation methods that employ observable inputs; and Level 3, measurements determined using valuation models that employ unobservable inputs.

## **Related Party Transactions**

### **Manager and Portfolio Adviser**

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 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 does not pay management and advisory fees.

# Financial Highlights

The following tables show selected key financial information about the Fund and are 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 September 30, 2010	Period ended March 31, 2010 <sup>B</sup>
<b>The Series' Net Assets per Unit</b>		
Net assets, beginning of period <sup>C, H</sup>	\$ 10.4006	\$ 10.0000
<b>Increase (decrease) from operations:</b>		
Total revenue	—	.1260
Total expenses	—	—
Realized gains (losses)	(.1337)	.1306
Unrealized gains (losses)	(.0594)	.2720
<b>Total increase (decrease) from operations<sup>C</sup></b>	<b>(.1931)</b>	<b>.5286</b>
<b>Distributions:</b>		
From income (excluding dividends)	—	(.1282)
From dividends	—	—
From capital gains	—	—
Return of capital	—	—
<b>Total distributions<sup>C, D</sup></b>	<b>—</b>	<b>(.1282)</b>
<b>Net assets, end of period<sup>C, H</sup></b>	<b>\$ 10.2074</b>	<b>\$ 10.4006</b>
<b>Ratios and Supplemental Data</b>		
Net asset value (000s) <sup>E</sup>	\$ 517	\$ 527
Units outstanding <sup>E</sup>	50,637	50,637
Management expense ratio <sup>A</sup>	—%	—%
Management expense ratio before waivers or absorptions <sup>A</sup>	—%	—%
Portfolio turnover rate <sup>F</sup>	5%	2%
Trading expense ratio <sup>G</sup>	.32%	.37%

<sup>A</sup> No fees are charged to the Series.

<sup>B</sup> For the period November 2, 2009 to March 31, 2010.

<sup>C</sup> 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.

<sup>D</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>E</sup> This information is provided as at period end of the year shown.

<sup>F</sup> 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.

<sup>G</sup> 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, based on the Fund's pro-rata share of estimated trading costs incurred in each Underlying Fund.

<sup>H</sup> The net assets per unit is calculated in accordance with Section 3855 of the CICA Handbook.

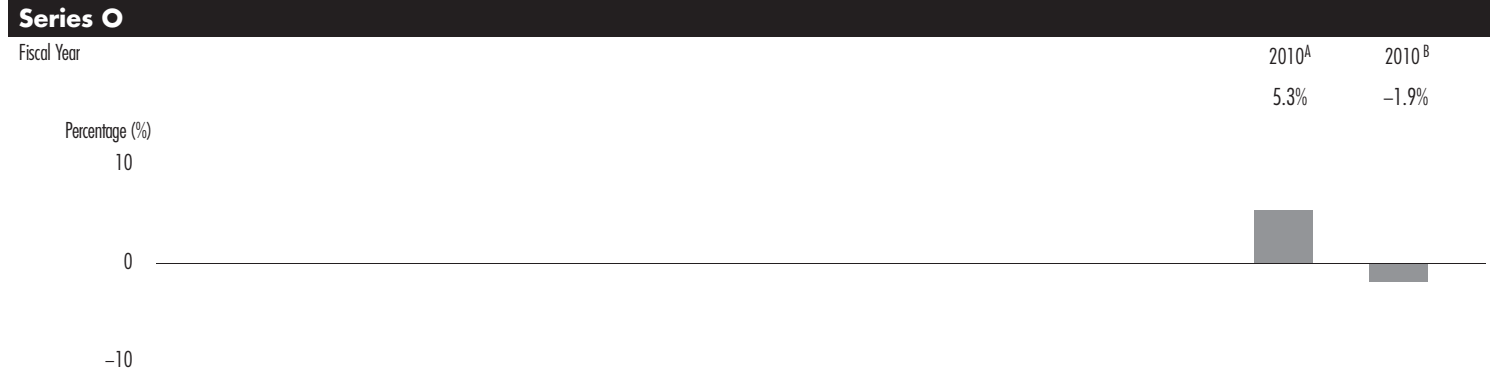
# Fidelity Global Disciplined Equity® Currency Neutral Fund

## Past Performance

The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment 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 investment 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 investment fund's annual performance for each of the years shown, and illustrates how the investment 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.



<sup>A</sup> Since the Commencement of Operation, from November 16, 2009 to March 31, 2010.

<sup>B</sup> For the period April 1, 2010 to September 30, 2010.

# Summary of Investment Portfolio as at September 30, 2010

## Asset Mix

	% of Fund's Net Assets
Foreign Equities .....	92.0
Canadian Equities .....	4.6
Cash and Cash Equivalents .....	2.1
Net Other Assets (Liabilities) .....	1.3
Forward Foreign Currency Contracts .....	1.3

Each derivative percentage is calculated by dividing the net unrealized gain/loss of all derivatives held as at period end by total net assets.

## Sector Mix

	% of Fund's Net Assets
Financials .....	21.3
Information Technology .....	11.9
Consumer Discretionary .....	10.6
Energy .....	10.2
Industrials .....	9.9
Consumer Staples .....	8.9
Materials .....	8.5
Health Care .....	7.6
Telecommunication Services .....	4.4
Utilities .....	3.3
Cash and Cash Equivalents .....	2.1
Net Other Assets (Liabilities) .....	1.3

## Geographic Mix

	% of Fund's Net Assets
United States of America .....	37.2
Japan .....	8.2
United Kingdom .....	8.0
Canada .....	4.6
Switzerland .....	3.8
France .....	3.5
Germany .....	3.4
Australia .....	3.1
Brazil .....	2.4
Korea (South) .....	1.9
India .....	1.6
Italy .....	1.5

South Africa .....	1.5
Netherlands .....	1.4
Hong Kong .....	1.4
China .....	1.4
Taiwan .....	1.2
Russia .....	1.0
Spain .....	1.0
Others (Individually Less Than 1%) .....	8.5
Cash and Cash Equivalents .....	2.1
Net Other Assets (Liabilities) .....	1.3

## Top 25 Issuers

	% of Fund's Net Assets
1. Cash and Cash Equivalents .....	2.1
2. Apple, Inc. ....	1.6
3. Google, Inc. ....	1.1
4. Procter & Gamble Co. ....	1.1
5. JPMorgan Chase & Co. ....	1.1
6. Nestle SA .....	0.9
7. Royal Dutch Shell PLC .....	0.9
8. Pfizer, Inc. ....	0.8
9. CVS Caremark Corp. ....	0.8
10. Cummins, Inc. ....	0.8
11. Merck & Co., Inc. ....	0.7
12. American Electric Power Co., Inc. ....	0.7
13. HSBC Holdings PLC .....	0.7
14. Microsoft Corp. ....	0.6
15. Goldcorp, Inc. ....	0.6
16. ConAgra Foods, Inc. ....	0.6
17. Dell, Inc. ....	0.6
18. Vodafone Group PLC .....	0.6
19. ENI SpA .....	0.6
20. Citigroup, Inc. ....	0.6
21. Chevron Corp. ....	0.5
22. Schlumberger Ltd. ....	0.5
23. Newfield Exploration Co. ....	0.5
24. Siemens AG .....	0.5
25. Toronto-Dominion Bank .....	0.5
	20.0

Total Fund Net Assets \$517,000

The information in the above tables is based on the Fund's pro-rata share of the investment in the Underlying Fund.

The summary of investment portfolio may change due to ongoing portfolio transactions of the underlying 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 200, Toronto ON M5G 2N7 or by visiting our web site at www.fidelity.ca or SEDAR at www.sedar.com.









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