



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

**Semi-Annual Management  
Report of Fund  
Performance**  
September 30, 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 September 30, 2011

## Fidelity International 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 300, 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 International Disciplined Equity® Currency Neutral Fund ("Fund") invests substantially all of its assets in units of its underlying fund, Fidelity International Disciplined Equity® Fund ("Underlying Fund").

Fidelity International Disciplined Equity® Currency Neutral Fund, Series O, returned -18.4%, after fees and expenses, for the six-month period ending September 30, 2011. By way of comparison, the MSCI World Index, broadly representative of world equities, returned -10.3% (in Canadian dollar terms). The Fund's underperformance of the broad-based benchmark was primary attributable to its holdings in emerging markets and in Europe (ex U.K.).

The Fund's benchmark, the MSCI ACWI (All Country World) ex USA Index – Hedged CAD, returned -17.0% for the six-month period under review. The Fund's underperformance of the benchmark was primarily attributable to stock selection in the financials and energy sectors. At the end of the period, the Fund had exposures of 21.9% to financials and 10.4% to energy, compared with the benchmark weightings of 23.4% and 10.9%, respectively.

During the review period, markets remained volatile, due to increasing uncertainty about the prospects for a resolution to the sovereign debt crisis in Europe and a weak outlook for global economic growth. The European Central Bank introduced liquidity measures to help support the region's banking system, while the Federal Reserve implemented a program of buying government bonds of intermediate and longer term maturities in an effort to bring down long-term interest rates and keep borrowing costs affordable. U.S. President Barack Obama proposed a package of tax cuts and spending plans aimed at creating jobs, in response to persistent high rates of unemployment in the U.S. Efforts to tighten monetary policies in emerging markets such as China and India have begun to slow their economic growth, causing oil and other commodity prices to decline. Gold prices declined in September but still managed to finish up nearly 13% for the period.

During the period under review, the Fund engaged in forward contracts, in a manner consistent with its investment objective and strategies, to hedge as completely as possible against the effect of currency fluctuations on the Fund's investment returns. The use of forward contracts in this manner does not completely eliminate the impact of currency fluctuations on returns. The Fund's returns will differ from the local currency returns of the Fund's underlying investments.

The Underlying Fund's investment objective of achieving long-term capital growth by investing in equity securities outside of the U.S. remains unchanged. In terms of sector and regional positioning, the Underlying Fund is managed with a neutral approach, allowing stock selection to be the primary driver of returns. While the Underlying Fund is neutrally positioned at the sector level, the industry group allocations modestly deviated from those of the benchmark.

During the review period, portfolio manager César Hernández positioned the Underlying Fund defensively, owing to concerns about slower global growth. In the consumer staples sector, the Underlying Fund's exposure to the food beverage and tobacco industry was increased, while exposure to the household and personal products industry was decreased. In the health care sector, the Underlying Fund's exposure to the pharmaceutical, biotech and life sciences industry was also increased. In the consumer discretionary sector, the Underlying Fund's holdings in select retailers were increased; the manager focused on companies that are generating high margins, driven by strong sales in emerging markets. In general, the manager looked for select stocks that exhibited favourable risk/reward characteristics and attractive relative valuations. The manager remained cautious about the financials sector, particularly banks in Europe, due to heightened concerns about the sovereign debt crisis. Exposure to the materials sector was also reduced during the period.

In terms of regional exposure, the Underlying Fund's exposures remained mainly in line with the benchmark. The geographic allocations are a by-product of the manager's bottom-up fundamental stock selection process, reflecting the manager's intent to add value through stock selection, not macro-level calls.

### Recent Developments

During the period, portfolio manager César Hernández focused on strong and attractively valued companies. He has kept the Underlying Fund neutrally positioned, in terms of sector and regional exposure, while focusing on stock selection to drive the Underlying Fund's relative performance.

The Underlying Fund's sector weightings remain closely aligned with those of the ten Global Industry Classification Standard sectors of the MSCI ACWI (All Country World) ex USA Index, reflecting the team's intention to add value through stock selection, not through active sector

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

allocation relative to the market. However, stock selection may drive modest positive or negative allocations, relative to the Index, at the industry level. Active stock selection resulted in an overweight position in the consumer discretionary sector at the end of the period, particularly in the retailing industry. The Underlying Fund's largest underweight was in the utilities sector. The financials sector, particularly the banking industry, continued to account for the Underlying Fund's largest absolute exposure, followed by the materials sector.

As at September 30, 2011, in terms of regional allocation, Europe (ex UK) accounted for the Underlying Fund's largest regional exposure, followed by the emerging markets.

### **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. In January 2011, 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, 2013.

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 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.

	Six-months ended September 30, 2011	Periods ended March 31, 2011	2010 <sup>B</sup>
<b>The Series' Net Assets per Unit</b>			
Net assets, beginning of period <sup>C,H</sup>	\$ 10.2910	\$ 10.1388	\$ 10.0000
<b>Increase (decrease) from operations:</b>			
Total revenue	.0002	.2292	.2191
Total expenses	—	—	—
Realized gains (losses)	(.3566)	.1098	.3100
Unrealized gains (losses)	(1.5358)	.3936	(.1667)
<b>Total increase (decrease) from operations<sup>C</sup></b>	<b>(1.8922)</b>	<b>.7326</b>	<b>.3624</b>
<b>Distributions:</b>			
From income (excluding dividends)	—	—	—
From dividends	—	(.2334)	(.2234)
From capital gains	—	(.3521)	—
Return of capital	—	—	—
<b>Total distributions<sup>C,D</sup></b>	<b>—</b>	<b>(.5855)</b>	<b>(.2234)</b>
<b>Net assets, end of period<sup>C,H</sup></b>	<b>\$ 8.3988</b>	<b>\$ 10.2910</b>	<b>\$ 10.1388</b>
<b>Ratios and Supplemental Data</b>			
Net asset value (000s) <sup>E</sup>	\$ 454	\$ 556	\$ 518
Units outstanding <sup>F</sup>	54,066	54,066	51,130
Management expense ratio <sup>A</sup>	—%	—%	—%
Management expense ratio before waivers or absorptions <sup>A</sup>	—%	—%	—%
Portfolio turnover rate <sup>F</sup>	—%	6%	1%
Trading expense ratio <sup>G</sup>	.25%	.23%	.30%
Net asset value per unit, end of period	\$ 8.3988	\$ 10.2910	\$ 10.1388

<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.

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

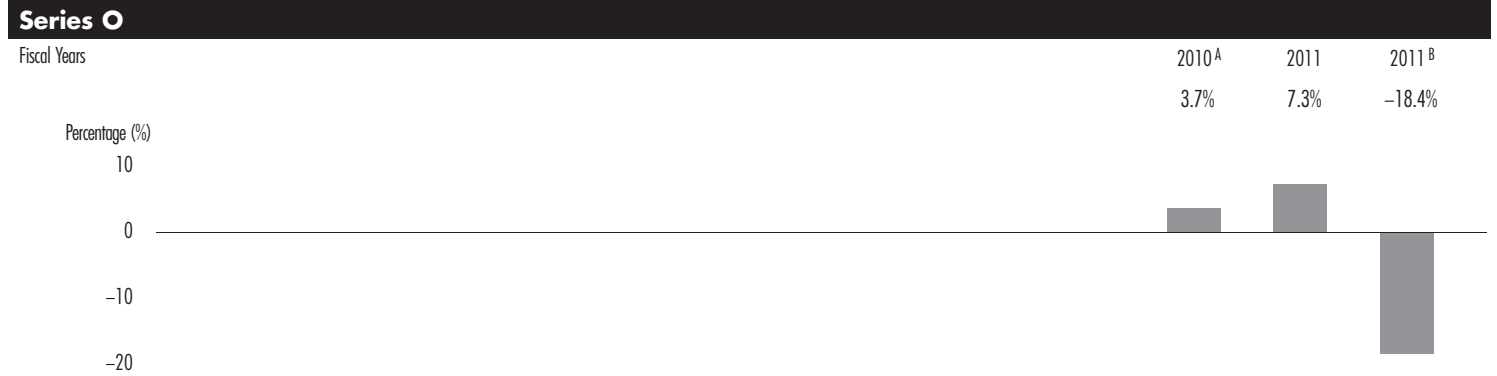
# Fidelity International Disciplined Equity® Currency Neutral Fund

## 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 Operations, from November 16, 2009 to March 31, 2010.

<sup>B</sup> For the period April 1, 2011 to September 30, 2011.

# Fidelity International Disciplined Equity® Currency Neutral Fund

## Summary of Investment Portfolio as at September 30, 2011

### Asset Mix

	% of Fund's Net Assets
Foreign Equities .....	88.6
Canadian Equities .....	7.9
Cash and Cash Equivalents .....	2.5
Net Other Assets (Liabilities) .....	1.0
Forward Foreign Currency Contracts .....	1.5

*Forward Foreign Currency Contracts percentage is calculated by dividing the net unrealized gain/loss of all contracts held by total net assets.*

### Sector Mix

	% of Fund's Net Assets
Financials .....	21.9
Materials .....	11.1
Energy .....	10.4
Consumer Discretionary .....	10.0
Consumer Staples .....	10.0
Industrials .....	8.4
Telecommunication Services .....	7.4
Health Care .....	7.4
Information Technology .....	7.0
Utilities .....	2.9
Cash and Cash Equivalents .....	2.5
Net Other Assets (Liabilities) .....	1.0

### Geographic Mix

	% of Fund's Net Assets
Japan .....	15.3
United Kingdom .....	13.8
Canada .....	7.9
France .....	6.1
Switzerland .....	5.9
Australia .....	5.6
Germany .....	5.4
Korea (South) .....	4.0
Brazil .....	3.6
Netherlands .....	2.4
Hong Kong .....	2.2
Taiwan .....	1.9
India .....	1.9
Russia .....	1.6
South Africa .....	1.4
Italy .....	1.3
Spain .....	1.3
China .....	1.3
Thailand .....	1.3
Denmark .....	1.2
Cayman Islands .....	1.1
Bailiwick of Jersey .....	1.0
Sweden .....	1.0
Belgium .....	1.0
Norway .....	1.0
Others (Individually Less Than 1%) .....	6.0
Cash and Cash Equivalents .....	2.5
Net Other Assets (Liabilities) .....	1.0

### Top 25 Issuers

	% of Fund's Net Assets
1. Cash and Cash Equivalents .....	2.5
2. Nestle SA .....	2.0
3. Royal Dutch Shell PLC .....	1.8
4. Roche Holding AG .....	1.2
5. Vodafone Group PLC .....	1.1
6. Sanofi-aventis .....	1.0
7. HSBC Holdings PLC .....	1.0
8. The Toronto-Dominion Bank .....	0.9
9. British American Tobacco PLC .....	0.9
10. Unilever NV .....	0.9
11. BG Group PLC .....	0.8
12. Shire PLC .....	0.8
13. Swisscom AG .....	0.8
14. Sumitomo Mitsui Financial Group, Inc. ...	0.8
15. Samsung Electronics Co. Ltd. ....	0.8
16. Australia & New Zealand Banking Group Ltd. ....	0.7
17. Commonwealth Bank of Australia .....	0.7
18. GlaxoSmithKline PLC .....	0.7
19. Novo Nordisk A/S .....	0.7
20. Siemens AG .....	0.7
21. Bank of Montreal .....	0.6
22. SAP AG .....	0.6
23. Hyundai Motor Co. ....	0.6
24. Saipem SpA .....	0.6
25. AngloGold Ashanti Ltd. ....	0.6
	23.8

Total Fund Net Assets \$454,000

*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 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](http://www.fidelity.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).









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