



FUND APPROACH AND STYLE

Fidelity Funds International Fund is a global equity fund and performance is measured against the MSCI World Index. The fund manager adopts a two-tier approach to managing the fund, separating the asset allocation and stock selection decisions. Assets are allocated among the markets of the UK, Europe, North America, Asia and Japan. The Fund Manager sets the overall strategy following the recommendations of the 'Asset Allocation Group' while taking into account the fund's benchmark and investment objective.

The fund manager then delegates stock selection in each region to four specialist fund managers who are responsible for selecting individual companies for inclusion in the portfolio. This dual-level approach allows investors in the fund to benefit from the expertise of many of Fidelity's most experienced investment professionals and gaining regional investment expertise.

The fund comprises close to 500 securities across the world's stockmarkets. In terms of the portfolio's geographical split, the amount invested is roughly in-line with the relative sizes of the major equity markets around the world. The resulting portfolio provides diversity in terms of investment style, company size, as well as geography.

Fidelity's core strength lies in stock picking and this is reflected in the management of the fund. We believe taking a large number of small decisions carries a higher probability of success than taking significant asset allocation positions versus the benchmark. The fund manager will not deviate substantially from the benchmark in terms of country exposure. Regional allocation will normally remain within +/-3% of the benchmark and the maximum deviation is 5%.

The fund manager seeks to harness Fidelity's stockpicking expertise to aid the allocation decision. We believe contacts at the company level are often the lead indicator of a country's economic condition position and, as such asset allocation is essentially an extension of Fidelity's bottom-up stockpicking process. Regional asset allocation decisions are made after a careful review of the results of bottom-up research, considering factors such as:

Where we see the most buy ratings from our analysts and in which regions are they improving?

How are Fidelity's forecasts for earnings changing and how they compare with the consensus?

In addition, we look at the technical situation for each market, including issues such as momentum, supply and demand and investor sentiment. From this analysis we can determine the regions in which we anticipate better than expected earnings growth, which could be the basis for favouring those regions.

PERFORMANCE in fund currency

	YTD	6 mnths	1 yr	3 yrs	5 yrs	10 yrs	Since 31.12.91
Fund cumulative growth	-5.6%	-13.5%	-27.7%	-21.3%	25.5%	127.6%	127.6%
Index cumulative growth	-3.0%	-8.6%	-20.9%	-14.4%	24.2%	113.7%	109.3%
Fund annualised growth	-	-	-27.7%	-7.7%	4.7%	8.6%	8.5%
Index annualised growth	-	-	-20.9%	-5.0%	4.4%	7.9%	7.6%
Value of \$2,500 invested	2,241	2,054	1,717	1,871	2,982	5,406	5,406

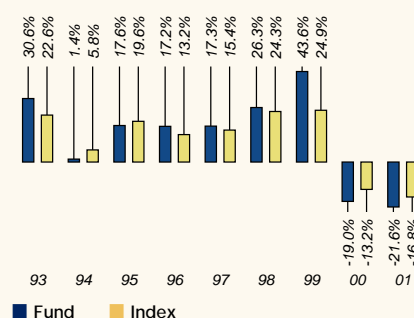
Ranking within Global Equity Funds Sector

Position of fund	277	320	225	107	23	5	5
Total number of funds	350	343	316	180	108	49	49
Quartile ranking	4	4	3	3	1	1	1

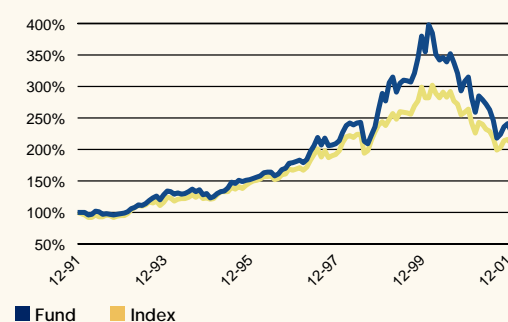
QUARTERLY UPDATE

- The fund returned 10.6% during the quarter, outperforming the benchmark MSCI World Index, which returned 8.6%.
- Regionally, the US was the best-performing component of the fund, accounting for most of the fund's outperformance. Japanese exposure was mildly positive, while Asian holdings were neutral. European stock selection detracted slightly from relative performance over the quarter.
- The fund's overweight position in energy stocks was the largest positive contributor to relative performance. Oil prices rose during the quarter as investors became optimistic about an economic recovery and as oil producing nations reached an agreement over production quotas.
- Holdings in the technology sector also contributed positively to performance, as the fund benefited from both strong stock selection and an overweight position in the sector.

PERFORMANCE YEAR BY YEAR



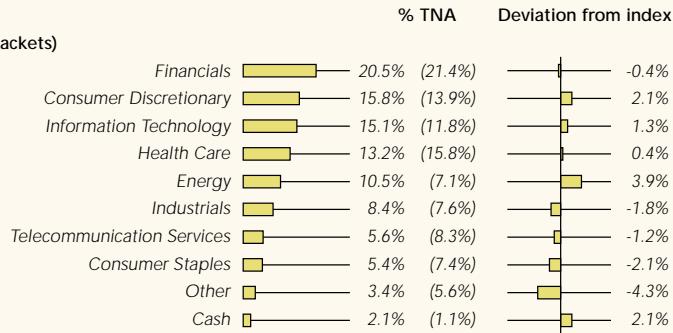
PERFORMANCE SINCE 31.12.91



INDUSTRY BREAKDOWN

as at 31.12.01

(30.09.01 in brackets)



FUND FACTS

Fund manager:
Richard Habermann

Location:
Boston

Appointed to fund:
14.04.98

Years at Fidelity:
34

Launch date:
31.12.91

Currency:
US Dollar

NAV price:
\$ 22.76

12mth NAV high:
\$ 31.43

12mth NAV low:
\$ 20.37

Fund size:
\$ 2,327m

Benchmark index:
International Fund
Composite Index*

Bloomberg code:
FIDLINI

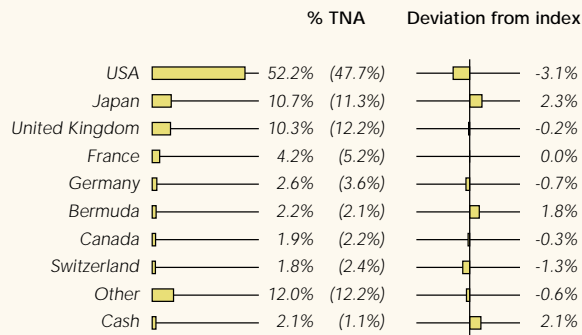
ISIN code:
LU0048584097

SEDOL number:
4405980

GEOGRAPHIC BREAKDOWN

as at 31.12.01

(30.09.01 in brackets)



Index data provided from Morgan Stanley Capital International

*MSCI World Index

TOP HOLDINGS

as at 31.12.01

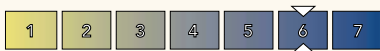
	% TNA
TERADYNE	2.7%
TYCO INTERNATIONAL	2.1%
IDEC PHARMACEUTICALS	2.1%
NOBLE DRILLING	2.1%
NABORS INDUSTRIES	2.0%
HOME DEPOT	1.9%
LOWES	1.8%
MEDIMMUNE	1.8%
BEST BUY	1.8%
VISHAY INTERTECHNOLOGY	1.5%

RATINGS

S&P Fund Ratings: AA

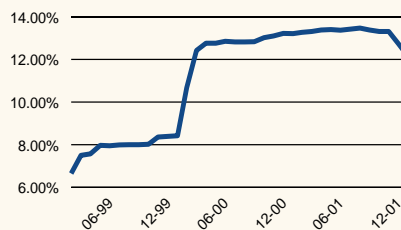
VOLATILITY AND RISK

Risk/return rating:



Relative volatility:	1.39
Sharpe ratio:	-0.48
Alpha:	-0.08
Beta:	1.17
R ² :	0.71
Tracking error:	12.13

Tracking error



The chart above shows the tracking error of the fund against its benchmark. The calculation uses rolling three year periods. The chart shows a maximum of 36 monthly data points, starting no earlier than three yrs after the fund's performance start date.