

Mitteilung an alle Anteilseigner der Fidelity Funds-Sterling Bond Fund

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

LU0048620586	Fidelity Sterling Bond – A GBP DIS
LU0261947765	Fidelity Sterling Bond – A ACC GBP CAP

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MoventumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Moventum ausgewiesenen Gebühren und die auf MoventumOffice angegebenen Annahmeschlusszeiten gelten.

Fidelity Funds
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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

Important Changes to Fidelity Funds – Sterling Bond Fund

Key Points

- We are changing the name of Fidelity Funds – Sterling Bond Fund to Fidelity Funds – Flexible Bond Fund
- We are changing the investment objective of the fund but the risk profiles of the Fund remain the same
- Due to the more sophisticated nature of the new investment strategy, we are increasing the annual management charge on A shares to 1% and Y shares to 0.50% to be in line with that of similar products in the market

16 November 2015

Dear Shareholder,

We are writing to notify you of the decision taken by the Board of Directors (the “**Directors**”) of Fidelity Funds to:

- 1) change the name and the investment objective of Fidelity Funds – Sterling Bond Fund (the “**Fund**”) to **Fidelity Funds - Flexible Bond Fund** with effect from 16 February 2016 or such later date as may be decided by the Directors (the “**Effective Date**”); and
- 2) increase the Annual Management Fee charged on the Fund. On A-ACC-GBP and A-GBP shares this fee will increase from 0.75% to 1.0% and on Y-ACC-GBP and Y-GBP from 0.38% to 0.50%, in both cases, with effect on the Effective Date.

➤ Change of Name and of Investment objective of Fidelity Funds – Sterling Bond Fund

The purpose of changing the name and the investment objective of the Fund is to increase the focus that the Fund has on aiming to provide income and capital growth in a more risk efficient manner over the course of a market cycle.

Today, the Fund invests in a combination of Sterling denominated Gilts and investment grade corporate bonds.

Fidelity has noted that investors now favour more flexible, unconstrained bond strategies over that of the Fund. The appeal of these strategies resides in their ability to provide better risk-adjusted returns by using a broader, more diversified, range of asset classes and offering greater flexibility in terms of their management of interest rate sensitivity, credit risk and asset allocation.

The proposed changes to the strategy will result in the Fund investing across a broader fixed income universe while retaining a Sterling bias. It will have greater flexibility to take advantage of credit opportunities by investing up to

50% of its assets in high yield; and to manage interest rate sensitivity. Non-Sterling exposure will be largely hedged back to Sterling, although the Fund may retain up to 10% of its assets in currencies other than Sterling.

Details of the changes to the name and investment objective are provided in the "Detailed Changes" section below. If you agree with the proposed changes, there is no need for you to take any action. If you do not agree with these changes please refer to the "Next Steps" section below.

Detailed Changes

With effect from the Effective Date the name and the investment objective of the Fund will be changed as follows:

From:

Fidelity Funds – Sterling Bond Fund

"Invests principally in Sterling denominated debt securities."

To:

Fidelity Funds – Flexible Bond Fund

"The fund aims to achieve income and capital growth by primarily investing in a broad range of fixed income instruments of issuers globally either denominated in Sterling or other currencies. Exposure to non-Sterling denominated debt securities will be largely hedged back to Sterling."

The fund may also invest in UCITS and UCIs."

Portfolio information:

The manager is not restricted in his choice of investments either by region or country, market sector or industry, and will choose investments largely determined by the availability of attractive investment opportunities. The fund may invest up to 50% of its assets in high-yielding, lower quality instruments which will not be required to meet minimum rating standards and may not be rated for creditworthiness by any internationally recognised rating agency.

Due to the material extent of the changes to the way the Fund is managed and invests, the portfolio rebalancing will take place within a period of five Business Days after the Effective Date.

Today, the rate of the annual management fee per annum on the Fund stands at 0.75% for class A-ACC-GBP and A-GBP Shares and 0.38% for class Y-ACC-GBP and Y-GBP shares. Due to the manner in which the Fund will be managed going forward the Directors believe that it would be appropriate to increase the annual management fee to a rate of 1% per annum on A-ACC-GBP and A-GBP shares and 0.5% on class Y-ACC-GBP and Y-GBP shares.

There are no other changes to the fees charged in relation to the Fund.

The risk profile of the Fund is not expected to alter as a result of the above changes. For further information on the types of risk that apply to the Fund, please refer to the section 1.2., "Risk Factors", in the latest Fidelity Funds Prospectus (the "Prospectus").

The Directors believe that the changes outlined above are in the best interests of Shareholders.

Costs

The expenses associated with these changes, such as legal, regulatory and mailing charges will be borne by FIL Fund Management Limited as the Investment Manager of Fidelity Funds. The Fund will bear the market-related transaction costs associated with the rebalancing of the Fund's investment portfolio.

Next Steps

If you agree with the proposed changes, there is no need for you to take any action.

If you are not in agreement with these changes, we are offering you a free switch into any other fund of Fidelity Funds available to you, or you may choose to redeem your assets from the Fund free of redemption or switch charges. If you wish to switch or redeem you should contact either your financial adviser or your usual Fidelity Service Centre quoting reference [FBF2016]. Fidelity will not charge any redemption fee or levy any switch fee if

the instruction is received in writing quoting the reference number aboveⁱ. Redemptions or switches can be instructed on any Valuation Date until 18.00 CET (17.00 UK time) on the Business Day before the Effective Date. These will normally be dealt with at the next calculated Net Asset Value. Redemption proceeds will be paid in accordance with the Prospectus in the share class currency directly to your bank account.

Please note that the redemption or the switching of your holding may be deemed as a disposal for tax purposes. If you have any concerns about your tax position, we recommend that you seek independent tax advice.

The Directors accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Any terms not defined herein shall have the same meaning as in the Prospectus.

If you have any questions related to these changes, please contact your financial adviser or your usual Fidelity Service Centre.

Yours sincerely,

Marc Wathelet



Director, FIL (Luxembourg) S.A.
Corporate Director, Fidelity Funds

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ⁱ Different procedures may apply if dealing in Shares is made through Distributors. For further information on these, please contact your financial adviser.

Appendix

Share classes and ISIN codes in scope:

FF - Sterling Bond Fund A-ACC-GBP	LU0261947765
FF - Sterling Bond Fund A-DIST-GBP	LU0048620586
FF - Sterling Bond Fund Y-ACC-GBP	LU1284736961
FF - Sterling Bond Fund Y-DIST-GBP	LU0896308789