

29 November 2019

Changes regarding Fidelity Funds – Flexible Bond Fund, Fidelity Funds - Global Inflation-Linked Bond Fund and Fidelity Funds - Sustainable Strategic Bond Fund

Dear Investment Manager

You have clients with investments in one or more of the funds listed below so we are writing to let you know we are enhancing the disclosures regarding derivatives usage for the following sub-funds:

Fidelity Funds – Flexible Bond Fund
Fidelity Funds – Global Inflation-Linked Bond Fund
Fidelity Funds – Sustainable Strategic Bond Fund

There will be no change to how the fund is managed or to its risk profile. However supplemental disclosure will be added to the investment objectives. Further details can be found in the attached shareholder circular.

Investors do not need to take any action in response to this. However, they have the option of switching to another investment.

Keeping you informed

If you have any questions, please contact us on 0800 700 000 (+44 (0) 20 3100 7074) from outside the UK). We are open Monday to Friday from 8:30am to 5.00pm. Alternatively, you can email us at premierline@fil.com

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Clougherty'.

John Clougherty
Head of Wholesale

[Client name]
[Address 1]
[Address 2]
[Address 3]
[Address 4]
[Address 5]
[Client Residency code description]

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

**Changes regarding Fidelity Funds – Flexible Bond Fund, Fidelity Funds - Global Inflation-Linked Bond Fund
and Fidelity Funds - Sustainable Strategic Bond Fund**

Key Facts

- We are enhancing the disclosures regarding derivatives usage for the following 3 sub-funds of Fidelity Funds (together referred to as the “Funds” and each a “Fund”):
 - Fidelity Funds - Flexible Bond Fund;
 - Fidelity Funds - Global Inflation-Linked Bond Fund; and
 - Fidelity Funds - Sustainable Strategic Bond Fund.
- There will be no change to the investment objective and policy of each Fund including use of financial derivative instruments (“Use of Derivatives”), but the investment objective each Fund will be amended to include the additional disclosures regarding Use of Derivatives.
- There will be no change to the risk profile of each Fund.
- There will be no change to the level of fees that you currently pay.

Shareholder Choices

- If you agree with the changes described in this letter you do not need to take any action.
- If you do not agree with such changes this letter sets out the options available to you.

29 November 2019

Dear Shareholder,

As regulatory environment is constantly evolving, I am writing to notify you of the decision taken by the board of directors of Fidelity Funds (the “**Board**”) to enhance the disclosures related to Use of Derivatives which are included in the investment objective of the Funds. Such amendment to the prospectus of Fidelity Funds (the “**Prospectus**”) will be effective as of 31 December 2019 (the “**Effective Date**”):

Our records show that you are a shareholder in (one of) the Funds (the “**Shareholder**” or “**you**”). For more information on the impacted classes of Shares and the corresponding ISIN Codes, please refer to the Appendix to this letter.

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

Enhancement of disclosures related to the Use of Derivatives

On the Effective Date, the investment objective of the Funds will be supplemented by the corresponding paragraph below (the “Changes”):

1) Fidelity Funds - Flexible Bond Fund and Fidelity Funds – Sustainable Strategic Bond Fund

“The fund may make use of financial derivative instruments for investment purposes or use complex financial derivative instruments or strategies to meet the investment objectives of the fund with a level of risk which is consistent with the risk profile of the fund. Financial derivative instruments may be used to create economic exposure to the underlying asset, this may include futures, forwards, options, and swaps. The fund will use (i) index, basket or single credit default and total return swaps to gain exposure or reduce credit risk of issuers, (ii) interest rate futures, swaps or options to actively manage the level of interest rate risk and (iii) currency derivatives to hedge or gain exposure to currencies. The long and short active currency positions implemented by the fund may not be correlated with the underlying securities positions held by the fund.”

2) Fidelity Funds – Global Inflation-Linked Bond Fund

“The fund may make use of financial derivative instruments for investment purposes or use complex financial derivative instruments or strategies to meet the investment objectives of the fund with a level of risk which is consistent with the risk profile of the fund. Financial derivative instruments may be used to create economic exposure to an asset akin to a physical holding of that asset. The fund will use (i) interest rate swaps to actively manage the level of interest rate risk, (ii) inflation swaps to eliminate unwanted, or pursue desired, inflation risks and (iii) currency derivatives to hedge or gain exposure to currencies or replicate currency exposure of the underlying securities of a bond index. The long and short active currency positions implemented by the fund may not be correlated with the underlying securities positions held by the fund.”

Alongside with the Changes, the Prospectus will be amended to clarify that the net derivative exposure of each Fund may be more than 50% but up to 100% of the relevant Fund's Net Asset Value.

Rationale for and Impact of the Changes

Given that Fidelity Funds is authorised in various jurisdictions for distribution, some funds of Fidelity Funds are required to meet the local regulatory requirements. The Funds are authorised by the Securities and Futures Commission in Hong Kong (“SFC”) and hence are subject to the applicable requirements under the Code on Unit Trusts and Mutual Funds (“Code”) issued by the SFC.

Given that the Code has been revised in particular in relation to the disclosure of certain derivatives and derivatives use, the Funds will be required to include enhanced disclosures on derivative usage in their investment objective. Accordingly, the investment objectives of the Funds will be updated as of the Effective Date to include the enhanced disclosure regarding Use of Derivatives.

Such update of the investment objective of the Funds will not have any impacts on the current investment strategy or change the way the Funds are being managed.

Risk Disclosure

The Changes described above do not have any impacts on the Funds' existing investment objective and policy (including the use of financial derivative instruments by the Funds).

Furthermore, the Changes do not lead to a modification of (i) the Funds' risk profiles (ii) the risks associated with the Use of Derivatives currently made by the Funds or (iii) the synthetic risk and reward indicator (the “SRRI”) of the Funds. Please refer to the Key Investor Information Document for further information on the SRRI, which is available via the Fidelity website.

Notwithstanding the above, you should carefully read the information set-out in the investment objective section of each of the Funds included above.

The Board believes that the Changes are in the best interests of Shareholders. There are no other impacts that may materially prejudice the existing Shareholders' rights or interests as a result of the Changes.

Costs

There will be no change to the level of fees that you currently pay. The expenses triggered by these Changes including any legal, regulatory and mailing charges will be borne by FIL Fund Management Limited, the Investment Manager of Fidelity Funds (and/or any of its affiliates within FIL Group).

Shareholder Choices

There are three options available to you as a Shareholder:

1. We are offering a free switch of your existing Shares in the relevant Fund into any other sub-fund of Fidelity Funds available to you, or,
2. You may redeem your existing Shares in the relevant Fund, free of charge, or,
3. You may take no action, in which case your investment in the relevant Fund will continue after the Effective Date.

If you wish to switch or redeem your Shares in the relevant Fund, you should contact your Financial Adviser or your usual contact at Fidelity. You may switch or redeem your Shares on any Valuation Date until 16:00 CET (15.00 UK time) on 30 December 2019 and the next calculated Net Asset Value per Share will apply. The redemption proceeds will be sent directly to your bank. Fidelity will not charge any redemption fee or levy any switching fee if the instruction is received in the conditions set forth above.

Please note that the redemption or 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 Board accepts full responsibility for the accuracy of the content of this letter and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

I would like to thank you for your investment, and I look forward to helping you with future requests. If you have any questions related to the Changes of the Fund, please contact your Financial Adviser or your usual Fidelity's Service Centre.

Yours sincerely,



Nishith Gandhi

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

Appendix - List of ISIN Codes

Classes of Shares	ISIN Codes
FF - Flexible Bond Fund A-ACC-EUR	LU1345485095
FF - Flexible Bond Fund A-ACC-EUR (EUR/GBP hedged)	LU1345484874
FF - Flexible Bond Fund A-ACC-GBP	LU0261947765
FF - Flexible Bond Fund A-DIST-EUR (EUR/GBP hedged)	LU1492825564
FF - Flexible Bond Fund A-DIST-GBP	LU0048620586
FF - Flexible Bond Fund E-ACC-EUR (EUR/GBP hedged)	LU1345485335
FF - Flexible Bond Fund E-MDIST-EUR (EUR/GBP hedged)	LU1345484528
FF - Flexible Bond Fund Y-ACC-EUR	LU1345486143
FF - Flexible Bond Fund Y-ACC-EUR (EUR/GBP hedged)	LU1345485921
FF - Flexible Bond Fund Y-ACC-GBP	LU1284736961
FF - Flexible Bond Fund Y-DIST-EUR (EUR/GBP hedged)	LU1345485509
FF - Flexible Bond Fund Y-DIST-GBP	LU0896308789
FF - Flexible Bond Fund Y-DIST-USD (USD/GBP hedged)	LU1345485764
FF - Global Inflation-Linked Bond Fund A-ACC-EUR (hedged)	LU0353649279
FF - Global Inflation-Linked Bond Fund A-ACC-USD	LU0353648891
FF - Global Inflation-Linked Bond Fund A-DIST-GBP (hedged)	LU0353648974
FF - Global Inflation-Linked Bond Fund A-DIST-SGD (hedged)	LU0353649196
FF - Global Inflation-Linked Bond Fund E-ACC-EUR (hedged)	LU0353649352
FF - Global Inflation-Linked Bond Fund I-ACC-EUR (hedged)	LU2067029152
FF - Global Inflation-Linked Bond Fund I-ACC-USD	LU0742537763
FF - Global Inflation-Linked Bond Fund X-DIST-USD	LU2000721204
FF - Global Inflation-Linked Bond Fund Y-ACC-EUR (hedged)	LU0353649436
FF - Global Inflation-Linked Bond Fund Y-ACC-USD	LU0935944362
FF - Global Inflation-Linked Bond Fund Y-DIST-GBP (hedged)	LU0393653919
FF - Sustainable Strategic Bond Fund - Rentenanlage Klassik - A-DIST-EUR (hedged)	LU0954695234
FF - Sustainable Strategic Bond Fund A-ACC-EUR (hedged)	LU0594300682
FF - Sustainable Strategic Bond Fund A-ACC-PLN (hedged)	LU0805778932
FF - Sustainable Strategic Bond Fund A-ACC-SEK (hedged)	LU0594300765
FF - Sustainable Strategic Bond Fund A-ACC-USD	LU0594300849
FF - Sustainable Strategic Bond Fund A-DIST-EUR (hedged)	LU0594301060
FF - Sustainable Strategic Bond Fund A-GMDIST-EUR (hedged)	LU0859966730
FF - Sustainable Strategic Bond Fund E-ACC-EUR (hedged)	LU0718472250
FF - Sustainable Strategic Bond Fund E-GMDIST-EUR (hedged)	LU0859970500
FF - Sustainable Strategic Bond Fund Y-ACC-EUR	LU1162107897
FF - Sustainable Strategic Bond Fund Y-ACC-EUR (hedged)	LU0594301144
FF - Sustainable Strategic Bond Fund Y-QDIST-EUR (hedged)	LU0840140445

29 November 2019

Changes regarding Fidelity Funds – Flexible Bond Fund, Fidelity Funds - Global Inflation-Linked Bond Fund and Fidelity Funds - Sustainable Strategic Bond Fund

Dear Shareholder

You've invested in one or more of the funds listed below so we're writing to let you know that we're enhancing the disclosures about using derivatives:

Fidelity Funds – Flexible Bond Fund
Fidelity Funds – Global Inflation-Linked Bond Fund
Fidelity Funds – Sustainable Strategic Bond Fund

There'll be no change to how the fund is managed or to its risk profile. However, additional wording will be added to the investment objectives. Further details can be found in the attached shareholder circular.

The impact on your investment

You don't need to take any action. However, you and your adviser have the option of taking your money out of the fund or switching to another investment. At **fidelity.co.uk** you'll be able to research and compare investment options. Please be sure to read the key information document for any fund you consider investing in. You can find this with the fund fact sheet on **fidelity.co.uk**

Depending on the investment you choose, you may have to pay dealing charges and a switch within an Investment Account could trigger a Capital Gains Tax liability. We can't give tax advice, so if you have any questions about your particular tax position, we recommend that you speak to your adviser, HM Revenue & Customs or a tax specialist. Another point to bear in mind is that it takes at least two working days to switch money from one investment to another. As a result, you may miss out on market growth during this time, though switching could work in your favour if markets fall.

Keeping you informed

The enclosed circular should answer any questions you may have about this letter. For any further information please speak to your adviser or go to **fidelity.co.uk**

Yours sincerely



Debbie Wates
Head of Client Services

Encl: Shareholder circular