

Important Changes to Fidelity Funds – Global Strategic Bond Fund

Key Facts

- We are changing the name of Fidelity Funds - Global Strategic Bond Fund to Fidelity Funds - Sustainable Strategic Bond Fund.
- The Fund's investment objective will change.
- There will be a change to the Fund's risk profile. The Fund may be subject to additional / increased investment risks.
- There will be no change to the Fund's synthetic risk / reward profile.
- We are decreasing the annual management fee for class Y shares to 0.50%. There will be no changes to the annual management fee for class A share fees.

Shareholder Choices

- If you agree with the Changes, you do not need to take any action.
- If you do not agree with the Changes, this letter sets out the options available to you.

13 September 2019

Dear Shareholder,

As part of the ongoing process whereby Fidelity regularly reviews its range of funds, I am writing to notify you of the decision taken by the board of directors of Fidelity Funds (the "Board") to

- 1) change the name of Fidelity Funds – Global Strategic Bond Fund (the "Fund") to **Fidelity Funds - Sustainable Strategic Bond Fund** with effect from 30 October 2019 or such later date as may be decided by the Board (the "**Effective Date**"), and
- 2) change the investment objective of the Fund on the Effective Date.
- 3) decrease the annual management fee charged on class Y shares of the Fund from 0.65% to 0.50% with effect on 30 October 2019 or such later date as may be decided by the Board. The annual management fee on class A shares will remain at 1.00%.

Our records show that you are a shareholder in the Fund (the "Shareholders" or "you"). For more information on the impacted classes of shares and the corresponding ISIN Codes, please refer to the Appendix of this letter.

Any terms not defined herein shall have the same meaning as in the prospectus of Fidelity Funds (“Prospectus”).

Change of name and investment objective

On the Effective Date, the name and the investment objective of the Fund will be changed as follows (the “Changes”):

From:

Fund Name	Investment Objective	Notes
<p>Fidelity Funds – Global Strategic Bond Fund</p>	<p>The fund seeks to maximise return through capital appreciation and income by primarily investing in a broad range of fixed income instruments of issuers globally. The fund will adopt an active asset allocation approach, which may include investment into high yield instruments and emerging markets. Investments will not be required to meet minimum rating standards.</p> <p>The fund may also invest in UCITS and UCIs. The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China.</p> <p>Portfolio Information: The Investment 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. Onshore China fixed income securities are listed or traded on any Eligible Market in China and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.</p>	<p>Reference Ccy: USD</p> <p>The fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).</p> <p>““Eligible Market in China” refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market, as the case may be.</p>

To:

Fund Name	Investment Objective	Notes
Fidelity Funds – Sustainable Strategic Bond Fund	<p>The fund seeks to maximise return through capital appreciation and income by primarily investing in a broad range of fixed income instruments of issuers globally. A minimum 70% of the fund’s net assets will be invested in securities that maintain sustainable characteristics. Sustainable characteristics may include, but are not limited to, effective governance and superior management of environmental and social issues (‘ESG’). The Investment Manager may use data provided by internal research teams and complemented by external ESG score providers to form an assessment of the sustainable characteristics.</p> <p>The fund will adopt an active asset allocation approach, which may include but not limited to investment into high yield instruments and emerging markets. Investments will not be required to meet minimum rating standards.</p> <p>The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China¹.</p> <p>Portfolio information: The fund is not subject to any limitation on the portion of its net asset value that may invest in high yield securities or issuers.</p> <p>Onshore China fixed income securities are listed or traded on any Eligible Market in China and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.</p>	<p>Reference Ccy: USD</p> <p>The fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).</p> <p>Less than 30% of the fund’s assets will be invested in Hybrids and contingent convertible bonds, with less than 20% of the total net assets to be invested in contingent convertible bonds.</p>

Rationale for and Impact of the Changes

The Changes are in response to increasing investor attention on the sustainable characteristics of their investments. As a result of the Changes, the Fund will invest in issuers with evident or improving sustainable characteristics, particularly in relation to environmental, social and governance factors. The Fund will continue to actively allocate across different asset categories and sectors across fixed income markets globally.

To reflect this greater focus on sustainability, it is proposed to rename the Fund as **Fidelity Funds – Sustainable Strategic Bond Fund**.

The Fund may invest less than 30% in hybrid bonds including contingent convertible bonds. Less than 20% of the net asset value will be invested in contingent convertible bonds, which are hybrid bonds with loss-absorption features.

¹ “Eligible Market in China” continues to refer to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market.

The changes outlined above do not result in a change to the synthetic risk and reward indicator (the “SRRI”) of the Fund. Please refer to the Key Investor Information Document for further information on the SRRI, which will be available via the Fidelity website.

Decrease of Annual Management Fee

Currently the rate of the annual management fee per annum on the Fund is 1.00% for class A shares and 0.65% for class Y shares. The Board believe that it would be appropriate to decrease the annual management fees to 0.50% for the class Y shares.

The effective date for the decrease in annual management fees will be 30 October 2019 or such later date as may be decided by the Board.

Fund risk profile

In view of the Changes, the Fund may be subject to additional / increased investment risk including but not limited to risks relating to sustainable investing and investing in hybrid bonds with loss-absorption features, as described below.

Risks relating to sustainable investing

Focus on securities of companies which maintain sustainable characteristics may affect a fund’s investment performance. Also, the data sources for evaluating sustainable characteristics may be incomplete, inaccurate or unavailable. There is also a risk that the relevant sustainable characteristics may not be applied correctly or that the fund could have exposure to issuers who do not meet the relevant sustainable characteristics, and sustainable characteristics of a security can change over time.

Risks relating to hybrid instruments with loss-absorption features

Instruments with loss-absorption features typically include terms and conditions specifying that the instrument is subject to being written off, written down, or converted to ordinary shares on the occurrence of a trigger event (i.e. when the issuer, or the resolution entity if the issuer is not a resolution entity, is near or at the point of non-viability; or when the issuer’s capital ratio falls to a specified level).

All other risk factors applicable to the Fund will remain unchanged and are outlined in the table below.

Full Legal name	Asset Class Specific Risks					Investment Focus/ Style-Related Risks							Specific Instrument Related Risks				Derivatives/ Counterparty Risk						
	Equities	Bonds and other Debt Instruments	Commodities	Real Estate Related	Multi Asset	Stock/Issuer Concentration	Country Concentration	Sector Concentration	Investments in Small Companies	Below Investment Grade / Unrated Securities and High Yielding Debt Instruments	Emerging Markets	Russia	Eurozone Risk	China Related	Fixed Income Related	Collateralised and/or Securitised Debt Instruments	Equity Linked Notes/Credit Linked Notes	General	Short Positions	High Leverage	Active Currency	Specific Derivative Instruments	Additional Prospectus Risk Factors
Fidelity Funds - Global Strategic Bond Fund (Current)		X								X	X	X	X					X	X		X	X	6
Fidelity Funds - Sustainable Strategic Bond Fund (Proposed)		X								X	X	X	X					X	X		X	X	5,6

For further information, you are recommended to read Part I, 1. Fund Information, 1.2. Risk Factors in the Prospectus.

There are no other impacts that may materially prejudice the existing Shareholders’ rights or interests as a result of the Changes outlined above.

The Board believes that the Changes are in the best interest of the Shareholders.

Costs

The expenses triggered by the Changes including any legal, regulatory and mailing charges will be borne by FIL Fund Management Limited, the Investment Manager of Fidelity Funds.

Any market-related transaction costs arising from these Changes will be borne by the Fund.

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 Fund into any other Fidelity funds available to you, or,
2. You may redeem your existing shares in the Fund, free of charge, or,
3. You may take no action, in which case your investment in the Fund will continue after the Effective Date.

If you wish to switch or redeem your shares in the Fund, you should contact your Financial Adviser or usual Fidelity Service Centre quoting reference GSBUS1019. You may switch or redeem your shares on any Valuation Date until 16:00 CET (15.00 UK time) 29 October 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 switch fee if the instruction is received in the conditions set forth and in writing quoting the reference number 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 these Changes, 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 (old name)	Classes of Shares (new name effective from the Effective Date)	ISIN Codes
FF - Global Strategic Bond Fund A-ACC-EUR (hedged)	FF - Sustainable Strategic Bond Fund A-ACC-EUR (hedged)	LU0594300682
FF - Global Strategic Bond Fund A-ACC-PLN (hedged)	FF - Sustainable Strategic Bond Fund A-ACC-PLN (hedged)	LU0805778932
FF - Global Strategic Bond Fund A-ACC-SEK (hedged)	FF - Sustainable Strategic Bond Fund A-ACC-SEK (hedged)	LU0594300765
FF - Global Strategic Bond Fund A-ACC-USD	FF - Sustainable Strategic Bond Fund A-ACC-USD	LU0594300849
FF - Global Strategic Bond Fund A-EUR (hedged)	FF - Sustainable Strategic Bond Fund A-EUR (hedged)	LU0594301060
FF - Global Strategic Bond Fund A-GMDIST-EUR (hedged)	FF - Sustainable Strategic Bond Fund A-GMDIST-EUR (hedged)	LU0859966730
FF - Global Strategic Bond Fund E-ACC-EUR (hedged)	FF - Sustainable Strategic Bond Fund E-ACC-EUR (hedged)	LU0718472250
FF - Global Strategic Bond Fund E-GMDIST-EUR (hedged)	FF - Sustainable Strategic Bond Fund E-GMDIST-EUR (hedged)	LU0859970500
FF - Global Strategic Bond Fund Fidelity Rentenanlage Klassik A-EUR (hedged)	FF - Sustainable Strategic Bond Fund Fidelity Rentenanlage Klassik A-EUR (hedged)	LU0954695234
FF - Global Strategic Bond Fund Y-ACC-EUR	FF - Sustainable Strategic Bond Fund Y-ACC-EUR	LU1162107897
FF - Global Strategic Bond Fund Y-ACC-EUR (hedged)	FF - Sustainable Strategic Bond Fund Y-ACC-EUR (hedged)	LU0594301144
FF - Global Strategic Bond Fund Y-QDIST-EUR (hedged)	FF - Sustainable Strategic Bond Fund Y-QDIST-EUR (hedged)	LU0840140445