

Important Changes regarding Fidelity Funds – Euro Balanced Fund

Key Facts

- We are changing the name of Fidelity Funds - Euro Balanced Fund to Fidelity Funds - European Multi Asset Income Fund.
- The Fund's investment objective will change.
- There will be a change to the risk factors of the Fund to reflect the revised investment universe.
- There will be no change to the Fund's synthetic risk / reward profile or level of fees that you currently pay.
- Geode Capital Management LLC ('Geode') will be added as a sub-investment manager, in order to manage a portion of the funds' assets

Shareholder Choices

- If you agree with the change 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.

06 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 – Euro Balanced Fund (the "**Fund**") to **Fidelity Funds - European Multi Asset Income Fund** with effect from 15 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.

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 (the "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
Fidelity Funds – Euro Balanced Fund	Invests primarily in equities and bonds denominated in Euro. The fund will aim to invest a minimum of 45% and a maximum of 70% of the net assets in assets with exposure to equities and a minimum of 30% and a maximum of 55% of the net assets in assets with exposure to bonds. The fund may also invest in UCITS and UCIs.	Reference Ccy: Euro

To:

Fund Name	Investment Objective	Notes
Fidelity Funds – European Multi Asset Income Fund	<p>The fund aims to provide income by investing primarily in equities and fixed income securities issued by both companies that are listed in, or have their registered office in, or exercise a majority of their activity in Europe, and European governments.</p> <p>The fund will actively allocate to, and within, different asset classes based on their potential to generate income. The main asset classes in which the fund will invest include fixed income securities (including investment grade and high yield bonds), equities and alternative assets, such as (but not limited to) loans, infrastructure securities and eligible closed-ended real estate investment trusts (REITS).</p> <hr/> <p>Portfolio information</p> <p>Within the main asset classes described above the fund may, under normal market conditions, invest up to 70% of its net assets in European investment grade bonds, up to 50% of its net assets in European equities, up to 50% of its net assets in European high yield bonds and up to 20% of its net assets in alternative investments.</p> <p>The fund may tactically invest up to 50% of its net assets in European government bonds and up to 20% of its net assets in non-European investments (including equities, government bonds, investment grade bonds, high yield bonds, emerging market debt and alternative assets).</p> <p>Less than 30% of the fund's net assets will be invested in hybrid bonds ("Hybrids"), that is debt with equity-like features, issued by non-financial institutions (corporate Hybrids) and by financial institutions (financial Hybrids), including contingent convertibles. Less than 20% of the total net assets will be invested in contingent convertible bonds.</p> <p>In adverse market conditions the fund may hold up to 25% of its net assets in cash or money market instruments (cash and short-term deposits, certificates of deposit and bills, money market funds).</p>	<p>Reference Ccy: Euro</p> <p>This fund may invest up to 10% of its net assets in loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010 (within the 10% limit as set out under Part V, A. I 2. of the Prospectus).</p> <p>The fund's source of income will mainly be generated from dividend payments (from equity securities) and coupon payments (from bond holdings).</p>

To reflect the new objective, it is proposed to rename the Fund as **Fidelity Funds – European Multi Asset Income Fund**.

Rationale for and Impact of the Changes

We propose to change the Fund's investment strategy from its more traditional balanced asset allocation approach to an outcome-based approach, with a wider investment universe and increased flexibility, aiming to generate income. The repurposed fund will be constructed from a wider universe of Pan-European asset classes, including investment grade bonds, high yield bonds, equities, as well as alternative investments, such as loans, infrastructure securities and REITS. The Fund will have flexibility to invest a maximum of 20% of its assets outside of Europe and will be managed with a focus on protecting capital.

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

The change to a more dynamic asset allocation strategy and broader universe of investments allows the Investment Manager to better respond to market changes to support the goal of providing an income yield.

Due 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.

In addition to the above, the Investment Manager may allocate a portion of assets of the Fund to be managed by Geode from time to time and shall remain responsible for the investment of the remainder of the asset of the Fund. In any event, the portion of the assets of the Fund managed by Geode will never exceed 30% of its net asset value. The obligations of the Investment Manager to the Fund are unaffected by any such delegation.

Geode was founded in 2001 and as at 31 December 2017 had assets under management of approximately US\$359 billion. It is registered with the United States Securities and Exchange Commission as an Investment Adviser and has been so registered since 17th May 2002.

We believe this appointment will facilitate the ability to deliver strong risk-adjusted returns through reducing unwanted style biases, targeting specific risk factors more efficiently and enhancing returns. We believe that this flexibility will help improve portfolio outcomes and diversification, in line with our aim to continually seek the best outcomes for investors.

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 is available via the Fidelity website.

Your attention is drawn to the importance of reading the information set out in the investment policy of the Multi Asset Funds together with the investment objective of each Multi Asset Fund.

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

Fund risk factors

In view of the Changes, the Fund may be subject to additional / increased investment risks including but not limited to risks relating to investments in real estate related assets, emerging markets risks, investments in loans, investing in hybrid bonds with loss-absorption features and risks relating to income-producing securities. This reflects the change in Investment Objective to allow investments into emerging market debt and real estate related assets.

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				Equity Linked Notes/Credit Linked Notes	General	Short Positions	High Leverage	Active Currency	Specific Derivative Instruments	Additional Prospectus Risk Factors
														General	Dim Sum Bonds	CoCos & Hybrids	Loans	Collateralised and/or Securitised Debt Instruments							
Fidelity Funds - Euro Balanced	X	X	X		X				X			X			X	X	X			X	X		X	X	3,7
Fidelity Funds - European Multi Asset Income	X	X	X	X	X				X	X		X			X	X	X			X	X		X	X	3,6,7

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.

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.

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 fund offered by Fidelity 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 EBEM1019. You may switch or redeem your shares on any Valuation Date until 16:00 CET (15.00 UK time) on 14 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 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 (old name)	Classes of Shares (new name effective from the Effective Date)	ISIN Codes
FF - Euro Balanced Fund A-ACC-EUR	FF - European Multi Asset Income A-ACC-EUR	LU0261950553
FF - Euro Balanced Fund A-ACC-USD (hedged)	FF - European Multi Asset Income A-ACC-USD (hedged)	LU1046421449
FF - Euro Balanced Fund A-EUR	FF - European Multi Asset Income A-EUR	LU0052588471
FF - Euro Balanced Fund A-MCDIST(G)-EUR	FF - European Multi Asset Income A-MCDIST(G)-EUR	LU1509826423
FF - Euro Balanced Fund E-ACC-EUR	FF - European Multi Asset Income E-ACC-EUR	LU0283900842
FF - Euro Balanced Fund Y-ACC-EUR	FF - European Multi Asset Income Y-ACC-EUR	LU0346389934