Fidelity Funds
Société d'Investissement à Capital
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Key Points

- **We are changing the name of Fidelity Funds – Fidelity Portfolio Selector Moderate Growth Fund to Fidelity Funds – SMART Global Defensive Fund.**
- **The Fund's investment objective and risk profiles will be changed. It will also be referenced in a new "Fidelity Systematic Multi Asset Risk Targeted Funds" (SMART) section of the Prospectus for funds using Fidelity's proprietary SMART model that seeks to maintain the overall portfolio's volatility within a given long term target range.**
- **The Fund may make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its revised investment objective.**
- **The annual management fee for class A Shares will be reduced to 1.15% per annum.**
- **UK Investors & Advisers should refer to Appendix III for UK specific details**

24th March 2016

Important Changes to Fidelity Funds – Fidelity Portfolio Selector Moderate Growth Fund

Dear Shareholder,

We are writing to notify you of the decision taken by the Board of Directors (the "Directors") of Fidelity Funds to make a number of changes to the Fidelity Funds – Fidelity Portfolio Selector Moderate Growth Fund (the "Fund") with effect from 30th June 2016 or such later date as may be decided by the Directors (the "Effective Date"). The purpose of these changes is to increase the focus on offering greater capital preservation to investors in the event of falling markets.

Currently, the Fund uses a conservative long term asset mix blending equities and bonds to deliver capital growth. The Fund aims to deliver extra returns by deviating from this long-term asset mix as economic conditions change, based on a wide range of economic indicators and the views of the investment team.

At present, the fund manager does not significantly deviate from the asset mix, which has meant that the fund manager's ability to express asset allocation views, especially to manage volatility and risk in falling markets, has been limited. The Directors believe that it is in the interest of Shareholders for the Fund to have an investment strategy offering greater flexibility to express asset allocation views.

The use of the term "**SMART**" in the Fund's name is to highlight the Fund's use of the proprietary **SMART** model developed by Fidelity that seeks to maintain the overall portfolio's volatility within a given long term target range. This model analyses the volatility on each of the following risk categorised asset groups:

- Defensive: assets with low volatility and favouring capital stability e.g. government bonds;
- Yield: assets providing income with moderate growth and volatility e.g. high yield bonds and dividend stocks; and
- Growth: assets with the highest growth potential and volatility of the three categories e.g. equities.

The model then generates an allocation between these three asset groups based on the allocation which would efficiently maintain the long term volatility within a predefined range (targeted (but not guaranteed) to be between 2% and 5% per annum over the long term). The model typically favours Yield or Growth assets in a low volatility and bullish market environment and Defensive assets when volatility rises and markets may fall.

The Fund may seek to invest in Yield or Growth assets by investing in fixed income securities, equities, funds or using listed futures that either represent broad equity and bond market exposure or exposure to specific regions, countries, industries or market capitalisations. The Fund may invest in underlying assets either directly, or indirectly through the use of derivatives (including index futures, options, credit default swaps, interest rate swaps, contracts for difference or covered calls), and seek to offer investors capital growth within a volatility target range (targeted (but not guaranteed) to be between 2% and 5% per annum over the long term).

After the Effective Date, the Fund may also implement long and short active currency positions (through the use of currency derivatives) which may not be correlated with the underlying securities positions held by the Fund. This may cause the Fund to suffer a significant or total loss even if there is no loss to the value of the underlying securities positions (e.g. bonds and equities) being held by the Fund.

Please note that, due to the multi asset nature of the Fund and extent of derivatives usage in the investment strategy for hedging, risk reduction or investment exposure, the Directors believe that measurement of the global exposure using the VaR methodology on a relative basis would be the most robust method for measuring exposure. As a fund in which global exposure is measured using the VaR methodology on a relative basis, the Fund may make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet the investment objectives of the Fund, as per the terms of the Prospectus and the risk management process of the Fund.

In adverse markets, the investment strategy of the Fund is also expected to result in greater stability of the net asset value when compared to more traditional multi asset funds which may be more focused on targeting growth.

Please note that the above capital growth and volatility targets and ranges are indicative forward-looking statements. The Fund does not offer any guarantee or protection with respect to capital preservation, stable net asset value or volatility.

For ease of reference, the resulting changes to the Fund can be summarised as follows:

1) On the Effective Date expected 30th June, 2016 the following changes will be made:
    - change of the Fund name to Fidelity Funds – SMART Global Defensive Fund;
    - change of the Fund's investment objective;
    - The Fund will use Fidelity's proprietary "**SMART**" model to construct a portfolio that seeks to maintain a long term average volatility, under normal market conditions, within a range of between 2% and 5% per annum.
    - As a consequence, the Fund will have the possibility to make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its revised investment objective, and its risk profile will change as the increased usage of financial derivative instruments may further expose the Fund to various risks as described above;
    - the Fund will no longer be referenced in the "Asset Allocation Funds" section of the Fidelity Funds Prospectus but, instead will be included in a new "Fidelity Systematic Multi Asset Risk Targeted Funds" section of the Prospectus[1];
    - reduction of the Asset Management Charge from 1.46% to 1.15% per annum and the annual asset allocation fee will no longer be levied from the Effective Date.

2) On June 27, 2016 the Fund reference currency will be changed from Euro to US Dollars. This is an operational consideration to better align the Fund's working currency with the denomination of the underlying portfolio investments.

[1] The general investment policy and investor profile of "Fidelity Systematic Multi Asset Risk Targeted Funds" are similar to those of "Asset Allocation Funds", but with specific references to the SMART model and asset allocation strategies of the SMART funds. You will find for your reference the investment policy and investor profile of "Fidelity Systematic Multi Asset Risk Targeted Funds" under Appendix II of this letter.

Details of these changes 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" paragraph below.

Detailed Changes

In light of this, commencing from the Effective Date the name and the investment objective will be changed as follows:

From:
Fidelity Funds – Fidelity Portfolio Selector Moderate Growth Fund

"Managed with a more conservative approach towards providing capital growth primarily through investment in a combination of equities and bonds with an emphasis on European or Euro denominated securities. This fund will appeal to investors seeking capital growth but who would prefer a lower level of risk than that normally associated with equity investment only."

To:

Fidelity Funds – SMART Global Defensive Fund

"The fund aims to provide stable growth over the longer-term by investing in a range of global asset classes. The fund will actively allocate to, and within, different asset classes and geographies based on their potential to generate stable growth or reduce risk or volatility within the overall portfolio. The main asset classes in which the fund will invest include global government bonds, global inflation linked bonds, global corporate bonds including investment grade bonds, global high yield bonds, emerging market bonds and global equities.

The fund may invest directly and/or indirectly (including through the use of financial derivative instruments) up to 40]% of its assets in equities and up to 100% of its assets in global government bonds, global corporate, inflation linked bonds and emerging market bonds which may comprise global high yield up to 40% of the fund's assets and up to 10% in hybrid bonds ('Hybrids'), that is, debt securities with equity-like features.

The Fund may also seek exposure up to 30% of its assets in infrastructure securities, commodities and real estate investment trusts (REITS).

The fund aims to manage the long term average volatility, under normal market conditions, within a range of 2 to 5% per annum. This volatility range is however not guaranteed.

The fund may also invest in UCITS and UCIs.

Portfolio information:

The fund may make extensive 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 types of financial derivative instruments that will be used include index, basket or single name futures options and contracts for difference referencing equities or bonds. Options used will include put and call options including covered call options. The fund will use index, basket or single credit default and total return swaps to gain exposure or reduce credit risk of issuers, interest rate swaps to actively manage the level of interest rate risk and currency derivatives to hedge or gain exposure to currencies or replicate currency exposure of the underlying securities of an equity 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.
Hybrids may be issued by non-financial institutions (corporate Hybrids) and by financial institutions (financial Hybrids), including contingent convertibles, as well as in other subordinated financial debt and preference shares. These investments include investment grade and non-investment grade assets.

In adverse market conditions the fund may hold more than 10% of its assets in cash or money market instruments (cash and short-term deposits, certificates of deposit and bills) and money market funds."

The Notes section of the prospectus will be amended as follows

Reference Ccy: USD

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).

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

Any commodity exposure for this fund will be obtained through eligible instruments and derivatives such as (but not limited to) units/shares of UCITS/or other UCIs, Exchange Traded Funds and commodity index swap transactions. Any property exposure will be obtained through investments in securities of companies principally engaged in the real estate industry and other real estate related investments

Global Exposure:
The Global Exposure of the fund will be monitored using VaR methodology on a relative basis. The Fund's VaR is limited to 150% of the VaR of the reference portfolio which is: 50% Citi G7 Government Bond Index USD hedged; 30% Barclays Global High Yield Index USD hedged; 20% MSCI AC World Index Gross Returns USD.

The expected leverage is determined using the sum of the notional amounts (expressed as a sum of positive values) of all financial derivatives instruments used whether the same are for investment purposes, hedging or risk reduction. The expected level of leverage of the fund is 100% of the Net Asset Value of the fund. This is however not a limit and higher levels of leverage may occur under this approach.

Systematic Multi Asset Risk Targeted funds use the term "SMART" in their name to highlight their use of the Fidelity proprietary Systematic Multi Asset Risk Targeted (SMART) model that seeks to maintain the overall portfolio's volatility within a given long term target range.

The name of the fund is not indicative of the fund's performance and return"

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 5 Business Days after the Effective Date.

The Fund's current European-bias is demonstrated by the Reference Currency of the Fund being the Euro. In order to reflect the global nature of the Fund and to more closely align the working currency with the denomination of the underlying portfolio investments, the Reference Currency of the Fund will be changed from Euro to US Dollar with effect from June 27, 2016. Changing the Fund's Reference Currency is an operational consideration and is not in itself expected to change the investment outcome for Shareholders. The Fund will continue to offer a range of euro-denominated Share classes.

As at January 30, 2016, the rate of the annual management fee on the Fund stands at 1.46 % per annum. Due to the manner in which the Fund will be managed going forward the Directors believe that it would be appropriate to reduce the annual management fee to a rate of 1.15% per annum,

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

The risk profile of the Fund will change as outlined below:

Funds	GENERAL RISKS THAT APPLY TO ALL FUNDS	EQUITY RELATED RISKS	FIXED INCOME RELATED RISKS	COUNTRY, CONCENTRATION AND STYLE RELATED RISKS	EMERGING MARKET RELATED RISKS	SPECIFIC INSTRUMENT RELATED RISKS	ASSET ALLOCATION RISK	TRACKING ERROR RISK	DISTRIBUTION OUT OF CAPITAL RISK	DERIVATIVES RELATED RISKS
Fidelity Funds - Fidelity Portfolio Selector Moderate Growth Fund	X	X	X							X
Fidelity Funds - SMART Global Moderate Fund	X	X	X		X	X				X

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 regulatory expenses incurred as a result of the above change, including the audit 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 disposal of any investments that would not fit with the new investment objective.

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 charge. If you wish to switch or redeem, you should contact either your financial adviser or your usual Fidelity Service Centre quoting reference FPSMG2016. 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. 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 and will normally be dealt with at the next calculated Net Asset Value*.

Please note, 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.

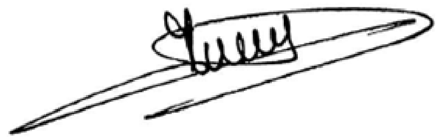
The Directors accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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

If you have any questions related to these changes, please call us on 0800 700 000. Lines are open from 8:30am to 6pm Monday to Friday.

Yours sincerely,

Marc Wathelet



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

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

Appendix I. - List of ISIN Codes

Fund	Class	ISIN Code
FF - FPS Moderate Growth Fund	A-ACC-EUR	LU0251130554
FF - FPS Moderate Growth Fund	A- EUR	LU0056886558

Appendix II. – Investment Policy and Investor Profile of Fidelity Systematic Multi Asset Risk Targeted Funds

Investment Policy

The aim of each Systematic Multi Asset Risk Targeted fund is to provide investors with a discretionary management service by selecting a highly diversified investment in equities, bonds and other liquid assets. The weightings of each of these asset classes will vary in accordance with the investment objective and individual market developments.

Systematic Multi Asset Risk Targeted funds use the term "SMART" in their name to highlight their use of the Fidelity proprietary SMART model that seeks to maintain the overall portfolio's volatility within a given long term target range. The model analyses the volatility of each of the following risk categorised asset groups:

- Defensive: assets with lower volatility and favouring capital stability e.g. government bonds;
- Yield: assets providing income with moderate growth and volatility e.g. high yield bonds and dividend stocks; and
- Growth: assets with the highest growth potential and volatility of the three categories e.g. equities.

The model then generates an allocation between these three asset groups based on the allocation which would efficiently maintain the long term volatility within a predefined range (targeted (but not guaranteed) over the long term).

The Systematic Multi Asset Risk Targeted funds may invest in bonds or debt instruments which can, among others, be issued by governments, agencies, supra-nationals, private or publicly quoted companies, special purpose or investment vehicles, or trusts. They may pay fixed or variable coupons, whereby the variable element may be derived from prevailing market interest rates or the performance of other assets (e.g. asset-backed securities). Unless otherwise specified, asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of each fund, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or United States government sponsored entities. The repayment of a bond may have a fixed date or may be subject to some issuer discretion (e.g. some mortgage bonds). Bonds can have conversion or subscription rights to other assets attached to them (e.g. convertible bonds). Not all bonds or debt instruments will have been rated by one or several rating agencies; some may have a below investment grade rating. The Systematic Multi Asset Risk Targeted funds may have non-material exposure to loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010.

Systematic Multi Asset Risk Targeted funds may use financial derivative instruments provided (a) they are economically appropriate in that they are realised in a cost-effective way, (b) they are entered into for one or more of (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for Systematic Multi Asset Risk Targeted funds with a level of risk which is consistent with the risk profile of the relevant Systematic Multi Asset Risk Targeted fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*.

Financial derivative instruments may include over-the-counter and/or exchange traded options, equity index, single stock, interest rate and bond futures, contracts for difference, swaps (such as interest rate, credit default and inflation index swaps), forward contracts, covered call options, derivatives on indices or a combination thereof. Cash or money market instruments may be used as collateral for derivative positions, in which case, they will not be deemed as (i) cash held on an ancillary basis or (ii) as cash holdings to address adverse market conditions.

Certain Systematic Multi Asset Risk Targeted funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When a Systematic Multi Asset Risk Targeted fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of the Prospectus.

Systematic Multi Asset Risk Targeted funds rely on a model that aims to maintain long term average annualised volatility of each Systematic Multi Asset Risk Targeted fund within the range disclosed in the relevant Systematic Multi Asset Risk Targeted fund's investment objective. There is no guarantee that the actual annualised volatility that the SMART model will procure over the long term will be within those limits and accordingly there is a risk that actual volatility of the net asset value may be higher than the target range and that investors redeeming assets may suffer a loss thereby. There is also a risk that in targeting its volatility range a Systematic Multi Asset Risk Targeted Fund will not capture the full upside from rising markets as the target volatility model is designed to balance growth and volatility and would not result in an allocation of all assets to any single market.

Systematic Multi Asset Risk Targeted funds' target volatility strategy results an increased and more complex use of derivatives in comparison to multi asset funds using derivatives –purely for hedging or non-extensive investment purposes. Systematic Multi Asset Risk Targeted funds' global exposure is therefore monitored under Relative VaR instead of commitment approach. Funds using relative VaR may have net leveraged exposure exceeding 100% of the Net Asset Value under the commitment approach and thereby may be considered to offer increased leverage. Increased net leveraged exposure may result in increased volatility and losses for investors. For further information, please refer to "High Leverage Risks" in the sub-section "Derivative Related Risks" under section "1.2 Risk Factors" in the Prospectus.

Investor Profile

Systematic Multi Asset Risk Targeted funds may be suitable for investors who wish to participate in capital markets while being prepared to accept the risks described for each Systematic Multi Asset Risk Targeted fund under "Risk Factors", Part I (1.2) of the Prospectus. Investment in a Systematic Multi Asset Risk Targeted fund should be regarded as a long-term investment."

*The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.

Appendix III. – Additional information for UK investors and Advisers

If you invest via a Monthly Savings Plan (MSP) in the merging fund:
Please note that any monthly savings contributions from 24thJune will be invested in the corresponding receiving fund. If you would like to make an alternative fund choice for your monthly savings plan, you will need to inform us of the new fund to invest into before this date, and at least five days before your MSP normal collection date. To amend your MSP please contact your financial adviser if you have one, or log in to our online account management service at fidelity.co.uk and go to the Your Accounts area to make an alternative fund choice.

If you have a Regular Withdrawal Plan drawing from the merging fund:
Please note that any regular withdrawals from 24thJune will be taken from the corresponding receiving fund. If you would like to make an alternative fund choice for your Regular Withdrawal Plan, you will need to inform us of the new fund before this date, and at least five days before your normal payment date. To amend your Regular Withdrawal Plan please contact your financial adviser if you have one, or log in to our online account management service at fidelity.co.uk and send us a secure message with your instruction.

If you invest through a financial adviser or intermediary:
Should you choose to switch to another fund as a result of this change, before confirming your instruction, please ensure you have read your chosen fund's Key Investor Information Document (KIID) and Associated Charges Document and/or Fund Specific Information ("FSI"), along with our Doing Business with FundsNetwork document and latest Client Terms. These are available online or on request.

If you make your own investment decisions:
Should you choose to switch to another fund as a result of this change, before confirming your instruction, please ensure you have read your chosen fund's Key Investor Information Document (KIID) and Associated Charges Document and/or Fund Specific Information ("FSI"), along with our Doing Business with Fidelity document and latest Client Terms. These are available online or on request.

If your investment is held inside an ISA:
Please note that if your investment is within an ISA wrapper and you choose to redeem your investment as a result of the change, once you have redeemed holdings from a particular ISA tax year, you cannot reuse that ISA allowance to invest again.

If you are a Financial Adviser or Intermediary:
If the Fidelity Funds – Fidelity Portfolio Selector Growth Fund is utilised within Model Portfolios that you operate for your clients, you will need to select an alternative fund, via the online model portfolio centre, before you instruct a rebalance on the clients' accounts.

Additionally, if the fund is selected as the nominated fund for fee deductions, please go online and select another fund. Should you take no action or alternatively, the default deduction hierarchy will be used for the next fee deductions.

Tax Information:
It is our understanding that based on TCGA 1992 section 103G the Scheme will not involve a disposal of your Existing Shares for the purposes of UK capital gains tax. Shares in the Recipient Fund issued pursuant to the Scheme will be treated for such purposes as having an equal proportion of the acquisition cost and the same acquisition date of Shareholders' Existing Shares and that the Scheme does not create any tax advantages which should be counteracted under section 707 of the Income and Corporation Taxes Act 1988.

If you have any questions related to these changes, please call us on 0800 700 000. Lines are open from 8:30am to 6pm Monday to Friday.

Fidelity Funds
Société d'Investissement à Capital Variable
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Important Changes to Fidelity Funds – Fidelity Portfolio Selector Global Growth Fund

24th March 2016

Key Points

- **We are changing the name of Fidelity Funds – Fidelity Portfolio Selector Global Growth Fund to Fidelity Funds – SMART Global Moderate Fund.**
- **The Fund's investment objective and risk profiles will be changed. It will also be referenced in a new "Fidelity Systematic Multi Asset Risk Targeted Funds" (SMART) section of the Prospectus for funds using Fidelity's proprietary SMART model that seeks to maintain the overall portfolio's volatility within a given long term target range.**
- **The Fund may make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its revised investment objective.**
- **The annual management fee for class A Shares will be reduced from 1.50% to 1.25% per annum and the annual asset allocation fee of up to 0.50% will no longer be levied upon the changes taking effect.**
- **Fidelity Funds – Fidelity Portfolio Selector Growth Fund will be merged into Fidelity Funds – SMART Global Moderate Fund.**
- **UK Investors & Advisers should refer to Appendix III for UK specific details**

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 – Fidelity Portfolio Selector Global Growth Fund (the "Fund") to Fidelity Funds - SMART Global Moderate Fund with effect from 30th June 2016 or such later date as may be decided by the Directors (the "Effective Date"); and

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

2) to merge the Fidelity Funds – Fidelity Portfolio Selector Growth Fund (the “Merging Fund”) into the repurposed Fidelity Funds - SMART Global Moderate Fund (the “Receiving Fund”) with effect on 11th July 2016 or such later date as may be decided by the Directors (the “ Merger Effective Date”).

- **<u>Change of Name and of Investment objective of Fidelity Funds – Fidelity Portfolio Selector Global Growth Fund</u>**

The purpose for changing the name and the investment objective of the Fund is to increase the focus that the Fund has on aiming to provide moderate capital growth and greater capital preservation in the event of falling markets.

Today, the Fund invests primarily in equities meaning that its performance and risk are essentially correlated to equity markets. In order to be able to meet investor needs across market cycles, including managing risk in falling markets, the Directors believe that the Fund should be able to allocate between a broader range of asset classes, to capture capital growth but especially in order to manage risk in falling or more volatile market environments.

As indicated in the Fund’s new name, Fidelity has developed a proprietary “**SMART**” model that seeks to maintain the overall portfolio’s volatility within a given long term target range. This model analyses the volatility on each of the following risk categorised asset groups:

- Defensive: assets with low volatility and favouring capital stability e.g. government bonds;
- Yield: assets providing income with moderate growth and volatility e.g. high yield bonds and dividend stocks; and
- Growth: assets with the highest growth potential and volatility of the three categories e.g. equities.

The model then generates an allocation between these three asset groups based on the allocation which would efficiently maintain the long term volatility within a predefined range (targeted (but not guaranteed) to be between 6% and 8% per annum over the long term). The model typically favours Yield or Growth assets in a low volatility and bullish market environment and Defensive assets when volatility rises and markets may fall.

The Fund may seek to invest in Yield or Growth assets by investing in fixed income securities, equities, funds or using listed futures that either represents broad equity and bond market exposure or exposure to specific regions, countries, industries or market capitalisations. The Fund may invest in underlying assets either directly or indirectly through the use of derivatives (including index futures, options, credit default swaps, interest rate swaps, contracts for difference or covered calls), and seek to offer investors capital growth within a medium volatility target range (targeted (but not guaranteed) to be between 6% and 8% per annum over the long term).

In respect of the use of the SMART model, it should be noted that although the Fund aims to manage the long term average volatility within a range of 6 to 8% per annum under normal market conditions, this is not guaranteed and there is a risk that the Fund may fail to achieve this volatility range through the use of the SMART model. The use of the SMART model may also preclude the Fund from fully capturing the upside in rising markets while maintaining the long-term volatility within a pre-defined range.

After the Effective Date, the Fund may also implement long and short active currency positions (through the use of currency derivatives) which may not be correlated with the underlying securities positions held by the Fund. This may cause the Fund to suffer a significant or total loss even if there is no loss to the value of the underlying securities positions (e.g. bonds and equities) being held by the Fund.

Please note that, due to the multi asset nature of the Fund and extent of derivatives usage in the investment strategy for hedging, risk reduction or investment exposure, the Directors believe that measurement of the Fund’s global exposure should no longer be calculated using the commitment approach and that the VaR methodology on a relative basis (“**relative VaR**”) would be the most robust method for measuring exposure. As a fund in which global exposure is measured using the VaR methodology on a relative basis, the Fund may make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its investment objectives as per the terms of the Prospectus and the risk management process of the Fund.

In adverse markets, the investment strategy of the Fund is also expected to result in lower volatility when compared to more traditional multi asset funds which may be more focused on targeting growth.

Please note that the above capital growth and volatility targets and ranges are indicative forward-looking statements. The Fund does not offer any guarantee or protection with respect to capital preservation, stable net asset value or volatility.

For ease of reference, the resulting changes to the Fund can be summarised as follows.

3) On the Effective Date expected June 30, 2016 the following changes will be made to the Fund:
    - change of the Fund’s name to Fidelity Funds – SMART Global Moderate Fund;

- change of the Fund's investment objective;
- The Fund will use Fidelity's proprietary "**SMART**" model to construct a portfolio that seeks to maintain a long term average volatility, under normal market conditions, within a range of between 6% and 8% per annum.
- As a consequence, the Fund will have the possibility to make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its revised investment objective, and its risk profile will change as the increased usage of financial derivative instruments may further expose the Fund to various risks as described above;
- the Fund will no longer be referenced in the "Asset Allocation Funds" section of the Fidelity Funds prospectus but, instead will be included in a new "Fidelity Systematic Multi Asset Risk Targeted Funds" section of the Prospectus[2];
- The annual management fee for class A-ACC-USD and A-USD Shares of the Fund will be reduced from 1.50% to 1.25% per annum and the annual asset allocation fee of up to 0.50% will no longer be levied from the Effective Date.

4) On the Merger Effective Date (which is expected to be 11 July 2016), the Fidelity Funds – Fidelity Portfolio Selector Growth Fund will be merged into the Fund (as the Receiving Fund).

Details of these changes 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" paragraph in that section.

Detailed Changes

In light of this, commencing from the Effective Date the name and the investment objective of the Fund will be changed as follows:

From:

<u>Fidelity Funds – Fidelity Portfolio Selector Global Growth Fund</u>

"Aims to provide long-term capital growth primarily through investment in equities. The fund will suit those investors who are looking for the longer-term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment."

To:

<u>Fidelity Funds – SMART Global Moderate Fund</u>

"The fund aims to provide moderate long term capital growth by investing in a range of global asset classes. The fund will actively allocate to, and within, different asset classes and geographies based on their potential to generate moderate capital growth or reduce risk or volatility within the overall portfolio. The main asset classes in which the fund will invest include global government bonds, global inflation linked bonds, global corporate bonds including investment grade bonds, global high yield bonds, emerging market bonds and global equities.

The fund may invest directly and/or indirectly (including through the use of financial derivative instruments) up to 90% of its assets in equities and up to 90% of its assets in global government bonds, global corporate, inflation linked bonds and emerging market bonds which may comprise global high yield up to 30% of the fund's assets and up to 10% in hybrid bonds ('Hybrids'), that is, debt securities with equity-like features.

The Fund may also seek exposure up to 30% of its assets in infrastructure securities, commodities and real estate investment trusts (REITS). The fund aims to manage the long term average volatility, under normal market conditions, within a range of 6 to 8% per annum. This volatility range is however not guaranteed.

The fund may also invest in UCITS and UCIs.

Portfolio information:

The fund may make extensive 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

[2] The general investment policy and investor profile of "Fidelity Systematic Multi Asset Risk Targeted Funds" are similar to those of "Asset Allocation Funds", but with specific references to the SMART model and asset allocation strategies of the SMART Funds. You will find for your reference the investment policy and investor profile of "Fidelity Systematic Multi Asset Risk Targeted Funds" under Appendix II of this letter.

exposure to an asset akin to a physical holding of that asset. The types of financial derivative instruments that will be used include index, basket or single name futures options and contracts for difference referencing equities or bonds. Options used will include put and call options including covered call options. The fund will use index, basket or single credit default and total return swaps to gain exposure or reduce credit risk of issuers, interest rate swaps to actively manage the level of interest rate risk and currency derivatives to hedge or gain exposure to currencies or replicate currency exposure of the underlying securities of an equity 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.

Hybrids may be issued by non-financial institutions (corporate Hybrids) and by financial institutions (financial Hybrids), including contingent convertibles, as well as in other subordinated financial debt and preference shares. These investments include investment grade and non-investment grade assets.

In adverse market conditions the fund may hold more than 10% of its assets in cash or money market instruments (cash and short-term deposits, certificates of deposit and bills) and money market funds".

The Notes section of the prospectus will be amended as follows:

"Reference Ccy: USD

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).

Any commodity exposure for this fund will be obtained through eligible instruments and derivatives such as (but not limited to) units/shares of UCITS/or other UCIs, Exchange Traded Funds and commodity index swap transactions. Any property exposure will be obtained through investments in securities of companies principally engaged in the real estate industry and other real estate related investments

<u>Global Exposure:</u>
The global exposure of the fund will be monitored using VaR methodology on a relative basis. The Fund's VaR is limited to 150% of the VaR of the reference portfolio which is: 30% Citi G7 Government Bond Index USD hedged; 20% Barclays Global High Yield Index USD hedged; 50% MSCI AC World Index Gross Returns USD.

The expected leverage is determined using the sum of the notional amounts (expressed as a sum of positive values) of all financial derivatives instruments used whether the same are for investment purposes, hedging or risk reduction. The expected level of leverage of the fund is 200% of the Net Asset Value of the fund. This is however not a limit and higher levels of leverage may occur under this approach.

The REITs that the fund may invest in may not be authorised by the Securities and Futures Commission in Hong Kong. The dividend or payout policy of this fund is not representative of the dividend or payout policy of the underlying REITs.

Systematic Multi Asset Risk Targeted funds use the term "SMART" in their name to highlight their use of the Fidelity proprietary Systematic Multi Asset Risk Targeted (SMART) model that seeks to maintain the overall portfolio's volatility within a given long term target range.

The name of the fund is not indicative of the fund's performance and return"

Due to the material extent of the changes to the way the Fund is managed and invests, the rebalancing will take place within a period of 5 Business Days after the Effective Date.

The annual management fee for class A-ACC-USD and A-USD Shares of the Fund is currently 1.50% (excluding an asset allocation fee of up to 0.50% per annum). Due to the manner in which the Fund will be managed going forward, the Directors believe that it would be appropriate to reduce the annual management fee to 1.25% per annum (and there will be no asset allocation fee chargeable to the Fund going forward).

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

Funds	GENERAL RISKS THAT APPLY TO ALL FUNDS	EQUITY RELATED RISKS	FIXED INCOME RELATED RISKS	COUNTRY, CONCENTRATION AND STYLE RELATED RISKS	EMERGING MARKET RELATED RISKS	SPECIFIC INSTRUMENT RELATED RISKS	ASSET ALLOCATION RISK	TRACKING ERROR RISK	DISTRIBUTION OUT OF CAPITAL RISK	DERIVATIVES RELATED RISKS
Fidelity Funds - Fidelity Portfolio Selector Global Growth Fund	X	X	X			X				X
Fidelity Funds - SMART Global Moderate Fund	X	X	X		X	X				X

The risk profile of the Fund will change as follows:

Please note that as a result of the changes to the investment objective and strategy of the Fund, exposure or investment to emerging market bonds and equities may have increased representation in the portfolio than under the current strategy of the Fund. Consequently, it is appropriate for the risk profile of the Fund as set out in the Prospectus to be amended to also include the emerging market related risks section.

For further information on the types of risk that apply to this 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.

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

- **Merger of Fidelity Funds – Fidelity Portfolio Selector Growth Fund (the "Merging Fund") into Fidelity Funds – SMART Global Moderate Fund (the "Receiving Fund")**

The Merging Fund invests in equities and its performance is highly correlated to equity markets. Similarly to the Receiving Fund, feedback from existing Shareholders suggests that the Merging Fund should meet investor needs across market cycles, including managing risk in falling markets and therefore the Merging Fund should be able to allocate between a broader range of asset classes, to capture capital growth but especially manage risk in falling or more volatile markets.

The Merging Fund would therefore use a similar model to the Receiving Fund and seeking to offer investors capital growth with medium volatility outcome for investors by targeting low volatility (6 to 8%)..

Due to commonality of the desired investment outcome between the Merging Fund the Receiving Fund and in view of the Director's constant aim to rationalize Fidelity Funds' range and to avoid having two funds running similar strategies, it is proposed to merge the Merging Fund into the Receiving Fund as of 11th July 2016.

The Directors believe that the proposed merger (the "**Merger**") is in the best interests of Shareholders and the Merger will be conducted in accordance with Article 21.bis of the Articles of Incorporation of Fidelity Funds (the "**Articles**") and Article 1 (20) a) and Chapter 8 of the Law of 17 December 2010 on undertakings for collective investment.

Due to the material extent of the changes between the current portfolio of the Merging Fund and the target portfolio of the Fund and namely, that securities held by the Merging Fund would not be securities that the Receiving Fund would hold as the asset held by the Merging Fund would not align with the new investment objective of the Receiving Fund, the Merging Fund will rebalance it's portfolio to be in line with that of the Receiving Fund within a period of 5 Business Days preceding the Merger Effective Date.

Due to the Merger, subscriptions, redemptions and switches will not be accepted and processed on the Merging Fund from 6.00 pm CET (5.00 pm UK time) on 4 July 2016 to 11 July, 2016 inclusive.

If you agree to participate in the Merger, there is no need for you to take any action. However, if you do not wish to participate in the Merger, you may switch into any other sub-fund within Fidelity Funds available to you or sell your holdings, free of switching or redemption charge.

Costs of the Proposals

Expenses incurred as a result of the changes announced above, such as audit and mailing charges, will be borne by FIL Fund Management Limited as the Investment Manager of Fidelity Funds. The Receiving Fund will bear any transaction costs associated with its repurposing. In relation to the Merger, the Merging Fund will bear the market-related transaction costs associated with the disposal of any investments that would not fit with the investment objective of the Receiving Fund. In addition, the proposed Merger will not result in any dilution in the performance of the Receiving Fund. There are no unamortised preliminary expenses outstanding in respect of the Merging Fund. The proposed Merger will have no tax implications for the Fund (as Receiving Fund).

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 charge. If you wish to switch or redeem you should contact either your financial adviser or your usual Fidelity Service Centre quoting reference FPGG2016. 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. Redemptions or switches can be instructed on any Valuation Date as from today and until 18.00 CET (17.00 UK time) on 4th July 2016..

These will normally be dealt with at the next calculated Net Asset Value*.

Upon request, copies of the audit report prepared by the approved statutory auditor of Fidelity Funds, PricewaterhouseCoopers Société Coopérative, in relation to the Merger may be obtained free of charge at the registered office of Fidelity Funds.

Please note, the Merger, 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.

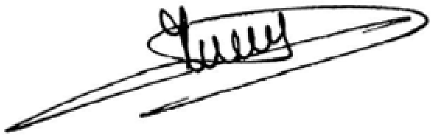
The Directors accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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

If you have any questions related to these changes, please call us on 0800 700 000. Lines are open from 8:30am to 6pm Monday to Friday.

Yours sincerely,

Marc Wathelet



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

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

Appendix I. - KIID of the Receiving Fund

Appendix II. – Investment Policy and Investor Profile of Fidelity Systematic Multi Asset Risk Targeted Funds

Investment Policy

The aim of each Systematic Multi Asset Risk Targeted fund is to provide investors with a discretionary management service by selecting a highly diversified investment in equities, bonds and other liquid assets. The weightings of each of these asset classes will vary in accordance with the investment objective and individual market developments.

Systematic Multi Asset Risk Targeted funds use the term "SMART" in their name to highlight their use of the Fidelity proprietary SMART model that seeks to maintain the overall portfolio's volatility within a given long term target range. The model analyses the volatility of each of the following risk categorised asset groups:

- Defensive: assets with lower volatility and favouring capital stability e.g. government bonds;
- Yield: assets providing income with moderate growth and volatility e.g. high yield bonds and dividend stocks; and
- Growth: assets with the highest growth potential and volatility of the three categories e.g. equities.

The model then generates an allocation between these three asset groups based on the allocation which would efficiently maintain the long term volatility within a predefined range (targeted (but not guaranteed) over the long term).

The Systematic Multi Asset Risk Targeted funds may invest in bonds or debt instruments which can, among others, be issued by governments, agencies, supra-nationals, private or publicly quoted companies, special purpose or investment vehicles, or trusts. They may pay fixed or variable coupons, whereby the variable element may be derived from prevailing market interest rates or the performance of other assets (e.g. asset-backed securities). Unless otherwise specified, asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of each fund, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or United States government sponsored entities. The repayment of a bond may have a fixed date or may be subject to some issuer discretion (e.g. some mortgage bonds). Bonds can have conversion or subscription rights to other assets attached to them (e.g. convertible bonds). Not all bonds or debt instruments will have been rated by one or several rating agencies; some may have a below investment grade rating. The Systematic Multi Asset Risk Targeted funds may have non-material exposure to loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010.

Systematic Multi Asset Risk Targeted funds may use financial derivative instruments provided (a) they are economically appropriate in that they are realised in a cost-effective way, (b) they are entered into for one or more of (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for Systematic Multi Asset Risk Targeted funds with a level of risk which is consistent with the risk profile of the relevant Systematic Multi Asset Risk Targeted fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*.

Financial derivative instruments may include over-the-counter and/or exchange traded options, equity index, single stock, interest rate and bond futures, contracts for difference, swaps (such as interest rate, credit default and inflation index swaps), forward contracts, covered call options, derivatives on indices or a combination thereof. Cash or money market instruments may be used as collateral for derivative positions, in which case, they will not be deemed as (i) cash held on an ancillary basis or (ii) as cash holdings to address adverse market conditions.

Certain Systematic Multi Asset Risk Targeted funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When a Systematic Multi Asset Risk Targeted fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of the Prospectus.

Systematic Multi Asset Risk Targeted funds rely on a model that aims to maintain long term average annualised volatility of each Systematic Multi Asset Risk Targeted fund within the range disclosed in the relevant Systematic Multi Asset Risk Targeted fund's investment objective. There is no guarantee that the actual annualised volatility that the SMART model will procure over the long term will be within those limits and accordingly there is a risk that actual volatility of the net asset value may be higher than the target range and that investors redeeming assets may suffer a loss thereby. There is also a risk that in targeting its volatility range a Systematic Multi Asset Risk Targeted Fund will not capture the full upside from rising markets as the target volatility model is designed to balance growth and volatility and would not result in an allocation of all assets to any single market.

Systematic Multi Asset Risk Targeted funds' target volatility strategy results an increased and more complex use of derivatives in comparison to multi asset funds using derivatives purely for hedging or non-extensive investment purposes. Systematic Multi Asset Risk Targeted funds' global exposure is therefore monitored under Relative VaR instead of commitment approach. Funds using relative VaR may have net leveraged exposure exceeding 100% of the Net Asset Value under the commitment approach and thereby may be considered to offer increased leverage. Increased net leveraged exposure may result in increased volatility and losses for investors. For further information, please refer to "High Leverage Risks" in the sub-section "Derivative Related Risks" under section "1.2 Risk Factors" in the Prospectus.

Investor Profile

Systematic Multi Asset Risk Targeted funds may be suitable for investors who wish to participate in capital markets while being prepared to accept the risks described for each Systematic Multi Asset Risk Targeted fund under "Risk Factors", Part I (1.2) of the Prospectus. Investment in a Systematic Multi Asset Risk Targeted fund should be regarded as a long-term investment."

*The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.

Appendix III. – Additional information for UK investors and Advisers

If you invest via a Monthly Savings Plan (MSP) in the merging fund:
Please note that any monthly savings contributions from 24thJune will be invested in the corresponding receiving fund. If you would like to make an alternative fund choice for your monthly savings plan, you will need to inform us of the new fund to invest into before this date, and at least five days before your MSP normal collection date. To amend your MSP please contact your financial adviser if you have one, or log in to our online account management service at fidelity.co.uk and go to the Your Accounts area to make an alternative fund choice.

If you have a Regular Withdrawal Plan drawing from the merging fund:
Please note that any regular withdrawals from 24thJune will be taken from the corresponding receiving fund. If you would like to make an alternative fund choice for your Regular Withdrawal Plan, you will need to inform us of the new fund before this date, and at least five days before your normal payment date. To amend your Regular Withdrawal Plan please contact your financial adviser if you have one, or log in to our online account management service at fidelity.co.uk and send us a secure message with your instruction.

If you invest through a financial adviser or intermediary:
Should you choose to switch to another fund as a result of this change, before confirming your instruction, please ensure you have read your chosen fund's Key Investor Information Document (KIID) and Associated Charges Document and/or Fund Specific Information ("FSI"), along with our Doing Business with FundsNetwork document and latest Client Terms. These are available online or on request.

If you make your own investment decisions:
Should you choose to switch to another fund as a result of this change, before confirming your instruction, please ensure you have read your chosen fund's Key Investor Information Document (KIID) and Associated Charges Document and/or Fund Specific Information ("FSI"), along with our Doing Business with Fidelity document and latest Client Terms. These are available online or on request.

If your investment is held inside an ISA:
Please note that if your investment is within an ISA wrapper and you choose to redeem your investment as a result of the change, once you have redeemed holdings from a particular ISA tax year, you cannot reuse that ISA allowance to invest again.

If you are a Financial Adviser or Intermediary:
If the Fidelity Funds – Fidelity Portfolio Selector Growth Fund is utilised within Model Portfolios that you operate for your clients, you will need to select an alternative fund, via the online model portfolio centre, before you instruct a rebalance on the clients' accounts.

Additionally, if the fund is selected as the nominated fund for fee deductions, please go online and select another fund. Should you take no action or alternatively, the default deduction hierarchy will be used for the next fee deductions.

Tax Information:
It is our understanding that based on TCGA 1992 section 103G the Scheme will not involve a disposal of your Existing Shares for the purposes of UK capital gains tax. Shares in the Recipient Fund issued pursuant to the Scheme will be treated for such purposes as having an equal proportion of the acquisition cost and the same acquisition date of Shareholders' Existing Shares and that the Scheme does not create any tax advantages which should be counteracted under section 707 of the Income and Corporation Taxes Act 1988.

If you have any questions related to these changes, please call us on 0800 700 000. Lines are open from 8:30am to 6pm Monday to Friday.

Fidelity Funds
Société d'investissement á Capital Variable
2a rue Albert Borschette, B.P. 2174
L-1021 Luxembourg
RCS Luxembourg B 34.036

[Client name]
[Address 1]
[Address 2]
[Address 3]
[Address 4]
[Address 5]

Key Points

- **Fidelity Funds – Fidelity Portfolio Selector Growth Fund will be merged into Fidelity Funds – SMART Global Moderate Fund.**
- **The Fund's investment objective and risk profiles will be changed. It will also be referenced in a new "Fidelity Systematic Multi Asset Risk Targeted Funds" (SMART) section of the Prospectus for funds using Fidelity's proprietary SMART model that seeks to maintain the overall portfolio's volatility within a given long term target range.**
- **The Fund may make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its revised investment objective.**
- **The annual management fee for class A Shares will be reduced from 1.50% to 1.25% per annum and the annual asset allocation fee of up to 0.50% will no longer be levied upon the changes taking effect.**
- **UK Investors & Advisers should refer to Appendix IV for UK specific details**

24th March 2016

Dear Shareholder,

Merger of Fidelity Funds – Fidelity Portfolio Selector Growth Fund into Fidelity Funds – SMART Global Moderate Fund

We are writing to notify you of the decision taken by the Board of Directors of Fidelity Funds (the "**Directors**") to merge Fidelity Funds – Fidelity Portfolio Selector Growth Fund (the "**Merging Fund**") into a fund within the Systematic Multi Asset Risk Targeted Funds range: Fidelity Funds – SMART Global Moderate Fund (the "**Receiving Fund**")[3] with effect from 11 July 2016 or such later date as may be decided by the Directors (the "**Effective Date**"). Our records show that you are a shareholder (the "**Shareholders**" or "**you**") in the Merging Fund. For more information on the impacted holdings, please refer to the ISIN Codes enlisted in Appendix I attached hereto.

[3] This fund is currently named Fidelity Funds – Fidelity Portfolio Selector Global Growth Fund and can be fund under the "Asset Allocation Funds" section in the Prospectus. As from 30 June 2016 or any other date decided by the Board it will be named Fidelity Funds – SMART Global Moderate Fund and its investment objective will change as described under section "Investment Objectives" below.

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

Today, the Merging Fund invests exclusively in equities meaning that its performance and risk are essentially correlated to equity markets. In order to be able to meet investor needs across market cycles, including managing risk in falling markets, the Directors believe that the Merging Fund should be able to allocate between a broader range of asset classes to capture capital growth but especially to manage risk in falling or more volatile market environments.

As indicated in the Receiving Fund's name, Fidelity has developed a proprietary "**SMART**" model that seeks to maintain the overall portfolio's volatility within a given long term target range. This model analyses the volatility on each of the following risk categorised asset groups:

- Defensive: assets with low volatility and favouring capital stability e.g. government bonds;
- Yield: assets providing income with moderate growth and volatility e.g. high yield bonds and dividend stocks; and
- Growth: assets with the highest growth potential and volatility of the three categories e.g. equities.

The model then generates an allocation between these three asset groups based on the allocation which would efficiently maintain the long term volatility within a predefined range (targeted (but not guaranteed) to be between 6% and 8% per annum over the long term). The model typically favours Yield or Growth assets in a low volatility and bullish market environment and Defensive assets when volatility rises and markets may fall.

The Receiving Fund may seek to invest in Yield or Growth assets by investing in fixed income securities, equities, funds or using listed futures that either represent broad equity and bond market exposure or exposure to specific regions, countries, industries or market capitalisations. The Receiving Fund may invest in underlying assets either directly, or indirectly through the use of derivatives (including index futures, options, credit default swaps, interest rate swaps, contracts for difference or covered calls), and seek to offer investors capital growth within a medium volatility target range (targeted (but not guaranteed) to be between 6% and 8% annum over the long term).

The Receiving Fund may also implement long and short active currency positions (through the use of currency derivatives) which may not be correlated with the underlying securities positions held by the Fund. This may cause the Fund to suffer a significant or total loss even if there is no loss to the value of the underlying securities positions (e.g. bonds and equities) being held by the Fund.

Please note that, due to the multi asset nature of the Receiving Fund and extent of derivatives usage in the investment strategy for hedging, risk reduction or investment exposure, the Directors believe that measurement of the global exposure using the VaR methodology on a relative basis is the most robust method for measuring exposure. As a fund in which global exposure is measured using the VaR methodology on a relative basis, the Fund may make extensive use of financial derivative instruments for investment purposes or use complex derivative instruments or strategies to meet its investment objective, as per the terms of the Prospectus and the risk management process of the Fund.

In adverse markets, the investment strategy of the Receiving Fund is also expected to result in lower volatility when compared to more traditional multi asset funds which may be more focused on targeting growth.

Please note that the above capital growth and volatility targets and ranges are indicative forward-looking statements. The Receiving Fund does not offer any guarantee or protection with respect to capital preservation, stable net asset value or volatility.

The Receiving Fund will be referenced in a new "Fidelity Systematic Multi Asset Risk Targeted Funds" section of the Prospectus at the time of the Effective Date. The general investment policy and investor profile of "Fidelity Systematic Multi Asset Risk Targeted Funds" are similar to those of "Asset Allocation Funds", but with specific references to the SMART model and asset allocation strategies of the SMART funds. You will find for your reference the investment policy and investor profile of "Fidelity Systematic Multi Asset Risk Targeted Funds" under Appendix III of this letter.

For Shareholders of the Merging Fund, the merger into the Receiving Fund will result in a decrease in the annual management fee to 1.25%.

For Shareholders in class A-ACC-EUR and class A-EUR Shares of the Merging Fund it is proposed that their holding be transferred into newly created class A-ACC-EUR(EUR/USD) (hedged) and A-EUR(EUR/USD) (hedged) Share classes of the Receiving Fund. These Share classes of the Receiving Fund hedge its reference currency, the US Dollar, to the principal dealing currency of the Share class which is Euro, with the objective of minimising variance in the Share price resulting from fluctuations in the exchange rate between the two currencies. It is believed that this Share class will offer growth at lower volatility and offer the greatest consistency in terms of long term volatility.

The Directors believe that the proposed merger (the "**Merger**") is in the best interests of Shareholders and the Merger will be conducted in accordance with Article 21.bis of the Articles of Incorporation of Fidelity Funds (the

"**Articles**") and Article 1 (20) a) and Chapter 8 of the Law of 17 December 2010 on undertakings for collective investment.

Due to the material extent of the changes between the current portfolio of the Merging Fund and the target portfolio of the Receiving Fund and namely, that securities held by the Merging Fund would not be securities that the Receiving Fund would hold as the asset held by the Merging Fund would not align with the new investment objective of the Receiving Fund, the Merging Fund will rebalance its portfolio to be in line with that of the Receiving Fund within a period of 5 Business Days preceding the Merger Effective Date.

Due to the Merger, subscriptions, redemptions and switches will not be accepted and processed on the Merging Fund from 6.00 pm CET (5.00 pm UK time) on 4 July 2016 to 11 July, 2016 inclusive.

Further details on the Merger are provided below and there is no need for you to take any action. However, Shareholders who do not wish to participate in the Merger may switch into another fund within Fidelity Funds available to them or sell their holdings, both free of charge.

Comparison of investment objectives, risk profiles and ongoing charges of the Merging Fund and the Receiving Fund

<u>Investment Objectives</u>

The investment objective of the Merging Fund is as follows:

<u>Fidelity Funds – Fidelity Portfolio Selector Growth Fund</u>

"Aims to provide long-term capital growth primarily through investment in equities with an emphasis on European or Euro denominated securities. This fund will suit those investors who are looking for the longer-term rewards of equity investment and are prepared to accept the higher levels of risk normally associated with this type of investment."

The investment objective of the Receiving Fund is as follows:

<u>Fidelity Funds - SMART Global Moderate Fund</u>

"The fund aims to provide moderate long term capital growth by investing in a range of global asset classes. The fund will actively allocate to, and within, different asset classes and geographies based on their potential to generate moderate capital growth or reduce risk or volatility within the overall portfolio. The main asset classes in which the fund will invest include global government bonds, global inflation linked bonds, global corporate bonds including investment grade bonds, global high yield bonds, emerging market bonds, and global equities.

The fund may invest directly and/or indirectly (including through the use of financial derivative instruments) up to 90% of its assets in equities and up to 90% of its assets in global government bonds, global corporate, inflation linked bonds and emerging market bonds which may comprise global high yield up to 30% of the fund's assets and up to 10% in hybrid bonds ('Hybrids'), that is, debt securities with equity-like features.

The Fund may also seek exposure up to 30% of its assets in infrastructure securities, commodities and real estate investment trusts (REITS). The fund aims to manage the long term average volatility, under normal market conditions, within a range of 6 to 8% per annum. This volatility range is however not guaranteed.

The fund may also invest in UCITS and UCIs.

Portfolio information:

The fund may make extensive 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 types of financial derivative instruments that will be used include index, basket or single name futures options and contracts for difference referencing equities or bonds. Options used will include put and call options including covered call options. The fund will use index, basket or single credit default and total return swaps to gain exposure or reduce credit risk of issuers, interest rate swaps to actively manage the level of interest rate risk and currency derivatives to hedge or gain exposure to currencies or replicate currency exposure of the underlying securities of an equity 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.

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

Hybrids may be issued by non-financial institutions (corporate Hybrids) and by financial institutions (financial Hybrids), including contingent convertibles, as well as in other subordinated financial debt and preference shares. These investments include investment grade and non-investment grade assets.

In adverse market conditions the fund may hold more than 10% of its assets in cash or money market instruments (cash and short-term deposits, certificates of deposit and bills) and money market funds''

The Notes section of the prospectus will be amended as follows:

"Reference Ccy: USD

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).

Any commodity exposure for this fund will be obtained through eligible instruments and derivatives such as (but not limited to) units/shares of UCITS/or other UCIs, Exchange Traded Funds and commodity index swap transactions. Any property exposure will be obtained through investments in securities of companies principally engaged in the real estate industry and other real estate related investments

Global Exposure:
The global exposure of the fund will be monitored using VaR methodology on a relative basis. The Fund's VaR is limited to 150% of the VaR of the reference portfolio which is: 30% Citi G7 Government Bond Index USD hedged; 20% Barclays Global High Yield Index USD hedged; 50% MSCI AC World Index Gross Returns USD.

The expected leverage is determined using the sum of the notional amounts (expressed as a sum of positive values) of all financial derivatives instruments used whether the same are for investment purposes, hedging or risk reduction. The expected level of leverage of the fund is 200% of the Net Asset Value of the fund. This is however not a limit and higher levels of leverage may occur under this approach.

The REITs that the fund may invest in may not be authorised by the Securities and Futures Commission in Hong Kong. The dividend or payout policy of this fund is not representative of the dividend or payout policy of the underlying REITs.

Systematic Multi Asset Risk Targeted funds use the term "SMART" in their name to highlight their use of the Fidelity proprietary Systematic Multi Asset Risk Targeted (SMART) model that seeks to maintain the overall portfolio's volatility within a given long term target range.

The name of the fund is not indicative of the fund's performance and return"

Risk Profiles

The risk profiles of the Merging Fund and of the Receiving Fund are described in the table below:

* For further information on these risk categories, please refer to the section 1.2. “Risk Factors” in the latest Fidelity Funds Prospectus.

Risk and Reward Profile of the Merging Fund

Lower risk **Higher risk**

Funds	GENERAL RISKS THAT APPLY TO ALL FUNDS	EQUITY RELATED RISKS	FIXED INCOME RELATED RISKS	COUNTRY, CONCENTRATION AND STYLE RELATED RISKS	EMERGING MARKET RELATED RISKS	SPECIFIC INSTRUMENT RELATED RISKS	ASSET ALLOCATION RISK	TRACKING ERROR RISK	DISTRIBUTION OUT OF CAPITAL RISK	DERIVATIVES RELATED RISKS
Fidelity Funds - Fidelity Portfolio Selector Growth Fund	X	X				X				X
Fidelity Funds - SMART Global Moderate Fund	X	X	X		X	X				X

Typically lower rewards Typically higher rewards

1	2	3	4	5	**6**	7

Risk and Reward Profile of the Receiving Fund

Lower risk **Higher risk**

Typically lower rewards Typically higher rewards

1	2	3	4	**5**	6	7

You should read the Key Investor Information Document for the Receiving Fund attached hereto under Appendix II, as well as the Fidelity Funds Prospectus (the “**Prospectus**”) for further information. The Key Investor Information Document for each relevant class in the Receiving Fund and the Prospectus are also available at the registered office of Fidelity Funds or at www.fidelityworldwideinvestment.com.

As at 30 January 2016, the Ongoing Charges Figure (the “**OCF**”) of the existing Share classes in the Merging Fund and the corresponding Share classes in the Receiving Fund were as follows:

Classes of Shares	OCF[4] of Fidelity Funds – Fidelity Portfolio Selector Growth Fund	OCF [1] of Fidelity Funds – SMART Global Moderate[5]
A-EUR	2.38%	1.69 %
A-ACC-EUR	2.38%	1.69 %
A-USD*	N/A	1.69 %

[4] The OCF represents the charges taken from the fund over a year and are stated with reference to the Net Asset Value per Share. It is calculated at the fund's financial year end and may vary from year to year. For new Share classes, the OCF is estimated until the fund's financial year end. The types of charges included in the OCF are management fees, administration fees, custodian and depositary fees and transaction charges, shareholder reporting costs, regulatory registration fees, Directors fees (where applicable) and bank charges. It excludes: performance fees (where applicable); portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking. estimates

[5] Please note that the above are estimates of the OCFs after the repurposing of the Receiving Fund on 30 June 2016.

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

A-ACC-USD*	N/A	1.69 %	* share classes to be launched
A-ACC-EUR(EUR/USD) (hedged)*	N/A	1.74 %	
A-EUR(EUR/USD) *(hedged)	N/A	1.74 %	

The Directors believe that the Merger will not trigger a dilution in the performance of the Receiving Fund.

Costs of the Merger

Expenses triggered by the Merger, such as audit and mailing charges will be borne by FIL Fund Management Limited, the Investment Manager of Fidelity Funds. There are no unamortised preliminary expenses outstanding in respect of the Merging Fund. Any transaction costs associated thereto will be borne by the Merging Fund. Any additional liabilities attributable to the Merging Fund, accruing after 6.00 pm CET on the Effective Date, will be borne by the Receiving Fund.

Next Steps

If you agree with these changes you do not need to take any action.

The Merger will proceed as set out in the Articles and the Prospectus. All issues, switching and redemptions of Shares in the Merging Fund will be suspended from 6.00 pm CET (5.00 pm UK time) on 4 July 2016 until the Effective Date. Shareholders of the Merging Fund may deal in their newly issued Shares in the Receiving Fund from the open for business on 12th July 2016. Any accrued income on investments in the Merging Fund at the time of the Merger will be included in the final Net Asset Value per Share and such accrued income will be accounted for on an on-going basis after the Merger in the Net Asset Value per Share of the Receiving Fund. If Shareholders of the Merging Fund have not redeemed or switched their Shares by 4 July 2016, their existing Shares will be automatically converted into Shares of the corresponding Share class in the Receiving Fund.

The exchange ratio for the conversion of the Shares in the Merging Fund into the corresponding Shares in the Receiving Fund will be determined on the basis of the last available Net Asset Value of the Share classes concerned on 8 July 2016 as of close of business.

If you are **not** in agreement with these changes, we are offering you a free switch of your existing Shares in the Merging Fund into any other fund within Fidelity Funds available to you, or you may choose to redeem your existing Shares in the Merging Fund free of charge. If you wish to redeem or switch, you should contact either your financial adviser or usual Fidelity Service Centre, quoting reference FPSG2016. 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. Redemptions or switches free of charge can be instructed on any Valuation Date until 6.00 pm CET (5.00 pm UK time) on 4 July 2016 starting from the receipt of this letter, and will normally be dealt with at the next calculated Net Asset Value. Different procedures may apply if dealing in Shares is made through Distributors. For further information on these please contact your usual contact.

Upon request, copies of the audit report prepared by the approved statutory auditor of Fidelity Funds, PricewaterhouseCoopers Société Coopérative, in relation to the merger may be obtained free of charge at the registered office of Fidelity Funds.

The proposed Merger will have no tax implications for the Merging Fund or the Receiving Fund in Luxembourg. Shareholders of the Merging Fund should note that the Merger may be treated for tax purposes as a disposal of Shares depending on personal circumstances and the tax legislation in the various jurisdictions where Shareholders are resident. Equally, 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 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.

Any terms not defined in this letter shall have the same meaning as in the Prospectus of Fidelity Funds.

If you have any questions related to these changes, please call us on 0800 700 000. Lines are open from 8:30am to 6pm Monday to Friday.

Yours sincerely,

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

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Appendix I - List of ISIN Codes

Fund	Class	ISIN Code
FF - Fidelity Portfolio Selector Growth Fund	A-ACC-EUR	LU0261961162
FF - Fidelity Portfolio Selector FPS Growth Fund	A- EUR	LU0056886475

Appendix II - Key Investor Information document of the Receiving Fund

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

Appendix III. – Investment Policy and Investor Profile of Fidelity Systematic Multi Asset Risk Targeted Funds

Investment Policy

The aim of each Systematic Multi Asset Risk Targeted fund is to provide investors with a discretionary management service by selecting a highly diversified investment in equities, bonds and other liquid assets. The weightings of each of these asset classes will vary in accordance with the investment objective and individual market developments.

Systematic Multi Asset Risk Targeted funds use the term “SMART” in their name to highlight their use of the Fidelity proprietary SMART model that seeks to maintain the overall portfolio’s volatility within a given long term target range. The model analyses the volatility of each of the following risk categorised asset groups:

- Defensive: assets with lower volatility and favouring capital stability e.g. government bonds;
- Yield: assets providing income with moderate growth and volatility e.g. high yield bonds and dividend stocks; and
- Growth: assets with the highest growth potential and volatility of the three categories e.g. equities.

The model then generates an allocation between these three asset groups based on the allocation which would efficiently maintain the long term volatility within a predefined range (targeted (but not guaranteed) over the long term).

The Systematic Multi Asset Risk Targeted funds may invest in bonds or debt instruments which can, among others, be issued by governments, agencies, supra-nationals, private or publicly quoted companies, special purpose or investment vehicles, or trusts. They may pay fixed or variable coupons, whereby the variable element may be derived from prevailing market interest rates or the performance of other assets (e.g. asset-backed securities). Unless otherwise specified, asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of each fund, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or United States government sponsored entities. The repayment of a bond may have a fixed date or may be subject to some issuer discretion (e.g. some mortgage bonds). Bonds can have conversion or subscription rights to other assets attached to them (e.g. convertible bonds). Not all bonds or debt instruments will have been rated by one or several rating agencies; some may have a below investment grade rating. The Systematic Multi Asset Risk Targeted funds may have non-material exposure to loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010.

Systematic Multi Asset Risk Targeted funds may use financial derivative instruments provided (a) they are economically appropriate in that they are realised in a cost-effective way, (b) they are entered into for one or more of (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for Systematic Multi Asset Risk Targeted funds with a level of risk which is consistent with the risk profile of the relevant Systematic Multi Asset Risk Targeted fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*.

Financial derivative instruments may include over-the-counter and/or exchange traded options, equity index, single stock, interest rate and bond futures, contracts for difference, swaps (such as interest rate, credit default and inflation index swaps), forward contracts, covered call options, derivatives on indices or a combination thereof. Cash or money market instruments may be used as collateral for derivative positions, in which case, they will not be deemed as (i) cash held on an ancillary basis or (ii) as cash holdings to address adverse market conditions.

Certain Systematic Multi Asset Risk Targeted funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When a Systematic Multi Asset Risk Targeted fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund

Unless otherwise specified in the notes to a fund under the title “Global Exposure”, the method used to calculate the global exposure relating to derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to “Risk Factors”, Part I (1.2) of the Prospectus.

Systematic Multi Asset Risk Targeted funds rely on a model that aims to maintain long term average annualised volatility of each Systematic Multi Asset Risk Targeted fund within the range disclosed in the relevant Systematic Multi Asset Risk Targeted fund’s investment objective. There is no guarantee that the actual annualised volatility that the SMART model will procure over the long term will be within those limits and accordingly there is a risk that actual volatility of the net asset value may be higher than the target range and that investors redeeming assets may suffer a loss thereby. There is also a risk that in targeting its volatility range a Systematic Multi Asset Risk Targeted Fund will not capture the full upside from rising markets as the target volatility model is designed to balance growth and volatility and would not result in an allocation of all assets to any single market.

Systematic Multi Asset Risk Targeted funds’ target volatility strategy results an increased and more complex use of derivatives in comparison to multi asset funds using derivatives purely for hedging or non-extensive investment purposes. Systematic Multi Asset Risk Targeted funds’ global exposure is therefore monitored under Relative VaR instead of commitment approach. Funds using relative VaR may have net leveraged exposure exceeding 100% of the Net Asset Value under the commitment approach and thereby may be considered to offer increased leverage. Increased net leveraged exposure may result in increased volatility and losses for investors. For further information, please refer to “High Leverage Risks” in the sub-section “Derivative Related Risks” under section “1.2 Risk Factors” in the Prospectus.

Investor Profile

Systematic Multi Asset Risk Targeted funds may be suitable for investors who wish to participate in capital markets while being prepared to accept the risks described for each Systematic Multi Asset Risk Targeted fund under “Risk Factors”, Part I (1.2) of the Prospectus. Investment in a Systematic Multi Asset Risk Targeted fund should be regarded as a long-term investment.”

*The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.

Appendix IV. – Additional information for UK investors and Advisers

If you invest via a Monthly Savings Plan (MSP) in the merging fund:
Please note that any monthly savings contributions from 24thJune will be invested in the corresponding receiving fund. If you would like to make an alternative fund choice for your monthly savings plan, you will need to inform us of the new fund to invest into before this date, and at least five days before your MSP normal collection date. To amend your MSP please contact your financial adviser if you have one, or log in to our online account management service at fidelity.co.uk and go to the Your Accounts area to make an alternative fund choice.

If you have a Regular Withdrawal Plan drawing from the merging fund:
Please note that any regular withdrawals from 24thJune will be taken from the corresponding receiving fund. If you would like to make an alternative fund choice for your Regular Withdrawal Plan, you will need to inform us of the new fund before this date, and at least five days before your normal payment date. To amend your Regular Withdrawal Plan please contact your financial adviser if you have one, or log in to our online account management service at fidelity.co.uk and send us a secure message with your instruction.

If you invest through a financial adviser or intermediary:
Should you choose to switch to another fund as a result of this change, before confirming your instruction, please ensure you have read your chosen fund's Key Investor Information Document (KIID) and Associated Charges Document and/or Fund Specific Information ("FSI"), along with our Doing Business with FundsNetwork document and latest Client Terms. These are available online or on request.

If you make your own investment decisions:
Should you choose to switch to another fund as a result of this change, before confirming your instruction, please ensure you have read your chosen fund's Key Investor Information Document (KIID) and Associated Charges Document and/or Fund Specific Information ("FSI"), along with our Doing Business with Fidelity document and latest Client Terms. These are available online or on request.

If your investment is held inside an ISA:
Please note that if your investment is within an ISA wrapper and you choose to redeem your investment as a result of the change, once you have redeemed holdings from a particular ISA tax year, you cannot reuse that ISA allowance to invest again.

If you are a Financial Adviser or Intermediary:
If the Fidelity Funds – Fidelity Portfolio Selector Growth Fund is utilised within Model Portfolios that you operate for your clients, you will need to select an alternative fund, via the online model portfolio centre, before you instruct a rebalance on the clients' accounts.

Additionally, if the fund is selected as the nominated fund for fee deductions, please go online and select another fund. Should you take no action or alternatively, the default deduction hierarchy will be used for the next fee deductions.

Tax Information:
It is our understanding that based on TCGA 1992 section 103G the Scheme will not involve a disposal of your Existing Shares for the purposes of UK capital gains tax. Shares in the Recipient Fund issued pursuant to the Scheme will be treated for such purposes as having an equal proportion of the acquisition cost and the same acquisition date of Shareholders' Existing Shares and that the Scheme does not create any tax advantages which should be counteracted under section 707 of the Income and Corporation Taxes Act 1988.

If you have any questions related to these changes, please call us on 0800 700 000. Lines are open from 8:30am to 6pm Monday to Friday.

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