

FUND APPROACH AND STYLE

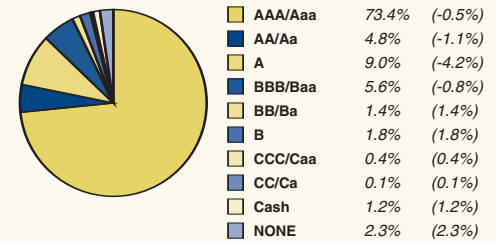
Fidelity Funds Sterling Bond Fund aims to provide an attractive income with the potential for capital growth. The fund is invested in government and non-government bonds. The government portion consists of UK gilts and the non-government portion includes bonds issued by government agencies and 'supranational entities' – international organisations formed by two or more governments. The fund also holds a range of corporate bonds and can hold floating rate securities, convertibles and preference shares.

The fund manager manages the fund using a process that aims to produce higher returns with lower volatility than the benchmark index on a consistent basis. The duration of the fund is kept fairly neutral relative to its benchmark. Bonds of different maturities are held but no attempt is made to time movements in and out of long or short terms bonds. Value is added through a multi-strategy approach and involves assessing the relative attractiveness of corporate and government bonds. In-house teams of credit and quantitative research professionals assist the fund manager to identify corporate and government bonds that may offer attractive yields with the opportunity for capital growth.

RATINGS

S&P Fund Stars:
 S&P Fund Ratings: AA

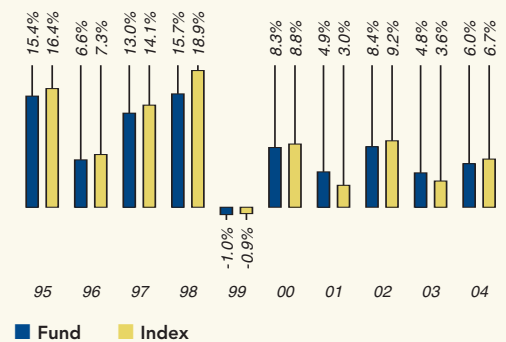
S&P/MOODY'S CREDIT RATING



PERFORMANCE in fund currency

	YTD	6 mnths	1 yr	3 yrs	5 yrs	10 yrs	Since 12.11.90
Fund cumulative growth	2.4%	3.1%	9.4%	22.3%	37.4%	106.9%	219.2%
Index cumulative growth	3.1%	3.8%	11.0%	24.0%	34.5%	117.0%	279.1%
Fund annualised growth	-	-	9.4%	6.9%	6.6%	7.5%	8.3%
Index annualised growth	-	-	11.0%	7.4%	6.1%	8.1%	9.6%
Value of £1,000 invested	990	997	1,057	1,181	1,327	1,999	3,084
Ranking within UK Fixed Income Sector							
Position of fund	75	61	56	19	13	4	12
Total number of funds	132	132	129	99	73	45	26
Quartile ranking	3	2	2	1	1	1	2

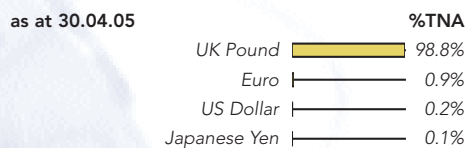
PERFORMANCE YEAR BY YEAR



FUND FACTS

Fund manager:
Ian Spreadbury
Location: London
Appointed to fund:
01.06.95
Years at Fidelity: 10
Launch date: 12.11.90
Currency: UK Sterling
NAV price: £ 0.29
Fund size: £ 132m
Benchmark index:
100% Merrill Lynch Sterling Large Capitalization Index Link Index*
Bloomberg code:
FIDSTBI
ISIN code:
LU0048620586
SEDOL number:
4341385

CURRENCY BREAKDOWN



TOP HOLDINGS

as at 31.03.05	% TNA
UK TREASURY 8% 27/09/2013	25.3%
UK TREASURY 9% 12/07/2011	11.8%
UK TREASURY 6% 7/12/2028	6.3%
UK TREASURY 8.75% LS 25/08/2017	5.0%
UK TREASURY 8% 6/07/21	4.9%
UK TREASURY 8% 07/12/2015	4.3%
UK GILT 5% 07/03/2025	4.1%
JAPAN #16 2.5% 20/09/2034	2.0%
NETWORK RAIL INFRA 4.875% 27/11/2015	1.4%
UK TREASURY 2.5% I/L 26/07/2016	1.3%

FIXED INCOME CHARACTERISTICS

Redemption Yield - net of fees & gross of taxes:	3.03%
Running yield:	4.81%
Modified duration of fund:	7.9 years
Modified duration of index:	8.05 years
Relative volatility:	0.93
Tracking error:	1.2

*ML Sterling Large Cap. Index



This factsheet is for investment professionals only and should not be passed to private investors. Source of all performance data: Standard & Poor's, nav to nav, gross income reinvested. Cash returns to investor adjusted to reflect sales charge and includes the initial investment. Past performance is not a guide to future returns.

The value of investments and the income from them can go down as well as up and an investor may not get back the amount invested. Where a fund invests in overseas markets, changes in foreign exchange rates may cause the value of an investment to rise or fall. Reference to specific securities is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. Investors should also note that the views expressed may not longer be current and may already have been acted upon by Fidelity. Fidelity only provides information on its products and services and will not give investment advice based on individual circumstances.

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