

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30B-2

Periodic and interim reports mailed to investment company shareholders (other than annual and semi-annual reports mailed to shareholders pursuant to Rule 30e-1)

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### FILER

#### **FIDELITY UNION STREET TRUST II**

CIK: **880797** | State of Incorporation: **DE** | Fiscal Year End: **0831**  
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FIDELITY

(Registered trademark)  
DAILY INCOME  
TRUST  
SEMIANNUAL REPORT  
FEBRUARY 28, 1994  
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CHECK PAGE NUMBERS !!!

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THIS REPORT AND THE FINANCIAL STATEMENTS CONTAINED HEREIN ARE SUBMITTED FOR THE GENERAL INFORMATION OF THE SHAREHOLDERS OF THE FUND. THIS REPORT IS NOT AUTHORIZED FOR DISTRIBUTION TO PROSPECTIVE INVESTORS IN THE FUND UNLESS PRECEDED OR ACCOMPANIED BY AN EFFECTIVE PROSPECTUS. NEITHER THE FUND NOR FIDELITY DISTRIBUTORS CORPORATION IS A BANK, AND FUND SHARES ARE NOT BACKED OR GUARANTEED BY ANY BANK OR INSURED BY THE FDIC.  
PRESIDENT'S MESSAGE

DEAR SHAREHOLDER:

No one wants to pay more taxes than they have to. But a recent survey of 500 U.S. households, conducted by Fidelity and Yankelevich Partners, showed that few people took steps to reduce their taxes under the new tax laws that went into effect last year. In fact, many people were not completely aware of the changes until they filed their 1993 tax returns. Whether or not you're someone whose tax bill increased as a result of these changes, it may make sense to consider ways to keep more of what you earn. First, if your employer offers a 401(k) or 403(b) retirement savings plan, consider enrolling. These plans are set up so you can make regular contributions - before taxes - to a retirement savings plan. They offer a disciplined savings strategy, the ability to accumulate earnings tax-deferred, and

immediate tax savings. For example, if you earn \$40,000 a year and contribute 7% of your salary to your 401(k) plan, your annual contribution is \$2,800. That reduces your taxable income to \$37,200 and, if you're in the

28% tax bracket, saves you \$784 in federal taxes. In addition, you pay no taxes on any earnings until withdrawal.

It may be a good idea to contact your benefits office as soon as possible to find out when you can enroll or increase your contribution. Most employers allow employees to make changes only a few times each year.

Second, consider an IRA. Many people are eligible to make an IRA contribution (up to \$2,000) that is fully tax deductible. That includes people who are not covered by company pension plans, or those within certain income brackets. Even if you don't qualify for a fully deductible contribution, any IRA earnings will grow tax-deferred until withdrawal.

Third, consider tax-free investments like municipal bonds and municipal bond funds. Often these can provide higher after-tax yields than comparable taxable investments. For example, if you're in the new 36% federal income tax bracket and invest \$10,000 in a taxable investment yielding 7%, you'll pay \$252 in federal taxes and receive \$448 in income. That same \$10,000 invested in a tax-free bond fund yielding 5.5% would allow you to keep \$550 in income.

These are three investment strategies that could help lower your tax bill in 1994. If you're interested in learning more, please call us at 1-800-544-8888 or visit a Fidelity Investor Center. We look forward to talking with you.

Best regards,

Edward C. Johnson 3d, Chairman

PERFORMANCE: THE BOTTOM LINE

To measure a money market fund's performance, you can look at either total return or yield. Total return reflects the change in a fund's share price over a given period, as well as reinvestment of its dividends (or income). Yield measures the income paid by a fund. Since a money market fund tries to maintain a \$1 share price, yield is an important measure of performance.

CUMULATIVE TOTAL RETURNS

PERIODS ENDED FEBRUARY 28, 1994	PAST 6 MONTHS	PAST 1 YEAR	PAST 5 YEARS	PAST 10 YEARS
Fidelity Daily Income Trust	1.40%	2.77%	31.21%	88.54%
Consumer Price Index	1.31%	2.52%	20.64%	43.26%
Average All Taxable Money Market Fund	1.34%	2.69%	30.56%	86.72%

CUMULATIVE TOTAL RETURNS reflect actual performance over a set period - in this case, six months, one, five, or 10 years. For example, if you invested \$1,000 in a fund that had a 5% return over the past year, you would end up with \$1,050. Comparing the fund's performance to the consumer price index (CPI) helps show how your investment did compared to inflation. To measure how the fund stacked up against its peers, you can compare its return to the average taxable money market fund's total returns. This average currently reflects the performance of 644 taxable money market funds tracked by IBC/Donoghue. (The periods covered by the IBC/Donoghue numbers are the closest available match to those covered by the fund.)

AVERAGE ANNUAL TOTAL RETURNS

PERIODS ENDED FEBRUARY 28, 1994	PAST 1 YEAR	PAST 5 YEARS	PAST 10 YEARS
Fidelity Daily Income Trust	2.77%	5.58%	6.55%
Consumer Price Index	2.52%	3.82%	3.66%
Average All Taxable Money Market Fund	2.69%	5.48%	6.44%

AVERAGE ANNUAL TOTAL RETURNS take the fund's actual (or cumulative) return and show you what would have happened if the fund had achieved that return by performing at a constant rate each year.

YIELDS

<TABLE>  
 <CAPTION>  
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	<C> 2/28/93	<C> 5/31/93	<C> 8/31/93	<C> 11/30/93	<C> 2/28/94
Fidelity Daily Income Trust	2.74%	2.59%	2.85%	2.84%	2.75%
Average All Taxable Money Market Fund	2.71%	2.62%	2.64%	2.69%	2.79%
MMDA	2.66%	2.49%	2.43%	2.35%	2.30%

</TABLE>

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 Row: 4, Col: 3, Value: 2.35  
 Row: 5, Col: 1, Value: 2.75  
 Row: 5, Col: 2, Value: 2.79  
 Row: 5, Col: 3, Value: 2.3

Fidelity Daily  
 Income Trust  
 Average  
 All Taxable  
 Money Market  
 Fund  
 MMDA

4% -  
 3% -  
 2% -  
 1% -  
 0%

YIELD refers to the income paid by the fund over a given period. Yields for money market funds are usually for seven-day periods, expressed as annual percentage rates. A yield that assumes income earned is reinvested or compounded is called an effective yield. The chart above shows the fund's current seven-day yield at quarterly intervals over the past year. You can compare these yields to those of the average taxable money market fund and the average bank money market deposit account (MMDA). The MMDA average is supplied by BANK RATE MONITOR.(double dagger) (Both figures are those available closest to month end.)

A MONEY MARKET FUND'S TOTAL RETURNS AND YIELDS REFLECT PAST RESULTS RATHER THAN PREDICT FUTURE PERFORMANCE.

COMPARING  
 PERFORMANCE

There are some important differences between a bank money market deposit account (MMDA) and a money market fund. First, the U.S. government neither insures nor guarantees a

money market fund. In fact, there is no assurance that a money market fund will maintain a \$1 share price. Second, a money market fund returns to its shareholders income earned by the fund's investments after expenses. This is in contrast to banks, which set their MMDA rates periodically based on current interest rates, competitors' rates, and internal criteria.  
(checkmark)

#### FUND TALK: THE MANAGER'S OVERVIEW

An interview with Burnell Stehman, Portfolio Manager of Fidelity Daily Income Trust

Q. BURNIE, WHAT HAS THE SHORT-TERM INTEREST RATE ENVIRONMENT BEEN LIKE OVER THE PAST SIX MONTHS?

A. From the end of August through mid-November, short-term rates were stable. The Federal Reserve was comfortable keeping the federal funds rate at 3%, where it had been since September 1992. Rates moved slightly higher during November due to increasing worries about the threat of inflation. The economy was showing signs of strength through reports of robust activity in housing, manufacturing, and auto sales. As a result, rates continued to trade within a narrow range through year-end and into January. Then, surprisingly, the Fed raised the fed funds rate to 3.25% on February 4. It was the first time the Fed had raised short-term interest rates in five years.

Q. GIVEN THOSE CONDITIONS, HOW DID YOU POSITION THE FUND?

A. I kept the fund's average maturity in the 70-day range through October. I did that by locking in higher-yielding issues while rates were still stable or falling. By November, it became clear that the Fed would not be reducing rates further, which caused me to position the fund in a more defensive manner. I shortened the average maturity to 55 days by the end of December. However, heading into January the economic numbers didn't reflect a tangible inflation threat. As markets rallied, I, like many others, thought the Fed would wait until later in the first quarter to raise rates. As a result, I moved the average maturity out to 64 days by the end of January in order to maintain the highest return to the fund. In hindsight, that was a mistake. After the Fed's tightening, I sold or swapped many of the government securities I had recently purchased in favor of shorter-maturity, higher yielding issues. I rolled back the average maturity to 40 days by the end of February, which positioned the fund to benefit from the higher rate environment.

Q. SO HOW DID THE FUND PERFORM?

A. Despite February's rate hike, the fund's seven-day yield was 2.75% on February 28, 1994. That's down slightly from six months ago, when the yield was 2.85%. The fund's total return for the 12 months ended February 28 was 2.77%. That beat the 2.69% average total return for all taxable money market funds tracked by IBC/Donoghue.

Q. HOW DO YOU SEE THE NEXT SIX MONTHS SHAPING UP?

A. I think short-term rates will continue to be volatile in the near term. Investors are skittish about the possibility of further rate hikes, which I think are inevitable. In the meantime, I plan to keep the fund's average maturity on the short side, probably in the 35- to 40-day range. That will allow me to purchase some of the higher-yielding issues that become available, while keeping the fund defensively positioned should rates indeed rise. I also had a 15% stake in variable and floating rate instruments at the end of February, a level I plan to keep or increase. These securities have relatively high yields related to the way they're structured. But what makes them unique is a feature that resets their coupons (stated interest rates) at fixed intervals. When rates are rising, the fund can obtain a higher coupon on these issues at their reset intervals.

#### FUND FACTS

GOAL: to provide current income with share price stability by investing in high quality, short-term securities  
 START DATE: May 31, 1974  
 SIZE: as of February 28, 1994, over \$2.1 billion  
 MANAGER: Burnell Stehman, since 1985; manager Fidelity Daily Income Trust, 1979 - 1983; manager, several institutional money market funds  
 (checkmark)

WORDS TO KNOW

BANKERS' ACCEPTANCE (BA):

A short-term note whose payment is guaranteed by a bank.

CERTIFICATE OF DEPOSIT (CD):

An interest-bearing deposit with a specific maturity. Large denomination CDs, like the fund buys, have negotiable interest rates and can be sold in the secondary market.

COMMERCIAL PAPER: A

short-term note from a bank or corporation.

FEDERAL FUNDS RATE: The interest rate banks charge each other for overnight loans.

MATURITY: The time remaining before an issuer is scheduled to repay the principal amount on a debt security. When the fund's average maturity - weighted by dollar amount - is short, the fund manager believes interest rates will rise. When the average maturity is long, the fund manager is expecting rates to fall. When the average maturity is neutral, the fund manager wants to have the flexibility to respond to rising rates, while still capturing a portion of the higher yields available from issues with longer maturities.

TIME DEPOSIT (TD): An interest-bearing deposit with a specific maturity. Large denomination TDs, like the fund buys, differ from CDs in that they can't be sold in the secondary market.

INVESTMENT CHANGES

MATURITY DIVERSIFICATION

DAYS	% OF FUND ASSETS 2/28/94	% OF FUND ASSETS 8/31/93	% OF FUND ASSETS 2/28/93
0 - 30	54	33	41
31 - 90	37	37	39

91 - 180 8 24 19

181 - 397 1 6 1

WEIGHTED AVERAGE MATURITY

2/28/94 8/31/93 2/28/93

Fidelity Daily Income Trust 40 days 67 days 56 days

Average All Taxable

Money Market Fund\* 53 days 63 days 61 days

ASSET ALLOCATION

AS OF 2/28/94 AS OF 8/31/93

Row: 1, Col: 1, Value: 19.0

Row: 1, Col: 2, Value: 69.0

Row: 1, Col: 3, Value: 11.0

Row: 1, Col: 4, Value: 2.0

Row: 1, Col: 1, Value: 15.0

Row: 1, Col: 2, Value: 69.0

Row: 1, Col: 3, Value: 13.0

Row: 1, Col: 4, Value: 3.0

Bank CDs, BAs,  
TDs, and notes 19%

Commercial  
paper 69%  
Government  
securities 11%  
Other 1%

Bank CDs, BAs,  
TDs, and notes 15%

Commercial  
paper 69%  
Government  
securities 13%  
Other 3%

\* SOURCE: IBC/DONOGHUE'S MONEY FUND REPORT(Registered trademark)  
INVESTMENTS FEBRUARY 28, 1994 (UNAUDITED)

Showing Percentage of Total Value of Investments

BANKERS' ACCEPTANCES - 2.2%

DUE ANNUALIZED YIELD AT PRINCIPAL AMOUNT VALUE (NOTE 1)

DATE TIME OF PURCHASE (000S) (000S)

Bank of New York

4/21/94 3.44% \$ 11,000 \$ 10,947

5/24/94 3.63 21,000 20,824 06499AAT

Trust Company Bank

6/13/94 3.40 15,000 14,855 8982769A

TOTAL BANKERS' ACCEPTANCES 46,626

CERTIFICATES OF DEPOSIT - 3.1%

Old Kent Bank & Trust Company

3/2/94 3.42 20,000 20,000 679999CK

3/14/94 3.40 15,000 15,000 679999CM

3/31/94 3.40 15,000 15,000 679999CL

Old Kent Bank - Southwest

5/31/94 3.45 10,000 10,000 67999FAF

7/12/94 3.30 5,000 5,001 67999FAH

TOTAL CERTIFICATES OF DEPOSIT 65,001

COMMERCIAL PAPER - 69.1%

American General Finance Corporation

4/7/94 3.23 25,000 24,918 225993HB

Associates Corporation of North America

3/11/94 3.27 20,000 19,982 045992UE

3/28/94 3.37 15,000 14,962 045992UA

4/8/94 3.23 15,000 14,949 045992UF

4/14/94 3.42 25,000 24,896 045992UJ

4/28/94 3.29 15,000 14,921 045992UC

5/19/94 3.50 10,000 9,924 045992UP  
 Bank One Milwaukee  
 3/3/95 3.46 15,000 14,985  
 Bear Stearns Companies Inc.  
 3/18/94 3.31 22,000 21,966 073999WS  
 3/21/94 3.27 20,000 19,964 073999XQ  
 4/6/94 3.22 10,000 9,968 073999YC  
 4/21/94 3.16 10,000 9,955 073999YR  
 BellAtlantic Financial Services  
 3/16/94 3.45 5,000 4,993 077994AR  
 COMMERCIAL PAPER - CONTINUED  
 DUE ANNUALIZED YIELD AT PRINCIPAL AMOUNT VALUE (NOTE 1)  
 DATE TIME OF PURCHASE (000S) (000S)  
 Beneficial Corporation  
 3/10/94 3.36% \$ 25,000 \$ 24,979 0819907Y  
 3/11/94 3.56 (a) 5,000 5,000 0819907D  
 3/15/94 3.59 (a) 25,000 25,000 0819907C  
 3/31/94 3.46 10,000 9,971 0819908G  
 4/11/94 3.14 25,000 24,911 0819907R  
 5/4/94 3.20 10,000 9,943 0819907V  
 CIESCO, L.P.  
 5/20/94 3.53 10,000 9,922 177996LR  
 CIT Group Holdings, Inc.  
 3/30/94 3.59 15,000 14,958 172990PJ  
 4/15/94 3.34 15,000 14,938 172990QJ  
 4/29/94 3.13 10,000 9,949  
 4/29/94 3.47 25,000 24,859 172990QW  
 Commercial Credit Company  
 3/14/94 3.39 40,000 39,951 2019905E  
 4/8/94 3.43 25,000 24,910 2019905Q  
 Corporate Receivables Corp.  
 4/5/94 3.46 17,000 16,943 220992CL  
 Dean Witter, Discover & Co.  
 3/4/94 3.11 25,000 24,994 24299AAS  
 3/23/94 3.46 9,000 8,981 24299AAW  
 4/25/94 3.13 30,000 29,857 24299AAR  
 Electronic Data Systems Corporation  
 3/7/94 3.19 10,000 9,995 285998EB  
 4/12/94 3.52 11,000 10,955 285998ED  
 4/13/94 3.15 10,000 9,963 285998EC  
 Ford Motor Credit Corporation  
 3/15/94 3.26 25,000 24,969 34599BNE  
 3/17/94 3.26 25,000 24,964 34599BNF  
 4/4/94 3.22 15,000 14,955 34599BPH  
 GTE Corporation  
 3/15/94 3.46 20,000 19,973 362991CM  
 General Electric Capital Corporation  
 3/21/94 3.39 25,000 24,953 369998KS  
 3/24/94 3.39 25,000 24,946 369998KT  
 7/11/94 3.30 20,000 19,762 369998LL  
 General Electric Capital Services Inc.  
 4/26/94 3.49 30,000 29,838 36999BBE  
 General Motors Acceptance Corporation  
 3/10/94 3.45 10,000 9,991 638998NX  
 3/22/94 3.48 10,000 9,980 638998PP  
 3/28/94 3.51 15,000 14,961 638998PH  
 3/29/94 3.51 35,000 34,905 638998PJ  
 Goldman Sachs Group, L.P. (The)  
 3/7/94 3.30 25,000 24,986 696992HH  
 3/22/94 3.30 15,000 14,972 696992HP  
 4/6/94 3.44 20,000 19,932 696992KW  
 COMMERCIAL PAPER - CONTINUED  
 DUE ANNUALIZED YIELD AT PRINCIPAL AMOUNT VALUE (NOTE 1)  
 DATE TIME OF PURCHASE (000S) (000S)  
 Household Finance Corporation  
 3/15/94 3.44% \$ 8,000 \$ 7,989 44199DJF  
 3/22/94 3.23 10,000 9,981 44199DHS  
 3/23/94 3.23 20,000 19,961 44199DHU  
 4/27/94 3.60 8,000 7,954  
 IBM Credit Corporation  
 3/8/94 3.43 15,000 14,990 449991AK



3/16/94	3.44	30,000	29,957	449991AG
ITT Corporation				
4/20/94	3.49	20,000	19,904	450991FB
ITT Financial				
3/22/94	3.44	15,000	14,970	450990JX
3/24/94	3.44	15,000	14,967	450990JY
International Lease Finance Corporation				
3/16/94	3.46	29,000	28,958	45999CEF
MCI Communications Corp.				
3/11/94	3.46	20,000	19,981	5526739S
Merrill Lynch & Co., Inc.				
3/25/94	3.28	20,000	19,957	59099A8G
3/28/94	3.44	8,000	7,979	59099A9Q
4/15/94	3.42	20,000	19,915	59099A9H
4/18/94	3.42	25,000	24,887	59099A9G
Morgan Stanley Group, Inc.				
4/22/94	3.47	15,000	14,925	61799EJS
4/27/94	3.52	15,000	14,917	61799EJU
NYNEX Corporation				
3/16/94	3.41	8,000	7,989	67099CAD
3/21/94	3.43	9,000	8,983	67099CAE
New Center Asset Trust				
3/1/94	3.41	25,000	25,000	643995AQ
3/7/94	3.41	13,000	12,993	643995AR
3/8/94	3.41	22,000	21,986	643995AT
3/30/94	3.41	15,000	14,959	643995BA
Norfolk Southern Corporation				
5/3/94	3.47	14,663	14,574	65599AAM
Norwest Corporation				
3/23/94	3.38	10,000	9,980	66899CBM
PHH Corporation				
4/4/94	3.51	15,000	14,950	699990XQ
PNC Financial/PNC Funding				
3/29/94	3.49	10,000	9,973	6934769H
4/19/94	3.47	25,000	24,883	6934769G
Prospect Street Senior Portfolio LP				
3/24/94	3.46	4,112	4,103	745998HM
Prudential Funding Corporation				
5/11/94	3.15	25,000	24,846	743994KC
Prudential Home Mortgage Corporation				
4/11/94	3.50	15,000	14,941	74499FAD
COMMERCIAL PAPER - CONTINUED				
DUE ANNUALIZED YIELD AT PRINCIPAL AMOUNT VALUE (NOTE 1)				
DATE TIME OF PURCHASE (000S) (000S)				
Sara Lee Corporation				
5/26/94	3.63%	\$ 20,000	\$ 19,828	80699FAB
Sears Credit Corp. (A)				
3/29/94	3.46	10,000	9,973	81299FAT
Sears Roebuck Acceptance Corp.				
3/9/94	3.51	5,000	4,996	81299ECH
Whirlpool Corporation				
3/9/94	3.41	10,000	9,992	962996PB
3/14/94	3.46	8,000	7,990	962996PD
Whirlpool Financial Corporation				
3/21/94	3.11	10,000	9,983	963999AE
4/5/94	3.61	15,000	14,948	963999AH
TOTAL COMMERCIAL PAPER 1,451,511				
FEDERAL AGENCIES - 10.5%				
FEDERAL HOME LOAN BANK - DISCOUNT NOTES - 2.2%				
6/16/94	3.37	21,000	20,995	567995GP
8/24/94	3.77	25,000	24,548	567995GV
45,543				
FEDERAL HOME LOAN MORTGAGE CORP. - DISCOUNT NOTES - 2.6%				
5/2/94	3.41	35,000	34,796	355993QR
5/5/94	3.40	20,000	19,878	355993QG
54,674				
FEDERAL NATIONAL MORTGAGE ASSOC. - AGENCY COUPONS - 1.2%				
3/1/94	3.60 (a)	25,000	25,000	9931287F
FEDERAL NATIONAL MORTGAGE ASSOC. - DISCOUNT NOTES - 4.5%				
3/9/94	3.31	15,000	14,989	31365F9R

4/1/94 3.38 25,000 24,929 31365F9E  
 5/25/94 3.34 15,000 14,883 9931168C  
 6/20/94 3.30 25,000 24,749 993128UF  
 7/26/94 3.20 5,810 5,735 9931286X  
 7/28/94 3.45 10,000 9,861 9931167Q  
 95,146

TOTAL FEDERAL AGENCIES 220,363  
 U.S. TREASURY OBLIGATIONS - 0.9%  
 DUE ANNUALIZED YIELD AT PRINCIPAL AMOUNT VALUE (NOTE 1)  
 DATE TIME OF PURCHASE (000S) (000S)

U.S. Treasury Bills  
 7/7/94 3.34% \$ 20,000 \$ 19,766 99399H7G  
 MEDIUM-TERM NOTES (A) - 4.0%

General Motors Acceptance Corporation  
 5/7/94 3.49 20,000 20,000 638998PF  
 Goldman Sachs Group, L.P. (The) (b)  
 6/16/94 3.47 20,000 20,000 696992KE  
 9/1/94 3.47 20,000 20,000 696992KB

Norwest Corporation  
 3/15/94 3.37 23,000 23,000 66899CBK  
 TOTAL MEDIUM-TERM NOTES 83,000  
 SHORT-TERM NOTES (A) - 8.7%

J.P. Morgan Securities  
 3/1/94 3.75 40,000 40,000 616998EC  
 3/1/94 3.77 24,000 24,000 616998AW

Morgan Stanley Group, Inc.  
 3/1/94 3.70 15,000 15,000 61799EJQ  
 Norwest Corporation

3/1/94 3.51 18,000 18,000 66899CBL  
 SMM Trust Company (1993-A) (c)  
 3/18/94 3.36 67,000 67,000 7845689Y

SMM Trust Company (1993-D) (c)  
 4/28/94 3.30 5,000 5,000 83199GAC  
 SMM Trust Company (1993-E) (c)

4/13/94 3.30 13,000 13,000 83199GAA  
 TOTAL SHORT-TERM NOTES 182,000  
 BANK NOTES - 1.4%

Bank of New York  
 3/6/94 3.47 30,000 30,000 06499AAJ  
 REPURCHASE AGREEMENTS - 0.1%

MATURITY VALUE (NOTE 1)  
 AMOUNT (000S) (000S)

In a joint trading account  
 (U.S. Treasury Obligations)  
 dated 2/28/94, due 3/1/94  
 (Note 2)

At 3.47% \$ 1 \$ 1  
 At 3.51% 1,807 1,807 99799MXJ  
 TOTAL REPURCHASE AGREEMENTS 1,808

TOTAL INVESTMENTS-100% \$ 2,100,075  
 Total Cost for Income Tax Purposes \$ 2,100,075

LEGEND  
 (a) The coupon rate shown on floating or adjustable rate securities represents the rate at period end.  
 (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the period end, the value of these securities amounted to \$40,000,000 or 1.9% of net assets.  
 (c) Restricted securities - Investment in securities not registered under the Securities Act of 1933 (see Note 2 of Notes to Financial Statements).  
 Additional information on each holding is as follows:

ACQUISITION  
 ACQUISITION AMOUNT  
 SECURITY DATE (000'S)  
 SMM Trust  
 Company:

(1993-A) 3/18/93 \$ 67,000  
 (1993-D) 1/28/94 \$ 5,000 83199GAC  
 (1993-E) 4/12/93 \$ 13,000

INCOME TAX INFORMATION

At August 31, 1993, the fund had a capital loss carryforward of approximately \$345,000 which will expire on August 31, 2001.

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

<TABLE> <CAPTION> <S> AMOUNTS IN THOUSANDS (EXCEPT PER-SHARE AMOUNT) FEBRUARY 28, 1994 (UNAUDITED)	<C>	<C>
1.ASSETS	2.	3.
4.Investment in securities, at value (including repurchases e agreements of \$1,808) (Notes 1 and 2) - See accompanying schedule	5.	\$ 2,100,075
6.Cash	7.	29,691
8.Interest receivable	9.	2,740
10. 11.TOTAL ASSETS	12.	2,132,506
13.LIABILITIES	14.	15.
16.Payable for investments purchased	\$ 22,939	17.
18.Accrued management fee	483	19.
20.Other payables and accrued expenses	535	21.
22. 23.TOTAL LIABILITIES	24.	23,957
25.26.NET ASSETS	27.	\$ 2,108,549
28.Net Assets consist of :	29.	30.
31.Paid in capital	32.	\$ 2,108,632
33.Accumulated net realized gain (loss) on investments	34.	(83)
35.36.NET ASSETS, for 2,108,632 shares outstanding	37.	\$ 2,108,549
38.39.NET ASSET VALUE, offering price and redemption price per share (\$2,108,549 (divided by) 2,108,632 shares)	40.	\$1.00

</TABLE>

STATEMENT OF OPERATIONS

<TABLE> <CAPTION> <S> AMOUNTS IN THOUSANDS SIX MONTHS ENDED FEBRUARY 28, 1994 (UNAUDITED)	<C>	<C>
41.42.INTEREST INCOME	43.	\$ 34,589
44.EXPENSES	45.	46.
47.Management fee (Note 3)	\$ 3,134	48.
49.Transfer agent fees (Note 3)	2,572	50.

51.Accounting fees and expenses (Note 3)	104	52.
53.Non-interested trustees' compensation	7	54.
55.Custodian fees and expenses	22	
56.Audit	21	57.
58. 59.TOTAL EXPENSES	60.	5,860
61.62.NET INTEREST INCOME	63.	28,729
64.65.NET REALIZED GAIN (LOSS) ON INVESTMENTS (NOTE 1)	66.	(365)
67.68.NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	69.	\$ 28,364

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

<S>

AMOUNTS IN THOUSANDS

<C>

SIX MONTHS

ENDED

FEBRUARY 28, 1994

(UNAUDITED)

<C>

YEAR

ENDED

AUGUST 31,

1993

70.INCREASE (DECREASE) IN NET ASSETS

71.Operations	\$ 28,729	\$ 65,143
Net interest income		
72. Net realized gain (loss) on investments	(365)	(345)
73. 74.NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	28,364	64,798
75.Dividends to shareholders from net interest income	(28,729)	(65,143)
76.Share transactions at net asset value of \$1.00 per share Proceeds from sales of shares	3,279,348	6,188,836
77. Reinvestment of dividends from net interest income	28,702	63,070
78. Cost of shares redeemed	(3,295,439)	(6,656,948)
79. Net increase (decrease) in net assets and shares resulting from share transactions	12,611	(405,042)
80. 81.TOTAL INCREASE (DECREASE) IN NET ASSETS	12,246	(405,387)
82.NET ASSETS	83.	84.
85. Beginning of period	2,096,303	2,501,690
86. End of period	\$ 2,108,549	\$ 2,096,303

</TABLE>

<TABLE>

<CAPTION>

<S>

<C>	<C>	<C>	<C>	<C>	<C>	<C>
87.						
SIX MONTHS	YEARS ENDED AUGUST 31,				EIGHT MONTHS	YEARS ENDED DECEMBER 3
ENDED					ENDED	1,
FEBRUARY 28,					AUGUST 31,	
1994						
88.						
(UNAUDITED)	1993	1992	1991	1990	1989	1988
89.SELECTED PER-SHARE DATA						
90.Net asset value, beginning of period						
\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
91.Income from Investment Operations						
.014	.028	.042	.064	.051	.087	.070
Net interest income						
92.Less Distributions						
(.014)	(.028)	(.042)	(.064)	(.051)	(.087)	(.070)
From net interest income						
93.Net asset value, end of period						
\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
94.TOTAL RETURN(dagger)						
1.40%	2.83%	4.32%	6.64%	5.22%	8.97%	7.15%
95.RATIOS AND SUPPLEMENTAL DATA						
96.Net assets, end of period (in millions)						
\$ 2,109	\$ 2,096	\$ 2,502	\$ 2,802	\$ 2,981	\$ 2,923	\$ 3,042
97.Ratio of expenses to average net assets						
.56%*	.57%	.55%	.60%	.63%*	.64%	.66%
98.Ratio of net interest income to						
2.75%*	2.83%	4.22%	6.47%	7.69%*	8.68%	7.01%
average net assets						

</TABLE>

\* ANNUALIZED

(dagger) TOTAL RETURNS FOR PERIODS OF LESS THAN ONE YEAR ARE NOT ANNUALIZED.

#### FINANCIAL HIGHLIGHTS

#### NOTES TO FINANCIAL STATEMENTS

For the period ended February 28, 1994 (Unaudited)

#### 1. SIGNIFICANT ACCOUNTING

##### POLICIES.

Fidelity Daily Income Trust (the fund) is a fund of Fidelity Union Street Trust II (the trust) and is authorized to issue an unlimited number of shares. The trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Delaware trust. The following summarizes the significant accounting policies of the fund:

**SECURITY VALUATION.** As permitted under Rule 2a-7 of the 1940 Act, and certain conditions therein, securities are valued initially at cost and thereafter assume a constant amortization to maturity of any discount or premium.

**INCOME TAXES.** As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the fund is not subject to income taxes to the extent that it distributes all of its taxable income for its fiscal year. The schedule of investments includes information regarding income

taxes under the caption "Income Tax Information."

INTEREST INCOME. Interest income, which includes amortization of premium and accretion of original issue discount, is accrued as earned.

EXPENSES. Most expenses of the trust can be directly attributed to a fund. Expenses which cannot be directly attributed are apportioned between the funds in the trust.

DISTRIBUTIONS TO SHAREHOLDERS. Dividends are declared daily and paid monthly from net interest income.

SECURITY TRANSACTIONS. Security transactions are accounted for as of trade date. Gains and losses on securities sold are determined on the basis of identified cost.

## 2. OPERATING POLICIES.

REPURCHASE AGREEMENTS. The fund, through its custodian, receives delivery of the underlying securities, whose market value is required to be at least 102% of the resale price at the time of purchase. The fund's investment adviser, Fidelity Management & Research Company (FMR), is responsible for determining that the value of these underlying securities remains at least equal to the resale price.

JOINT TRADING ACCOUNT. Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the fund, along with other registered investment companies having management contracts with FMR, may transfer uninvested cash balances into a joint trading account. These balances are invested in one or more repurchase agreements that are collateralized by U.S. Treasury or Federal Agency obligations.

RESTRICTED SECURITIES. The fund is permitted to invest in privately placed restricted securities. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. At the end of the period, restricted securities (excluding 144A issues) amounted to \$85,000,000 or 4% of net assets for the fund.

## 3. FEES AND OTHER TRANSACTIONS WITH AFFILIATES.

MANAGEMENT FEE. As the fund's investment adviser, FMR receives a fee computed daily and paid monthly, based on the level of the fund's average net assets and gross income earned each month. The portion of the fee based on average net assets is graduated ranging from an annual rate of .10% of average net assets up to \$2 billion to an annual rate of .05% of average net assets in excess of \$6 billion. The portion of the fee based on gross income is equal to 4% of the gross income earned by the fund each month (exclusive of gains realized from the sale of investments) provided the amount of such fee, at a minimum, amounts to an annual rate of .20% and, at a maximum, does not exceed an annual rate of .40% of the fund's average net assets. For the period, the management fee was equivalent to an annualized rate of .30% of average net assets.

SUB-ADVISER FEE. As the fund's investment sub-adviser, FMR Texas Inc., a wholly owned subsidiary of FMR, receives a fee from FMR of 50% of the management fee payable to FMR. The fee is paid prior to any voluntary expense reimbursements which may be in effect, and after reducing the fee for any payments by FMR pursuant to the fund's Distribution and Service Plan.

TRANSFER AGENT FEE. Fidelity Service Co. (FSC), an affiliate of FMR, is the fund's transfer, dividend disbursing and shareholder servicing agent. FSC receives fees based on the type, size, number of accounts and the number of transactions made by shareholders. FSC pays for typesetting, printing and mailing of all shareholder reports, except proxy statements.

ACCOUNTING FEE. FSC maintains the fund's accounting records. The fee is based on the level of average net assets for the month plus out-of-pocket expenses.

Shareholders participating in the Fidelity Ultra Service Account (Registered trademark) Program (the Program) pay a \$5.00 monthly fee to Fidelity Brokerage Services, Inc. (FBSI), an affiliate of FMR, for performing services associated with the Program. For the period, fees paid to FBSI by shareholders participating in the Program amounted to \$861,867.

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Fidelity Management & Research  
Company

Boston, MA

SUB-ADVISER

FMR Texas Inc.

Irving, TX

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