

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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FIDELITY CONTRAFUND

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FIDELITY

(Registered trademark)
CONTRAFUND

ANNUAL REPORT
DECEMBER 31, 1993
CONTENTS

PRESIDENT'S MESSAGE	3	Ned Johnson on minimizing taxes.
PERFORMANCE	4	How the fund has done over time.
FUND TALK	6	The manager's review of fund performance, strategy, and outlook.
INVESTMENT CHANGES	9	A summary of major shifts in the fund's investments over the last six months.
INVESTMENTS	10	A complete list of the fund's investments with their market value.
FINANCIAL STATEMENTS	35	Statements of assets and liabilities, operations, and changes in net assets, as well as financial highlights.
NOTES	39	Footnotes to the financial statements.
REPORT OF INDEPENDENT ACCOUNTANTS	44	The auditor's opinion.

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:

Once the new year begins, many people start reviewing their finances and calculating their tax bills. No one wants to pay more taxes than they have to. But a recent survey of 500 U.S. households, conducted by Fidelity and Yankelovich Partners, showed that few people have taken steps to reduce their taxes under the new legislation. Many were not even aware that the new tax laws were retroactive to January 1993.

Whether or not you're someone whose tax bill will increase 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 adding to your tax-free investments, either municipal bonds or 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.

Wishing you a prosperous new year,
Edward C. Johnson 3d, Chairman

PERFORMANCE: THE BOTTOM LINE

There are several ways to evaluate a fund's historical performance. You can look at the total percentage of change in value, the average annual percentage change, or the growth of a hypothetical \$10,000 investment. Each performance figure includes changes in a fund's share price, plus reinvestment of any dividends (or income) and capital gains (the profits the fund earns when it sells stocks that have grown in value).

CUMULATIVE TOTAL RETURNS

PERIODS ENDED DECEMBER 31, 1993	PAST 1 YEAR	PAST 5 YEARS	PAST 10 YEARS
Contrafund	21.43%	224.37%	408.62%
Contrafund (incl. 3% sales charge)	17.78%	214.64%	393.36%
S&P 500 (Registered trademark)	10.08%	97.26%	302.35%
Average Growth Fund	10.61%	99.76%	234.70%

CUMULATIVE TOTAL RETURNS show the fund's performance in percentage terms over a set period - in this case, one, five, or 10 years. For example, if you had invested \$1,000 in a fund that had a 5% return over the past year, you would have \$1,050. You can compare these figures to the performance of the Standard & Poor's 500 Composite Stock Price Index - a common proxy for the U.S. stock market. You can also compare them to the average growth fund, which reflects the performance of over 488 growth funds tracked by Lipper Analytical Services. Both benchmarks include reinvested dividends and capital gains, if any.

AVERAGE ANNUAL TOTAL RETURNS

PERIODS ENDED DECEMBER 31, 1993	PAST 1 YEAR	PAST 5 YEARS	PAST 10 YEARS
Contrafund	21.43%	26.53%	17.66%
Contrafund (incl. 3% sales charge)	17.78%	25.77%	17.30%
S&P 500 (Registered trademark)	10.08%	14.55%	14.94%
Average Growth Fund	10.61%	14.51%	12.38%

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

\$10,000 OVER 10 YEARS

	Contrafund (022)	S&P 500
12/31/83	9700.01	10000.00
01/31/84	9315.36	9944.00
02/29/84	8511.09	9593.97
03/31/84	8484.58	9759.95
04/30/84	8396.20	9852.67
05/31/84	7998.48	9306.83
06/30/84	8122.21	9508.79
07/31/84	7689.15	9390.88
08/31/84	8758.56	10428.57
09/30/84	8758.56	10430.66
10/31/84	8714.37	10471.34
11/30/84	8652.50	10354.06
12/31/84	8897.59	10627.40
01/31/85	9744.54	11455.28
02/28/85	9808.29	11596.18
03/31/85	9890.26	11604.30
04/30/85	9780.97	11593.85
05/31/85	9972.22	12263.98
06/30/85	10035.97	12456.52
07/31/85	10145.25	12437.84
08/31/85	10336.50	12332.11
09/30/85	9817.40	11946.12
10/31/85	10345.61	12498.03

11/30/85	10892.03	13355.39
12/31/85	11305.65	14001.80
01/31/86	11407.92	14080.21
02/28/86	12529.40	15133.40
03/31/86	13088.30	15977.85
04/30/86	12844.41	15797.30
05/31/86	13169.59	16637.72
06/30/86	13108.62	16918.89
07/31/86	12143.26	15973.13
08/31/86	12935.87	17158.33
09/30/86	12163.58	15739.34
10/31/86	12976.52	16647.50
11/30/86	12976.52	17052.03
12/31/86	12811.28	16617.21
01/31/87	14660.92	18855.54
02/28/87	15557.31	19600.34
03/31/87	15815.23	20166.79
04/30/87	15850.40	19987.30
05/31/87	15991.09	20161.19
06/30/87	16577.27	21179.33
07/31/87	17386.20	22253.12
08/31/87	18019.28	23083.17
09/30/87	17655.85	22577.65
10/31/87	12556.05	17714.42
11/30/87	11864.35	16254.75
12/31/87	12567.77	17491.74
01/31/88	13376.71	18228.14
02/29/88	13986.34	19077.57
03/31/88	14009.79	18488.08
04/30/88	14291.15	18693.29
05/31/88	14091.85	18855.92
06/30/88	14771.82	19721.41
07/31/88	14877.34	19646.47
08/31/88	14549.07	18978.49
09/30/88	15146.98	19786.97
10/31/88	15545.59	20337.05
11/30/88	15428.35	20046.23
12/31/88	15209.80	20397.04
01/31/89	16219.78	21890.10
02/28/89	16123.59	21345.04
03/31/89	16977.27	21842.38
04/30/89	18071.41	22976.00
05/31/89	19009.25	23906.53
06/30/89	18889.01	23770.26
07/31/89	20620.41	25916.71
08/31/89	21209.56	26424.68
09/30/89	21618.36	26316.34
10/31/89	20969.09	25705.80
11/30/89	21450.03	26230.20
12/31/89	21773.12	26859.73
01/31/90	20618.29	25057.44
02/28/90	21046.49	25380.68
03/31/90	21500.64	26053.27
04/30/90	21280.05	25401.94
05/31/90	23291.27	27878.62
06/30/90	23589.71	27689.05
07/31/90	23148.54	27600.44
08/31/90	21344.93	25105.36
09/30/90	20449.61	23882.73
10/31/90	20553.41	23780.04
11/30/90	21773.12	25316.23
12/31/90	22630.13	26022.55
01/31/91	24834.44	27157.13
02/28/91	26712.68	29098.87
03/31/91	28277.87	29803.06
04/30/91	28434.39	29874.59
05/31/91	30247.41	31165.17
06/30/91	28551.78	29737.81
07/31/91	30573.50	31123.59
08/31/91	32112.60	31861.22
09/30/91	32203.91	31329.13
10/31/91	33129.98	31748.94
11/30/91	31382.18	30469.46
12/31/91	35058.25	33955.17
01/31/92	36057.96	33323.60
02/29/92	37228.09	33756.81
03/31/92	36217.75	33098.55
04/30/92	36610.66	34071.65
05/31/92	37003.57	34238.60
06/30/92	36105.49	33728.44
07/31/92	37017.60	35107.94
08/31/92	36330.01	34388.23
09/30/92	36947.44	34794.01
10/31/92	37775.36	34915.79

11/30/92	39599.57	36106.41
12/31/92	40630.38	36550.52
01/31/93	41917.18	36857.55
02/28/93	42193.72	37358.81
03/31/93	44210.06	38147.08
04/30/93	44508.77	37223.92
05/31/93	46271.20	38221.52
06/30/93	46286.14	38332.36
07/31/93	46793.96	38179.04
08/31/93	49064.20	39626.02
09/30/93	49168.75	39320.90
10/31/93	49601.89	40134.84
11/30/93	47734.91	39753.56
12/31/93	49335.92	40234.58

\$10,000 OVER 10 YEARS: Let's say you invested \$10,000 in Fidelity Contrafund on December 31, 1983, and paid a 3% sales charge. As the chart shows, by December 31, 1993, the value of your investment would have grown to \$49,336 - a 393.36% increase on your initial investment. For comparison, look at how the S&P 500 did over the same period. With dividends reinvested, the same \$10,000 investment would have grown to \$40,235 - a 302.35% increase.

UNDERSTANDING

PERFORMANCE

How a fund did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of growth in the long run and volatility in the short run. In turn, the share price and return of a fund that invests in stocks will vary. That means if you sell your shares during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain. (checkmark)

DISTRIBUTIONS

The Board of Trustees of Fidelity <FUND> voted to pay on February 7, 1994, to shareholders of record at the opening of business on February 4, 1994, a distribution of \$___ derived from capital gains realized from sales of portfolio securities.

INVESTMENT CHANGES

TOP TEN STOCKS AS OF DECEMBER 31, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE STOCKS 6 MONTHS AGO
International Business Machines Corp.	1.8	-
Citicorp	1.0	.5
British Petroleum PLC ADR	1.0	.4
United Technologies Corp.	1.0	-
Philip Morris Companies, Inc.	.9	-
Anadarko Petroleum Corp.	.9	.3
Lotus Development Corp.	.9	.5
Columbia Healthcare Corp.	.8	-
Ford Motor Co.	.8	.3
Caterpillar, Inc.	.8	.5

TOP FIVE INDUSTRIES AS OF DECEMBER 31, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS
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IN THESE INDUSTRIES
6 MONTHS AGO

Technology	11.1	16.2
Energy	10.0	16.3
Media & Leisure	8.4	6.8
Health	7.2	1.8
Basic Industries	5.6	2.4

ASSET ALLOCATION

AS OF DECEMBER 31, 1993 * AS OF JUNE 30, 1993 *

Row: 1, Col: 1, Value: 19.1
 Row: 1, Col: 2, Value: 1.5
 Row: 1, Col: 3, Value: 40.1
 Row: 1, Col: 4, Value: 40.0
 Row: 1, Col: 1, Value: 15.9
 Row: 1, Col: 2, Value: 1.5
 Row: 1, Col: 3, Value: 40.0
 Row: 1, Col: 4, Value: 43.3
 Stocks 80.1%
 Bonds 0.8%
 Short-term and
 other investments 19.1%

Stocks 83.3%
 Bonds 0.8%
 Short-term and
 other investments 15.9%

* FOREIGN
 INVESTMENTS 18.2%
 * FOREIGN
 INVESTMENTS 13.5%
 INVESTMENTS DECEMBER 31, 1993

Showing Percentage of Total Value of Investment in Securities

COMMON STOCKS - 79.3%
 SHARES VALUE (NOTE 1)
 (000S)

AEROSPACE & DEFENSE - 1.4%
 AEROSPACE & DEFENSE - 0.5%
 Alliant Techsystems, Inc. (a) 172,800 \$ 5,119 01880410
 Greenwich Air Services, Inc. (a) 1,000 8 39678110
 Martin Marietta Corp. 115,000 5,118 57290010
 McDonnell Douglas Corp. 18,500 1,980 58016910
 Precision Castparts Corp. 32,300 937 74018910
 Sturm Ruger & Co., Inc. 638,900 15,892 86415910
 Thiokol Corp. 102,500 2,716 88410310
 31,770

DEFENSE ELECTRONICS - 0.9%
 ESCO Electronics Corp. (trust receipt) (a) (e) 604,600 7,784 26903020
 E-Systems, Inc. 12,600 547 26915730
 Flir Systems, Inc. (a) 154,100 1,503 30244510
 Loral Corp. 1,075,000 40,581 54385910
 Tech-Sym Corp. (a) 242,600 5,186 87830810
 Tracor, Inc. (a) 10,000 90 89234920
 Trimble Navigation Ltd. (a) 12,200 108 89623910
 55,799

TOTAL AEROSPACE & DEFENSE 87,569
 BASIC INDUSTRIES - 5.6%
 CHEMICALS & PLASTICS - 1.8%
 Akzo NV Ord. 137,700 13,303 01019910
 Cabot Corp. 206,000 11,098 12705510
 Cambrex Corp. 370,200 7,404 13201110
 Foamex International, Inc. (a) 355,000 6,035 34412310
 GEON 223,300 5,275 37246W10
 Georgia Gulf Corp. (a) 182,400 4,081 37320020
 Hanna (M.A.) Co. 184,400 6,016 41052210
 IMC Fertilizer Group, Inc. 30,585 1,388 44966910
 Monsanto Co. 285,200 20,927 61166210
 Sealed Air Corp. (a) 20,000 633 81211510
 Terra Industries, Inc. (a) 458,800 3,498 88091510
 Union Carbide Corp. 1,285,000 28,752 90558110
 Vigoro Corp. 200,600 6,068 92675410
 114,478

COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)

BASIC INDUSTRIES - CONTINUED

IRON & STEEL - 0.9%

Allegheny Ludlum Industries, Inc.	210,900	\$ 5,035	01690010
Geneva Steel Class A (a)	97,100	1,651	37225210
Inland Steel Industries, Inc. (a)	255,400	8,460	45747210
Iscor Ltd. (a)	604,100	346	46499C22
LTV Corp.	492,100	7,935	50192110
Mueller Industries, Inc. (a)	350,800	12,453	62475610
Nucor Corp.	310,000	16,430	67034610
	52,310		

METALS & MINING - 0.4%

Alcan Aluminium Ltd.	220,000	4,619	01371610
Inco Ltd.	100,000	2,686	45325840
Noranda, Inc.	235,000	4,600	65542210
Phelps Dodge Corp.	50,000	2,437	71726510
Wolverine Tube, Inc. (a)	381,000	7,525	97809310
	21,867		

PAPER & FOREST PRODUCTS - 2.5%

Abitibi-Price Inc.	100,000	1,182	00368010
Domain Industries Ltd, Class B (non-vtg.) Series 2	300,000	4,227	25703930
Domtar Inc. (a)	1,311,100	8,307	25756110
Fletcher Challenge Canada Ltd. Class A	232,307	3,625	33932D10
Georgia-Pacific Corp.	250,000	17,187	37329810
IP Timberlands, Ltd. Class A	8,600	229	44984210
International Forest Products Class A (a)	600,400	9,766	45953E10
International Paper Co.	300,000	20,325	46014610
Longview Fibre Co.	454,300	10,279	54321310
Louisiana-Pacific Corp.	301,900	12,453	54634710
Metsa Serla B	246,000	9,889	59299992
Noranda Forest, Inc.	160,000	1,453	65542L10
Plum Creek Timber Co. LP (depository unit)	83,900	2,192	72923710
Pope & Talbot, Inc.	97,300	2,797	73282710
Repola OY	723,200	11,242	75999A92
Riverside Forest Products	90,000	1,958	76890410
St. Joe Paper Co.	4,600	233	79016110
Scott Paper Co.	45,000	1,851	80987710
Slocan Forest Products Ltd.	353,800	8,934	83158C10

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)
(000S)

BASIC INDUSTRIES - CONTINUED

PAPER & FOREST PRODUCTS - CONTINUED

Temple-Inland, Inc.	327,500	\$ 16,498	87986810
Timberwest Forest Ltd. (a)(f)	200,000	2,572	88690820
Union Camp Corp.	206,000	9,811	90553010
Willamette Industries, Inc.	26,700	1,322	96913310
	158,332		

TOTAL BASIC INDUSTRIES 346,987

CONGLOMERATES - 2.0%

CONGLOMERATES - 2.0%

Alexander & Baldwin, Inc.	10,000	268	01448210
Allied-Signal, Inc.	108,100	8,540	01951210
Canadian Pacific Ltd. Ord.	1,074,000	17,571	13644030
ITT Corp.	254,000	23,177	45067910
Litton Industries, Inc. (a)	100,000	6,438	53802110
Textron, Inc.	110,000	6,408	88320310
United Technologies Corp.	1,000,000	62,000	91301710
	124,402		

CONSTRUCTION & REAL ESTATE - 3.0%

BUILDING MATERIALS - 0.9%

Armstrong World Industries, Inc.	672,300	35,800	04247610
Lafarge Corp.	323,800	7,407	50586210
Lilly Industrial Coatings, Inc. Class A	175,400	4,210	53249110
Medusa Corp.	16,900	547	58507230
Southdown, Inc. (a)	99,600	2,440	84129710
Tecumseh Products Co. Class A	183,500	8,487	87889520
USG Corp. (a)	10,000	292	90329340
	59,183		

CONSTRUCTION - 1.5%

Butler Manufacturing Co. (Del) (a)	15,300	415	12365510
Centex Corp.	145,100	6,094	15231210
Clayton Homes, Inc. (a)	165,875	4,022	18419010
Continental Homes Holding Corp. (e)	400,600	9,214	21148C10
Kaufman & Broad Home Corp. (a)	260,000	6,175	48616810
Oakwood Homes Corp.	395,100	10,668	67409810
Pulte Corp.	173,800	6,300	74586710

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)
(000S)

CONSTRUCTION & REAL ESTATE - CONTINUED

CONSTRUCTION - CONTINUED

Redman Industries (a) (e)	376,700	\$ 7,628	75764210
Schuler Homes, Inc. (a)	856,100	23,971	80818810
Southern Energy Homes, Inc. (a)	166,000	3,133	84281410

Standard Pacific Corp. 434,300 4,832 85375C10
Toll Brothers, Inc. (a) 463,600 7,939 88947810
90,391
ENGINEERING - 0.2%
CBI Industries, Inc. 215,300 6,540 12480010
Corrpro Companies, Inc. (a) 12,000 232 22031710
Insituform Mid-America, Inc. Class A 160,000 2,240 45766H10
Rust International, Inc. (a) 10,000 228 78307510
SNC Group, Inc. Class A 95,000 1,348 78460T10
10,588
REAL ESTATE - 0.0%
Hovnanian Enterprises, Inc. Class A (a) 133,900 2,025 44248720
REAL ESTATE INVESTMENT TRUSTS - 0.4%
Equity Residential Property Trust, shares beneficial interest 85,000
2,709 29476L10
Manufactured Home Community 122,800 5,281 56468210
McArthur/Glen Realty Corp. (a) 85,800 2,091 57918810
Nationwide Health Properties, Inc 22,900 813 63862010
Simon Properties Group, Inc. (a) 539,000 12,195 82880510
23,089
TOTAL CONSTRUCTION & REAL ESTATE 185,276
DURABLES - 5.3%
AUTOS, TIRES, & ACCESSORIES - 3.2%
Chrysler Corp. 650,100 34,618 17119610
Custom Chrome, Inc. (a) 116,900 2,601 23190510
Echlin, Inc. 80,000 2,660 27874910
Federal-Mogul Corp. 380,000 11,020 31354910
Ford Motor Co. 795,200 51,290 34537010
General Motors Corp. 685,000 37,589 37044210
Goodyear Tire & Rubber Co. 900,000 41,175 38255010
Jason, Inc. (a) 95,000 1,259 47117110
Smith (A.O.) Corp. Class B 96,900 3,464 83186520
Spartan Motors, Inc. 88,050 1,497 84681910
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
DURABLES - CONTINUED
AUTOS, TIRES, & ACCESSORIES - CONTINUED
Titan Wheel International, Inc. (a) 76,800 \$ 1,958 88832810
Wabash National Corp. 266,600 9,065 92956610
198,196
CONSUMER ELECTRONICS - 0.3%
Aktiebolaget Electrolux 346,000 11,778 01019810
Fedders USA Inc. (a) 223,600 1,425 31313510
Harman International Industries, Inc. (a) 163,000 4,686 41308610
Whirlpool Corp. 71,500 4,755 96332010
22,644
HOME FURNISHINGS - 0.4%
Ethan Allen Interiors, Inc. (a) 119,900 3,747 29760210
Haverty Furniture Companies, Inc.(e) 530,300 9,081 41959610
Haverty Furniture Companies, Inc. Class A 52,350 877 41959620
Miller (Herman), Inc. 60,100 1,841 60054410
Rhodes, Inc. (a) 449,000 7,521 76235P10
Rowe Furniture Corp. 16,200 344 77952810
23,411
TEXTILES & APPAREL - 1.4%
Donnkenny, Inc. (Del.) (a) (e) 328,300 6,149 25800610
Forstmann & Co., Inc. (a) (e) 281,400 3,236 34659270
Haggar Corp. 20,000 510 40517310
Kellwood Co. 224,800 9,020 48804410
Mohawk Industries, Inc. (a) 201,400 6,898 60819010
Nantucket Industries, Inc. (a)(e) 165,000 1,072 63018310
Nine West Group, Inc. (a) 958,500 28,276 65440D10
Orbit Instrument Corp. (a) 306,100 1,416 68555910
Oshkosh B'Gosh, Inc. Class A 113,400 2,211 68822220
Stride Rite Corp. 814,000 13,329 86331410
Tandy Brands Accessories, Inc. (a) 172,300 3,403 87537810
Unifi, Inc. 309,100 8,307 90467710
Vista Resources, Inc. (a) 113,000 2,444 92838410
Westpoint Stevens, Inc. Class A (a) 10,000 188 96123810
86,459
TOTAL DURABLES 330,710
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
ENERGY - 10.0%
ENERGY SERVICES - 2.0%
Chiles Offshore Corp. (a) 1,234,000 \$ 6,170 16888710
Energy Service, Inc. (a) 7,516,900 24,430 29271910
Global Marine, Inc. (a) 4,420,700 18,235 37935240
Halliburton Co. 200,000 6,375 40621610
Marine Drilling Companies, Inc. (a) 1,248,800 7,180 56824020
Nabors Industries, Inc. (a) 894,700 7,046 62956810
Nowco Well Service Ltd. 361,000 5,189 67012210

Offshore Logistics, Inc. (a) 430,000 5,912 67625510
Offshore Pipelines, Inc. (a)(e) 631,100 9,940 67626910
Rowan Companies, Inc. (a) 165,900 1,493 77938210
Schlumberger Ltd. 200,000 11,825 80685710
Smith International, Inc. (a) 547,300 4,789 83211010
Tuboscope Vetco Corp. (a) 469,200 2,874 89860010
Weatherford International, Inc. (a) 787,500 8,367 94707610
Wheatley TXT Corp. 60,000 683 96271810

120,508

OIL & GAS - 8.0%

Amerada Hess Corp. 390,900 17,639 02355110
Anadarko Petroleum Corp. 1,211,400 54,967 03251110
Anderson Exploration Ltd. (a) 101,000 2,207 03390110
Apache Corp. 13,000 304 03741110
Ashland Oil, Inc. 135,900 4,638 04454010
Beau Canada Exp. 1,946,300 3,461 07428010
Benton Oil & Gas Co. (a) 455,000 2,275 08328810
Blue Range Resource Corp. Class A (a) 290,500 2,143 09579K10
British Borneo Petroleum 240,800 697 11099D22
British Petroleum PLC ADR 985,900 63,098 11088940
Brown Tom, Inc. (a)(e) 883,300 9,937 11566020
Burlington Resources, Inc. 680,000 28,815 12201410
Cabot Oil & Gas Corp. Class A 307,800 6,502 12709710
Cabre Exploration Ltd. (a) 76,600 797 12690610
Canadian Natural Resources Ltd. (a) 2,446,300 33,315 13638510
Chauvco Resources Ltd. Class A (a) 500,000 6,526 16260010
Clyde Petroleum (a) 5,100,000 3,465 18958499
DEKALB Energy Corp. Class B (a) 102,500 1,409 24487410
Encal Energy Ltd. (a) 535,000 1,842 29250D10
Enron Oil & Gas Co. 155,300 6,057 29356210
Excel Energy, Inc. (a) 76,600 319 30065410

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)

(000S)

ENERGY - CONTINUED

OIL & GAS - CONTINUED

Grad & Walker Energy Corp.(e) 636,100 \$ 6,016 38391010
HS Resources, Inc. (a)(e) 623,000 13,083 40429710
Horsham Corp. 1,024,000 15,010 44090710
Intensity Resources Ltd. (a) 988,700 2,020 45816E10
Inverness Petroleum Ltd. (a) 986,000 7,273 46190810
Jordan Petroleum Ltd. Class A (a) 472,800 3,219 48076110
Kerr-McGee Corp. 124,900 5,636 49238610
Louis Dreyfus Natural Gas Corp. (a) 192,900 3,086 54601110
Louisiana Land & Exploration Co. 39,800 1,597 54626810
Mitchell Energy & Development Corp. Class A 57,700 1,255 60659220
Murphy Oil Corp. 726,500 29,060 62671710
Newfield Exploration Co. (a) 70,600 1,244 65129010
Noble Affiliates, Inc. 667,300 17,683 65489410
Norsk Hydro AS ADR (a) 113,600 3,181 65653160
Northrock Resources Ltd. (a) 518,300 2,990 66679810
Northstar Energy Corp. (a) 378,000 7,436 66703R10
Nuevo Energy Corporation (a) 116,800 2,278 67050910
Paramount Resources Ltd. (a) 142,000 2,108 69932010
Parker & Parsley Petroleum Co. 380,500 9,417 70101810
Petromet Resources Ltd. Ord. (a) 668,600 3,162 71673110
Phillips Petroleum Co. 525,000 15,225 71850710
Pinnacle Resources Ltd. (a) 350,000 4,766 72348R10
Poco Petroleum Ltd. (a) 291,700 1,959 73036110
Renaissance Energy Ltd. (a) 936,600 20,018 75966610
Rio Alto Exploration Ltd. (a) 1,738,300 10,850 76689210
Sceptre Resources Ltd. 479,600 4,626 80621470
Snyder Oil Corp. 115,600 2,052 83348210
Summit Resources Ltd. 322,000 2,101 86624610
Sun Company, Inc. 49,200 1,445 86676210
Tarragon Oil & Gas Ltd. (a) 515,000 6,721 87629E20
Tri Link Resources Ltd. Class A (a) 85,000 900 89557D10
United Meridian Corp. (a) 85,300 1,162 91086510
Unocal Corp. 1,250,000 34,844 91528910
Vintage Petroleum, Inc. 390,900 7,085 92746010

500,921

TOTAL ENERGY 621,429

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)

(000S)

FINANCE - 2.9%

BANKS - 2.2%

Allied Irish Bank 3,500,000 \$ 15,043 01908810
Bank International Indonesia Ord. (a) 1,000,000 4,902 06199B92
Bank of New York Co., Inc. 31,000 1,767 06405710
Bank South Corp. 268,300 4,091 06506810
Citicorp (a) 1,755,000 64,496 17303410
Dresdner Bank AG Ord. 40,000 10,655 26156110
HUBCO, Inc. 155,940 3,508 40438210

Integra Financial Corp. 247,900 10,660 45810410
 Liberty Bancorporation, Inc. 12,100 339 53017510
 National Westminster Bank PLC Ord. 900,000 8,242 63853930
 North Fork Bancorporation, Inc. (a) 116,800 1,504 65942410
 Shawmut National Corp. 102,000 2,218 82048410
 Signet Banking Corp. 1,031 36 82668110
 Westpac Banking Corp. 3,274,200 10,294 96121410
 137,755
 CLOSED END INVESTMENT COMPANY - 0.3%
 Free State Consolidated Gold Mines Ltd. ADR 276,800 4,706 35614220
 Korea Fund, Inc. (a) 50,000 1,200 50063410
 Orange Free State Investments Ltd. ADR 228,400 10,050 68486520
 15,956
 CREDIT & OTHER FINANCE - 0.3%
 Argentaria Corp. Bancaria de Esp. (a) 327,525 13,819 21991392
 Gencor Ltd. (Reg.) (a) 1,700,000 3,428 36868193
 Mercer International, Inc. SBI (a) 185,000 2,613 58805610
 Mercury Finance Co. 13,800 264 58939510
 20,124
 SAVINGS & LOANS - 0.1%
 Crossland Federal Savings Bank, Brooklyn, NY (a) 200,000 5,600 22764B10
 Progressive Bancorporation Inc. 21,200 350 74331310
 Standard Federal Bank 100,000 3,000 85338910
 8,950
 TOTAL FINANCE 182,785
 COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)
 HEALTH - 7.2%
 DRUGS & PHARMACEUTICALS - 3.5%
 Astra A Free 1,000,000 \$ 22,772 04632292
 COR Therapeutics, Inc. (a) 235,400 3,560 21775310
 Cellpro, Inc. (a) 453,900 15,773 15115610
 Celtrix Laboratories, Inc. (a) 245,000 2,695 15118610
 Chiron Corp. (a) 285,000 23,940 17004010
 Cocensys, Inc. (a) 36,500 146 19126310
 Collagen Corp. (a) 25,000 694 19419410
 Cytotherapeutics, Inc. (a) 196,300 2,405 23292310
 Elan PLC ADR (a) 676,700 28,675 28413120
 Genentech, Inc. (a) 346,200 17,483 36871020
 Genetics Institute, Inc. (depository share) 30,700 1,481 37185530
 Magainin Pharmaceuticals, Inc. (a) 247,000 3,396 55903610
 Merck & Co., Inc. 1,107,468 38,069 58933110
 Nature's Bounty, Inc. (a)(e) 10,000 208 63901730
 Perspective Biosystems, Inc. (a) 109,800 3,157 71527110
 Pfizer, Inc. 547,900 37,805 71708110
 Protein Design Labs, Inc. (a) 169,700 4,115 74369L10
 Repligen Corp. (a) 150,000 1,031 75991610
 Rexall Sundown, Inc. (a) 20,000 300 76164810
 Schering-Plough Corp. 130,000 8,905 80660510
 Sciclone Pharmaceuticals, Inc. (a) 107,600 2,475 80862K10
 219,085
 MEDICAL EQUIPMENT & SUPPLIES - 1.2%
 Cardinal Distribution, Inc. 432,300 20,534 14148710
 Cordis Corp. (a) 173,300 8,557 21852510
 FoxMeyer Corp. 225,600 2,566 35165410
 Herbalife International, Inc. 10,000 177 42690810
 Kendall International, Inc. (a) 40,000 1,840 48875110
 Kirschner Medical Corp. (a) 30,000 195 49766010
 Maxxim Medical, Inc. (a) 48,900 984 57777G10
 McKesson Corp. 40,200 2,171 58155610
 Medtronic, Inc. 310,000 25,459 58505510
 Owens & Minor, Inc. 35,300 812 69073010
 Patterson Dental Co. (a) 176,200 5,727 70341210
 Sybron Corp. (a) 75,300 2,410 87114F10
 Thermedics, Inc. (a) 55,750 843 88390110
 72,275
 COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)
 HEALTH - CONTINUED
 MEDICAL FACILITIES MANAGEMENT - 2.5%
 Abbey Healthcare Group, Inc. (a) 173,200 \$ 4,806 00278610
 America Medical Holdings, Inc. (a) 20,000 383 02742810
 Columbia Healthcare Corp. 1,584,965 52,700 19767910
 HEALTHSOUTH Rehabilitation Corp. (a) 505,700 12,769 42192410
 Health Management Associates, Inc. Class A (a) 940,450 27,508 42193310
 Homecare Management, Inc. (a) 320,000 4,360 43738620
 Lincare Holdings, Inc. (a) 200,300 4,982 53279110
 Multicare Companies, Inc. (a) 80,800 1,475 62543V10
 Rehabcare Corp. (a)(e) 227,000 2,554 75914810
 U.S. Healthcare, Inc. 571,700 32,944 91191010
 United HealthCare Corp. 200,000 15,175 91058110
 Universal Health Services, Inc. Class B (a) 3,500 72 91390310

159,728
TOTAL HEALTH 451,088
INDUSTRIAL MACHINERY & EQUIPMENT - 2.3%
ELECTRICAL EQUIPMENT - 0.7%
BMC Industries, Inc. (a) 127,400 2,691 05560710
California Microwave Corp. (a) 1,400 34 13044210
General Electric Co. 125,000 13,109 36960410
Itel Corp. (a) 77,500 2,170 46564210
Philips NV (a) 775,000 15,985 71833750
Roper Industries, Inc. 195,600 6,357 77669610
Willcox & Gibbs, Inc. (a) 360,300 2,792 96920710
Yurtec Corp. (a) 16,650 381 97299492
43,519
INDUSTRIAL MACHINERY & EQUIPMENT - 1.2%
Astec Industries, Inc. (a) 419,100 6,444 04622410
Bearings, Inc. 400 11 07400520
CMI Corp. Oklahoma Class A 785,300 5,399 12576130
Caterpillar, Inc. 550,000 48,950 14912310
Dover Corp. 36,000 2,187 26000310
FSI International, Inc. (a) 10,000 120 30263310
Indresco, Inc. (a) 304,000 4,712 45590510
JLG Industries, Inc. 15,000 371 46621010
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
INDUSTRIAL MACHINERY & EQUIPMENT - CONTINUED
INDUSTRIAL MACHINERY & EQUIPMENT - CONTINUED
Park-Ohio Industries, Inc. (a) 343,200 \$ 4,419 70067710
Regal-Beloit Corp. 80,500 2,123 75875010
TRINOVA Corp. 42,600 1,337 89667810
76,073
POLLUTION CONTROL - 0.4%
Allied Waste Industries, Inc. (a) 20,000 105 01958930
Envirotest Systems Corp. (a) 12,000 258 29409W10
Harding Associates, Inc. (a) 38,800 349 41226410
OHM Corp. (a) 1,353,500 15,734 67083910
Sanifill, Inc. (a) 127,400 2,771 80101810
TRC Companies, Inc. (a) 20,000 215 87262510
United Waste Systems, Inc. (a) 347,400 5,385 91317410
24,817
TOTAL INDUSTRIAL MACHINERY & EQUIPMENT 144,409
MEDIA & LEISURE - 8.4%
BROADCASTING - 3.7%
Adelphia Communications Class A (a) 32,000 600 00684810
BET Holdings, Inc. Class A (a) 20,000 395 08658510
Broadcasting Partners, Inc. Class A (a)(e) 439,200 6,917 11131910
CBS, Inc. 60,000 17,310 12484510
Capital Cities/ABC, Inc. 60,000 37,170 13985910
Clear Channel Communications, Inc. (a) 464,000 21,344 18450210
Comcast Corp. Class A (special) 339,800 12,233 20030020
EZ Communications, Inc. (a) 294,200 4,634 26928810
Heritage Media Corp. Class A (a) 762,800 15,161 42724120
Home Shopping Network, Inc. 1,796,500 26,723 43735110
Infinity Broadcasting Corp. (a) 210,842 6,378 45662610
Jacor Communications, Inc. Class A 603,000 8,668 46985840
Liberty Media Corp. Class A (a) 125,000 3,640 53071530
Saga Communications, Inc. Class A (a)(e) 327,800 5,614 78659810
Scandinavian Broadcasting Corp. (a) 40,000 840 80699E92
TCA Cable TV, Inc. 60,000 1,710 87224110
Tele-Communications, Inc. Class A (a) 883,900 26,738 87924010
Time Warner, Inc. 775,944 34,335 88731510
230,410
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
MEDIA & LEISURE - CONTINUED
ENTERTAINMENT - 0.5%
Cedar Fair LP (depository units) 60,500 \$ 2,125 15018510
Disney (Walt) Co. 10,000 426 25468710
Players International, Inc. (a) 332,900 8,239 72790310
PolyGram N.V. ADR 315,000 12,403 73173310
Royal Caribbean Cruises Ltd. 440,000 11,770 78015392
34,963
LEISURE DURABLES & TOYS - 0.7%
ARCTCO, Inc. 525,200 12,605 03966510
Authentic Fitness Corp. (a) 12,100 340 05266110
Fleetwood Enterprises, Inc. 160,300 3,807 33909910
Hasbro, Inc. 270,000 9,788 41805610
Mattel, Inc. 440,175 12,160 57708110
Thor Industries, Inc. 106,100 2,732 88516010
41,432
LODGING & GAMING - 2.4%
Autotote Corp. Class A (a) 10,000 220 05332310
Genting BHD (ML EX) 677,000 9,424 37245210

Grand Palais Enterprises, Inc. (a)(g) 398,400 6,597 38699522
 Hilton Hotels Corp. 221,400 13,450 43284810
 Hong Kong & Shanghai Hotels 9,000,000 17,354 71899292
 Hospitality Franchise Systems, Inc. (a) 785,300 41,719 44091210
 La Quinta Motor Inns, Inc. 464,250 16,365 50419510
 Lottery Enterprises, Inc. (a) 25,000 413 54569410
 Marriott International, Inc. 400,000 11,600 57190010
 Mirage Resorts, Inc. (a) 483,350 11,540 60462E10
 Station Casinos, Inc. (a) 212,500 4,197 85768910
 WMS Industries, Inc. (a) 518,900 14,918 92929710
 147,797
 PUBLISHING - 0.7%
 American Greetings Corp. Class A 95,200 3,237 02637510
 Belo (A.H.) Corp. Class A 111,700 5,920 08055510
 Enquirer/Star Group, Inc. Class A 283,400 5,385 29355410
 Gannett Co., Inc. 250,000 14,313 36473010
 Harte Hanks Communications, Inc. (a) 40,000 780 41619610
 MacClean Hunter Ltd. 463,300 4,425 55474980
 COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)
 MEDIA & LEISURE - CONTINUED
 PUBLISHING - CONTINUED
 Meredith Corp. 263,600 \$ 10,544 58943310
 Park Communications, Inc. (a) 90,000 1,890 70025210
 Score Board, Inc. (a) 25,000 459 80917320
 46,953
 RESTAURANTS - 0.4%
 Consolidated Products, Inc. (a) 224,030 2,240 20979810
 Ground Round Restaurants, Inc. (a) (e) 755,200 5,947 39942710
 IHOP Corp. (a) 309,500 8,976 44962310
 McDonald's Corp. 50,000 2,850 58013510
 Quantum Restaurant Group, Inc. (a) 153,100 1,875 74763T10
 Shoney's, Inc. (a) 110,000 2,544 82503910
 Uno Restaurant Corp. (a) 27,700 270 91490010
 24,702
 TOTAL MEDIA & LEISURE 526,257
 NONDURABLES - 3.7%
 AGRICULTURE - 0.1%
 Pioneer Hi-Bred International, Inc. 119,700 4,668 72368610
 BEVERAGES - 0.6%
 Canadaigua Wine Co. Class A (a) 406,900 12,817 13721920
 Coca-Cola Bottling Co. Consolidated 10,100 369 19109810
 Dr. Pepper/Seven-Up Companies, Inc. (a) 1,110,000 26,640 25613130
 39,826
 FOODS - 0.6%
 CPC International, Inc. 295,700 14,083 12614910
 Chock Full-O-Nuts Corp. 498,000 3,984 17026810
 Dean Foods Co. 137,800 4,496 24236110
 IBP, Inc. 529,600 13,703 44922310
 Michael Foods, Inc. 20,000 160 59407410
 Pet, Inc. 125,400 2,195 71582510
 38,621
 HOUSEHOLD PRODUCTS - 1.3%
 DEP Corp. Class A (a) 406,000 2,132 23320220
 Gillette Company 750,800 44,766 37576610
 Paragon Trade Brands, Inc. (a) 332,600 9,812 69912K10
 COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)
 NONDURABLES - CONTINUED
 HOUSEHOLD PRODUCTS - CONTINUED
 Premark International, Inc. 160,000 \$ 12,840 74045910
 Safeskin Corp. 431,900 6,910 78645410
 Stanhome, Inc. 202,100 6,846 85442510
 83,306
 TOBACCO - 1.1%
 Philip Morris Companies, Inc. 1,000,000 55,750 71815410
 RJR Nabisco Holdings Corp. (a) 1,782,700 11,365 74960K10
 67,115
 TOTAL NONDURABLES 233,536
 PRECIOUS METALS - 3.4%
 PRECIOUS METALS - 3.4%
 Agnico Eagle Mines Ltd. 167,900 2,191 00847410
 American Barrick Resources Corp. 830,000 23,627 02451E10
 Anglo American Corp. South Africa:
 (Reg.) 57,600 2,947 03486110
 ADR (a) 159,400 8,349 03486130
 Cambior Inc. 791,400 11,975 13201L10
 Euro-Nevada Mining Corp. 511,500 18,237 29870P10
 Franco Nevada Mining Corp. 276,000 19,002 35186010
 Golden Star Resources, Ltd. Canada (a) 362,200 4,864 38119T10
 Homestake Mining Co. 1,500,000 33,000 43761410
 Newmont Mining Corp. 365,000 21,033 65163910

Placer Dome Inc. 1,015,000 25,245 72590610
 St. Helena Gold Mines Ltd. Ord. 11,300 116 78967010
 TVX Gold, Inc. (a) 400,000 2,648 87308K10
 Vaal Reefs Exploration & Mining Co. Ltd. ADR 29,200 296 91850640
 Western Deep Levels Ltd. ADR 380,000 18,430 95807720
 Western Mining Corp. Holdings Ltd 3,000,000 14,342 95869410
 Zapopan NL (a) 4,298,500 8,698 98999293
 215,000
 RETAIL & WHOLESALE - 3.6%
 APPAREL STORES - 0.8%
 AnnTaylor Stores Corp. (a) 414,800 10,266 03611510
 Filene's Basement Corp. (a) 337,200 3,667 31686610
 Gap, Inc. 650,000 25,594 36476010

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)

(000S)

RETAIL & WHOLESALE - CONTINUED
 APPAREL STORES - CONTINUED
 Merry-Go-Round Enterprises, Inc. 650,000 \$ 2,194 59043610
 Petrie Stores Corp. 138,500 4,034 71643410
 Sportmart, Inc. (a) 35,000 621 84892210
 Talbots, Inc. 1,000 26 87416110
 United States Shoe Corp. 280,000 4,200 91260510
 50,602
 APPLIANCE STORES - 0.2%
 Cellstar Corp. (a) 674,500 11,298 15092510
 GENERAL MERCHANDISE STORES - 0.9%
 Hills Stores Co. (a) 8,000 163 43169210
 Hudsons Bay Co. Ord. 284,500 8,502 44420410
 Kohls Corp. (a) 600 30 50025510
 Neiman-Marcus Group, Inc. 397,800 7,459 64020410
 Penney (J.C.) Co., Inc. 300,000 15,712 70816010
 Price/Costco, Inc. 1,050,000 20,213 74143W10
 Value City Department Stores, Inc. (a) 68,700 1,005 92038710
 53,084

GROCERY STORES - 0.4%

Food Lion, Inc. Class A 201,600 1,310 34477520
 Ingles Markets, Inc. Class A 87,900 967 45703010
 Pick N Pay Stores Ltd. (a) 998,000 3,024 72199422
 Richfood Holdings, Inc. Class A 767,000 13,423 76340810
 Ruddick Corp. 20,000 463 78125810
 Rykoff-Sexton, Inc. 236,300 5,169 78375910
 24,356

RETAIL & WHOLESALE, MISC - 1.3%

Amway Asia Pacific Ltd. (a) 10,500 374 03299H22
 50-Off Stores, Inc. (a) 477,000 3,279 31681110
 Fabri-Centers of America, Inc. (a) 174,200 3,266 30284610
 Fingerhut Companies, Inc. 45,500 1,280 31786710
 Friedmans, Inc. Class A (a) 125,000 1,719 35843810
 Futures Shops Ltd. 97,000 2,275 36091310
 Good Guys, Inc. (a) 89,300 1,161 38209110
 Lowe's Companies, Inc. 410,000 24,293 54866110
 Luria (L.) & Son, Inc. (a) 251,900 3,778 55048410
 Musicland Stores Corp. 515,000 10,686 62758B10
 Office Depot, Inc. (a) 225,000 7,566 67622010

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)

(000S)

RETAIL & WHOLESALE - CONTINUED
 RETAIL & WHOLESALE, MISC - CONTINUED
 Toys "R" Us, Inc. (a) 500,000 \$ 20,437 89233510
 Wickes Lumber Co. (a) 150,000 2,681 96744610
 82,795

TOTAL RETAIL & WHOLESALE 222,135

SERVICES - 2.1%

ADVERTISING - 0.2%

Foote Cone & Belding Communications, Inc. 13,300 639 34487210
 Regal Communication Corp. (a) (e) 1,837,900 7,696 75875630
 8,335

LEASING & RENTAL - 0.0%

Agency Rent-A-Car, Inc. (a) 167,500 2,198 00845010

PRINTING - 0.4%

Cadmus Communications Corp. 140,700 1,970 12758710
 Cryk, Inc. (a) 50,000 1,150 23281710
 Moore Corporation Ltd. 660,000 12,733 61578510
 Reynolds & Reynolds Co. Class A 160,600 7,327 76169510
 Valassis Communications, Inc. 69,400 928 91886610
 Wallace Computer Services, Inc. 68,600 2,324 93227010
 26,432

SERVICES - 1.5%

Barefoot, Inc. (a) 225,700 7,787 06751210
 Block (H&R), Inc. 60,000 2,445 09367110
 CDI Corp. (a) 254,200 3,177 12507110
 Catalina Marketing Corp. (a) 6,500 325 14886710

Ecolab, Inc. 164,600 7,407 27886510
Fair Issac & Company, Inc. 70,000 1,575 30325010
Franklin Quest Co. (a) 175,400 6,183 35459610
Medaphis Corp. 350,200 11,557 58402810
Michael Anthony Jewelers, Inc. (a) (e) 500,000 4,187 59406010
Oroamerica, Inc. (a) 82,700 1,241 68702710
Pittston Company Services Group 1,084,100 31,303 72570110
Robert Half International, Inc. (a) 428,700 11,253 77032310
Service Corp. International 110,000 2,888 81756510

91,328
TOTAL SERVICES 128,293

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)
(000S)

TECHNOLOGY - 11.0%

COMMUNICATIONS EQUIPMENT - 1.3%

Cisco Systems, Inc. (a) 224,300 \$ 14,495 17275R10
DSC Communications Corp. (a) 30,000 1,845 23331110
Harmon Industries, Inc. (a) (e) 150,500 3,461 41313610
Inter-Tel, Inc. (a) 766,900 6,710 45837210
Lo Jack Corp. (a) 120,000 825 53945110
MB Communications, Inc. (a) (e) 1,024,600 21,773 55262M10
Porta Systems Corp. (e) 433,200 4,278 73564710
3Com Corp. (a) 337,800 15,877 88553510
VMX, Inc. (a) 1,123,000 4,352 91827610
Wellfleet Communications, Inc. (a) 140,000 9,030 94949710

82,646

COMPUTER SERVICES & SOFTWARE - 2.7%

ASK Computer Systems, Inc. (a) 25,000 328 00190310
Adobe Systems, Inc. 202,300 4,501 00724F10
BancTec, Inc. (a) 153,500 3,722 05978410
Computer Associates International, Inc. 239,600 9,584 20491210
CompuCom Systems, Inc. (a) 339,500 1,379 20478010
Electronic Arts (a) 30,000 900 28551210
Electronic Information Systems, Inc. (a) 277,800 3,681 28573810
Equipfax Inc. 640,000 17,520 29442910
Government Technology Services, Inc. (a) 50,300 641 38375010
HBO & Co. 1,000 46 40410010
Intelligent Electronics, Inc. 62,200 1,703 45815710
KnowledgeWare, Inc. (a) 400,000 6,150 49924510
Lotus Development Corp. (a) 988,000 54,340 54570010
Micrografx, Inc. (a) 150,000 1,359 59507710
Microsoft Corp. (a) 316,700 25,534 59491810
Payco American Corp. (a) 27,500 289 70432710
SafeCard Services, Inc. 733,500 13,845 78642110
State of The Art, Inc. (a) 426,400 3,145 85730710
Sterling Software, Inc. (a) 68,800 1,952 85954710
Stratacom, Inc. (a) 457,500 7,663 86268310
Symantec Corp. (a) 35,000 639 87150310
Systems & Computer Technology Corp. 40,000 720 87187310
VMark Software, Inc. (a) (e) 455,600 6,492 92856110
Warner Insurance Services, Inc. (e) 440,950 2,205 93446710

168,338

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)

(000S)

TECHNOLOGY - CONTINUED

COMPUTERS & OFFICE EQUIPMENT - 5.7%

ADAPTEC, Inc. (a) 105,000 \$ 4,174 00651F10
AST Research, Inc. (a) 850,000 19,338 00190710
Amdahl Corp. 1,509,600 9,058 02390510
Compaq Computer Corp. (a) 525,000 38,850 20449310
Creative Technologies, Corp. (a) 193,900 6,156 22599992
Dell Computer Corporation (a) 733,200 16,589 24702510
Diebold, Inc. 337,300 20,322 25365110
Digital Biometrics, Inc. (a) 206,200 2,681 25383310
Exabyte (a) 325,900 5,744 30061510
Hewlett-Packard Co. 325,700 25,730 42823610
Hutchinson Technology, Inc. (a) 15,500 453 44840710
International Business Machines Corp. 2,016,500 113,932 45920010
Itron, Inc. (a) 50,000 900 46574110
Media Vision Technology, Inc. 485,900 21,258 58445H10
Merisel, Inc. (a) 261,400 4,803 58984910
Micropolis Corp. (a) 612,300 4,286 59490710
Miltope Group, Inc. (a) (e) 384,700 1,587 60219110
NAI Technologies, Inc. (a) 260,000 1,690 62872H10
Norand Corp. (a) 12,500 341 65542110
Photonics Corp. (a) (e) 222,500 1,391 71937W10
Quantum Corp. (a) 337,000 4,760 74790610
Seagate Technology (a) 6,700 159 81180410
Sequent Computer Systems, Inc. (a) 500,000 7,625 81733810
Sun Microsystems, Inc. (a) 216,700 6,311 86681010
Symbol Technologies, Inc. (a) 290,000 5,256 87150810
Syquest Technology, Inc. (a) (e) 610,800 6,261 87166010

Tech Data Corp. (a) 110,000 3,960 87823710
Xerox Corp. 250,000 22,344 98412110
Xylogics, Inc. (a) (e) 70,000 1,155 98415210
357,114
ELECTRONIC INSTRUMENTS - 0.0%
Fisher Scientific International, Inc. 50,000 1,769 33803210
ELECTRONICS - 1.3%
Analog Devices, Inc. (a) 20,000 493 03265410
Dovatron International, Inc. (a) (e) 414,300 11,393 25985910
Intel Corp. 225,000 13,950 45814010
International Rectifier Corp. (a) 368,400 5,158 46025410
LSI Logic Corp. (a) 301,200 4,819 50216110
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
TECHNOLOGY - CONTINUED
ELECTRONICS - CONTINUED
Linear Technology Corp. 109,800 \$ 4,255 53567810
Maxim Integrated Products, Inc. (a) 54,900 2,628 57772K10
Motorola, Inc. 110,000 10,161 62007610
Photronics, Inc. (a) 47,500 760 71940510
Samsung Electronics Co. Ltd. GDR (a) (f) 6,574 222 79605030
Sanmina Corp. (a) 369,600 9,887 80090710
Soletron Corp. (a) 50,000 1,419 83418210
Storage Technology Corp. (a) 55,000 1,739 86211120
Texas Instruments, Inc. 174,400 11,074 88250810
77,958
TOTAL TECHNOLOGY 687,825
TRANSPORTATION - 4.3%
AIR TRANSPORTATION - 1.0%
AMR Corp. (a) 245,000 16,415 00176510
Comair Holdings, Inc. 123,300 2,820 19978910
Mesa Airlines, Inc. (a) 50,000 888 59048110
Southwest Airlines Co. 20,000 750 84474110
UAL Corp. (a) 273,100 39,873 90254910
60,746
RAILROADS - 2.2%
Burlington Northern, Inc. 425,000 24,597 12189710
CSX Corp. 413,200 33,469 12640810
Chicago & North Western Holdings Corp. (a) 170,000 4,250 16715510
Conrail, Inc. 344,100 23,012 20836810
Illinois Central Corp., Series A 186,500 6,690 45184110
Santa Fe Pacific Corp. 1,507,300 33,537 80218310
Southern Pacific Rail Corp. (a) 120,000 2,370 84358410
Trinity Industries, Inc. 89,850 3,875 89652210
Wisconsin Central Transportation Corp. (a) 153,100 9,148 97659210
140,948
TRUCKING & FREIGHT - 1.1%
Airborne Freight Corp. 104,000 3,653 00926610
American Freightways Corp. (a) 22,500 444 02629V10
Consolidated Freightways, Inc. (a) 1,077,300 25,451 20923710
Federal Express Corp. (a) 445,000 31,539 31330910
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
TRANSPORTATION - CONTINUED
TRUCKING & FREIGHT - CONTINUED
Frozen Food Express Industries, Inc. 41,333 \$ 754 35936010
Harper Group 57,500 1,035 41345910
Landstar System, Inc. (a) 187,100 4,140 51509810
Swift Transportation Co., Inc. (a) 22,500 484 87075610
TNT Freightways Corp. 31,950 863 87259J10
Werner Enterprises, Inc. 31,100 949 95075510
69,312
TOTAL TRANSPORTATION 271,006
UTILITIES - 3.1%
CELLULAR - 0.7%
BCE Mobile Communications, Inc. 200,000 6,261 05534G10
Cellular, Inc. (a) 10,000 175 15116310
LIN Broadcasting Corp. (a) 31,300 3,459 53276310
Metrocall, Inc. (a) 30,700 537 59164710
Rogers Cantel Mobile Communications, Inc.
Class B (non-vtg.) (a) 438,000 11,764 77510210
Rogers Communications, Inc. Class B (a) 204,100 3,378 77510920
Vodafone Group PLC 2,450,000 21,477 92857T92
47,051
ELECTRIC UTILITY - 1.6%
Baltimore Gas & Electric Co. 50,000 1,269 05916510
Central & South West Corp. 278,900 8,437 15235710
DPL, Inc. 32,400 668 23329310
DQE, Inc. 91,200 3,146 23329J10
Entergy Corp. 789,900 28,436 29364F10
General Public Utilities Corp. 40,000 1,235 37055010
Gulf States Utilities Corp. (a) 816,800 16,336 40255010

Houston Industries, Inc. 259,400 12,354 44216110
 Idaho Power Co. 56,300 1,710 45138010
 LG&E Energy Corp. 13,400 543 50191710
 NIPSCO Industries, Inc. 63,000 2,071 62914010
 Philadelphia Electric Co. 67,300 2,036 71753710
 Pinnacle West Capital Corp. (a) 79,900 1,788 72348410
 Public Service Co. of Colorado 84,600 2,718 74444810
 COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)
 UTILITIES - CONTINUED
 ELECTRIC UTILITY - CONTINUED
 Southern Co. 179,400 \$ 7,916 84258710
 Texas Utilities Co. 162,900 7,045 88284810
 97,708
 GAS - 0.1%
 British Gas PLC Ord. 400,000 2,021 11090199
 Equitable Resources, Inc. 95,000 3,479 29454910
 Southern Union Company (a) 112,160 2,972 84403010
 8,472
 TELEPHONE SERVICES - 0.7%
 Ameritech Corp. 220,000 16,885 03095410
 BCE, Inc. 80,000 2,792 05534B10
 Bell Atlantic Corp. 200,000 11,800 07785310
 LDDS Communications, Inc. (a) 20,000 965 50182L10
 Southern New England Telecommunications Corp. 20,000 722 84348510
 Southwestern Bell Corp. 55,000 2,283 84533310
 Telefonos de Mexico SA sponsored ADR representing
 shares Ord. Class L 105,000 7,087 87940378
 42,534
 TOTAL UTILITIES 195,765
 TOTAL COMMON STOCKS
 (Cost \$4,586,266) 4,954,472
 PREFERRED STOCKS - 0.8%

 CONVERTIBLE PREFERRED STOCKS - 0.4%
 CONSTRUCTION & REAL ESTATE - 0.1%
 REAL ESTATE - 0.1%
 Rouse Co. Series A 100,900 5,423 77927320
 TRANSPORTATION - 0.3%
 AIR TRANSPORTATION - 0.3%
 UAL, Inc. 6 1/4% (f) 175,600 19,338 90254930
 PREFERRED STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
 (000S)
 CONVERTIBLE PREFERRED STOCKS - CONTINUED
 TRANSPORTATION - CONTINUED
 TRUCKING & FREIGHT - 0.0%
 Consolidated Freightways, Inc. Series C, \$1.54 30,000 \$ 664 20923720
 TOTAL TRANSPORTATION 20,002
 TOTAL CONVERTIBLE PREFERRED STOCKS 25,425
 NONCONVERTIBLE PREFERRED STOCKS - 0.4%
 UTILITIES - 0.4%
 TELEPHONE SERVICES - 0.4%
 SIP (Societa Ital Per L'Eser) Spa Di Risp N/C Ord. 5,657,200 10,299
 78401796
 Stet Societa Finanziaria Telefonica Spa 7,500,000 15,140 85982592
 25,439
 TOTAL PREFERRED STOCKS
 (Cost \$50,439) 50,864
 CORPORATE BONDS - 0.8%
 MOODY'S RATINGS PRINCIPAL
 (UNAUDITED) (C) AMOUNT (000S)
 CONVERTIBLE BONDS - 0.4%
 DURABLES - 0.1%
 TEXTILES & APPAREL - 0.1%
 Unifi, Inc. 6%, 3/15/02 Baa1 \$ 6,500 7,215 904677AC
 HEALTH - 0.0%
 MEDICAL FACILITIES MANAGEMENT - 0.0%
 Abbey Healthcare Group, Inc. 6 1/2%,
 12/1/02 (f) B2 290 409 002786AA
 RETAIL & WHOLESALE - 0.2%
 RETAIL & WHOLESALE, MISC - 0.2%
 Fabri-Centers of America, Inc. 6 1/4%, 3/1/02 B2 7,300 6,497 302846AB
 Intertan Inc. 9%, 8/30/00 - 5,270 4,226 461120AA
 10,723
 CORPORATE BONDS - CONTINUED
 MOODY'S RATINGS PRINCIPAL VALUE (NOTE 1)
 (UNAUDITED) (C) AMOUNT (000S) (000S)
 CONVERTIBLE BONDS - CONTINUED
 TECHNOLOGY - 0.1%
 COMMUNICATIONS EQUIPMENT - 0.1%
 General Instrument Corp. 5%, 6/15/00 B1 \$ 3,000 \$ 4,020 370121AA
 Porta Systems Corp. euro 6%, 7/1/02 - 130 96 7356479A

4,116
TOTAL CONVERTIBLE BONDS 22,463
NONCONVERTIBLE BONDS - 0.4%
FINANCE - 0.2%
BANKS - 0.2%
International Bank for Reconstruction &
Development euro 5 1/4%, 3/20/02 - 1,200,000 12,212 4590569J
MEDIA & LEISURE - 0.0%
BROADCASTING - 0.0%
Time Warner, Inc. 0%, 8/15/02 (d) Bal 3,300 2,999 887315AG
RETAIL & WHOLESALE - 0.2%
GROCERY STORES - 0.2%
Rykoff Sexton, Inc. 8 7/8%, 11/1/03 Ba2 12,000 12,300 783759AC
TOTAL NONCONVERTIBLE BONDS 27,511
TOTAL CORPORATE BONDS
(Cost \$47,798) 49,974
U.S. TREASURY OBLIGATIONS - 8.0%

U.S. Treasury Bills, yields at date of purchase
0%-3.13%, 2/24/94 (Cost \$497,596) 500,000 497,720 99399H5H
OTHER SECURITIES - 0.1%

PURCHASED BANK DEBT - 0.1%
Macy (R.H.) & Co., Inc.: (b)
funded letter of credit 5/27/95 1,896 1,517
mortgage loan participation 5/27/94 2,500 1,988 556994BK
revolver loan variable rate 5/27/95 605 484 556994CH
OTHER SECURITIES - CONTINUED
PRINCIPAL VALUE (NOTE 1)
AMOUNT (000S) (000S)

PURCHASED BANK DEBT - CONTINUED
Macy (R.H.) & Co., Inc. - continued
special real estate capitalization 9/30/95 \$ 287 \$ 229 557991AA
term loan variable rate note:
5/27/95 799 639 556994CG
5/27/96 304 243 556993BD
5/27/96 728 583 556993BE

TOTAL OTHER SECURITIES
(Cost \$4,859) 5,683
REPURCHASE AGREEMENTS - 11.0%
MATURITY
AMOUNT (000S)

Investments in repurchase agreements
(U.S. Treasury obligations), in a
joint trading account at 3.23%
dated 12/31/93 due 1/3/94 \$ 684,233 684,049
TOTAL INVESTMENT IN SECURITIES - 100%
(Cost \$5,871,007) \$ 6,242,762

FORWARD FOREIGN CURRENCY CONTRACTS
AMOUNTS IN THOUSANDS SETTLEMENT UNREALIZED
DATE(S) VALUE GAIN/(LOSS)
CONTRACTS TO BUY

3,723,846 JPY
(Payable amount \$34,829) 2/10/94 \$ 33,344 \$ (1,485)
THE VALUE OF CONTRACTS TO BUY AS A PERCENTAGE OF TOTAL INVESTMENT IN
SECURITIES - 0.5%

CONTRACTS TO SELL
5,494,296 JPY
(Receivable amount \$50,782) 2/10/94 \$ 49,196 \$ 1,586
THE VALUE OF CONTRACTS TO SELL AS A PERCENTAGE OF TOTAL INVESTMENT IN
SECURITIES - 0.8%

LEGEND
1. Non-income producing
2. Non-income producing - issuer filed for protection under the Federal
Bankruptcy Code or is in default of interest payment.
3. Standard & Poor's Corporation credit ratings are used in the absence
of a rating by Moody's Investors Service, Inc.
4. Debt obligation initially issued in zero coupon form which converts to
coupon form at a specified rate and date.
5. Affiliated company (see Note 6 of Notes to Financial Statements).
6. 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 \$22,541,000 or .4% of net
assets.
7. 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
SECURITY DATE COST
Grand Palais
Enterprises, Inc. 6/11/93 \$ 6,598,000

OTHER INFORMATION
Distribution of investments by country, as a percentage of total value of

investment in securities, is as follows:

United States 86.5%
Canada 6.3
United Kingdom 1.6
Others (individually less than 1%) 5.6
TOTAL 100.0%

INCOME TAX INFORMATION

At December 31, 1993 the aggregate cost of investment securities for income tax purposes was \$5,886,032,000. Net unrealized appreciation aggregated \$356,730,000, of which \$462,590,000 related to appreciated investment securities and \$105,860,000 related to depreciated investment securities. The fund hereby designates \$68,130,000 as a capital gain dividend for the purpose of the dividend paid deduction.

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

<TABLE>

<CAPTION>

<S>

<C>

<C>

AMOUNTS IN THOUSANDS (EXCEPT PER-SHARE AMOUNTS) DECEMBER 31, 1993

ASSETS

Investment in securities, at value (including repurchase agreements of \$684,049) (cost \$5,871,007) (Notes 1 and 2) - See accompanying schedule \$ 6,242,762

Long foreign currency contracts held, at value (cost \$34,829) (Note 2) 33,344

Short foreign currency contracts (Note 2) \$ (49,196)
Contracts held, at value

Receivable for contracts held 50,782 1,586

Cash 1

Receivable for investments sold 228,706

Receivable for fund shares sold 37,179

Dividends receivable 5,257

Interest receivable 752

Other receivables 173

TOTAL ASSETS 6,549,760

LIABILITIES

Payable for foreign currency contracts held (Note 2) 34,829

Payable for investments purchased 168,396

Payable for fund shares redeemed 40,915

Dividends payable 7,568

Accrued management fee 3,454

Other payables and accrued expenses 3,607

Collateral on securities loaned, at value (Note 5) 83,431

TOTAL LIABILITIES 342,200

NET ASSETS \$ 6,207,560

Net Assets consist of (Notel):

Paid in capital \$ 5,738,003

Distributions in excess of net investment income (174)

Accumulated undistributed net realized gain (loss) on investments 97,875

Net unrealized appreciation (depreciation) on:

Investment securities 371,755

Foreign currency contracts	101
NET ASSETS, for 201,286 shares outstanding	\$ 6,207,560
NET ASSET VALUE and redemption price per share (\$6,207,560 (divided by) 201,286 shares)	\$30.84
Maximum offering price per share (100/97.00 of \$30.84)	\$31.79

</TABLE>

STATEMENT OF OPERATIONS

<TABLE>

<CAPTION>

<S>

AMOUNTS IN THOUSANDS YEAR ENDED DECEMBER 31, 1993

INVESTMENT INCOME		\$ 41,707
Dividends (including \$167 from affiliated issuers) (Note 6)		

Interest (including security lending fees of \$62) (Note 5)	21,114	
---	--------	--

TOTAL INCOME	62,821	
--------------	--------	--

EXPENSES

Management fee (Note 4)	\$ 25,826	
Basic fee		

Performance adjustment	2,669	
------------------------	-------	--

Transfer agent fees (Note 4)	12,923	
------------------------------	--------	--

Accounting fees and expenses (Note 4)	802	
---------------------------------------	-----	--

Non-interested trustees' compensation	25	
---------------------------------------	----	--

Custodian fees and expenses	581	
-----------------------------	-----	--

Registration fees	1,668	
-------------------	-------	--

Audit	52	
-------	----	--

Legal	45	
-------	----	--

Miscellaneous	113	
---------------	-----	--

Total expenses before reductions	44,704	
----------------------------------	--------	--

Expense reductions (Note 7)	(954)	43,750
-----------------------------	-------	--------

NET INVESTMENT INCOME		19,071
-----------------------	--	--------

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

(NOTES 1 AND 3)

Net realized gain (loss) on:

Investment securities (including realized gain of \$6,738	474,500	
---	---------	--

on sale of affiliated issuers)

Foreign currency contracts	6,113	480,613
----------------------------	-------	---------

Change in net unrealized appreciation (depreciation) on:

Investment securities	180,257	
-----------------------	---------	--

Foreign currency contracts	101	180,358
----------------------------	-----	---------

NET GAIN (LOSS)		660,971
-----------------	--	---------

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		\$ 680,042
---	--	------------

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

<S>

AMOUNTS IN THOUSANDS

<C>

YEARS ENDED DECEMBER 31,

<C>

	1993	1992
INCREASE (DECREASE) IN NET ASSETS		
Operations	\$ 19,071	\$ 15,913
Net investment income		
Net realized gain (loss) on investments	480,613	155,091
Change in net unrealized appreciation (depreciation) on investments	180,358	42,217
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	680,042	213,221
Distributions to shareholders:	(19,956)	(13,036)
From net investment income		
In excess of net investment income	(12,201)	-
Net realized gain	(387,128)	(109,733)
TOTAL DISTRIBUTIONS	(419,285)	(122,769)
Share transactions	5,259,147	1,803,211
Net proceeds from sales of shares		
Reinvestment of distributions from: Net investment income	31,301	12,740
Net realized gain	379,054	108,001
Cost of shares redeemed	(1,709,099)	(1,028,207)
Net increase (decrease) in net assets resulting from share transactions	3,960,403	895,745
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,221,160	986,197

NET ASSETS

Beginning of period	1,986,400	1,000,203
End of period (including under (over) distribution of net investment income of (\$174) and \$22,785, respectively)	\$ 6,207,560	\$ 1,986,400

OTHER INFORMATION

Shares		
Sold	170,736	67,906
Issued in reinvestment of distributions from: Net investment income	1,036	468
Net realized gain	12,573	4,002
Redeemed	(55,382)	(39,126)
Net increase (decrease)	128,963	33,250

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>					
<CAPTION>					
<S>	<C>	<C>	<C>	<C>	<C>
	YEARS ENDED DECEMBER 31,				
	1993	1992#	1991	1990	1989

SELECTED PER-SHARE DATA

Net asset value, beginning of period	\$ 27.47	\$ 25.60	\$ 17.35	\$ 16.78	\$ 12.65
Income from Investment Operations					

Net investment income	(.09)	.32 (dagger)	.22	.51	.63 (double dagger)
Net realized and unrealized gain (loss) on investments	5.89	3.67	9.20	.15	4.82
Total from investment operations	5.80	3.99	9.42	.66	5.45
Less Distributions					
From net investment income	(.11)	(.20)	(.11)	(.09)	(.25)
In excess of net investment income	(.07)	-	-	-	-
From net realized gain	(2.25)	(1.92)	(1.06)	-	(1.07)
Total distributions	(2.43)	(2.12)	(1.17)	(.09)	(1.32)
Net asset value, end of period	\$ 30.84	\$ 27.47	\$ 25.60	\$ 17.35	\$ 16.78
TOTAL RETURN * **	21.43%	15.89%	54.92%	3.94%	43.15%

RATIOS AND SUPPLEMENTAL DATA

Net assets, end of period (in millions)	\$ 6,208	\$ 1,986	\$ 1,000	\$ 332	\$ 298
Ratio of expenses to average net assets	1.06% (diamond)	.87%	.89%	1.06%	.95%
Ratio of expenses to average net assets before expense reductions	1.08% (diamond)	.87%	.89%	1.06%	.95%
Ratio of net investment income to average net assets	.46%	1.19%	1.01%	3.02%	4.01%
Portfolio turnover rate	255%	297%	217%	320%	266%

</TABLE>

* TOTAL RETURNS DO NOT INCLUDE THE ONE TIME SALES CHARGE.

** THE TOTAL RETURNS WOULD HAVE BEEN LOWER HAD CERTAIN EXPENSES NOT BEEN REDUCED DURING THE PERIOD SHOWN.

AS OF JANUARY 1, 1992 THE FUND DISCONTINUED THE USE OF EQUALIZATION ACCOUNTING.

(dagger) NET INVESTMENT INCOME PER SHARE HAS BEEN CALCULATED BASED ON AVERAGE SHARES OUTSTANDING DURING THE PERIOD.

(double dagger) INVESTMENT INCOME PER SHARE REFLECTS A SPECIAL DIVIDEND WHICH AMOUNTED TO \$.20 PER SHARE.

(diamond) SEE NOTE 7 OF NOTES TO FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

For the period ended December 31, 1993

1. SIGNIFICANT ACCOUNTING POLICIES.

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

SECURITY VALUATION. Securities for which exchange quotations are readily available are valued at the last sale price, or if no sale price, at the closing bid price. Securities (including restricted securities) for which exchange quotations are not readily available (and in certain cases debt securities which trade on an exchange), are valued primarily using dealer-supplied valuations or at their fair value as determined in good faith under consistently applied procedures under the general supervision of the Board of Trustees. Short-term securities maturing within sixty days are valued at amortized cost or original cost plus accrued interest, both of which approximate current value.

FOREIGN CURRENCY TRANSLATION. The accounting records of the fund are maintained in U.S. dollars. Investment securities, other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the current exchange rate. Purchases and sales of securities, income receipts and expense payments are translated into U.S. dollars at the exchange rate on the dates of the transactions.

It is not practical to identify the portion of each amount shown in the fund's Statement of Operations under the caption "Realized and Unrealized Gain (Loss) on Investments" that arises from changes in foreign currency exchange rates. Investment income includes net realized and unrealized currency gains and losses recognized between accrual and payment dates.

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."

INVESTMENT INCOME. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, are recorded as soon as the fund is informed of the ex-dividend date. Interest income is accrued as earned. Dividend and interest income is recorded net of foreign taxes where recovery of such taxes is not assured.

DISTRIBUTIONS TO SHAREHOLDERS. Distributions are recorded on the ex-dividend date.

Income and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments for market discount, partnerships, non-taxable

1. SIGNIFICANT ACCOUNTING

POLICIES - CONTINUED

DISTRIBUTIONS TO SHAREHOLDERS - CONTINUED

dividends and losses deferred due to wash sales, futures and options, excise tax regulations. The fund also utilized earnings and profits distributed to shareholders on redemption of shares as a part of the dividends paid deduction for income tax purposes. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid in capital.

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.

CHANGE IN ACCOUNTING FOR DISTRIBUTIONS TO SHAREHOLDERS. Effective January 1, 1993, the fund adopted Statement of Position 93-2: Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital Distributions by Investment Companies. As a result, the fund changed the classification of distributions to shareholders to better disclose the differences between financial statement amounts and distributions determined in accordance with income tax regulations. Accordingly, amounts as of December 31, 1992 have been reclassified to reflect an increase in paid in capital of \$88,294,000 a decrease in undistributed net investment income of \$19,725,000 and a decrease in accumulated net realized gain on investments of \$68,569,000.

2. OPERATING POLICIES.

FORWARD FOREIGN CURRENCY CONTRACTS. The fund may enter into forward foreign currency contracts. These contracts involve market risk in excess of the amount reflected in the fund's Statement of Assets and Liabilities. The face or contract amount in U.S. dollars reflects the total exposure the fund has in that particular currency contract. The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

Purchases and sales of forward foreign currency contracts having the same settlement date and broker are offset and presented net on the Statement of Assets and Liabilities. Gain (loss) on the purchase or sale of forward foreign currency contracts having the same settlement date and broker is recognized on the date of offset, otherwise gain (loss) is recognized on settlement date.

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.

2. OPERATING POLICIES -

CONTINUED

JOINT TRADING ACCOUNT. Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), 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 \$6,597,000 or .1% of net assets.

3. PURCHASES AND SALES OF

INVESTMENTS.

Purchases and sales of securities, other than short-term securities, aggregated \$12,208,779,000 and \$9,289,698,000, respectively, of which U.S. government and government agency obligations aggregated \$262,056,000 and \$124,000,000, respectively.

4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES.

MANAGEMENT FEE. As the fund's investment adviser, FMR receives a monthly basic fee that is calculated on the basis of a group fee rate plus a fixed individual fund fee rate applied to the average net assets of the fund. The group fee rate is the weighted average of a series of rates ranging from .30% to .52% and is based on the monthly average net assets of all the mutual funds advised by FMR. The annual individual fund fee rate is .30%. The basic fee is subject to a performance adjustment (up to a maximum of + or - .20%) based on the fund's investment performance as compared to the appropriate index over a specified period of time. For the period, the management fee was equivalent to an annual rate of .69% of average net assets after the performance adjustment.

The Board of Trustees approved a new group fee rate schedule with rates ranging from .2850% to .5200%. Effective November 1, 1993, FMR has voluntarily agreed to implement this new group fee rate schedule as it results in the same or a lower management fee.

SALES LOAD. For the period, Fidelity Distributors Corporation (FDC), an affiliate of FMR and the general distributor of the fund, received sales charges of \$32,505,000 on sales of shares of the fund.

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,

4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES - CONTINUED

TRANSFER AGENT FEE - CONTINUED

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 AND SECURITY LENDING FEES. FSC maintains the fund's accounting records and administers the security lending program. The security lending fee is based on the number and duration of lending transactions. The accounting fee is based on the level of average net assets for the month plus out-of-pocket expenses.

BROKERAGE COMMISSIONS. The fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of FMR. The commissions paid to these affiliated firms were \$6,592,000 for the period.

5. SECURITY LENDING.

The fund loaned securities to certain brokers who paid the fund negotiated lenders' fees. These fees are included in interest income. The fund receives U.S. Treasury obligations and/or cash as collateral against the loaned securities, in an amount at least equal to 102% of the market value of the loaned securities at the inception of each loan. This collateral must be maintained at not less than 100% of the market value of the loaned securities during the period of the loan. At period end, the value of the securities loaned and the value of collateral amounted to \$79,295,000 and \$83,431,000, respectively.

6. TRANSACTIONS WITH

AFFILIATED COMPANIES.

An affiliated company is a company in which the fund has ownership of at least 5% of the voting securities. TRANSACTIONS WITH COMPANIES WHICH ARE OR WERE AFFILIATES ARE AS FOLLOWS:

SUMMARY OF TRANSACTIONS WITH AFFILIATED COMPANIES

DOLLAR AMOUNTS IN THOUSANDS PURCHASES SALES DIVIDEND MARKET

COST COST INCOME VALUE

AFFILIATES

Action Industries, Inc.	\$ -	\$ 725	\$ -	\$ -
Broadcasting Partners, Inc.				
Class A (a)	3,016	-	-	6,917
Brown Tom Inc. (a)	4,532	30	-	9,937
Cambrex Corp.	2,401	-	61	7,404
Centigram Communications Corp.	1,193	707	-	-
Continental Homes Holdings Corp.	129	-	20	9,214
Control Data Systems, Inc.	1,016	1,297	-	-
Donnkenny Inc. (a)	208	-	-	6,624
Dovatron International, Inc.	11,500	1,971	-	11,393
Electro Scientific Industries, Inc.	494	332	-	-
Esco Electronics Corp.	619	-	-	-
Exide Electronics Group, Inc.	4,664	4,591	-	-
Forstmann & Co, Inc. (a)	14	-	-	3,236

SUMMARY OF TRANSACTIONS WITH AFFILIATED COMPANIES - CONTINUED

DOLLAR AMOUNTS IN THOUSANDS PURCHASES SALES DIVIDEND MARKET

COST COST INCOME VALUE

AFFILIATES

Grad & Walker Energy Corp.	\$ 334	\$ -	\$ -	\$ 6,016
Grand Palais Enterprises, Inc.	-	-	-	6,598
Ground Round Restaurants, Inc. (a)	1,505	-	-	5,947
HS Resources, Inc. (a)	-	-	-	13,083
Haverty Furniture Companies, Inc.	1,667	-	65	9,081
Harmon Industries, Inc. (a)	705	813	-	3,462
Hyde Athletic Industries, Inc.	17	95	-	-
Intensity Resources Ltd. (a)	6,376	5,529	-	2,020
Inter-Tel, Inc. (a)	2,399	-	-	6,710
Just Toys, Inc.	1,348	1,484	-	4,530
Mb Communications, Inc. (a)	9,469	-	-	21,773
Michael Anthony Jewelers, Inc. (a)	-	-	-	4,188
Miltope Group, Inc. (a)	441	-	-	1,587

Nantucket Industries, Inc. (a)	479	761	-	1,073
Natures Bounty, Inc. (a)	719	4,557	-	208
Ohm Corp.	-	-	-	15,734
Offshore Pipelines, Inc. (a)	1,316	83	-	9,940
Orbit International Corp.	-	7	-	1,416
Photonics Corp. (a)	-	135	-	1,391
Porta Systems Corp.	779	-	-	96
Redman Industries (a)	165	-	-	7,628
Regal Communication Corp. (a)	3,795	-	-	7,696
Rehabcare Corp. (a)	1,035	-	-	2,554
Saga Communications, Inc.				
Class A (a)	1,908	-	-	5,614
Southwest Bancshares, Inc.	-	586	-	-
Syquest Technology, Inc. (a)	835	1,142	-	6,261
TETRA Technologies, Inc.	819	1,538	-	6,796
Vmark Software, Inc. (a)	-	33	-	6,492
Warner Insurance Services, Inc.	2,098	2,937	21	2,205
Xylogics, Inc. (a)	1,946	1,032	-	1,155
Younkers, Inc.	5,202	1,473	-	-
TOTALS	\$ 75,143	\$ 31,858	\$ 167	\$ 215,979

(a) NON-INCOME PRODUCING

7. EXPENSE REDUCTIONS.

FMR has directed certain portfolio trades to brokers who paid a portion of the fund's expenses. For the period, the fund's expenses were reduced by \$954,000 under this arrangement.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees and the Shareholders of Fidelity Contrafund:

We have audited the accompanying statement of assets and liabilities of Fidelity Contrafund, including the schedule of portfolio investments, as of December 31, 1993, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 1993 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of

Fidelity Contrafund as of December 31, 1993, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with generally accepted accounting principles.

COOPERS & LYBRAND

COOPERS & LYBRAND

Boston, Massachusetts

February 2, 1994

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The Fidelity Telephone Connection offers you special automated telephone services for quotes and balances. The services are easy to use, confidential and quick. All you need is a Touch Tone telephone.

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6. To speak with a Fidelity representative.

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