

# 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 TREND FUND

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TREND  
FUND  
ANNUAL REPORT  
DECEMBER 31, 1993  
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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:

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 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
Trend	19.15%	118.02%	270.03%
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 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
Trend	19.15%	16.87%	13.98%
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

	Trend (005)	S&P 500
12/31/83	10000.00	10000.00
01/31/84	9577.28	9944.00
02/29/84	8915.97	9593.97
03/31/84	9162.34	9759.95
04/30/84	9157.15	9852.67
05/31/84	8664.42	9306.83
06/30/84	8926.35	9508.79
07/31/84	8679.98	9390.88
08/31/84	9834.02	10428.57
09/30/84	9613.59	10430.66
10/31/84	9623.96	10471.34
11/30/84	9499.48	10354.06
12/31/84	9782.31	10627.40
01/31/85	10849.50	11455.28
02/28/85	10827.59	11596.18
03/31/85	10589.35	11604.30
04/30/85	10348.38	11593.85
05/31/85	10967.25	12263.98
06/30/85	11309.55	12456.52
07/31/85	11493.02	12437.84
08/31/85	11309.55	12332.11
09/30/85	10816.64	11946.12
10/31/85	11180.85	12498.03
11/30/85	12087.25	13355.39
12/31/85	12546.40	14001.80

01/31/86	13000.66	14080.21
02/28/86	14219.52	15133.40
03/31/86	15070.54	15977.85
04/30/86	14718.19	15797.30
05/31/86	15321.37	16637.72
06/30/86	15354.22	16918.89
07/31/86	14100.08	15973.13
08/31/86	14861.52	17158.33
09/30/86	13693.98	15739.34
10/31/86	14335.98	16647.50
11/30/86	14622.64	17052.03
12/31/86	14243.69	16617.21
01/31/87	15953.07	18855.54
02/28/87	16964.26	19600.34
03/31/87	17197.25	20166.79
04/30/87	16927.86	19987.30
05/31/87	16745.84	20161.19
06/30/87	17408.39	21179.33
07/31/87	18500.51	22253.12
08/31/87	19075.70	23083.17
09/30/87	18602.44	22577.65
10/31/87	13101.80	17714.42
11/30/87	12362.80	16254.75
12/31/87	13651.40	17491.74
01/31/88	14333.97	18228.14
02/29/88	15490.43	19077.57
03/31/88	15681.72	18488.08
04/30/88	16155.61	18693.29
05/31/88	15807.80	18855.92
06/30/88	16959.91	19721.41
07/31/88	16738.18	19646.47
08/31/88	16216.47	18978.49
09/30/88	16607.76	19786.97

10/31/88	16699.05	20337.05
11/30/88	16246.91	20046.23
12/31/88	16972.45	20397.04
01/31/89	18305.57	21890.10
02/28/89	18274.03	21345.04
03/31/89	18781.64	21842.38
04/30/89	19911.19	22976.00
05/31/89	20848.67	23906.53
06/30/89	20592.58	23770.26
07/31/89	21914.20	25916.71
08/31/89	22746.50	26424.68
09/30/89	22856.25	26316.34
10/31/89	21562.07	25705.80
11/30/89	21822.74	26230.20
12/31/89	22344.63	26859.73
01/31/90	20414.36	25057.44
02/28/90	20919.23	25380.68
03/31/90	21294.42	26053.27
04/30/90	20260.12	25401.94
05/31/90	22181.69	27878.62
06/30/90	22217.18	27689.05

07/31/90	21776.08	27600.44
08/31/90	19606.08	25105.36
09/30/90	18105.33	23882.73
10/31/90	17339.74	23780.04
11/30/90	18891.19	25316.23
12/31/90	19515.88	26022.55
01/31/91	20740.40	27157.13
02/28/91	22587.40	29098.87
03/31/91	23092.51	29803.06
04/30/91	23327.21	29874.59
05/31/91	24419.08	31165.17
06/30/91	22699.64	29737.81
07/31/91	24271.12	31123.59
08/31/91	24862.97	31861.22
09/30/91	24699.70	31329.13
10/31/91	24959.91	31748.94
11/30/91	23531.30	30469.46
12/31/91	26595.58	33955.17
01/31/92	26761.70	33323.60
02/29/92	27401.26	33756.81
03/31/92	26511.08	33098.55
04/30/92	26354.62	34071.65
05/31/92	27002.03	34238.60
06/30/92	26386.99	33728.44
07/31/92	27870.62	35107.94
08/31/92	27428.23	34388.23
09/30/92	27838.25	34794.01
10/31/92	28501.84	34915.79
11/30/92	30179.69	36106.41
12/31/92	31056.27	36550.52
01/31/93	31801.17	36857.55
02/28/93	31615.09	37358.81
03/31/93	32941.95	38147.08
04/30/93	31729.97	37223.92
05/31/93	33453.17	38221.52
06/30/93	34067.78	38332.36
07/31/93	33975.88	38179.04
08/31/93	35756.52	39626.02
09/30/93	36537.71	39320.90
10/31/93	37204.02	40134.84
11/30/93	35480.81	39753.56
12/31/93	37002.99	40234.58

\$10,000 OVER 10 YEARS: Let's say you invested \$10,000 in Fidelity Trend Fund on December 31, 1983. As the chart shows, by December 31, 1993, the value of your investment would have grown to \$37,003 - a 270.03% 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)

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

#### MARKET RECAP

Low inflation, falling interest rates and a gradually improving economy boosted U.S. stocks during the 12 months ended December 31, 1993. The Standard & Poor's 500 stock index rose 10.08%, in line with the market's long-term average annual return. Some tobacco, drug and brand-name consumer products stocks began to pick up by year end, but had weak returns for the year, overall. Those losses were offset by impressive gains in other sectors, including technology, although semiconductors gave back part of their gains in the fall. Other market leaders were finance, notably securities brokers; economically-sensitive sectors like autos and steel; entertainment; heavy machinery; and precious metals. Communications stocks soared as traditional telephone utilities, cellular companies, and entertainment firms scrambled to form strategic alliances. The NASDAQ Composite Index - which tracks over-the-counter stocks - rose 14.75% for the year, but was outpaced by the Dow Jones Industrial Average - an index of 30 blue-chip stocks - which rose 17.04%. In mid-November, the Dow closed above 3700 for the first time and finished the year at 3754. Most international markets easily outpaced U.S. returns. The

Morgan Stanley EAFE (Europe, Australia, Far East) index rose 32.56%, while the Morgan Stanley Emerging Markets Index was up 73.21% for the year.

An interview with Alan Leifer, Portfolio Manager of Fidelity Trend Fund

Q. ALAN, HOW DID THE FUND PERFORM?

A. I'm very pleased with 1993's results. Total return was 19.15% for the 12 months ended December 31, 1993. That beat the 10.61% return for the average growth fund tracked by Lipper Analytical Services.

Q. WHERE DID YOU FIND THE BIG GAINERS?

A. The biggest winners were in the technology group. Stocks in this sector had strong returns during the first six months of '93. I took some profits in the second half of the year, and reduced the fund's technology investment from 5.6% on June 30 to 4.2% on December 31. Semiconductor companies like Texas Instruments, Micron Technology and Applied Materials did well. Two factors worked in our favor. First, Japanese firms stopped gaining market share; and second, demand picked up due to increased sales of cellular phones and personal computers. Defense technology companies like Loral - which manufactures military electronic systems - also had strong returns. And finally, technology network equipment stocks did well. These included International Game, a leading maker of slot machines, and Sensormatics, which produces security equipment like those plastic tags you see in clothing stores. General Instruments also helped the fund. The company manufactures cable TV and communications equipment that will help build the so-called information superhighway.

Q. WE HEAR A LOT ABOUT THE INFORMATION SUPERHIGHWAY BRINGING TOGETHER COMPUTER, TELEPHONE AND TELEVISION TECHNOLOGIES TO PROVIDE US WITH INTERACTIVE SERVICES WE CAN USE AT HOME. ARE THERE OTHER INVESTMENTS YOU'RE MAKING IN THIS AREA?

A. Yes, because I see it as an investment theme for the '90s, and a business trend for the next decade. Many of the fund's technology investments are companies that are already hard at work building the highway. Some of the fund's newer investments are in companies that I would call suppliers of the "off-ramps" and "signs;" firms whose products and services surround the merging of these technologies, which hasn't actually happened yet. As always, I look for companies that the fund can hold for a while. In the cable television area, for example, Tele-Communications, Inc., Viacom and QVC have already helped the fund. I've also seen good results from certain telephone-related stocks, including Telephone & Data Systems and Cellular Communications.

Q. ANY OTHER INVESTMENT THEMES FOR THE '90S THAT ARE ALREADY PRODUCING RESULTS?

A. Housing, for one. In the 1980s, skyrocketing home prices and high interest rates kept many would-be buyers out of the market. All of that has changed. With more moderate prices and lower rates, buying a home is 40% more affordable today than it was even three or four years ago. About 64% of Americans now own homes; I see that number increasing to 70% in the next decade. The stocks of home builders like Toll Brothers (up 34.3% for the six months ended December 31), Centex (up 23.1%), and Lennar (up 14.2%) all helped the fund. Also, companies that provide building materials, like Lafarge (a cement supplier), had a strong year. The fund's two largest investments at the end of the year - Federal National Mortgage Association and Golden West - both finance home purchases. Golden West was a disappointment in '93, mainly because of the recession in California, its home base. But the company is a strong competitor which is building assets. Plus, California's economy is showing signs of life. So I'm not about to jump ship.

Q. CONSUMER NON-DURABLES HAD A LACKLUSTER YEAR ON WALL STREET. HOW HEAVILY WAS THE FUND INVESTED IN THIS AREA?

A. I use a broad definition of consumer non-durables. Under this category, I include lodging and gaming, entertainment, services, and transportation, as well as the traditional non-durables: beverages, household products and tobacco. Using this breakdown, the fund had a 12.8% stake in consumer non-durables on December 31.

Q. WHERE DID YOU FIND OPPORTUNITIES?

A. Most of the fund's consumer non-durable investments were in two areas: travel and gaming. Americans crawled out of their cocoons last year and

began to take more vacations. That helped companies like Hospitality Franchise Systems, which operates lower-cost hotel chains like Day's Inn, Ramada and Super 8. The fund also benefited from owning stocks like Carnival Cruise Lines - the number one cruise company in the United States - - and Southwest Airlines, a real up-and-comer in the airline industry. It's true, however, many traditional big-name consumer non-durable stocks suffered in 1993. Consumers showed they were no longer going to pay full price for name-brand goods. They actively sought out generic and off-brands, especially on items like cigarettes. Philip Morris was the most obvious example. The stock was disappointing early in the year until I eventually sold all of the fund's shares.

Q. WHAT ABOUT THE FUND'S 11.3% STAKE IN HEALTH CARE?

A. Again, a similar story. Mediocre performance by the sector, but shining stars within if you looked hard enough. Despite uncertainty over health-care reform, many companies continued to grow their earnings and helped the fund. U.S. Healthcare is an East Coast-based health maintenance organization, or HMO, that grabbed a bigger share of the market in '93. Despite a volatile year, the stock ended 1993 with a big gain. The fund didn't completely escape the retreat from health-care stocks, however. Synergen's stock fell 68% in one day in late February last year, after the company announced disappointing results of its drug Antril for sepsis, a blood infection. But when an industry makes up 16-17% of the U.S. economy, as health care does, many companies can prosper while others falter.

Q. HOW DO YOU FEEL ABOUT INVESTING OVERSEAS, WHERE SO MANY MARKETS HAD A STRONG YEAR?

A. The fund had a 12.6% foreign stake on December 31, of which about 5% was in Canadian companies. Many international stocks did enjoy a strong year, but many were also extremely volatile. I'm conservative about buying foreign stocks. I believe that if you're looking for stocks that will go up ten-fold in five or so years, as this fund is, you can't beat the United States. There are ways to make money investing in emerging markets and in countries whose currencies fluctuate, but usually not by investing in companies that build new businesses that grow very quickly. The United States is one of the few countries in the world that truly fosters an entrepreneurial spirit; that allows an upstart company to become an industry leader. Those are the kinds of companies I like to invest in and I find them most often here.

Q. WHAT'S YOUR OUTLOOK FOR '94?

A. I expect we'll see greater highs and lows in the stock market this year. If so, that will be quite different from 1993, when stocks in the Standard & Poor's 500 index were on a pretty even keel, and set a record for low volatility. Overall, I'm encouraged by what I see for the next six months. Stock prices are high, but so are the earnings of many mid-sized companies in which the fund invests. I'm never sure what the market will do, but I do see opportunities for the fund's companies to grow their earnings in '94. This fund has a low turnover rate compared to many others. That's because I buy companies that I think the fund can hang onto for five years. With a long-term approach, I think the fund can weather downturns in the market that might happen in the meantime.

#### FUND FACTS

GOAL: to increase the value of the fund's shares over the long term by investing in stocks with growth potential

START DATE: June 16, 1958

SIZE: as of December 31,

1993, over \$1.3 billion

MANAGER: Alan Leifer, since

1987; manager, Fidelity

Contrafund, 1984-1987;

Fidelity Select Industrial

Materials, 1986-1988

(checkmark)

ALAN LEIFER ON CHOOSING STOCKS:

"When looking at a company that's trading for \$30 per share, most investors say,

'Can this stock get to \$40 and how quickly can it get there?' I



ask, 'Is this the kind of company that could get to \$140, and can it get there in the next five years?' I use a long-term, five-year horizon and pick my companies very carefully. In the investment game there are sprinters and there are marathoners. The Trend fund is filled with marathoners. These companies really love what they're doing in good times and bad, and put everything they have into performing for the long haul."

(bullet) The percentage of the fund's investments in cyclical stocks - those that tend to move up and down in tandem with the economy -

increased over the last six months, from 19.7% on June 30 to 24.1% on December 31.

(bullet) Over the next six months, there may be investment opportunities in companies that do business in California and Europe; both areas appear to be emerging from economic recessions, and some of these companies are seeing improving business prospects.

(bullet) At 16.1%, finance was the fund's largest sector investment on December 31.

Investments were divided among federally sponsored credit associations 5.7%, banks 3.6%, savings & loans 3.4%, insurance companies 1.6%, securities companies 1.2%, and credit and other institutions 0.6%.

#### INVESTMENT CHANGES

#### TOP TEN STOCKS AS OF DECEMBER 31, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE STOCKS 6 MONTHS AGO
Federal National Mortgage Association	5.3	4.4
Telephone & Data Systems, Inc.	3.6	3.3
Golden West Financial Corp.	3.4	3.7
Centex Corp.	2.4	2.2
U.S. Healthcare, Inc.	2.2	1.8
Cellular Communications, Inc. Class P	1.8	1.6

Reynolds Metals Co.	1.7	1.6
Schering-Plough Corp.	1.6	1.5
TJX Companies, Inc.	1.6	1.9
Rogers Communications, Inc. Class B	1.6	0.8

TOP FIVE INDUSTRIES AS OF DECEMBER 31, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE STOCKS 6 MONTHS AGO
Finance	16.3	16.7
Health	11.3	11.4
Utilities	11.0	10.4
Energy	10.2	10.0
Media & Leisure	9.1	8.5

ASSET ALLOCATION

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

Row: 1, Col: 1, Value: 1.0  
 Row: 1, Col: 2, Value: 2.0  
 Row: 1, Col: 3, Value: 38.5  
 Row: 1, Col: 4, Value: 20.0  
 Row: 1, Col: 5, Value: 20.0  
 Row: 1, Col: 6, Value: 20.0  
 Row: 1, Col: 1, Value: 9.0  
 Row: 1, Col: 2, Value: 1.5  
 Row: 1, Col: 3, Value: 29.5  
 Row: 1, Col: 4, Value: 20.0  
 Row: 1, Col: 5, Value: 20.0  
 Row: 1, Col: 6, Value: 20.0

Stocks 98.5%

Bonds 1.0%

Short-term

Investments 0.5%

Stocks 89.5%

Bonds 1.5%

Short-term

Investments 9.0%

\* FOREIGN

INVESTMENTS 12.6%

\*\* FOREIGN

INVESTMENTS 9.8%

INVESTMENTS DECEMBER 31, 1993

Showing Percentage of Total Value of Investment in Securities

COMMON STOCKS - 98.5%

SHARES VALUE (NOTE 1)

(000S)

AEROSPACE & DEFENSE - 0.9%

DEFENSE ELECTRONICS - 0.9%

Loral Corp. 339,800 \$ 12,827 54385910

BASIC INDUSTRIES - 5.2%

CHEMICALS & PLASTICS - 0.0%

NOVA Corp. of Alberta Class A 80,000 568 66977110

IRON & STEEL - 0.7%

Nucor Corp. 189,700 10,054 67034610

METALS & MINING - 3.5%

Aluminum Co. of America 98,000 6,799 02224910

Broken Hill Proprietary Co. Ltd. (The) 593,000 7,087 05599810  
 Noranda, Inc. 566,200 11,084 65542210  
 Reynolds Metals Co. 534,200 24,239 76176310  
 49,209  
 PACKAGING & CONTAINERS - 0.2%  
 Owens-Illinois, Inc. (a) 248,100 3,070 69076840  
 PAPER & FOREST PRODUCTS - 0.8%  
 Bowater, Inc. 140,800 3,239 10218310  
 Federal Paper Board Co., Inc. 300 6 31369310  
 Louisiana-Pacific Corp. 96,100 3,964 54634710  
 Repola OY 206,200 3,205 75999A92  
 10,414  
 TOTAL BASIC INDUSTRIES 73,315  
 CONGLOMERATES - 1.7%  
 Brierley Investments Ltd. 9,598,643 7,401 10901410  
 Canadian Pacific Ltd. Ord. 432,700 7,079 13644030  
 PEC Israel Economic Corp. (a) 283,900 8,872 70509810  
 Triton Group Ltd. (a) 1,835 3 89675710  
 Triton Group Ltd. (warrants) (a) 2,875 1 89675711  
 23,356  
 CONSTRUCTION & REAL ESTATE - 6.8%  
 BUILDING MATERIALS - 0.7%  
 Lafarge Corp. 445,200 10,184 50586210  
 CONSTRUCTION - 5.9%  
 Centex Corp. 785,300 32,983 15231210  
 Engle Homes, Inc. 68,700 996 29289610  
 COMMON STOCKS - CONTINUED  
 SHARES VALUE (NOTE 1)  
 (000S)  
 CONSTRUCTION & REAL ESTATE - CONTINUED  
 CONSTRUCTION - CONTINUED  
 Kaufman & Broad Home Corp. 322,100 \$ 7,650 48616810  
 Lennar Corp. 550,900 18,799 52605710  
 Oakwood Homes Corp. 163,100 4,404 67409810  
 Toll Brothers, Inc. (a) 644,100 11,030 88947810  
 Webb (Del E.) Corp. 373,200 5,971 94742310  
 81,833  
 REAL ESTATE - 0.2%  
 Hovnanian Enterprises, Inc. (a):  
 Class A 105,350 1,593 44248720  
 Class B 114,250 1,714 44248730  
 Koll Real Estate Group, Inc. (a) 170,000 74 50043410  
 Major Realty Corp. (a) 40,000 68 56084010  
 3,449  
 REAL ESTATE INVESTMENT TRUSTS - 0.0%  
 Crown American Realty Trust (SBI) 36,000 540 22818610  
 Equity Residential Properties Trust (SBI) 4,800 153 29476L10  
 693  
 TOTAL CONSTRUCTION & REAL ESTATE 96,159  
 DURABLES - 3.6%  
 AUTOS, TIRES, & ACCESSORIES - 1.7%  
 Chrysler Corp. 301,700 16,065 17119610  
 Dana Corp. 67,300 4,030 23581110  
 Discount Auto Parts, Inc. (a) 103,300 2,841 25464210  
 Grupo Dina (Consortio G) ADR 30,700 856 21030610  
 23,792  
 CONSUMER ELECTRONICS - 0.7%  
 Whirlpool Corp. 144,200 9,589 96332010  
 TEXTILES & APPAREL - 1.2%  
 Fruit of the Loom, Inc. (a) 290,800 7,015 35941610  
 NIKE, Inc. 59,600 2,764 65410610  
 Reebok International Ltd. 48,100 1,443 75811010  
 Unifi, Inc. 201,200 5,407 90467710  
 Westpoint Stevens, Inc. (a) 1,800 34 96123810  
 16,663  
 TOTAL DURABLES 50,044  
 COMMON STOCKS - CONTINUED  
 SHARES VALUE (NOTE 1)  
 (000S)

ENERGY - 9.8%

COAL - 0.1%

Pittston Co. Minerals Group 37,600 \$ 897 72570120

ENERGY SERVICES - 4.2%

Global Marine, Inc. (a) 3,657,000 15,085 37935240

Lone Star Technologies, Inc. (a) 122,500 965 54231210

Oceaneering International, Inc. (a) 746,000 10,164 67523210

Offshore Logistics, Inc. (a) 272,600 3,748 67625510

Production Operators Corp. 92,900 2,497 74308010

Rowan Companies, Inc. (a) 1,482,600 13,343 77938210

Schlumberger Ltd. 195,900 11,583 80685710

Varco International, Inc. (a) 269,200 1,615 92212610  
59,000

OIL & GAS - 5.5%

Amerada Hess Corp. 379,700 17,134 02355110

Apache Corp. 488,600 11,421 03741110

Cabot Oil & Gas Corp. Class A 405,500 8,566 12709710

Louisiana Land & Exploration Co. 97,000 3,892 54626810

Maxus Energy Corp. (a) 542,100 2,982 57773010

Mesa, Inc. (a) 465,800 2,620 59091110

Noble Affiliates, Inc. 213,000 5,645 65489410

North Canadian Oils Ltd. 115,300 1,134 65813610

Parker & Parsley Petroleum Co. 29,300 725 70101810

Renaissance Energy Ltd. (a) 658,400 14,072 75966610

Santa Fe Energy Resources, Inc. 482,538 4,343 80201210

Union Texas Petroleum Holdings, Inc. 244,600 4,984 90864010  
77,518

TOTAL ENERGY 137,415

FINANCE - 16.1%

BANKS - 3.6%

Citicorp (a) 302,400 11,113 17303410

Deutsche Bank AG 13,300 6,783 25152592

Fleet Financial Group, Inc. 541,224 18,062 33891510

Northern Trust Corp. 193,100 7,652 66585910

State Street Boston Corp. 165,000 6,188 85747310

49,798

CREDIT & OTHER FINANCE - 0.6%

MBNA Corp. 258,900 8,641 55262L10

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)

(000S)

FINANCE - CONTINUED

FEDERAL SPONSORED CREDIT - 5.7%

Federal National Mortgage Association 942,437 \$ 73,981 31358610

Student Loan Marketing Association 132,300 5,937 86387150

79,918

INSURANCE - 1.6%

Chubb Corp. (The) 72,300 5,630 17123210

Exel Ltd. 67,200 2,982 30161610

First Central Financial Corp. (d) 376,500 2,118 31890810

Loews Corp. 121,400 11,290 54042410

22,020

SAVINGS & LOANS - 3.4%

Golden West Financial Corp. 1,206,200 47,042 38131710

SECURITIES INDUSTRY - 1.2%

Salomon, Inc. 211,500 10,073 79549B10

United Asset Management Corp. 173,300 7,084 90942010

17,157

TOTAL FINANCE 224,576

HEALTH - 11.3%

DRUGS & PHARMACEUTICALS - 5.3%

ALZA Corp. Class A 548,300 15,352 02261510

Chiron Corp. (a) 84,400 7,090 17004010

Elan PLC (a):

ADR 123,700 5,242 28413120

(1 Advanced Therapeutic Systems Common & 1 ADR

warrant) 16,587 535 28413140

Glaxo Holdings PLC sponsored ADR 132,200 2,760 37732730

Pfizer, Inc. 97,000 6,693 71708110

Schering-Plough Corp. 336,100 23,023 80660510  
 Schering-Plough Corp. (equity unit) (a)(e) 3,800 91 80660540  
 Teva Pharmaceutical Industries Ltd. ADR 328,200 9,887 88162420  
 Therapeutic Discovery Corp. (1 share Class A and 1 share  
 ALZA Corp. warrant) (a) 44,830 246 88337620  
 Warner-Lambert Co. 50,000 3,375 93448810  
 74,294  
 MEDICAL EQUIPMENT & SUPPLIES - 1.4%  
 Owens & Minor, Inc. 136,200 3,133 69073010  
 Pall Corp. 208,500 3,831 69642930  
 COMMON STOCKS - CONTINUED  
 SHARES VALUE (NOTE 1)  
 (000S)  
 HEALTH - CONTINUED  
 MEDICAL EQUIPMENT & SUPPLIES - CONTINUED  
 SciMed Life Systems, Inc. (a) 305,100 \$ 11,975 80861410  
 Tokos Medical Corp. (a) 130,000 682 88910010  
 19,621  
 MEDICAL FACILITIES MANAGEMENT - 4.6%  
 Columbia Healthcare Corp. 74,477 2,476 19767910  
 Community Psychiatric Centers 211,600 2,962 20401510  
 HCA - Hospital Corporation of America (a) 100,000 3,413 40412010  
 HEALTHSOUTH Rehabilitation Corp. (a) 366,450 9,253 42192410  
 Healthwise America, Inc. (a) 15,160 375 42221L10  
 Medical Care America, Inc. (a) 358,420 8,199 58450C10  
 Surgical Care Affiliates, Inc. 151,600 2,350 86881810  
 U.S. Healthcare, Inc. 543,300 31,308 91191010  
 Vivra, Inc. (a) 177,900 4,114 92855M10  
 64,450  
 TOTAL HEALTH 158,365  
 INDUSTRIAL MACHINERY & EQUIPMENT - 4.8%  
 ELECTRICAL EQUIPMENT - 3.0%  
 BBC Brown Boveri & Cie (Bearer) 15,075 10,982 05599099  
 Duracell International, Inc. 326,900 11,728 26633L10  
 Itel Corp. (a) 336,200 9,414 46564210  
 Lifeline Systems, Inc. (a)(d) 280,800 1,334 53219210  
 Sensormatic Electronics Corp. 237,000 8,265 81726510  
 41,723  
 INDUSTRIAL MACHINERY & EQUIPMENT - 1.5%  
 Deere & Co. 156,300 11,566 24419910  
 Joy Technologies, Inc. Class A (a) 96,100 1,153 48120610  
 Singer Company 132,900 4,967 82930F10  
 Stewart & Stevenson Services, Inc. 57,200 2,932 86034210  
 20,618  
 POLLUTION CONTROL - 0.3%  
 Attwoods PLC:  
 ADR 281,744 2,817 04987020  
 Ord. 636,000 1,287 04987010  
 TETRA Technologies, Inc. (a) 50,300 358 88162F10  
 4,462  
 TOTAL INDUSTRIAL MACHINERY & EQUIPMENT 66,803  
 COMMON STOCKS - CONTINUED  
 SHARES VALUE (NOTE 1)  
 (000S)  
 MEDIA & LEISURE - 9.1%  
 BROADCASTING - 2.7%  
 Home Shopping Network, Inc. 49,250 \$ 733 43735110  
 International Cablecasting Technologies, Inc. (a) 384,200 1,249 45921L10  
 International Cabletel, Inc. (a) 107,589 2,528 45921610  
 Jones Intercable, Inc. Class A 319,100 5,624 48020620  
 Silver King Communications, Inc. (a) 17,750 177 82774010  
 Tele-Communications, Inc. Class A (a) 463,500 14,021 87924010  
 Television Broadcast Limited Ord. 766,000 3,172 87953110  
 Valuevision International, Inc. (a) 148,800 2,288 92047K10  
 Viacom, Inc. (non-vtg.) (a) 170,800 7,665 92552430  
 37,457  
 ENTERTAINMENT - 1.1%  
 Carnival Cruise Lines, Inc. 228,200 10,811 14365810  
 Cedar Fair LP 112,900 3,966 15018510

14,777

LODGING & GAMING - 4.8%

Autotote Corp. Class A (a) 248,800 5,474 05332310  
Caesars World, Inc. (a) 122,800 6,554 12769510  
Delta Queen Steamboat Co. 96,100 1,670 24779L10  
Four Seasons Hotels, Inc. 377,400 3,712 35100E10  
Hospitality Franchise Systems, Inc. (a) 310,600 16,501 44091210  
La Quinta Motor Inns, Inc. 204,150 7,196 50419510  
Mirage Resorts, Inc. (a) 341,250 8,147 60462E10  
President Riverboat Casinos, Inc. (a) 232,700 5,119 74084810  
Promus Companies, Inc. (a) 286,800 13,121 74342A10  
67,494

PUBLISHING - 0.2%

Scholastic Corp. (a) 77,900 3,388 80706610

RESTAURANTS - 0.3%

Au Bon Pain, Inc. (a) 138,100 3,142 05010310  
Buffets, Inc. (a) 48,000 1,236 11988210  
4,378

TOTAL MEDIA & LEISURE 127,494

NONDURABLES - 1.7%

BEVERAGES - 0.5%

COTT Corp. 40,000 984 22163N10  
Guinness PLC Ord. 910,000 6,411 40203310  
7,395

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)  
(000S)

NONDURABLES - CONTINUED

HOUSEHOLD PRODUCTS - 0.6%

Colgate-Palmolive Co. 137,400 \$ 8,570 19416210

TOBACCO - 0.6%

Universal Corp. 292,100 7,485 91345610  
TOTAL NONDURABLES 23,450

PRECIOUS METALS - 0.1%

Sunshine Mining Co. (a) 340,000 893 86783310

RETAIL & WHOLESALE - 7.1%

APPAREL STORES - 3.0%

Catherines Stores Corp. (a) 120,000 2,100 14916F10  
Filene's Basement Corp. (a) 303,300 3,298 31686610  
Limited, Inc. (The) 242,300 4,149 53271610  
Petrie Stores Corp. 337,600 9,833 71643410  
TJX Companies, Inc. 762,500 22,208 87254010  
41,588

GENERAL MERCHANDISE STORES - 1.6%

Carter Hawley Hale Stores, Inc. (a) 319,100 3,031 14622730  
Mac Frugals Bargains C/O, Inc. (a) 227,100 4,457 55415210  
Meyer (Fred), Inc. (a) 96,100 3,460 59309810  
Sears, Roebuck & Co. 38,400 2,026 81238710  
Wal-Mart Stores, Inc. 384,500 9,612 93114210  
22,586

GROCERY STORES - 0.8%

Food Lion, Inc. Class A 604,800 3,931 34477520  
Stop & Shop Companies, Inc. (a) 378,600 7,667 86209910  
11,598

RETAIL & WHOLESALE, MISCELLANEOUS - 1.7%

CML Group, Inc. 240,550 5,683 12582010  
Fingerhut Companies, Inc. 65,600 1,845 31786710  
International Semi-Tech Microelectronics, Inc. (a) 96,100 545 46031K50  
Lowe's Companies, Inc. 140,500 8,325 54866110  
Sun Television & Appliances, Inc. 165,500 3,517 86688110  
Waban, Inc. (a) 302,600 4,123 92939410  
24,038

TOTAL RETAIL & WHOLESALE 99,810

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)  
(000S)

SERVICES - 1.9%

LEASING & RENTAL - 1.0%

Agency Rent-A-Car, Inc. (a) 415,400 \$ 5,452 00845010

Blockbuster Entertainment Corp. 261,500 8,009 09367610  
13,461  
PRINTING - 0.1%  
Bowne & Co., Inc. 77,800 1,692 10304310  
SERVICES - 0.8%  
Block (H&R), Inc. 188,300 7,673 09367110  
National Education Corp. (a) 230,000 1,438 63577110  
Supercuts, Inc. (a) 186,000 2,767 86805710  
11,878  
TOTAL SERVICES 27,031  
TECHNOLOGY - 4.2%  
COMMUNICATIONS EQUIPMENT - 0.2%  
Cisco Systems, Inc. (a) 38,500 2,488 17275R10  
COMPUTER SERVICES & SOFTWARE - 1.6%  
Cheyenne Software, Inc. (a) 35,000 967 16688810  
ECI Telecom Ltd. 282,600 7,242 26825810  
Electronics For Imaging, Inc. (a) 66,500 1,097 28608210  
Intuit (a) 19,200 818 46120210  
Microsoft Corp. (a) 128,850 10,389 59491810  
Software Toolworks, Inc. (a) 230,600 2,335 83404420  
22,848  
COMPUTERS & OFFICE EQUIPMENT - 0.0%  
XYVision, Inc. (a) 165,750 52 98418010  
ELECTRONIC INSTRUMENTS - 0.6%  
Kulicke & Soffa Industries, Inc. (a) 186,600 2,612 50124210  
Teradyne, Inc. (a) 197,900 5,492 88077010  
8,104  
ELECTRONICS - 1.8%  
Anthem Electronics, Inc. (a) 344,400 9,944 03673210  
Solectron Corp. (a) 196,400 5,573 83418210  
Texas Instruments, Inc. 142,500 9,049 88250810  
24,566  
TOTAL TECHNOLOGY 58,058  
COMMON STOCKS - CONTINUED  
SHARES VALUE (NOTE 1)  
(000S)  
TRANSPORTATION - 3.3%  
AIR TRANSPORTATION - 1.5%  
AMR Corp. (a) 98,000 \$ 6,566 00176510  
Southwest Airlines Co. 369,100 13,841 84474110  
20,407  
RAILROADS - 0.8%  
Conrail, Inc. 112,600 7,530 20836810  
Kansas City Southern Industries, Inc. 69,600 3,585 48517010  
11,115  
SHIPPING - 1.0%  
Bergesen Group:  
Class A 34,400 669 08399010  
Class B 322,500 6,271 08399011  
Overseas Shipholding Group, Inc. 325,700 7,695 69036810  
14,635  
TOTAL TRANSPORTATION 46,157  
UTILITIES - 10.9%  
CELLULAR - 4.7%  
Cellular, Inc. (a) 201,800 3,532 15116310  
Cellular Communications, Inc. Class P (a) 521,933 25,199 15091793  
Cellular Communications International, Inc. (a) 35,789 787 15091810  
Cellular Communications Puerto Rico, Inc. (a) 72,735 1,637 15091910  
Pactel Corp. (a) 20,100 500 69525210  
Rogers Communications, Inc. Class B (a) 1,315,968 21,779 77510920  
Securicor Group A 690,000 8,805 81399110  
United States Cellular Corp. (a) 110,400 3,864 91168410  
66,103  
ELECTRIC UTILITY - 2.2%  
Central & South West Corp. 100,000 3,025 15235710  
Entergy Corp. 455,500 16,384 29364F10  
NIPSCO Industries, Inc. 325,000 10,684 62914010  
30,093  
TELEPHONE SERVICES - 3.7%

Bell Atlantic Corp. 388 23 07785310  
Telebras PN (Pfd. Reg.) 55,500,000 1,892 95499792  
Telephone & Data Systems, Inc. 957,753 49,923 87943310  
51,838

COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)  
(000S)

UTILITIES - CONTINUED

WATER - 0.3%

Welsh Water PLC Ord. 350,000 \$ 3,619 94999395

TOTAL UTILITIES 151,653

TOTAL COMMON STOCKS

(Cost \$1,053,457) 1,377,406

CORPORATE BONDS - 1.0%

MOODY'S RATINGS PRINCIPAL  
(UNAUDITED) AMOUNT (000S)

CONVERTIBLE BONDS - 0.4%

FINANCE - 0.2%

CREDIT & OTHER FINANCE - 0.2%

Leucadia National Corp. 5 1/4%, 2/1/03 Ba2 \$ 2,230 2,230 527288AG

HEALTH - 0.0%

DRUGS & PHARMACEUTICALS - 0.0%

Chiron Corp. 1.90%, 11/17/00 (e) Ba3 1,150 989 170040AB

RETAIL & WHOLESALE - 0.1%

RETAIL & WHOLESALE, MISCELLANEOUS - 0.1%

CML Group, Inc. 5 1/2%, 1/15/03 (e) - 1,000 1,145 125820AB

UTILITIES - 0.1%

CELLULAR - 0.1%

Rogers Communications, Inc. liquid yield option

notes 0%, 5/20/13 Ba3 2,590 1,030 775109AD

TOTAL CONVERTIBLE BONDS 5,394

NONCONVERTIBLE BONDS - 0.6%

ENERGY - 0.4%

ENERGY SERVICES - 0.4%

Global Marine, Inc. 12 3/4%, 12/15/99 B1 5,000 5,550 379352AG

CORPORATE BONDS - CONTINUED

MOODY'S RATINGS PRINCIPAL VALUE (NOTE 1)  
(UNAUDITED) AMOUNT (000S) (000S)

NONCONVERTIBLE BONDS - CONTINUED

RETAIL & WHOLESALE - 0.2%

RETAIL & WHOLESALE, MISCELLANEOUS - 0.2%

International Semi-Tech Microelectronics, Inc.

secured 0%, 8/15/03 (c) Ba2 \$ 4,000 \$ 2,080 46031KAA

TECHNOLOGY - 0.0%

COMPUTERS & OFFICE EQUIPMENT - 0.0%

XYVision, Inc. 15%, 6/30/95 (b) - 773 580 983995AB

TOTAL NONCONVERTIBLE BONDS 8,210

TOTAL CORPORATE BONDS

(Cost \$13,043) 13,604

REPURCHASE AGREEMENTS - 0.5%

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 \$ 6,891 6,889

TOTAL INVESTMENT IN SECURITIES - 100%

(Cost \$1,073,389) \$ 1,397,899

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. Debt obligation initially issued in zero coupon form which converts to coupon form at a specified rate and date.
4. Affiliated company (see Note 5 of Notes to Financial Statements).
5. 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 \$2,225,000 or 0.2% of net assets.

#### OTHER INFORMATION

Distribution of investments by country, as a percentage of total value of investment in securities, is as follows:

United States 87.4%  
Canada 4.6  
United Kingdom 1.8  
Israel 1.2  
Others (individually less than 1%) 5.0  
TOTAL 100.0%

#### INCOME TAX INFORMATION

At December 31, 1993, the aggregate cost of investment securities for income tax purposes was \$1,074,291,000. Net unrealized appreciation aggregated \$323,608,000, of which \$384,805,000 related to appreciated investment securities and \$61,197,000 related to depreciated investment securities.

The fund hereby designates \$43,055,000 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 \$6,889) (cost \$1,073,389) (Notes 1 and 2) - See accompanying schedule \$ 1,397,899

Cash 1

Receivable for investments sold 6,657

Receivable for fund shares sold 7,414

Dividends receivable 1,494

Interest receivable 161

Other receivables 784

TOTAL ASSETS 1,414,410

#### LIABILITIES

Payable for fund shares redeemed \$ 9,913

Dividends payable 10,048

Accrued management fee 882

Other payables and accrued expenses 371

TOTAL LIABILITIES 21,214

NET ASSETS \$ 1,393,196

Net Assets consist of (Note 1):

Paid in capital \$ 1,026,922

Undistributed net investment income 215

Accumulated undistributed net realized gain (loss) on investments	41,549
Net unrealized appreciation (depreciation) on investment securities	324,510
NET ASSETS, for 23,580 shares outstanding	\$ 1,393,196
NET ASSET VALUE, offering price and redemption price per share (\$1,393,196 (divided by) 23,580 shares)	\$59.08

</TABLE>

STATEMENT OF OPERATIONS

<TABLE>

<CAPTION>

<S>

<C>

<C>

AMOUNTS IN THOUSANDS YEAR ENDED DECEMBER 31, 1993

INVESTMENT INCOME		\$ 13,880
Dividends (including \$38 received from affiliated issuers) (Note 5)		
Interest		3,624
TOTAL INCOME		17,504
EXPENSES		
Management fee (Note 4)	\$ 6,847	
Basic fee		
Performance adjustment	1,627	
Transfer agent fees (Note 4)	2,685	
Accounting fees and expenses (Note 4)	543	
Non-interested trustees' compensation	8	
Custodian fees and expenses	98	
Registration fees	70	
Audit	31	
Legal	25	
Interest (Note 6)	2	
Miscellaneous	104	
Total expenses before reductions	12,040	
Expense reductions (Note 7)	(55)	11,985
NET INVESTMENT INCOME		5,519
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTES 1 AND 3)		149,580
Net realized gain (loss) on investment securities (including realized gain (loss) of \$4 on sales of investment in affiliated issuers)		
Change in net unrealized appreciation (depreciation) on investment securities		67,567
NET GAIN (LOSS)		217,147

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS \$ 222,666

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

<S>

AMOUNTS IN THOUSANDS

<C>

YEAR ENDED  
DECEMBER 31,  
1993

<C>

YEAR ENDED  
DECEMBER 31,  
1992

INCREASE (DECREASE) IN NET ASSETS

Operations	\$ 5,519	\$ 10,486
Net investment income		
Net realized gain (loss) on investments	149,580	78,040
Change in net unrealized appreciation (depreciation) on investments	67,567	61,878
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	222,666	150,404
Distributions to shareholders From net investment income	(5,588)	(8,360)
In excess of net investment income	(294)	-
From net realized gain	(110,237)	(60,966)
TOTAL DISTRIBUTIONS	(116,119)	(69,326)
Share transactions Net proceeds from sales of shares	934,377	650,645
Reinvestment of distributions from: Net investment income	5,260	7,425
Net realized gain	100,537	55,284
Cost of shares redeemed	(868,788)	(570,793)
Net increase (decrease) in net assets resulting from share transactions	171,386	142,561
TOTAL INCREASE (DECREASE) IN NET ASSETS	277,933	223,639
NET ASSETS		
Beginning of period	1,115,263	891,624
End of period (including undistributed net investment income of \$215 and \$64,408, respectively)	\$ 1,393,196	\$ 1,115,263
OTHER INFORMATION		
Shares		
Sold	16,037	12,596
Issued in reinvestment of distributions from: Net investment income	92	138

Net realized gain	1,751	1,038
Redeemed	(14,878)	(11,158)
Net increase (decrease)	3,002	2,614

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

<S>

<C> YEARS ENDED DECEMBER 31,	<C>	<C>	<C>	<C>
1993	1992 (DAGGER)	1991	1990	1989

SELECTED PER-SHARE DATA

Net asset value, beginning of period	\$ 54.20	\$ 49.63	\$ 38.25	\$ 44.22	\$ 37.43
Income from Investment Operations					
Net investment income	.17	.58**	.66	.61	.85
Net realized and unrealized gain (loss) on investments	10.04	7.66	12.99	(6.20)	10.79
Total from investment operations	10.21	8.24	13.65	(5.59)	11.64
Less Distributions					
From net investment income	(.26)	(.44)	(.48)	(.24)	(.63)
In excess of net investment income	(.01)	-	-	-	-
From net realized gain	(5.06)	(3.23)	(1.79)	(.14)	(4.22)
Total distributions	(5.33)	(3.67)	(2.27)	(.38)	(4.85)
Net asset value, end of period	\$ 59.08	\$ 54.20	\$ 49.63	\$ 38.25	\$ 44.22
TOTAL RETURN	19.15% (double dagger)	16.77%	36.28%	(12.66)%	31.65%

RATIOS AND SUPPLEMENTAL DATA

Net assets, end of period (in millions)	\$ 1,393	\$ 1,115	\$ 892	\$ 702	\$ 889
Ratio of expenses to average net assets	.92%*	.56%	.53%	.61%	.58%
Ratio of expenses to average net assets before expense reductions	.93%*	.56%	.53%	.61%	.58%
Ratio of net investment income to average net assets	.43%	1.14%	1.43%	1.51%	1.76%

Portfolio turnover rate                      50%                                      47%                                      57%                                      48%                                      67%

</TABLE>

\* SEE NOTE 7 OF NOTES TO FINANCIAL STATEMENTS.

\*\* INVESTMENT INCOME AND EXPENSES PER SHARE HAVE BEEN CALCULATED BASED ON AVERAGE SHARES OUTSTANDING.

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

(double dagger) THE TOTAL RETURNS WOULD HAVE BEEN LOWER HAD CERTAIN EXPENSES NOT BEEN REDUCED DURING THE PERIODS SHOWN.

NOTES TO FINANCIAL STATEMENTS

For the period ended December 31, 1993

#### 1. SIGNIFICANT ACCOUNTING POLICIES.

Fidelity Trend Fund (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 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, which includes accretion of original issue discount, is accrued as earned. Investment 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

#### 1. SIGNIFICANT ACCOUNTING

##### POLICIES - CONTINUED

##### DISTRIBUTIONS TO SHAREHOLDERS - CONTINUED

partnerships, non-taxable dividends and losses deferred due to wash sales. 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.

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 \$148,404,000, a decrease in undistributed net investment income of \$62,225,000 and a decrease in accumulated net realized gain on investments of \$86,178,000.

## 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.

## 3. PURCHASES AND SALES OF INVESTMENTS.

Purchases and sales of securities, other than short-term securities, aggregated \$691,730,000 and \$616,549,000, 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. Effective August 1, 1993, the individual fund fee rate was raised to .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

## 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES - CONTINUED

### MANAGEMENT FEE - CONTINUED

time. For the period, the management fee was equivalent to an annual rate of .65% of average net assets after the performance adjustment.

On July 14, 1993, the shareholders of the fund approved a new management contract which took effect on August 1, 1993. The new management contract increases the individual fund fee rate from .12% to .30% and revises the group fee rate schedule.

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.

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.

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 \$447,000 for the period.

## 5. 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

AMOUNTS IN THOUSANDS PURCHASE SALES DIVIDEND MARKET

AFFILIATE COST COST INCOME VALUE

First Central Financial Corp. \$ - \$ 39 \$ 38 \$ 2,118

Lifeline Systems, Inc. (a) - - - 1,334

TOTALS \$ - \$ 39 \$ 38 \$ 3,452

(a) Non-income producing

6. BANK BORROWINGS.

The fund is permitted to have bank borrowings for temporary or emergency purposes to fund shareholder redemptions. The fund has established borrowing arrangements with certain banks. Under the most restrictive arrangement, the fund must pledge to the bank securities having a market .

6. BANK BORROWINGS -

CONTINUED

value in excess of 220% of the total bank borrowings The interest rate on the borrowings is the bank's base rate, as revised from time to time. The maximum loan and the average daily loan balances during the periods for which loans were outstanding amounted to \$7,711,000. The weighted average interest rate was 3.50%.

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 \$55,000 under this arrangement.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees and Shareholders of  
Fidelity Trend Fund:

We have audited the accompanying statement of assets and liabilities of Fidelity Trend Fund, 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 Trend Fund 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

Boston, Massachusetts

February 4, 1994

INVESTMENT ADVISER

Fidelity Management & Research  
Company

Boston, MA

OFFICERS

Edward C. Johnson 3d, President

J. Gary Burkhead, Senior Vice President

Alan J. Leifer, Vice President

Gary L. French, Treasurer

John H. Costello, Assistant Treasurer

Arthur S. Loring, Secretary

Robert H. Morrison, Manager,

Security Transactions

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Thomas R. Williams\*

GENERAL DISTRIBUTOR

Fidelity Distributors Corporation  
Boston, MA

TRANSFER AND SHAREHOLDER

SERVICING AGENT

Fidelity Service Co.  
Boston, MA

CUSTODIAN

The Chase Manhattan Bank, N.A.  
New York, NY

FIDELITY GROWTH FUNDS

Blue Chip Growth Fund  
Capital Appreciation Fund  
Contrafund  
Disciplined Equity Fund  
Dividend Growth Fund  
Emerging Growth Fund  
Fidelity Fifty Fund  
Growth Company Fund  
Low-Priced Stock Fund  
Magellan(Registered trademark) Fund  
New Millennium Fund  
OTC Portfolio  
Retirement Growth Fund  
Small Cap Stock Fund  
Stock Selector  
Trend Fund  
Value Fund

THE FIDELITY TELEPHONE CONNECTION

MUTUAL FUND 24-HOUR SERVICE

Account Balances 1-800-544-7544  
Exchanges/Redemptions 1-800-544-7777  
Mutual Fund Quotes 1-800-544-8544  
Account Assistance 1-800-544-6666  
Product Information 1-800-544-8888  
Retirement Accounts 1-800-544-4774  
(8 a.m. - 9 p.m.)

TDD Service 1-800-544-0118

for the deaf and hearing impaired

(9 a.m. - 9 p.m. Eastern time)

\* INDEPENDENT TRUSTEES

AUTOMATED LINES FOR QUICKEST SERVICE