

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

Filing Date: **1994-01-04**
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FILER

FIDELITY NEW YORK MUNICIPAL TRUST

CIK: **718581** | State of Incorporation: **MA** | Fiscal Year End: **1031**
Type: **485APOS** | Act: **33** | File No.: **002-83295** | Film No.: **94500235**

Mailing Address
*82 DEVONSHIRE STREET
MAIL ZONE ZZ2
BOSTON MA 02109*

Business Address
*82 DEVONSHIRE ST
BOSTON MA 02109
6173300814*

SECURITIES AND EXCHANGE COMMISSION
 Washington, D. C. 20549
 FORM N-1A

REGISTRATION STATEMENT (No. 2-83295)
 UNDER THE SECURITIES ACT OF 1933 []
 Pre-Effective Amendment No. []
 Post-Effective Amendment No. 29 [X]
 and
 REGISTRATION STATEMENT UNDER
 THE INVESTMENT COMPANY ACT OF 1940 [X]

Amendment No. []
 FIDELITY NEW YORK MUNICIPAL TRUST
 (Exact Name of Registrant as Specified in Charter)
 82 Devonshire St., Boston, MA 02109
 (Address of Principal Executive Offices)
 Registrant's Telephone Number, Including Area Code: 617-570-7000
 Arthur S. Loring, Esq.
 82 Devonshire Street,
 Boston, Massachusetts 02109
 (Name and Address of Agent for Service)

It is proposed that this filing will become effective:
 () Immediately upon filing pursuant to paragraph (b)
 () On () pursuant to paragraph (b)
 () 60 days after filing pursuant to paragraph (a)
 (X) On (March 22, 1994) pursuant to paragraph (a) of Rule 485
 Registrant has filed a declaration pursuant to Rule 24f-2 under the
 Investment Company Act of 1940 and intends to file the notice required by
 such Rule before March 31, 1994.

FIDELITY NEW YORK TAX-FREE FUNDS:
 FIDELITY NEW YORK TAX-FREE MONEY MARKET PORTFOLIO
 FIDELITY NEW YORK TAX-FREE INSURED PORTFOLIO
 FIDELITY NEW YORK TAX-FREE HIGH YIELD PORTFOLIO

CROSS REFERENCE SHEET
 FORM N-1A

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* Not Applicable

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* Not Applicable

Please read this prospectus before investing, and keep it on file for future reference. It contains important information, including how each fund invests and the services available to shareholders. A Statement of Additional Information dated March 22, 1994 has been filed with the Securities and Exchange Commission, and is incorporated herein by reference (is legally considered a part of this prospectus). The Statement of Additional Information is available free upon request by calling Fidelity at 1-800-544-8888. Investments in the money market fund are neither insured nor guaranteed by the U.S. government, and there can be no assurance that the fund will maintain a stable \$1.00 share price. Mutual fund shares are not deposits or obligations of, or endorsed or guaranteed by, any bank, nor are they federally insured or otherwise protected by the FDIC, the Federal Reserve Board, or any other agency. Each of these funds seeks a high level of current income free from federal income tax and New York State and City income taxes. The funds have different strategies, however, and carry varying degrees of risk.

FIDELITY NEW YORK
TAX-FREE FUNDS

FIDELITY NEW YORK TAX-FREE MONEY MARKET PORTFOLIO
FIDELITY NEW YORK TAX-FREE INSURED PORTFOLIO
FIDELITY NEW YORK TAX-FREE HIGH YIELD PORTFOLIO
PROSPECTUS
MARCH 22, 1994 (FIDELITY_LOGO_GRAPHIC) 82 DEVONSHIRE STREET, BOSTON, MA
02109
LIKE ALL MUTUAL
FUNDS, THESE
SECURITIES HAVE NOT
BEEN APPROVED OR
DISAPPROVED BY THE
SECURITIES AND
EXCHANGE
COMMISSION OR ANY
STATE SECURITIES
COMMISSION, NOR HAS
THE SECURITIES AND
EXCHANGE

COMMISSION OR ANY
STATE SECURITIES
COMMISSION PASSED
UPON THE ACCURACY
OR ADEQUACY OF THIS
PROSPECTUS. ANY
REPRESENTATION TO
THE CONTRARY IS A
CRIMINAL OFFENSE.
NFR-pro-394
CONTENTS

KEY FACTS	THE FUNDS AT A GLANCE
	WHO MAY WANT TO INVEST
EXPENSES AND PERFORMANCE	EXPENSES Each fund's yearly operating expenses.
	FINANCIAL HIGHLIGHTS A summary of each fund's financial data.
	PERFORMANCE How each fund has done over time.
YOUR ACCOUNT	DOING BUSINESS WITH FIDELITY
	TYPES OF ACCOUNTS Different ways to set up your account.
	HOW TO BUY SHARES Opening an account and making additional investments.
	HOW TO SELL SHARES Taking money out and closing your account.
	INVESTOR SERVICES Services to help you manage your account.
	DIVIDENDS, CAPITAL GAINS, AND TAXES
SHAREHOLDER AND ACCOUNT POLICIES	TRANSACTION DETAILS Share price calculations and the timing of purchases and redemptions.
	EXCHANGE RESTRICTIONS
THE FUNDS IN DETAIL	CHARTER How each fund is organized.
	BREAKDOWN OF EXPENSES How operating costs are calculated and what they include.
	INVESTMENT PRINCIPLES Each fund's overall approach to investing.
	SECURITIES AND INVESTMENT PRACTICES
KEY FACTS	
THE FUNDS AT A GLANCE	
MANAGEMENT:	Fidelity Management & Research Company (FMR) is the management arm of Fidelity Investments, which was established in 1946 and is now America's largest mutual fund manager. FMR Texas Inc. (FTX), a subsidiary of FMR, chooses investments for New York Tax-Free Money Market. As with any mutual fund, there is no assurance that a fund will achieve its goal.
NEW YORK MONEY MARKET	
GOAL:	High current tax-free income for New York residents while maintaining a stable share price.
STRATEGY:	Invests in high quality, short-term securities whose interest is free from federal income tax and New York State and City income taxes.
NEW YORK INSURED	
GOAL:	High current tax-free income for New York residents.
STRATEGY:	Invests mainly in long-term securities that are covered by insurance guaranteeing the timely payment of principal and interest, and whose interest is free from federal income tax and New York State and City

income taxes.

NEW YORK HIGH YIELD

GOAL: High current tax-free income for New York residents.

STRATEGY: Invests mainly in long-term investment-grade securities whose interest is free from federal income tax and New York State and City income taxes.

WHO MAY WANT TO INVEST

These non-diversified funds may be appropriate for investors in higher tax brackets who seek high current income that is free from federal and New York State and City income taxes. Each fund's level of risk, and potential reward, depend on the quality and maturity of its investments.

Lower-quality, longer-term investments typically carry the most risk and the highest yield potential. Insurance, which covers the timely payment of interest and principal on municipal obligations, provides a high degree of credit quality. However, its cost can lower the fund's yield. You should consider your tolerance for risk when making an investment decision.

The value of the funds' investments and the income they generate will vary from day to day, generally reflecting changes in interest rates, market conditions, and other federal and State political and economic news. These funds do not constitute a balanced investment plan.

New York Tax-Free Money Market is managed to keep its share price stable at \$1.00. When you sell your shares of any of the other funds, they may be worth more or less than what you paid for them.

EXPENSES AND PERFORMANCE

EXPENSES

SHAREHOLDER TRANSACTION EXPENSES are charges you pay when you buy or sell shares of a fund.

Maximum sales charge on purchases and reinvested dividends None

Deferred sales charge on redemptions None

Exchange fee None

ANNUAL FUND OPERATING EXPENSES are paid out of each fund's assets. Each fund pays a management fee to FMR. It also incurs other expenses for services such as maintaining shareholder records and furnishing shareholder statements and fund reports. A fund's expenses are factored into its share price or dividends and are not charged directly to shareholder accounts (see page).

The following are projections based on historical expenses, and are calculated as a percentage of average net assets.

NEW YORK MONEY MARKET

Management fee ___%

12b-1 fee None

Other expenses %

Total fund operating expenses ___%

NEW YORK INSURED

Management fee ___%

12b-1 fee None

Other expenses %

Total fund operating expenses ___%

NEW YORK HIGH YIELD

Management fee ___%

12b-1 fee None

Other expenses %

Total fund operating expenses ___%

EXAMPLES: Let's say, hypothetically, that each fund's annual return is 5% and that its operating expenses are exactly as just described. For every \$1,000 you invested, here's how much you would pay in total expenses if you close your account after the number of years indicated:

	After 1	After 3	After 5	After
10	year	years	years	years
New York Money Market				
New York Insured				
New York High Yield				

These examples illustrate the effect of expenses, but are not meant to suggest actual or expected costs or returns, all of which may vary.

FINANCIAL HIGHLIGHTS

The tables that follow have been audited by _____, independent accountants. Their unqualified reports are included in each fund's Annual Report. Each fund's Annual Report is incorporated by reference into (is legally a part of) the Statement of Additional Information.

[Financial Highlights to be filed by subsequent amendment.]

PERFORMANCE

Mutual fund performance can be measured as TOTAL RETURN or YIELD. The total returns and yields that follow are based on historical fund results.

Each fund's fiscal year runs from February 1 through January 31. The tables below show each fund's performance over past fiscal years compared to a measure of inflation. The charts on page ___ help you compare the yields of these funds to those of their competitors.

	After 1	After 3	After 5	After
	year	years	years	years
10				
New York Money Market				
New York Insured				
New York High Yield				

UNDERSTANDING PERFORMANCE

YIELD illustrates the income earned by a fund over a recent period. Seven-day yields are the most common illustration of money market performance. 30-day yields are usually used for bond funds. Yields change daily, reflecting changes in interest rates.

TOTAL RETURN reflects both the reinvestment of income and capital gain distributions, and any change in a fund's share price.

(checkmark)

EXPLANATION OF TERMS

TOTAL RETURN is the change in value of an investment in a fund over a given period, assuming reinvestment of any dividends and capital gains. A

CUMULATIVE TOTAL RETURN reflects actual performance over a stated period of time. An AVERAGE ANNUAL TOTAL RETURN is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. Average annual total returns smooth out variations in performance; they are not the same as actual year-by-year results.

YIELD refers to the income generated by an investment in a fund over a given period of time, expressed as an annual percentage rate. When a money market fund yield assumes that income earned is reinvested, it is called an EFFECTIVE YIELD. A TAX-EQUIVALENT YIELD shows what an investor would have to earn before taxes to equal a tax-free yield. Yields for the bond funds are calculated according to a standard that is required for all stock and bond funds. Because this differs from other accounting methods, the quoted yield may not equal the income actually paid to shareholders.

THE CONSUMER PRICE INDEX is a widely recognized measure of inflation calculated by the U.S. government.

THE COMPETITIVE FUNDS AVERAGES for New York Tax-Free Money Market are the IBC/Donoghue's MONEY FUND AVERAGES (registered trademark)/IBC/Donoghue's Money Fund Averages: New York Tax-Free Funds category, which currently reflects the performance of over ___ mutual funds with similar objectives. These averages are published in the MONEY FUND REPORT (Registered trademark) by IBC USA (Publications), Inc. The competitive funds averages for the bond funds are published by Lipper Analytical Services, Inc. New York Insured and New York High Yield compare their performance to the Lipper New York Insured Municipal Debt Funds and Lipper New York Municipal Debt Funds, respectively, which currently reflects the performance of over ___ and ___ mutual funds with similar objectives, respectively. All of these averages assume reinvestment of distributions.

NEW YORK TAX-FREE MONEY MARKET

7-day yields
Percentage (%)

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Row: 31, Col: 1, Value: nil
Row: 31, Col: 2, Value: nil
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New York
Tax-Free
Money Market
Competitive
funds average
1992
1993
1994

NEW YORK TAX-FREE INSUREDNEW YORK HIGH YIELD

30-day yields
Percentage (%)

Row: 1, Col: 1, Value: nil
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Row: 3, Col: 1, Value: nil
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Row: 32, Col: 2, Value: nil

New York

Tax-Free

Insured

Competitive

funds average

1992

1993

NEW YORK TAX-FREE HIGH YIELD

30-day yields

Percentage (%)

Row: 1, Col: 1, Value: nil
Row: 1, Col: 2, Value: nil
Row: 2, Col: 1, Value: nil
Row: 2, Col: 2, Value: nil
Row: 3, Col: 1, Value: nil
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Row: 25, Col: 1, Value: nil
Row: 25, Col: 2, Value: nil
Row: 26, Col: 1, Value: nil
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Row: 27, Col: 1, Value: nil
Row: 27, Col: 2, Value: nil
Row: 28, Col: 1, Value: nil
Row: 28, Col: 2, Value: nil
Row: 29, Col: 1, Value: nil
Row: 29, Col: 2, Value: nil
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Row: 30, Col: 2, Value: nil
Row: 31, Col: 1, Value: nil
Row: 31, Col: 2, Value: nil
Row: 32, Col: 1, Value: nil
Row: 32, Col: 2, Value: nil

New York
Tax-Free
High Yield
Competitive
funds average
1992
1993

THE TOP CHART SHOWS THE 7-DAY EFFECTIVE YIELD FOR THE FUND AND ITS COMPETITIVE FUNDS AVERAGE AS OF THE LAST TUESDAY OF EACH MONTH FROM JANUARY 199_ THROUGH [MONTH OF FYE] 199_ . THE BOTTOM CHART SHOWS THE 30-DAY ANNUALIZED NET YIELDS FOR THE FUND AND ITS COMPETITIVE FUNDS AVERAGE AS OF THE LAST DAY OF EACH MONTH DURING THE SAME PERIOD. [YIELDS FOR THE FUNDS WOULD HAVE BEEN LOWER IF FIDELITY HAD NOT REIMBURSED CERTAIN FUND EXPENSES.]

The funds' recent strategies, performance, and holdings are detailed twice a year in financial reports, which are sent to all shareholders. For current performance or a free annual report, call 1-800-544-8888. TOTAL RETURNS AND YIELDS ARE BASED ON PAST RESULTS AND ARE NOT AN INDICATION OF FUTURE PERFORMANCE.
YOUR ACCOUNT

DOING BUSINESS WITH FIDELITY

Fidelity Investments was established in 1946 to manage one of America's first mutual funds. Today, Fidelity is the largest mutual fund company in the country, and is known as an innovative provider of high-quality financial services to individuals and institutions.

In addition to its mutual fund business, the company operates one of America's leading discount brokerage firms, Fidelity Brokerage Services, Inc. (FBSI). Fidelity is also a leader in providing tax-sheltered retirement plans for individuals investing on their own or through their employer.

Fidelity is committed to providing investors with practical information to make investment decisions. Based in Boston, Fidelity provides customers with complete service 24 hours a day, 365 days a year, through a network of telephone service centers around the country.

To reach Fidelity for general information, call these numbers:

- (bullet) For mutual funds, 1-800-544-8888
- (bullet) For brokerage, 1-800-544-7272

If you would prefer to speak with a representative in person, Fidelity has over 100 walk-in Investor Centers across the country.

TYPES OF ACCOUNTS

You may set up an account directly in a fund or, if you own or intend to purchase individual securities as part of your total investment portfolio, you may consider investing in a fund through a brokerage account. You can choose New York Tax-Free Money Market as your core account for your Fidelity Ultra Service Account or FidelityPlus brokerage account.

If you are investing through FBSI or another financial institution or investment professional, refer to its program materials for any special provisions regarding your investment in the fund.

The different ways to set up (register) your account with Fidelity are listed below.

WAYS TO SET UP YOUR ACCOUNT
INDIVIDUAL OR JOINT TENANTS
FOR YOUR GENERAL INVESTMENT NEEDS

Individual accounts are owned by one person. Joint accounts can have two or more owners (tenants).

GIFTS OR TRANSFERS TO A MINOR (UGMA, UTMA)

TO INVEST FOR A CHILD'S EDUCATION OR OTHER FUTURE NEEDS

These custodial accounts provide a way to give money to a child and obtain tax benefits. An individual can give up to \$10,000 a year per child without paying federal gift tax. Depending on state laws, you can set up a custodial account under the Uniform Gifts to Minors Act (UGMA) or the Uniform Transfers to Minors Act (UTMA).

TRUST

FOR MONEY BEING INVESTED BY A TRUST

The trust must be established before an account can be opened.

BUSINESS OR ORGANIZATION

FOR INVESTMENT NEEDS OF CORPORATIONS, ASSOCIATIONS, PARTNERSHIPS, OR OTHER GROUPS

Requires a special application.

HOW TO BUY SHARES

EACH FUND'S SHARE PRICE, called net asset value (NAV), is calculated every business day. New York Tax-Free Money Market is managed to keep its share price stable at \$1.00. Each fund's shares are sold without a sales charge. Shares are purchased at the next share price calculated after your investment is received and accepted. Share price is normally calculated at 4 p.m. Eastern time, and also at noon for New York Tax-Free Money Market.

IF YOU ARE NEW TO FIDELITY, complete and sign an account application and mail it along with your check. You may also open your account in person or by wire as described on page . If there is no application accompanying this prospectus, call 1-800-544-8888.

IF YOU ALREADY HAVE MONEY INVESTED IN A FIDELITY FUND, you can:

- (bullet) Mail in an application with a check, or
 - (bullet) Open your account by exchanging from another Fidelity fund.
- If you buy shares by check or Fidelity Money Line (Registered trademark), and then sell those shares by any method other than by exchange to another Fidelity fund, the payment may be delayed for up to seven business days to ensure that your previous investment has cleared.

MINIMUM INVESTMENTS

TO OPEN AN ACCOUNT \$2,500

TO ADD TO AN ACCOUNT \$250

Through automatic investment plans \$100

MINIMUM BALANCE \$1,000

<TABLE>

<CAPTION>

<S>

<C>

TO OPEN AN ACCOUNT

<C>

TO ADD TO AN ACCOUNT

Phone 1-800-544-777 (phone_graphic)

(bullet) Exchange from another Fidelity fund account with the same registration, including name, address, and taxpayer ID number.

(bullet) Exchange from another Fidelity fund account with the same registration, including name, address, and taxpayer ID number.
(bullet) Use Fidelity Money Line to transfer from your bank account. Call before your first use to verify that this service is in place on your account. Maximum Money Line: \$50,000.

</TABLE>

<TABLE>

<CAPTION>

<S>

Mail (mail_graphic)

<C>

(bullet) Complete and sign the application. Make your check payable to the complete name of the fund of your choice. Mail to the address indicated on the application.

<C>

(bullet) Make your check payable to the complete name of the fund of your choice. Indicate your fund account number on your check. Mail to the address printed on your account statement.
(bullet) Exchange by mail: call 1-800-544-6666 for instructions.

</TABLE>

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In Person (hand_graphic)	(bullet) Bring your application and check to a Fidelity Investor Center. Call 1-800-544-9797 for the center nearest you.	(bullet) Bring your check to a Fidelity Investor Center. Call 1-800-544-9797 for the center nearest you.
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<S>	<C>	<C>
Wire (wire_graphic)	(bullet) Call 1-800-544-7777 to set up your account and to arrange a wire transaction. (bullet) Wire within 24 hours to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify the complete name of the fund and include your new account number and your name.	(bullet) Wire to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify the complete name of the fund and include your account number and your name.

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<S>	<C>	<C>
Automatically (automatic_graphic)	(bullet) Not available.	(bullet) Use Fidelity Automatic Account Builder. Sign up for this service when opening your account, or call 1-800-544-6666 to add it.

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<S>	<C>	<C>
(tdd_graphic) TDD - Service for the Deaf and Hearing Impaired: 1-800-544-0118		

</TABLE>

HOW TO SELL SHARES

You can arrange to take money out of your fund account at any time by selling (redeeming) some or all of your shares. Your shares will be sold at the next share price calculated after your order is received and accepted. Share price is normally calculated at 4 p.m. Eastern time and also at noon for New York Tax-Free Money Market.

IF YOU ARE SELLING SOME BUT NOT ALL OF YOUR SHARES, leave at least \$1,000 worth of shares in the account to keep it open.

TO SELL SHARES BY BANK WIRE OR FIDELITY MONEY LINE, you will need to sign up for these services in advance.

CERTAIN REQUESTS MUST INCLUDE A SIGNATURE GUARANTEE. It is designed to protect you and Fidelity from fraud. Your request must be made in writing and include a signature guarantee if any of the following situations apply:

- (bullet) You wish to redeem more than \$100,000 worth of shares,
- (bullet) Your account registration has changed within the last 30 days,
- (bullet) The check is being mailed to a different address than the one on your account (record address),
- (bullet) The check is being made payable to someone other than the account owner, or
- (bullet) The redemption proceeds are being transferred to a Fidelity account with a different registration.

You should be able to obtain a signature guarantee from a bank, broker (including Fidelity Investor Centers), dealer, credit union (if authorized under state law), securities exchange or association, clearing agency, or savings association. A notary public cannot provide a signature guarantee.

SELLING SHARES IN WRITING

Write a "letter of instruction" with:

- (bullet) Your name,
- (bullet) The fund's name,
- (bullet) Your fund account number,
- (bullet) The dollar amount or number of shares to be redeemed, and
- (bullet) Any other applicable requirements listed in the table at right.

Unless otherwise instructed, Fidelity will send a check to the record

address. Deliver your letter to a Fidelity Investor Center, or mail it to:
 Fidelity Investments
 P.O. Box 660602
 Dallas, TX 75266-0602

CHECKWRITING

If you have a checkbook for your account, you may write an unlimited number of checks. Do not, however, try to close out your account by check.

ACCOUNT TYPE SPECIAL REQUIREMENTS

<TABLE>		
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Phone 1-800-544-777 (phone_graphic)	<C> All account types	<C> (bullet) Maximum check request: \$100,000. (bullet) For Money Line transfers to your bank account; minimum: none; maximum: \$100,000. (bullet) You may exchange to other Fidelity funds if both accounts are registered with the same name(s), address, and taxpayer ID number.
Mail or in Person (mail_graphic) (hand_graphic)	Individual, Joint Tenant, Sole Proprietorship, UGMA, UTMA Trust Business or Organization Executor, Administrator, Conservator, Guardian	(bullet) The letter of instruction must be signed by all persons required to sign for transactions, exactly as their names appear on the account. (bullet) The trustee must sign the letter indicating capacity as trustee. If the trustee's name is not in the account registration, provide a copy of the trust document certified within the last 60 days. (bullet) At least one person authorized by corporate resolution to act on the account must sign the letter. (bullet) Include a corporate resolution with corporate seal or a signature guarantee. (bullet) Call 1-800-544-6666 for instructions.
Wire (wire_graphic)	All account types	(bullet) You must sign up for the wire feature before using it. To verify that it is in place, call 1-800-544-6666. Minimum wire: \$5,000. (bullet) Your wire redemption request must be received by Fidelity before 4 p.m. Eastern time for money to be wired on the next business day.

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Check (check_graphic)	<C> All account types	<C> (bullet) Minimum check: \$500. (bullet) All account owners must sign a signature card to receive a checkbook.

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(tdd_graphic)	TDD - Service for the Deaf and Hearing Impaired: 1-800-544-0118	<C> <C>

</TABLE>

INVESTOR SERVICES
 Fidelity provides a variety of services to help you manage your account.
 INFORMATION SERVICES
 FIDELITY'S TELEPHONE REPRESENTATIVES are available 24 hours a day, 365 days a year. Whenever you call, you can speak with someone equipped to provide the information or service you need.

24-HOUR SERVICE
ACCOUNT ASSISTANCE
1-800-544-6666
ACCOUNT BALANCES
1-800-544-7544
ACCOUNT TRANSACTIONS
1-800-544-7777
PRODUCT INFORMATION
1-800-544-8888
QUOTES
1-800-544-8544
RETIREMENT ACCOUNT
ASSISTANCE
1-800-544-4774
AUTOMATED SERVICE
(checkmark)

STATEMENTS AND REPORTS that Fidelity sends to you include the following:

(bullet) Confirmation statements (after every transaction, except reinvestments, that affects your account balance or your account registration)

(bullet) Account statements (quarterly)

(bullet) Financial reports (every six months)

To reduce expenses, only one copy of most financial reports will be mailed to your household, even if you have more than one account in the fund. Call 1-800-544-6666 if you need copies of financial reports or historical account information.

TRANSACTION SERVICES

EXCHANGE PRIVILEGE. You may sell your fund shares and buy shares of other Fidelity funds by telephone or in writing.

Note that exchanges out of a fund are limited to four per calendar year (except for New York Tax-Free Money Market), and that they may have tax consequences for you. For complete policies and restrictions governing exchanges, including circumstances under which a shareholder's exchange privilege may be suspended or revoked, see page .

SYSTEMATIC WITHDRAWAL PLANS let you set up monthly or quarterly redemptions from your account.

FIDELITY MONEY LINE (Registered trademark) enables you to transfer money by phone between your bank account and your fund account. Most transfers are complete within three business days of your call.

REGULAR INVESTMENT PLANS

One easy way to pursue your financial goals is to invest money regularly. Fidelity offers convenient services that let you transfer money into your fund account, or between fund accounts, automatically. While regular investment plans do not guarantee a profit and will not protect you against loss in a declining market, they can be an excellent way to invest for a home, educational expenses, and other long-term financial goals.

REGULAR INVESTMENT PLANS

FIDELITY AUTOMATIC ACCOUNT BUILDERSM

TO MOVE MONEY FROM YOUR BANK ACCOUNT TO A FIDELITY FUND

MINIMUM	FREQUENCY	SETTING UP OR CHANGING
\$100	Monthly or quarterly	(bullet) For a new account, complete the appropriate section on the fund application. (bullet) For existing accounts, call 1-800-544-6666 for an application. (bullet) To change the amount or frequency of your investment, call 1-800-544-6666 at least three business days prior to your next scheduled investment date.

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DIRECT DEPOSIT

TO SEND ALL OR A PORTION OF YOUR PAYCHECK OR GOVERNMENT CHECK TO A FIDELITY FUNDA

</TABLE>

MINIMUM	FREQUENCY	SETTING UP OR CHANGING
\$100	Every pay period	(bullet) Check the appropriate box on the fund application, or call 1-800-544-6666 for an authorization form. (bullet) Changes require a new authorization form.

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FIDELITY AUTOMATIC EXCHANGE SERVICE

TO MOVE MONEY FROM A FIDELITY MONEY MARKET FUND TO ANOTHER FIDELITY FUND

</TABLE>

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<S>	<C>	<C>
MINIMUM	FREQUENCY	SETTING UP OR CHANGING
\$100	Monthly, bimonthly, quarterly, or annually	(bullet) To establish, call 1-800-544-6666 after both accounts are opened. (bullet) To change the amount or frequency of your investment, call 1-800-544-6666.

</TABLE>

A BECAUSE BOND FUND SHARE PRICES FLUCTUATE, THOSE FUNDS MAY NOT BE APPROPRIATE CHOICES FOR DIRECT DEPOSIT OF YOUR ENTIRE CHECK. DIVIDENDS, CAPITAL GAINS, AND TAXES

Each fund distributes substantially all of its net investment income and capital gains, if any, to shareholders each year. Income dividends are declared daily and paid monthly. Capital gains earned by the bond funds are normally distributed in March and December.

DISTRIBUTION OPTIONS

When you open an account, specify on your application how you want to receive your distributions. If the option you prefer is not listed on the application, call 1-800-544-6666 for instructions. Each fund offers four options (three for New York Tax-Free Money Market):

1. REINVESTMENT OPTION. Your dividend and capital gain distributions, if any, will be automatically reinvested in additional shares of the fund. If you do not indicate a choice on your application, you will be assigned this option.

2. INCOME-EARNED OPTION. Your capital gain distributions, if any, will be automatically reinvested, but you will be sent a check for each dividend distribution. This option is not available for New York Tax-Free Money Market.

3. CASH OPTION. You will be sent a check for your dividend and capital gain distributions, if any.

4. DIRECTED DIVIDENDS (Registered trademark) OPTION. Your dividend and capital gain distributions, if any, will be automatically invested in another identically registered Fidelity fund.

Dividends will be reinvested at the fund's NAV on the last day of the month. Capital gain distributions, if any, will be reinvested at the NAV as of the date the fund deducts the distribution from its NAV. The mailing of distribution checks will begin within seven days.

UNDERSTANDING

DISTRIBUTIONS

As a fund shareholder, you are entitled to your share of the fund's net income and gains on its investments. The fund passes its earnings along to its investors as DISTRIBUTIONS.

Each fund earns interest from its investments. These are passed along as DIVIDEND DISTRIBUTIONS. The fund may realize capital gains if it sells securities for a higher price than it paid for them. These are passed along as CAPITAL GAIN DISTRIBUTIONS. Money market funds usually don't make capital gain distributions.
(checkmark)

TAXES

As with any investment, you should consider how an investment in a tax-free fund could affect you. Below are some of the funds' tax implications.

TAXES ON DISTRIBUTIONS. Interest income that a fund earns is distributed to shareholders as income dividends. Interest that is federally tax-free remains tax-free when it is distributed.

However, gain on the sale of tax-free bonds results in taxable distributions. Short-term capital gains and a portion of the gain on bonds purchased at a discount are taxed as dividends. Long-term capital gain distributions are taxed as long-term capital gains. These distributions are taxable when they are paid, whether you take them in cash or reinvest them. However, distributions declared in December and paid in January are taxable as if they were paid on December 31. Fidelity will send you and the IRS a statement showing the tax status of the distributions paid to you in the previous year.

The interest from some municipal securities is subject to the federal alternative minimum tax. Each fund may invest up to 20% of its assets in these securities. Individuals who are subject to the tax must report this interest on their tax returns.

To the extent that each fund's income dividends are derived from state

tax-free investments, they will be free from New York state and city income taxes.

During fiscal 1994, ___% of each fund's income dividends was free from federal income tax, and __%, ___% and ___% were free from New York state and city income taxes for New York Tax-Free Money Market , New York Tax-Free Insured, and New York High Yield respectively. ___% of New York Tax-Free Money Market's income dividends were subject to the federal alternative minimum tax.

TAXES ON TRANSACTIONS. Your bond fund redemptions - including exchanges to other Fidelity funds - are subject to capital gains tax. A capital gain or loss is the difference between the cost of your shares and the price you receive when you sell them.

Whenever you sell shares of a fund, Fidelity will send you a confirmation statement showing how many shares you sold and at what price. You will also receive a consolidated transaction statement every January. However, it is up to you or your tax preparer to determine whether this sale resulted in a capital gain and, if so, the amount of tax to be paid. Be sure to keep your regular account statements; the information they contain will be essential in calculating the amount of your capital gains.

"BUYING A DIVIDEND." If you buy shares just before a fund deducts a distribution from its NAV, you will pay the full price for the shares and then receive a portion of the price back in the form of a taxable distribution.

SHAREHOLDER AND ACCOUNT POLICIES

TRANSACTION DETAILS

THE FUNDS ARE OPEN FOR BUSINESS each day the New York Stock Exchange (NYSE) is open. Fidelity normally calculates each fund's net asset value as of the close of business of the NYSE, normally 4 p.m. Eastern time and also at noon for New York Tax-Free Money Market.

EACH FUND'S NAV is the value of a single share. The NAV is computed by adding the value of the fund's investments, cash, and other assets, subtracting its liabilities, and then dividing the result by the number of shares outstanding.

The money market fund values the securities it owns on the basis of amortized cost. This method minimizes the effect of changes in a security's market value and helps the fund to maintain a stable \$1.00 share price. For the bond funds, assets are valued primarily on the basis of market quotations, if available. Since market quotations are often unavailable, assets are usually valued by a method that the Board of Trustees believes accurately reflects fair value.

EACH FUND'S OFFERING PRICE (price to buy one share) and REDEMPTION PRICE (price to sell one share) are its NAV.

WHEN YOU SIGN YOUR ACCOUNT APPLICATION, you will be asked to certify that your Social Security or taxpayer identification number is correct and that you are not subject to 31% backup withholding for failing to report income to the IRS. If you violate IRS regulations, the IRS can require a fund to withhold 31% of your taxable distributions and redemptions.

YOU MAY INITIATE MANY TRANSACTIONS BY TELEPHONE. Note that Fidelity will not be responsible for any losses resulting from unauthorized transactions if it follows reasonable procedures designed to verify the identity of the caller. Fidelity will request personalized security codes or other information, and may also record calls. You should verify the accuracy of your confirmation statements immediately after you receive them. If you do not want the ability to redeem and exchange by telephone, call Fidelity for instructions.

IF YOU ARE UNABLE TO REACH FIDELITY BY PHONE (for example, during periods of unusual market activity), consider placing your order by mail or by visiting a Fidelity Investor Center.

EACH FUND RESERVES THE RIGHT TO SUSPEND THE OFFERING OF SHARES for a period of time. Each fund also reserves the right to reject any specific purchase order, including certain purchases by exchange. See "Exchange Restrictions" on page . Purchase orders may be refused if, in FMR's opinion, they are of a size that would disrupt management of a fund.

WHEN YOU PLACE AN ORDER TO BUY SHARES, your order will be processed at the next offering price calculated after your order is received and accepted. Note the following:

- (bullet) All of your purchases must be made in U.S. dollars and checks must be drawn on U.S. banks.
- (bullet) Fidelity does not accept cash.
- (bullet) When making a purchase with more than one check, each check must have a value of at least \$50.
- (bullet) Each fund reserves the right to limit the number of checks processed at one time.
- (bullet) If your check does not clear, your purchase will be cancelled and you could be liable for any losses or fees a fund or its transfer agent has incurred.
- (bullet) You begin to earn dividends as of the first business day following the day of your purchase.

TO AVOID THE COLLECTION PERIOD associated with check and Money Line purchases, consider buying shares by bank wire, U.S. Postal money order, U.S. Treasury check, Federal Reserve check, or direct deposit instead.

YOU MAY BUY OR SELL SHARES OF THE FUNDS THROUGH A BROKER, who may charge you a fee for this service. If you invest through a broker or other

institution, read its program materials for any additional service features or fees that may apply.

CERTAIN FINANCIAL INSTITUTIONS that have entered into sales agreements with Fidelity Distributors Corporation (FDC) may enter confirmed purchase orders on behalf of customers by phone, with payment to follow no later than the time when a fund is priced on the following business day. If payment is not received by that time, the financial institution could be held liable for resulting fees or losses.

WHEN YOU PLACE AN ORDER TO SELL SHARES, your shares will be sold at the next NAV calculated after your request is received and accepted. Note the following:

- (bullet) Normally, redemption proceeds will be mailed to you on the next business day, but if making immediate payment could adversely affect a fund, it may take up to seven days to pay you.
- (bullet) Shares will earn dividends through the date of redemption; however, shares redeemed on a Friday or prior to a holiday will continue to earn dividends until the next business day.
- (bullet) Fidelity Money Line redemptions generally will be credited to your bank account on the second or third business day after your phone call.
- (bullet) Each fund may hold payment on redemptions until it is reasonably satisfied that investments made by check or Fidelity Money Line have been collected, which can take up to seven business days.
- (bullet) Redemptions may be suspended or payment dates postponed when the NYSE is closed (other than weekends or holidays), when trading on the NYSE is restricted, or as permitted by the SEC.
- (bullet) If you sell shares by writing a check and the amount of the check is greater than the value of your account, your check will be returned to you and you may be subject to additional charges.

IF YOUR ACCOUNT BALANCE FALLS BELOW \$1,000, you will be given 30 days' notice to reestablish the minimum balance. If you do not increase your balance, Fidelity reserves the right to close your account and send the proceeds to you. Your shares will be redeemed at the NAV on the day your account is closed.

FIDELITY MAY CHARGE A FEE FOR SPECIAL SERVICES, such as providing historical account documents, that are beyond the normal scope of its services.

FDC may, at its own expense, provide promotional incentives to qualified recipients who support the sale of shares of the funds without reimbursement from the funds. Qualified recipients are securities dealers who have sold fund shares or others, including banks and other financial institutions, under special arrangements in connection with FDC's sales activities. In some instances, these incentives may be offered only to certain institutions whose representatives provide services in connection with the sale or expected sale of significant amounts of shares.

EXCHANGE RESTRICTIONS

As a shareholder, you have the privilege of exchanging shares of a fund for shares of other Fidelity funds. However, you should note the following:

- (bullet) The fund you are exchanging into must be registered for sale in your state.
- (bullet) You may only exchange between accounts that are registered in the same name, address, and taxpayer identification number.
- (bullet) Before exchanging into a fund, read its prospectus.
- (bullet) If you exchange into a fund with a sales charge, you pay the percentage-point difference between that fund's sales charge and any sales charge you have previously paid in connection with the shares you are exchanging. For example, if you had already paid a sales charge of 2% on your shares and you exchange them into a fund with a 3% sales charge, you would pay an additional 1% sales charge.
- (bullet) Exchanges may have tax consequences for you.
- (bullet) Because excessive trading can hurt fund performance and shareholders, New York Tax-Free Insured and New York Tax-Free High Yield reserve the right to temporarily or permanently terminate the exchange privilege of any investor who makes more than four exchanges out of the fund per calendar year. Accounts under common ownership or control, including accounts with the same taxpayer identification number, will be counted together for purposes of the four exchange limit.
- (bullet) Each fund reserves the right to refuse exchange purchases by any person or group if, in FMR's judgment, the fund would be unable to invest the money effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected.
- (bullet) Your exchanges may be restricted or refused if a fund receives or anticipates simultaneous orders affecting significant portions of the fund's assets. In particular, a pattern of exchanges that coincide with a "market timing" strategy may be disruptive to a fund.

Although the funds will attempt to give you prior notice whenever they are reasonably able to do so, they may impose these restrictions at any time. The funds reserve the right to terminate or modify the exchange privilege in the future.

OTHER FUNDS MAY HAVE DIFFERENT EXCHANGE RESTRICTIONS, and may impose administrative fees of up to \$7.50 and redemption fees of up to 1.50% on exchanges. Check each fund's prospectus for details.

THE FUNDS IN DETAIL

CHARTER

EACH FUND IS A MUTUAL FUND: an investment that pools shareholders' money and invests it toward a specified goal. In technical terms, New York Tax-Free Money Market is currently a non-diversified fund of Fidelity New York Municipal Trust II, and New York Tax-Free Insured and New York Tax-Free High Yield are currently non-diversified funds of Fidelity New York Municipal Trust. Both trusts are open-end management investment companies. Fidelity New York Municipal Trust II was organized as a Delaware business trust on June 20, 1991. Fidelity New York Municipal Trust was organized as a Massachusetts business trust on April 25, 1983. There is a remote possibility that one fund might become liable for a misstatement in the prospectus about another fund.

EACH FUND IS GOVERNED BY A BOARD OF TRUSTEES, which is responsible for protecting the interests of shareholders. The trustees are experienced executives who meet throughout the year to oversee the funds' activities, review contractual arrangements with companies that provide services to the funds, and review performance. The majority of trustees are not otherwise affiliated with Fidelity.

THE FUNDS MAY HOLD SPECIAL MEETINGS AND MAIL PROXY MATERIALS. These meetings may be called to elect or remove trustees, change fundamental policies, approve a management contract, or for other purposes. Shareholders not attending these meetings are encouraged to vote by proxy. Fidelity will mail proxy materials in advance, including a voting card and information about the proposals to be voted on. Money market fund shareholders are entitled to one vote for each share they own. For the bond fund shareholders, the number of votes you are entitled to is based upon the dollar value of your investment.

FMR AND ITS AFFILIATES

FIDELITY FACTS

Fidelity offers the broadest selection of mutual funds in the world.

(bullet) Number of Fidelity mutual funds: over ___

(bullet) Assets in Fidelity mutual funds: over \$___ billion

(bullet) Number of shareholder accounts: over ___ million

(bullet) Number of investment analysts and portfolio

managers: over ___
(checkmark)

The funds are managed by FMR, which chooses their investments and handles their business affairs. FTX has primary responsibility for providing investment management services for New York Tax-Free Money Market.

David Murphy is manager of and vice president of New York Tax-Free Insured, which he has managed since September 1992. Mr. Murphy also manages Limited Term Municipals, Spartan Short-Intermediate Municipal, Spartan New York Intermediate Municipal and Spartan New Jersey Municipal High Yield. Before joining Fidelity in 1989, he managed municipal bond funds at Scudder, Stevens & Clark.

Norman Lind is manager of New York Tax-Free High Yield, which he has managed since __. Hew also manages _____.

FDC distributes and markets Fidelity's funds and services. Fidelity Service Co. (FSC) performs transfer agent servicing functions for the funds.

FMR Corp. is the parent company of these organizations. Through ownership of voting common stock, Edward C. Johnson 3d (President and a trustee of the trusts), Johnson family members, and various trusts for the benefit of the Johnson family form a controlling group with respect to FMR Corp. United Missouri Bank, N.A., is each fund's transfer agent, although it employs FSC to perform these functions for the funds. It is located at 1010 Grand Avenue, Kansas City, Missouri.

To carry out the funds' transactions, FMR may use its broker-dealer affiliates and other firms that sell fund shares, provided that a fund receives services and commission rates comparable to those of other broker-dealers.

BREAKDOWN OF EXPENSES

Like all mutual funds, the funds pay fees related to their daily operations. Expenses paid out of a fund's assets are reflected in its share price or dividends; they are neither billed directly to shareholders nor deducted from shareholder accounts.

Each fund pays a MANAGEMENT FEE to FMR for managing its investments and business affairs. FMR in turn pays fees to an affiliate who provides assistance with these services for New York Tax-Free Money Market. Each fund also pays OTHER EXPENSES, which are explained at right.

FMR may, from time to time, agree to reimburse the funds for management fees and other expenses above a specified limit. FMR retains the ability to be repaid by a fund if expenses fall below the specified limit prior to the end of the fiscal year. Reimbursement arrangements, which may be terminated at any time without notice, can decrease a fund's expenses and boost its performance.

MANAGEMENT FEE

The management fee is calculated and paid to FMR every month. The fee is

calculated by adding a group fee rate to an individual fund fee rate, and multiplying the result by the fund's average net assets. The group fee rate is based on the average net assets of all the mutual funds advised by FMR. This rate cannot rise above .37%, and it drops as total assets under management increase.

For January 1994, the group fee rate was __%. Each fund's individual fund fee rate is .25%. Each fund's total management fee rate for fiscal 1994 was __%.

FMR HAS A SUB-ADVISORY AGREEMENT with FTX, which has primary responsibility for providing investment management for New York Tax-Free Money Market, while FMR retains responsibility for providing other management services. FMR pays FTX 50% of its management fee (before expense reimbursements) for these services.

OTHER EXPENSES

While the management fee is a significant component of the funds' annual operating costs, the funds have other expenses as well.

FSC performs many transaction and accounting functions. These services include processing shareholder transactions, valuing each fund's investments, and handling securities loans. In fiscal 1994, FSC received fees equal to __%, __%, and __%, respectively, of New York Tax-Free Money Market's, New York Tax-Free Insured's, and New York Tax-Free High Yield's average net assets.

The funds also pay other expenses, such as legal, audit, and custodian fees; proxy solicitation costs; and the compensation of trustees who are not affiliated with Fidelity.

Each fund has adopted a Distribution and Service Plan. These plans recognize that FMR may use its resources, including management fees, to pay expenses associated with the sale of fund shares. This may include payments to third parties, such as banks or broker-dealers, that provide shareholder support services or engage in the sale of the fund's shares. It is important to note, however, that the funds do not pay FMR any separate fees for this service.

For fiscal 1994, the portfolio turnover rates for New York Tax-Free Insured and New York Tax-Free High Yield were __% and __%, respectively. These rates vary from year to year.

INVESTMENT PRINCIPLES

NEW YORK TAX-FREE MONEY MARKET seeks high current income that is free from federal income tax and New York State and City income taxes while maintaining a stable \$1.00 share price by investing in high-quality, short-term municipal obligations of all types. As a result, when you sell your shares, they should be worth the same amount as when you bought them. Of course, there is no guarantee that the fund will maintain a stable \$1.00 share price. FMR normally invests at least 65% of the fund's total assets in State tax-free securities, and normally invests so that at least 80% of the fund's income distributions are free from federal income tax.

The fund follows industry-standard guidelines on the quality and maturity of its investments, which are designed to help maintain a stable \$1.00 share price. The fund will purchase only high-quality securities that FMR believes present minimal credit risks and will observe maturity restrictions on securities it buys. It is possible that a major change in interest rates or a default on the fund's investments could cause its share price (and the value of your investment) to change.

NEW YORK TAX-FREE INSURED seeks high current income that is free from federal income tax and New York State and City income taxes by investing primarily in municipal bonds that are covered by insurance guaranteeing the timely payment of interest and principal. It is important to note, however, that the insurance does not guarantee the market value of a security or of the fund's shares. The insurance coverage is either obtained by the bond's issuer or underwriter, or purchased by the fund. FMR reviews the credit of insurance companies. The fund pays premiums for the insurance either directly or indirectly, which increases the credit safety of the fund's investments, but decreases its yield potential.

The insurance feature provides high credit quality to the fund's portfolio, but the fund may also invest in some uninsured securities that are judged by FMR to be of investment-grade quality. The fund normally invests in long-term bonds, generally maintaining a dollar-weighted average maturity of 20 years or longer, although it may invest in obligations of any maturity. FMR normally invests so that at least 80% of the fund's income distributions are free from federal and New York State and City income taxes.

NEW YORK TAX-FREE HIGH YIELD seeks high current income that is free from federal income tax and New York State and City income taxes by investing primarily in municipal securities judged by FMR to be of investment-grade quality, although it can also invest in lower-quality securities. The fund normally invests in long-term bonds, generally maintaining a dollar-weighted average maturity of 15 years or longer, although it may invest in obligations of any maturity. FMR normally invests so that at least 80% of the fund's income distributions are free from federal and New York State and City income taxes.

EACH FUND'S yield and each bond fund's share price change daily based on interest rate changes and on the quality and maturity of its investments. In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Lower-quality securities offer higher yields, but also carry more risk.

Each fund's performance is closely tied to the economic and political

conditions within the State of New York. Both the City and State of New York have recently experienced significant financial difficulty, and the state's credit standing is one of the lowest in the country.

If you are subject to the federal alternative minimum tax, you should note that each fund may invest so that up to 20% of its income is derived from municipal securities issued to finance private activities. The interest from these investments is a tax-preference item for purposes of the tax. FMR normally invests each fund's assets according to its investment strategy. The funds do not expect to invest in federally taxable obligations, and the bond funds also do not expect to invest in state taxable obligations. When FMR considers it appropriate, however, it may temporarily invest substantially in cash that is not earning interest or short-term instruments, or may invest more than normally permitted in taxable obligations.

SECURITIES AND INVESTMENT PRACTICES

The following pages contain more detailed information about types of instruments in which the funds may invest, and strategies FMR may employ in pursuit of the funds' investment objectives. A summary of risks and restrictions associated with these instrument types and investment practices is included as well. Policies and limitations are considered at the time of purchase; the sale of instruments is not required in the event of a subsequent change in circumstances.

FMR may not buy all of these instruments or use all of these techniques to the full extent permitted unless it believes that doing so will help the funds achieve their goals. As a shareholder, you will receive financial reports every six months detailing fund holdings and describing recent investment activities.

DEBT SECURITIES. Bonds and other debt instruments are used by issuers to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest, and must repay the amount borrowed at maturity. Some debt securities, such as zero coupon bonds, do not pay current interest, but are purchased at a discount from their face values. Debt securities have varying degrees of quality and varying levels of sensitivity to changes in interest rates. Longer-term bonds are generally more sensitive to interest rate changes than short-term bonds.

Lower-quality debt securities may have speculative characteristics, and involve greater risk of default or price changes due to changes in the issuer's creditworthiness. The market prices of these securities may fluctuate more than higher-quality securities and may decline significantly in periods of general or regional economic difficulty.

The table below provides a summary of ratings assigned to debt holdings (not including money market instruments) in New York Tax-Free High Yield's portfolio. These figures are dollar-weighted averages of month-end portfolio holdings during fiscal 1994, and are presented as a percentage of total investments. These percentages are historical and do not necessarily indicate the fund's current or future debt holdings.

NEW YORK TAX-FREE HIGH YIELD

Fiscal 1994 Debt Holdings, by Rating MOODY'S STANDARD & AMP;
POOR'S

INVESTORS SERVICE, INC. CORPORATION			
Rating	Average A	Rating	Average

eA

INVESTMENT GRADE

Highest quality Aaa AAA

High quality Aa % AA %

Upper-medium grade A A

Medium grade Baa % BBB %

LOWER QUALITY

Moderately speculative Ba % BB %

Speculative B % B %

Highly speculative Caa % CCC %

Poor quality Ca % CC %

Lowest quality, no interest C C

In default, in arrears -- D %

% %

A THE DOLLAR-WEIGHTED AVERAGE OF DEBT SECURITIES NOT RATED BY MOODY'S OR S&P AMOUNTED TO ____%. THIS MAY INCLUDE SECURITIES RATED BY OTHER

NATIONALLY RECOGNIZED RATING SERVICES, AS WELL AS UNRATED SECURITIES. UNRATED SECURITIES ARE NOT NECESSARILY LOWER-QUALITY SECURITIES. REFER TO

THE FUND'S STATEMENT OF ADDITIONAL INFORMATION FOR A MORE COMPLETE DISCUSSION OF THESE RATINGS.

RESTRICTIONS: New York Tax-Free Insured does not currently intend to invest more than 35% of its assets in uninsured securities, and does not currently intend to invest in uninsured securities judged by FMR to be below investment-grade quality. New York Tax-Free High Yield does not currently intend to invest more than one-third of its assets in bonds of equivalent quality to Ba or lower by Moody's and BB or lower by S&P, and does not currently intend to invest in bonds whose quality is judged by FMR to be equivalent to bonds rated lower than B. The fund does not currently intend to invest in bonds rated below Caa by Moody's or CCC by S&P.

MUNICIPAL SECURITIES are issued to raise money for a variety of public purposes, including general financing for state and local governments, or financing for specific projects or public facilities. Municipal securities

may be issued in anticipation of future revenues, and may be backed by the full taxing power of a municipality, the revenues from a specific project, or the credit of a private organization. A security's credit may be enhanced by a bank, insurance company, or other financial institution. A fund may own a municipal security directly or may own one through a participation interest.

STATE TAX-FREE SECURITIES include municipal obligations issued by the State of New York or its counties, municipalities, authorities, or other subdivisions. The ability of issuers to repay their debt can be affected by many factors that impact the economic vitality of either the state or a region within the state.

Other state tax-free securities include general obligations of U.S. territories and possessions such as Guam, the Virgin Islands, and Puerto Rico, and their political subdivisions and public corporations. The economy of Puerto Rico is closely linked to the U.S. economy, and will depend on the strength of the U.S. dollar, interest rates, the price stability of oil imports, and the continued existence of favorable tax incentives. Recent legislation reduced these incentives, but it is impossible to predict what impact the changes will have.

MUNICIPAL LEASE OBLIGATIONS are used by municipalities to acquire land, equipment, or facilities. If the municipality stops making payments or transfers its obligations to a private entity, the obligation could lose value or become taxable.

PRIVATE ENTITIES may be involved in some municipal securities. For example, industrial revenue bonds are backed by private entities, and resource recovery bonds often involve private corporations. The viability of a project or tax incentives could affect the value and credit quality of these securities.

ASSET-BACKED SECURITIES may include pools of purchase contracts, financing leases, or sales agreements entered into by municipalities. These securities usually rely on continued payments by a municipality, and may also be subject to prepayment risk.

VARIABLE- AND FLOATING-RATE INSTRUMENTS may have interest rates that move in tandem with a benchmark, helping to stabilize their prices. Inverse floaters have interest rates that move in the opposite direction from the benchmark, making the instrument's market value more volatile.

PUT FEATURES entitle the holder to put (sell back) an instrument to the issuer or a financial intermediary. In exchange for this benefit, a fund may pay periodic fees or accept a lower interest rate. Demand features, standby commitments, and tender options are types of put features.

ADJUSTING INVESTMENT EXPOSURE. A fund can use various techniques to increase or decrease its exposure to changing security prices, interest rates, or other factors that affect security values. These techniques may involve derivative transactions such as buying and selling options and futures contracts, and purchasing indexed securities.

FMR can use these practices to adjust the risk and return characteristics of a fund's portfolio of investments. If FMR judges market conditions incorrectly or employs a strategy that does not correlate well with the fund's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of the fund and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty to the transaction does not perform as promised.

WHEN-ISSUED AND DELAYED-DELIVERY TRANSACTIONS are trading practices in which payment and delivery for the securities take place at a future date. The market value of a security could change during this period, which could affect a fund's yield or the market value of its assets.

ILLIQUID AND RESTRICTED SECURITIES. Some investments may be determined by FMR, under the supervision of the Board of Trustees, to be illiquid, which means that they may be difficult to sell promptly at an acceptable price. The sale of other securities may be subject to legal restrictions. Difficulty in selling securities may result in a loss or may be costly to a fund.

RESTRICTIONS: A fund may not purchase a security if, as a result, more than 10% of its assets would be invested in illiquid securities.

DIVERSIFICATION. Diversifying a fund's investment portfolio can reduce the risks of investing. This may include limiting the amount of money invested in any one issuer or, on a broader scale, in any one industry or type of project. Economic, business, or political changes can affect all securities of a similar type. A fund that is not diversified may be more sensitive to these changes, and also to changes in the market value of a single issuer or industry.

RESTRICTIONS: The funds are considered non-diversified. To meet quarterly federal tax requirements, however, a fund generally does not invest more than 25% of its total assets in any one issuer and, with respect to 50% of total assets, does not invest more than 5% of its total assets in any one issuer. These limitations do not apply to U.S. government securities. A fund may invest more than 25% of its total assets in tax-free securities that finance similar types of projects. New York Tax-Free Insured may invest more than 25% of its assets in bonds insured by the same insurance company.

BORROWING. A fund may borrow from banks or from other funds advised by FMR, or through reverse repurchase agreements. If a bond fund borrows money, its share price may be subject to greater fluctuation until the

borrowing is paid off. If the fund makes additional investments while borrowings are outstanding, this may be considered a form of leverage.
RESTRICTIONS: A fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.

FUNDAMENTAL INVESTMENT POLICIES AND RESTRICTIONS

Some of the policies and restrictions discussed on the preceding pages are fundamental, that is, subject to change only by shareholder approval. The following paragraphs restate all those that are fundamental. All policies stated throughout this prospectus, other than those identified in the following paragraphs, can be changed without shareholder approval.

NEW YORK TAX-FREE MONEY MARKET seeks as high a level of current income exempt from federal income tax and New York State and City income taxes as is consistent with preservation of capital. The fund will normally invest so that at least 80% of its income distributions are free from federal income tax.

NEW YORK TAX-FREE INSURED seeks as high a level of current income, exempt from federal and New York State and City income taxes, available from investing primarily in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. FMR will invest the fund's assets primarily in municipal bonds that are (1) insured under an insurance policy obtained by the issuer or underwriter; or (2) insured under an insurance policy purchased by the fund. Insurance will cover the timely payment of interest and principal on municipal obligations and will be retained from recognized insurers. The fund may invest in uninsured municipal obligations judged to be of quality equivalent to the four highest ratings assigned by Moody's and S&P (Baa, BBB, or better). Under normal market conditions, such uninsured obligations may not exceed 35% of the fund's assets. The fund will normally invest so that at least 80% of its income distributions are exempt from federal and New York State and City income taxes. During periods when FMR believes that New York municipals that meet the fund's standards are not available, the fund may temporarily invest more than 20% of its assets in obligations that are only federally tax-exempt.

NEW YORK TAX-FREE HIGH YIELD seeks as high a level of current income, exempt from federal and New York State and City income taxes, available from investing primarily in municipal securities judged by FMR to be of investment-grade quality. The fund may invest up to one-third of its assets in lower-quality bonds, but may not purchase bonds that are judged by FMR to be equivalent quality to those rated lower than B. The fund will normally invest so that at least 80% of its income distributions are exempt from federal and New York State and City income taxes. During periods when FMR believes that New York municipals that meet the fund's standards are not available, the fund may temporarily invest more than 20% of its assets in obligations that are only federally tax-exempt.

EACH FUND may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.

From Filler pages

FIDELITY NEW YORK TAX-FREE MONEY MARKET PORTFOLIO

A FUND OF FIDELITY NEW YORK MUNICIPAL TRUST II

FIDELITY NEW YORK TAX-FREE INSURED PORTFOLIO

A FUND OF FIDELITY NEW YORK MUNICIPAL TRUST

FIDELITY NEW YORK TAX-FREE HIGH YIELD PORTFOLIO

A FUND OF FIDELITY NEW YORK MUNICIPAL TRUST

STATEMENT OF ADDITIONAL INFORMATION

MARCH 2 2 , 199 4

This Statement is not a prospectus but should be read in conjunction with the funds' current Prospectus (dated March 2 2 , 199 4). Please retain this document for future reference. The Annual Report for the fiscal period ended January 31, 199 4 is incorporated herein by reference. To obtain an additional copy of the Prospectus or the Annual Report, please call Fidelity Distributors Corporation at 1-800-544-8888.

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Fidelity Distributors Corporation (FDC)

Transfer Agent

United Missouri Bank, N.A. (United Missouri) and Fidelity Service Co. (FSC)

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INVESTMENT POLICIES AND LIMITATIONS

The following policies and limitations supplement those set forth in the Prospectus. Unless otherwise noted, whenever an investment policy or limitation states a maximum percentage of a fund's assets that may be invested in any security or other asset, or sets forth a policy regarding quality standards, such standard or percentage limitation will be determined immediately after and as a result of the fund's acquisition of such security or other asset. Accordingly, any subsequent change in values, net assets, or other circumstances will not be considered when determining whether the investment complies with the fund's investment policies and limitations.

Each fund's fundamental investment policies and limitations cannot be changed without approval by a "majority of the outstanding voting securities" (as defined in the Investment Company Act of 1940 (the 1940 Act)) of a fund. However, with respect to the money market fund, except for the fundamental investment limitations set forth below, the investment policies and limitations described in this Statement of Additional Information are not fundamental and may be changed without shareholder approval.

INVESTMENT LIMITATIONS OF NEW YORK TAX-FREE MONEY MARKET PORTFOLIO (MONEY MARKET FUND)

THE FOLLOWING ARE THE MONEY MARKET FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

- (1) issue senior securities;
 - (2) make short sales of securities;
 - (3) purchase any securities on margin, except for such short-term credits as are necessary for the clearance of transactions;
 - (4) borrow money, except that the fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of the value of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed 33 1/3% of the fund's total assets by reason of a decline in net assets will be reduced (within three business days) to the extent necessary to comply with the 33 1/3% limitation;
 - (5) underwrite any issue of securities, except to the extent that the purchase of municipal bonds in accordance with the fund's investment objective, policies, and limitations, either directly from the issuer, or from an underwriter for an issuer, may be deemed to be underwriting;
 - (6) purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or tax-exempt obligations issued or guaranteed by a U.S. territory or possession or a state or local government, or a political subdivision of any of the foregoing) if, as a result, more than 25% of the fund's total assets would be invested in securities of companies whose principal business activities are in the same industry;
 - (7) purchase or sell real estate, but this shall not prevent the fund from investing in municipal bonds or other obligations secured by real estate or interests therein;
 - (8) purchase or sell commodities or commodity (futures) contracts;
 - (9) lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties (but this limit does not apply to purchases of debt securities or repurchase agreements);
- or
- (10) invest in oil, gas, or other mineral exploration or development programs.

Investment limitation (4) is construed in conformity with the 1940 Act, and, accordingly, "three business days" means three days exclusive of Sundays and holidays.

THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

- (i) To meet federal tax requirements for qualification as a "regulated investment company," the fund limits its investments so that at the close

of each quarter of its taxable year: (a) with regard to at least 50% of total assets, no more than 5% of total assets are invested in the securities of a single issuer, and (b) no more than 25% of total assets are invested in the securities of a single issuer. Limitations (a) and (b) do not apply to "Government securities" as defined for federal tax purposes.

(ii) The fund does not currently intend to sell securities short.

(iii) The fund does not currently intend to purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.

(iv) The fund may borrow money only (a) from a bank or from a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (4)). The fund will not purchase any security while borrowings representing more than 5% of its total assets are outstanding. The fund will not borrow from other funds advised by FMR or its affiliates if total outstanding borrowings immediately after such borrowing would exceed 15% of the fund's total assets.

(v) The fund does not currently intend to purchase any security if, as a result, more than 10% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

(vi) The fund does not currently intend to invest more than 25% of its total assets in industrial revenue bonds related to a single industry.

(v i i) The fund does not currently intend to purchase or sell futures contracts or call options. This limitation does not apply to options attached to, or acquired or traded together with, their underlying securities, and does not apply to securities that incorporate features similar to options or futures contracts.

(v i ii) The fund does not currently intend to engage in repurchase agreements or make loans, but this limitation does not apply to purchases of debt securities.

(i x) The fund does not currently intend to (a) purchase securities of other investment companies, except in the open market where no commission except the ordinary broker's commission is paid, or (b) purchase or retain securities issued by other open-end investment companies. Limitations (a) and (b) do not apply to securities received as dividends, through offers of exchange, or as a result of a reorganization, consolidation, or merger.

(x) The fund does not currently intend to invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

For purposes of limitations (6) and (i), FMR identifies the issuer of a security depending on its terms and conditions. In identifying the issuer, FMR will consider the entity or entities responsible for payment of interest and repayment of principal and the source of such payments; the way in which assets and revenues of an issuing political subdivision are separated from those of other political entities; and whether a governmental body is guaranteeing the security.

For the fund's limitations on quality and maturity, see the section entitled "Quality and Maturity" on page __.

INVESTMENT LIMITATIONS OF NEW YORK TAX-FREE INSURED PORTFOLIO
(INSURED FUND)

THE FOLLOWING ARE THE INSURED FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

(1) issue senior securities, except as permitted under the Investment Company Act of 1940;

(2) borrow money, except that the fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed this amount will be reduced within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;

(3) underwrite securities issued by others, except to the extent that the fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of restricted securities;

(4) purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or tax-exempt obligations issued or guaranteed by a U.S. territory or possession or a state or local government, or a political subdivision of any of the foregoing) if, as a result, more than 25% of the fund's total assets would be invested in securities of companies whose principal business activities are in the same industry;

(5) purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business;

(6) purchase or sell physical commodities unless acquired as a result of

ownership of securities or other instruments (but this shall not prevent the fund from purchasing or selling options and futures contracts or from investing in securities or other instruments backed by physical commodities);

(7) lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements; or

(8) invest in companies for the purpose of exercising control or management.

(9) The fund may, notwithstanding any other fundamental investment policy or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

(i) To meet federal tax requirements for qualification as a "regulated investment company," the fund limits its investments so that at the close of each quarter of its taxable year: (a) with regard to at least 50% of total assets, no more than 5% of total assets are invested in the securities of a single issuer, and (b) no more than 25% of total assets are invested in the securities of a single issuer. Limitations (a) and (b) do not apply to " Government securities" as defined for federal tax purposes.

(ii) The fund does not currently intend to sell securities short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold short, and provided that transactions in futures contracts and options are not deemed to constitute selling securities short.

(iii) The fund does not currently intend to purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.

(iv) The fund may borrow money only (a) from a bank or from a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (2)). The fund will not purchase any security while borrowings representing more than 5% of its total assets are outstanding. The fund will not borrow from other funds advised by FMR or its affiliates if total outstanding borrowings immediately after such borrowing would exceed 15% of the fund's total assets.

(v) The fund does not currently intend to purchase any security if, as a result, more than 10% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

(vi) The fund does not currently intend to invest more than 25% of its total assets in industrial revenue bonds related to a single industry.

(vii) The fund does not currently intend to engage in repurchase agreements or make loans, but this limitation does not apply to purchases of debt securities.

(v iii) The fund does not currently intend to (a) purchase securities of other investment companies, except in the open market where no commission except the ordinary broker's commission is paid, or (b) purchase or retain securities issued by other open - end investment companies. Limitations (a) and (b) do not apply to securities received as dividends, through offers of exchange, or as a result of a reorganization, consolidation, or merger.

(ix) The fund does not currently intend to invest in oil, gas, or other mineral exploration or development programs or leases.

(x) The fund does not currently intend to invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

For purposes of limitations (4) and (i), FMR identifies the issuer of a security depending on its terms and conditions. In identifying the issuer, FMR will consider the entity or entities responsible for payment of interest and repayment of principal and the source of such payments; the way in which assets and revenues of an issuing political subdivision are separated from those of other political entities; and whether a governmental body is guaranteeing the security.

For the insured fund's limitations on futures and options transactions, see the section entitled " Limitations on Futures and Options Transactions" beginning on page 10.

INSURANCE FEATURE. Under normal market conditions, the insured fund will invest primarily in municipal bonds that, at the time of purchase, either are (1) insured under an insurance policy obtained by the issuer or underwriter of such bonds at the time of their original issuance (issuer insurance), or (2) insured under an insurance policy purchased by the fund (portfolio insurance). If a municipal bond is already covered by issuer

insurance when acquired by the fund, then coverage will not be duplicated by portfolio insurance; if a municipal bond is not covered by issuer insurance, it may be covered by portfolio insurance purchased by the fund. The fund may also purchase municipal notes that are insured, although, in general, municipal notes are not presently issued with issuer insurance, and the fund generally does not expect to cover municipal notes under its portfolio insurance. Accordingly, the fund does not presently expect that any significant portion of the municipal notes it purchases will be covered by insurance. Securities other than municipal bonds and notes purchased by the fund will not be covered by insurance. Based upon the expected composition of the fund, FMR estimates that the annual premiums for portfolio insurance will range from .10% to .35% of the fund's average net assets. In the 1992 fiscal year, no portfolio insurance was purchased. Although the insurance feature reduces certain financial risks, the premiums for portfolio insurance, which are paid from the fund's assets, and the restrictions on investments imposed by portfolio insurance guidelines, reduce the fund's current yield.

Insurance will cover the timely payment of interest and principal on municipal obligations and will be obtained from recognized insurers. In order to be considered as eligible insurance by the fund, such insurance policies must guarantee the timely payment of all interest and principal on the municipal bonds as they become due. However, such insurance may provide that in the event of non - payment of interest or principal when due, with respect to an insured municipal bond, the insurer is not obligated to make such payment until a specified time period (which may be 30 days or more) after it has been notified by the fund that such non - payment has occurred. For these purposes, a payment of principal is due only at final maturity of the municipal bond and not at the time any earlier sinking fund payment is due. The insurance does not guarantee the market value of the municipal bonds or the value of the shares of the fund and, except as described below and in the section entitled " Valuation of Portfolio Securities," has no effect on the price or redemption value of fund shares.

Municipal bonds are generally eligible to be insured under portfolio insurance if, at the time of purchase by the fund, they are identified separately or by category in qualitative guidelines furnished by the portfolio insurer and are in compliance with the aggregate limitations on amounts set forth in such guidelines. Premium variations are based in part on the rating of the municipal bond being insured at the time the fund purchases the bond. The insurer may prospectively withdraw particular municipal bonds from the classifications of bonds eligible for insurance or change the aggregate amount limitation of each issue or category of eligible municipal bonds, but must continue to insure the full amount of bonds previously acquired which the insurer has indicated are eligible so long as they remain in the fund's portfolio. The qualitative guidelines and aggregate amount limitations established by the insurer from time to time will not necessarily be the same as those the fund or FMR would use to govern selection of municipal bonds for the fund's investments. Therefore, from time to time, such guidelines and limitations may affect investment decisions.

Because coverage under portfolio insurance terminates upon sale of a municipal bond from the fund's portfolio, the insurance does not have any effect on the resale value of such a bond. It is the fund's intention to retain any insured municipal bonds that are in default or, in FMR's view, in significant risk of default, and to place a value on the insurance coverage because it guarantees that interest and principal will be paid . This value will ordinarily be equal to the difference between the market value of the defaulted security (or those in risk of default) and the market value of similar securities that are not in default. As a result, FMR may be limited in its ability to manage the fund's portfolio to the extent that it holds defaulted municipal bonds, which will limit its ability in certain circumstances to purchase other municipal bonds. While a defaulted municipal bond is held by the fund, the fund continues to pay the insurance premium thereon but also collects interest payments from the insurer and retains the right to collect the full amount of principal from the insurer when the municipal bond comes due. The fund expects that the market value of a defaulted municipal bond covered by issuer insurance will generally be greater than the market value of an otherwise comparable defaulted municipal bond covered by portfolio insurance.

PRINCIPAL BOND INSURERS. AMBAC Indemnity Corporation (AMBAC Indemnity) is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, and the Commonwealth of Puerto Rico, with admitted assets of approximately __ billion (unaudited) and statutory capital of approximately \$__ million (unaudited) as of September 30, 1993. Statutory capital consists of AMBAC Indemnity's policyholders' surplus and statutory contingency reserve. AMBAC Indemnity is a wholly owned subsidiary of AMBAC Inc., a 100% publicly-held company. Moody's and S&P have both assigned a triple-A claims-paying ability rating to AMBAC Indemnity.

Capital Guaranty Insurance Company (Capital Guaranty) is a monoline financial guaranty insurance company whose policies guaranty the timely payment of principal and interest when due for payment (as defined in Capital Guarantee coverage) on new issue and secondary market issue

municipal bond transactions. Capital Guaranty's claims-paying ability is rated AAA by S&P. Therefore, if Capital Guaranty insures an issue with a stand alone rating of less than "AAA," such issue would be "upgraded" to AAA by virtue of Capital Guaranty's insurance. On December 31, 1993, Capital Guaranty's statutory capital (unaudited, consisting of contingency reserve and statutory policyholders' surplus) was over \$___ million. As of that date, Capital Guaranty's insured principal and interest outstanding was over \$___ billion.

FGIC Corporation, through its wholly owned subsidiary Financial Guaranty Insurance Company, is a leading insurer of municipal bonds, including new issues and bonds held in unit investment trusts and mutual funds.

Municipal bonds insured by Financial Guaranty are rated Aaa/AAA/AAA by Moody's, S&P, and Fitch, respectively. In accordance with statutory accounting principles, Financial Guaranty's capital base as of December 31, 1993 totalled \$___ million, comprised of capital and surplus of \$___ million and a contingency reserve of \$___ million.

Municipal Bond Investors Assurance Corporation (MBIA) is the monoline insurance company created from an unincorporated association (the Municipal Bond Insurance Association) through which its members wrote municipal bond insurance on a several and not joint basis through 1986. Bond Investors Guaranty Insurance Company (BIG) issued municipal bond insurance policies guarantying the timely payment of principal and interest on new issue, secondary market, and unit investment trust bonds. On January 5, 1990, MBIA acquired all of the outstanding stock of Bond Investors Group, Inc., the parent of BIG. Through a reinsurance agreement, BIG ceded all of its net insured risks, as well as its related unearned premium and contingency reserves, to MBIA. Moody's rates all bond issues insured by MBIA and BIG "Aaa" and short-term loans "MIG-1," both designated to be of the highest quality; S&P rates all new issues insured by MBIA and BIG "AAA" Prime Grade. As of December 31, 1992, MBIA (consolidated) had admitted assets of \$___ billion (unaudited), total liabilities of \$___ billion (unaudited), and total capital and surplus of \$758 million (unaudited) prepared in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

INVESTMENT LIMITATIONS OF NEW YORK TAX-FREE HIGH YIELD PORTFOLIO (HIGH YIELD FUND)

THE FOLLOWING ARE THE HIGH YIELD FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

- (1) issue senior securities, except as permitted under the Investment Company Act of 1940;
 - (2) borrow money, except that the fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of the value of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed this amount will be reduced within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;
 - (3) underwrite securities issued by others, except to the extent that the fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of restricted securities;
 - (4) purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or tax-exempt obligations issued or guaranteed by a U.S. territory or possession or a state or local government, or a political subdivision of any of the foregoing) if, as a result, more than 25% of the fund's total assets would be invested in securities of companies whose principal business activities are in the same industry;
 - (5) purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business;
 - (6) purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from purchasing or selling options and futures contracts or from investing in securities or other instruments backed by physical commodities);
 - (7) lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements; or
 - (8) invest in companies for the purpose of exercising control or management.
- (9) The fund may, notwithstanding any other fundamental investment policy or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

- (i) To meet federal tax requirements for qualification as a "regulated investment company," the fund limits its investments so that at the close of each quarter of its taxable year: (a) with regard to at least 50% of total assets, no more than 5% of total assets are invested in the securities of a single issuer, and (b) no more than 25% of total assets are invested in the securities of a single issuer. Limitations (a) and (b) do

not apply to "Government securities" as defined for federal tax purposes.

(ii) The fund does not currently intend to sell securities short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold short, and provided that transactions in futures contracts and options are not deemed to constitute selling securities short.

(iii) The fund does not currently intend to purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.

(iv) The fund may borrow money only (a) from a bank or from a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (2)). The fund will not purchase any security while borrowings representing more than 5% of its total assets are outstanding. The fund will not borrow from other funds advised by FMR or its affiliates if total outstanding borrowings immediately after such borrowing would exceed 15% of the fund's total assets.

(v) The fund does not currently intend to purchase any security if, as a result, more than 10% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

(v i) The fund does not currently intend to invest more than 25% of its total assets in industrial revenue bonds related to a single industry.

(vii) The fund does not currently intend to engage in repurchase agreements or make loans, but this limitation does not apply to purchases of debt securities.

(viii) The fund does not currently intend to (a) purchase securities of other investment companies, except in the open market where no commission except the ordinary broker's commission is paid, or (b) purchase or retain securities issued by other open - end investment companies. Limitations (a) and (b) do not apply to securities received as dividends, through offers of exchange, or as a result of a reorganization, consolidation, or merger.

(ix) The fund does not currently intend to invest in oil, gas, or other mineral exploration or development programs or leases.

(x) The fund does not currently intend to invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

For purposes of limitations (4) and (i), FMR identifies the issuer of a security depending on its terms and conditions. In identifying the issuer, FMR will consider the entity or entities responsible for payment of interest and repayment of principal and the source of such payments; the way in which assets and revenues of an issuing political subdivision are separated from those of other political entities; and whether a governmental body is guaranteeing the security.

For the high yield fund's limitations on futures and options transactions, see the section entitled "Limitations on Futures and Options Transactions" beginning on page 10.

AFFILIATED BANK TRANSACTIONS. Pursuant to exemptive orders issued by the Securities and Exchange Commission (SEC), the funds may engage in transactions with financial institutions that are, or may be considered to be, "affiliated persons" of the funds under the 1940 Act. Such transactions may be entered into only pursuant to procedures established and periodically reviewed by the Board of Trustees. These transactions may include repurchase agreements with custodian banks; purchases, as principal, of short-term obligations of, and repurchase agreements with, the 50 largest U.S. banks (measured by deposits); transactions in municipal securities; transactions in U.S. government securities with affiliated banks that are primary dealers in these securities ; short-term currency transactions; and short-term secured borrowing.

QUALITY AND MATURITY (MONEY MARKET FUND ONLY). Pursuant to procedures adopted by the Board of Trustees, the fund may purchase only high-quality securities that FMR believes present minimal credit risks. To be considered high-quality, a security must be rated in accordance with applicable rules in one of the two highest categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security) or, if unrated, judged to be of equivalent quality by FMR. The fund must limit its investments to securities with remaining maturities of 397 days or less and must maintain a dollar-weighted average maturity of 90 days or less.

DELAYED-DELIVERY TRANSACTIONS. Each fund may buy and sell securities on a delayed-delivery or when-issued basis. These transactions involve a commitment by a fund to purchase or sell specific securities at a predetermined price or yield, with payment and delivery taking place after the customary settlement period for that type of security (and more than seven days in the future). Typically, no interest accrues to the purchaser

until the security is delivered. The insured and high yield funds may receive fees for entering into delayed-delivery transactions. When purchasing securities on a delayed-delivery basis, each fund assumes the rights and risks of ownership, including the risk of price and yield fluctuations. Because a fund is not required to pay for securities until the delivery date, these risks are in addition to the risks associated with the fund's other investments. If a fund remains substantially fully invested at a time when delayed-delivery purchases are outstanding, the delayed-delivery purchases may result in a form of leverage. When delayed-delivery purchases are outstanding, the fund will set aside appropriate liquid assets in a segregated custodial account to cover its purchase obligations. When a fund has sold a security on a delayed-delivery basis, the fund does not participate in further gains or losses with respect to the security. If the other party to a delayed-delivery transaction fails to deliver or pay for the securities, the fund could miss a favorable price or yield opportunity, or could suffer a loss.

Each fund may renegotiate delayed-delivery transactions after they are entered into, and may sell underlying securities before they are delivered, which may result in capital gains or losses.

REFUNDING CONTRACTS. The insured and high yield funds may purchase securities on a when-issued basis in connection with the refinancing of an issuer's outstanding indebtedness. Refunding contracts require the issuer to sell and a fund to buy refunded municipal obligations at a stated price and yield on a settlement date that may be several months or several years in the future. The funds generally will not be obligated to pay the full purchase price if they fail to perform under a refunding contract. Instead, refunding contracts generally provide for payment of liquidated damages to the issuer (currently 15-20% of the purchase price). A fund may secure its obligations under a refunding contract by depositing collateral or a letter of credit equal to the liquidated damages provisions of the refunding contract. When required by SEC guidelines, each fund will place liquid assets in a segregated custodial account equal in amount to its obligations under refunding contracts.

INVERSE FLOATERS. The insured and high yield funds may invest in inverse floaters, which are instruments whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. Changes in the interest rate on the other security or index inversely affect the residual interest rate paid on the inverse floater, with the result that the inverse floater's price will be considerably more volatile than that of a fixed-rate bond. For example, a municipal issuer may decide to issue two variable-rate instruments instead of a single long-term, fixed-rate bond. The interest rate on one instrument reflects short-term interest rates, while the interest rate on the other instrument (the inverse floater) reflects the approximate rate the issuer would have paid on a fixed-rate bond, multiplied by two, minus the interest rate paid on the short-term instrument. Depending on market availability, the two portions may be recombined to form a fixed-rate municipal bond. The market for inverse floaters is relatively new.

VARIABLE OR FLOATING RATE OBLIGATIONS bear variable or floating interest rates and carry rights that permit holders to demand payment of the unpaid principal balance plus accrued interest from the issuers or certain financial intermediaries. Floating rate instruments have interest rates that change whenever there is a change in a designated base rate while variable rate instruments provide for a specified periodic adjustment in the interest rate. These formulas are designed to result in a market value for the instrument that approximates its par value.

With respect to the money market fund, a demand instrument with a conditional demand feature must have received both a short-term and a long-term high-quality rating or, if unrated, have been determined to be of comparable quality pursuant to procedures adopted by the Board of Trustees. A demand instrument with an unconditional demand feature may be acquired solely in reliance upon a short-term high-quality rating or, if unrated, upon a finding of comparable short-term quality pursuant to procedures adopted by the Board of Trustees.

The funds may invest in fixed-rate bonds that are subject to third party puts and in participation interests in such bonds held in trust or otherwise. These bonds and participation interests have tender options or demand features that permit a fund to tender (or put) the bonds to an institution at periodic intervals and to receive the principal amount thereof. A fund considers variable rate instruments structured in this way (Participating VRDOs) to be essentially equivalent to other VRDOs it purchases. The IRS has not ruled whether the interest on Participating VRDOs is tax-exempt and, accordingly, a fund intends to purchase these instruments based on opinions of bond counsel.

The money market fund may invest in variable or floating rate instruments that ultimately mature in more than 397 days, if the fund acquires a right to sell the instruments that meets certain requirements set forth in Rule 2a-7. Variable rate instruments (including instruments subject to a demand feature) that mature in 397 days or less may be deemed to have maturities equal to the period remaining until the next readjustment of the interest rate. Other variable rate instruments with demand features may be deemed to have a maturity equal to the period remaining until the next adjustment of the interest rate or the period remaining until the principal amount can be recovered through demand. A

floating rate instrument subject to a demand feature may be deemed to have a maturity equal to the period remaining until the principal amount can be recovered through demand.

TENDER OPTION BONDS are created by coupling an intermediate- or long-term, fixed-rate, tax-exempt bond (generally held pursuant to a custodial arrangement) with a tender agreement that gives the holder the option to tender the bond at its face value. As consideration for providing the tender option, the sponsor (usually a bank, broker-dealer, or other financial institution) receives periodic fees equal to the difference between the bond's fixed coupon rate and the rate (determined by a remarketing or similar agent) that would cause the bond, coupled with the tender option, to trade at par on the date of such determination. After payment of the tender option fee, a fund effectively holds a demand obligation that bears interest at the prevailing short-term tax-exempt rate. Subject to applicable regulatory requirements, the money market fund may buy tender option bonds if the agreement gives the fund the right to tender the bond to its sponsor no less frequently than once every 397 days. In selecting tender option bonds for the funds, FMR will consider the creditworthiness of the issuer of the underlying bond, the custodian, and the third party provider of the tender option. In certain instances, a sponsor may terminate a tender option if, for example, the issuer of the underlying bond defaults on interest payments.

ZERO COUPON BONDS do not make regular interest payments. Instead, they are sold at a deep discount from their face value and are redeemed at face value when they mature. Because zero coupon bonds do not pay current income, their prices can be very volatile when interest rates change. In calculating its daily dividend, a fund takes into account as income a portion of the difference between a zero coupon bond's purchase price and its face value.

STANDBY COMMITMENTS are puts that entitle holders to same-day settlement at an exercise price equal to the amortized cost of the underlying security plus accrued interest, if any, at the time of exercise. Each fund may acquire standby commitments to enhance the liquidity of portfolio securities, but, in the case of the money market funds, only when the issuers of the commitments present minimal risk of default.

Ordinarily a fund will not transfer a standby commitment to a third party, although it could sell the underlying municipal security to a third party at any time. A fund may purchase standby commitments separate from or in conjunction with the purchase of securities subject to such commitments. In the latter case, the fund would pay a higher price for the securities acquired, thus reducing their yield to maturity. Standby commitments will not affect the dollar-weighted average maturity of the money market funds or the valuation of the securities underlying the commitments.

Issuers or financial intermediaries may obtain letters of credit or other guarantees to support their ability to buy securities on demand. FMR may rely upon its evaluation of a bank's credit in determining whether to support an instrument supported by a letter of credit. In evaluating a foreign bank's credit, FMR will consider whether adequate public information about the bank is available and whether the bank may be subject to unfavorable political or economic developments, currency controls, or other governmental restrictions that might affect the bank's ability to honor its credit commitment.

Standby commitments are subject to certain risks, including the ability of issuers of standby commitments to pay for securities at the time the commitments are exercised; the fact that standby commitments are not marketable by the funds; and the possibility that the maturities of the underlying securities may be different from those of the commitments.

MUNICIPAL LEASE OBLIGATIONS. Each fund may invest a portion of its assets in municipal leases and participation interests therein. These obligations, which may take the form of a lease, an installment purchase, or a conditional sale contract, are issued by state and local governments and authorities to acquire land and a wide variety of equipment and facilities. Generally, the funds will not hold such obligations directly as a lessor of the property, but will purchase a participation interest in a municipal obligation from a bank or other third party. A participation interest gives a fund a specified, undivided interest in the obligation in proportion to its purchased interest in the total amount of the obligation.

Municipal leases frequently have risks distinct from those associated with general obligation or revenue bonds. State constitutions and statutes set forth requirements that states or municipalities must meet to incur debt. These may include voter referenda, interest rate limits, or public sale requirements. Leases, installment purchases, or conditional sale contracts (which normally provide for title to the leased asset to pass to the governmental issuer) have evolved as a means for governmental issuers to acquire property and equipment without meeting their constitutional and statutory requirements for the issuance of debt. Many leases and contracts include "non-appropriation clauses" providing that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for such purposes by the appropriate legislative body on a yearly or other periodic basis. Non-appropriation clauses free the issuer from debt issuance limitations.

FEDERALLY TAXABLE OBLIGATIONS. The funds do not intend to invest in securities whose interest is federally taxable; however, from time to time, each fund may invest a portion of its assets on a temporary basis in

fixed-income obligations whose interest is subject to federal income tax. For example, each fund may invest in obligations whose interest is federally taxable pending the investment or reinvestment in municipal securities of proceeds from the sale of its shares or sales of portfolio securities.

Should a fund invest in federally taxable obligations, it would purchase securities that in FMR's judgment are of high quality. These would include obligations issued or guaranteed by the U.S. government or its agencies or instrumentalities; obligations of domestic banks; and repurchase agreements. The insured and high yield funds' standards for high-quality taxable obligations are essentially the same as those described by Moody's Investors Service, Inc. (Moody's) in rating corporate obligations within its two highest ratings of Prime-1 and Prime-2, and those described by Standard & Poor's Corporation (S&P) in rating corporate obligations within its two highest ratings of A-1 and A-2. The money market fund will purchase taxable obligations only if they meet its quality requirements as set forth in the Prospectus.

Proposals to restrict or eliminate the federal income tax exemption for interest on municipal obligations are introduced before Congress from time to time. Proposals also may be introduced before the New York legislature that would affect the state tax treatment of the funds' distributions. If such proposals were enacted, the availability of municipal obligations and the value of the funds' holdings would be affected and the Trustees would reevaluate the funds' investment objectives and policies.

Each fund anticipates being as fully invested as practicable in municipal securities; however, there may be occasions when, as a result of maturities of portfolio securities, sales of fund shares, or in order to meet redemption requests, a fund may hold cash that is not earning income. In addition, there may be occasions when, in order to raise cash to meet redemptions, a fund may be required to sell securities at a loss.

REPURCHASE AGREEMENTS. In a repurchase agreement, a fund purchases a security and simultaneously commits to resell that security to the seller at an agreed-upon price on an agreed-upon date within a number of days from the date of purchase. The resale price reflects the purchase price plus an agreed-upon incremental amount which is unrelated to the coupon rate or maturity of the purchased security. A repurchase agreement is a taxable obligation which involves the obligation of the seller to pay the agreed-upon price, which obligation is in effect secured by the value (at least equal to the amount of the agreed-upon resale price and marked to market daily) of the underlying security. Each fund may engage in repurchase agreements with respect to any security in which it is authorized to invest even if, with respect to the money market fund, the underlying security matures in more than 397 days. While it does not presently appear possible to eliminate all risks from these transactions (particularly the possibility of a decline in the market value of the underlying securities, as well as delays and costs to a fund in connection with bankruptcy proceedings), it is each fund's current policy to limit repurchase agreement transactions to those parties whose creditworthiness has been reviewed and found satisfactory by FMR.

REVERSE REPURCHASE AGREEMENTS. In a reverse repurchase agreement, a fund sells a portfolio instrument to another party, such as a bank or broker-dealer, in return for cash and agrees to repurchase the instrument at a particular price and time. While a reverse repurchase agreement is outstanding, the fund will maintain appropriate liquid assets in a segregated custodial account to cover its obligation under the agreement. The fund will enter into reverse repurchase agreements only with parties whose creditworthiness has been found satisfactory to FMR. Such transactions may increase fluctuations in the market value of the fund's assets and may be viewed as a form of leverage.

ILLIQUID INVESTMENTS are investments that cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued. Under the supervision of the Board of Trustees, FMR determines the liquidity of each fund's investments and, through reports from FMR, the Board monitors investments in illiquid instruments. In determining the liquidity of each fund's investments, FMR may consider various factors including (1) the frequency of trades and quotations, (2) the number of dealers and prospective purchasers in the marketplace, (3) dealer undertakings to make a market, and (4) the nature of the security (including any demand or tender features), and (5) the nature of the marketplace for trades (including the ability to assign or offset the fund's rights and obligations relating to the investment). Investments currently considered by the money market fund to be illiquid include restricted securities determined by FMR to be illiquid. Investments currently considered by the insured and high yield funds to be illiquid include over-the-counter options. Also, FMR may determine some restricted securities and municipal lease obligations to be illiquid. However, with respect to over-the-counter options the insured and high yield funds write, all or a portion of the value of the underlying instrument may be illiquid depending on the assets held to cover the option and the nature and terms of any agreement the fund may have to close out the option before expiration. In the absence of market quotations, illiquid investments are valued for purposes of monitoring amortized cost valuation (money market fund) and priced at fair value as determined in good faith by a committee appointed by the Board of Trustees (insured and high yield funds). If through a change in values, net assets, or other

circumstances, a fund were in a position where more than 10% of its net assets were invested in illiquid securities, it would seek to take appropriate steps to protect liquidity. However, in general, the money market fund anticipates holding restricted securities to maturity or selling them in an exempt transaction.

RESTRICTED SECURITIES generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the Securities Act of 1933, or in a registered public offering. Where registration is required, a fund may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time the fund may be permitted to sell a security under an effective registration statement. If, during such a period, adverse market conditions were to develop, a fund might obtain a less favorable price than prevailed when it decided to seek registration of the security.

LOWER-RATED MUNICIPAL SECURITIES. The insured and high yield funds may invest a portion of their assets in lower-rated municipal securities as described in the Prospectus.

While the market for New York municipals is considered to be substantial, adverse publicity and changing investor perceptions may affect the ability of outside pricing services used by each fund to value its portfolio securities, and the fund's ability to dispose of lower-rated bonds. The outside pricing services are consistently monitored to assure that securities are valued by a method that the Board believes accurately reflects fair value. The impact of changing investor perceptions may be especially pronounced in markets where municipal securities are thinly traded.

Each fund may choose, at its expense or in conjunction with others, to pursue litigation or otherwise exercise its rights as a security holder to seek to protect the interests of security holders if it determines this to be in the best interest of the fund's shareholders.

INTERFUND BORROWING PROGRAM. Each fund has received permission from the SEC to lend money to and borrow money from other funds advised by FMR or its affiliates, but will participate in the interfund borrowing program only as a borrower. Interfund loans normally will extend overnight, but can have a maximum duration of seven days. A fund will borrow through the program only when the costs are equal to or lower than the costs of bank loans. Loans may be called on one day's notice, and the fund may have to borrow from a bank at a higher interest rate if an interfund loan is called or not renewed.

LIMITATIONS ON FUTURES AND OPTIONS TRANSACTIONS (INSURED AND HIGH YIELD FUNDS). Each fund has filed a notice of eligibility for exclusion from the definition of the term "commodity pool operator" with the Commodity Futures Trading Commission (CFTC) and the National Futures Association, which regulate trading in the futures markets. The funds intend to comply with Section 4.5 of the regulations under the Commodity Exchange Act, which limits the extent to which the fund can commit assets to initial margin deposits and option premiums.

In addition, each fund will not: (a) sell futures contracts, purchase put options, or write call options if, as a result, more than 25% of the fund's total assets would be hedged with futures and options under normal conditions; (b) purchase futures contracts or write put options if, as a result, the fund's total obligations upon settlement or exercise of purchased futures contracts and written put options would exceed 25% of its total assets; or (c) purchase call options if, as a result, the current value of option premiums for call options purchased by the fund would exceed 5% of the fund's total assets. These limitations do not apply to options attached to, or acquired or traded together with their underlying securities, and do not apply to securities that incorporate features similar to options.

The above limitations on the funds' investments in futures contracts and options, and the funds' policies regarding futures contracts and options discussed elsewhere in this Statement of Additional Information, are not fundamental policies and may be changed as regulatory agencies permit.

FUTURES CONTRACTS. When a fund purchases a futures contract, it agrees to purchase a specified underlying instrument at a specified future date. When a fund sells a futures contract, it agrees to sell the underlying instrument at a specified future date. The price at which the purchase and sale will take place is fixed when the fund enters into the contract. Some currently available futures contracts are based on specific securities, such as U.S. Treasury bonds or notes, and some are based on indices of securities prices, such as the Bond Buyer Municipal Bond Index. Futures can be held until their delivery dates, or can be closed out before then if a liquid secondary market is available.

The value of a futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase a fund's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When a fund sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the market. Selling futures contracts, therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

FUTURES MARGIN PAYMENTS. The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the

contract is held until the delivery date. However, both the purchaser and seller are required to deposit "initial margin" with a futures broker known as a futures commission merchant (FCM), when the contract is entered into. Initial margin deposits are typically equal to a percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments to settle the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. Initial and variation margin payments do not constitute purchasing securities on margin for purposes of the funds' investment limitations. In the event of the bankruptcy of an FCM that holds margin on behalf of a fund, the fund may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the fund.

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, a fund obtains the right (but not the obligation) to sell the option's underlying instrument at a fixed strike price. In return for this right, the fund pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indices of securities prices, and futures contracts. A fund may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. If the option is allowed to expire, the fund will lose the entire premium it paid. If the fund exercises the option, it completes the sale of the underlying instrument at the strike price. A fund may also terminate a put option position by closing it out in the secondary market at its current price, if a liquid secondary market exists.

The buyer of a typical put option can expect to realize a gain if security prices fall substantially. However, if the underlying instrument's price does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the underlying instrument at the option's strike price. A call buyer typically attempts to participate in potential price increases of the underlying instrument with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

WRITING PUT AND CALL OPTIONS. When a fund writes a put option, it takes the opposite side of the transaction from the option's purchaser. In return for receipt of the premium, the fund assumes the obligation to pay the strike price for the option's underlying instrument if the other party to the option chooses to exercise it. When writing an option on a futures contract the fund will be required to make margin payments to an FCM as described above for futures contracts. The fund may seek to terminate its position in a put option it writes before exercise by closing out the option in the secondary market at its current price. If the secondary market is not liquid for a put option the fund has written, however, the fund must continue to be prepared to pay the strike price while the option is outstanding, regardless of price changes, and must continue to set aside assets to cover its position.

If security prices rise, a put writer generally would expect to profit, although its gain would be limited to the amount of the premium it received. If security prices remain the same over time, it is likely that the writer will also profit, because it should be able to close out the option at a lower price. If security prices fall, the put writer would expect to suffer a loss. This loss should be less than the loss from purchasing the underlying instrument directly, however, because the premium received for writing the option should mitigate the effects of the decline. Writing a call option obligates a fund to sell or deliver the option's underlying instrument, in return for the strike price, upon exercise of the option. The characteristics of writing call options are similar to those of writing put options, except that writing calls generally is a profitable strategy if prices remain the same or fall. Through receipt of the option premium, a call writer mitigates the effects of a price decline. At the same time, because a call writer must be prepared to deliver the underlying instrument in return for the strike price, even if its current value is greater, a call writer gives up some ability to participate in security price increases.

COMBINED POSITIONS. A fund may purchase and write options in combination with each other, or in combination with futures or forward contracts, to adjust the risk and return characteristics of the overall position. For example, a fund may purchase a put option and write a call option on the same underlying instrument, in order to construct a combined position whose risk and return characteristics are similar to selling a futures contract. Another possible combined position would involve writing a call option at one strike price and buying a call option at a lower price, in order to reduce the risk of the written call option in the event of a substantial price increase. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

CORRELATION OF PRICE CHANGES. Because there are a limited number of types of exchange-traded options and futures contracts, it is likely that the

standardized contracts available will not match the funds' current or anticipated investments exactly. Each fund may invest in options and futures contracts based on securities with different issuers, maturities, or other characteristics from the securities in which it typically invests, which involves a risk that the options or futures position will not track the performance of a fund's other investments.

Option and futures prices can also diverge from the prices of their underlying instruments, even if the underlying instruments match the funds' investments well. Options and futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures and securities are traded, or from imposition of daily price fluctuation limits or trading halts. A fund may purchase or sell options and futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in a fund's options or futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

LIQUIDITY OF OPTIONS AND FUTURES CONTRACTS. There is no assurance a liquid secondary market will exist for any particular options or futures contract at any particular time. Options may have relatively low trading volume and liquidity if their strike prices are not close to the underlying instrument's current price. In addition, exchanges may establish daily price fluctuation limits for options and futures contracts, and may halt trading if a contract's price moves upward or downward more than the limit in a given day. On volatile trading days when the price fluctuation limit is reached or a trading halt is imposed, it may be impossible for a fund to enter into new positions or close out existing positions. If the secondary market for a contract is not liquid because of price fluctuation limits or otherwise, it could prevent prompt liquidation of unfavorable positions, and potentially could require a fund to continue to hold a position until delivery or expiration regardless of changes in its value. As a result, the fund's access to other assets held to cover its options or futures positions could also be impaired.

OTC OPTIONS. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While this type of arrangement allows a fund greater flexibility to tailor an option to its needs, OTC options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

ASSET COVERAGE FOR FUTURES AND OPTIONS POSITIONS. The funds will comply with guidelines established by the Securities and Exchange Commission with respect to coverage of options and futures strategies by mutual funds, and if the guidelines so require will set aside appropriate liquid assets in a segregated custodial account in the amount prescribed. Securities held in a segregated account cannot be sold while the futures or option strategy is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of a fund's assets could impede portfolio management or the fund's ability to meet redemption requests or other current obligations.

SPECIAL FACTORS AFFECTING NEW YORK

The financial condition of the State of New York (the State), its public authorities and public benefit corporations (the Authorities) and its local governments, particularly The City of New York (the City), could affect the market values and marketability of, and therefore the net asset value per share and the interest income of, the funds, or result in the default of existing obligations, including obligations which may be held by the funds. The following section provides only a brief summary of the complex factors affecting the financial situation in New York and is based on information obtained from the State, certain of its Authorities, the City and certain other localities, as publicly available on the date of this Statement of Additional Information. The information contained in such publicly available documents has not been independently verified. It should be noted that the creditworthiness of obligations issued by local issuers may be unrelated to the creditworthiness of the State, and that there is no obligation on the part of the State to make payment on such local obligations in the event of default in the absence of a specific guarantee or pledge provided by the State.

The State and the City have been facing serious financial difficulties and have each experienced recent declines in their credit standings. Standard & Poor's Corporation and Moody's Investors Service Inc. have each assigned ratings for the State's general obligation bonds that are among the three lowest of the 50 states. The ratings of certain related debt of other issuers for which the State has an outstanding moral obligation, lease purchase, guarantee or other contractual obligation are generally linked directly to the State's rating. Should the financial condition of the State, its Authorities, or its local governments deteriorate, their

respective credit ratings could be further reduced, and the market value and marketability of their outstanding notes and bonds could be adversely affected, and their respective access to the public credit markets jeopardized.

ECONOMIC FACTORS. New York is the second most populous state, and historically has been one of the wealthiest states in the nation. However, the State economy has grown more slowly than that of the nation as a whole, resulting in the gradual erosion of its relative economic affluence (due to factors such as relative costs for taxes, labor, and energy). The State's manufacturing and maritime base have been seriously eroded, as illustrated by the decline of the steel industry in the Buffalo area and of the apparel and textile industries in the City. In addition, the City experienced substantial socio-economic changes, as a large segment of its population and a significant share of corporate headquarters and other businesses relocated (many out-of-state).

Both the State and the City experienced substantial revenue increases in the mid-1980s attributable directly (corporate income and financial corporations taxes) and indirectly (personal income and a variety of other taxes) to growth in new jobs, rising profits, and capital appreciation derived from the finance sector of the City's economy. From 1977 to its 1988 peak, the finance, insurance, and real estate sectors rose 55%, to account in 1988 for 23% of total earnings in the City and 14% statewide (compared to 7% nationwide). The finance sector's growth was a catalyst for the New York metropolitan region's related business and professional services, retail trade and residential and commercial real estate markets. The then rising real estate market contributed to City revenues, as higher property values and new construction added to collections from property taxes, mortgage recording, and transfer taxes and sales taxes on building materials. The boom on Wall Street more than compensated for the continued erosion of the State's (and the City's) manufacturing and maritime base, since average wages in finance and related business and professional services were substantially higher (thereby providing a net increase of higher incomes, taxed at even higher marginal rates).

However, the effects of the October 1987 stock market crash and the 1990-92 national recession have had a disproportionately adverse impact on the New York metropolitan region, as private sector job losses since 1989 have offset all the prior employment gains of the 1980s. Declines in both employment and earnings in the finance sector contributed to declines in retail sales and real estate values. In addition, a number of widely publicized bankruptcies among highly leveraged retailing, brokerage and real estate development companies occurred. The effects of the recession have extended to banking, insurance, business services (such as law, accounting and advertising), publishing and communications. Factors which may inhibit the City's economic recovery include (i) credit restraints imposed by the weak financial condition of several major money center banks located in the City; (ii) increases in combined State and local tax burdens, if uncompetitive tax rates are imposed; (iii) perceived declines in the quality of life attributable to service reductions and the deterioration of the City's aging and dilapidated infrastructure; or (iv) additional employment losses in the City's banking sector or corporate headquarters complex due to further corporate relocations or restructurings. The City's future economic condition will also likely be affected by its competitive position as a world financial center (compared to London, Tokyo, Frankfurt, and competing regional U.S. centers).

While the State's economy (the nation's second largest) is broader-based than that of the City, particular industries are concentrated in and have a disproportionate impact on certain areas, such as aerospace in Long Island, heavy industry in Buffalo, photographic and optical equipment in Rochester, machinery and transportation equipment in Syracuse and Utica-Rome, computers in Binghamton and in the Mid-Hudson Valley, and electrical equipment in Schenectady. Of the six largest private employers in the State outside the City, three derive a significant share of their revenues from contracts with the Defense Department, whose budget (and contract outlays) may be further reduced during the 1990s. In addition, State government has a significant local economic impact on the Albany area and on communities where state university campuses or corrections and mental health facilities are located. Constraints on economic growth, taxpayer resistance to proposed substantial increases in local tax rates, and reductions in State aid in regions apart from the City have contributed to financial difficulties for several county and other local governments. These recent trends have had, and may continue to have, an adverse impact on both State and local government revenue receipts. The adverse fiscal impact on the State and its local governments (especially the City, Suffolk County and Buffalo) of the 1990-92 national recession has been substantial, and could worsen if the recession deepens or is protracted locally.

THE STATE. The State has been experiencing substantial financial difficulties, with General Fund (the principal operating account) deficits incurred in each of the past five fiscal years (ending March 31). The State's accumulated General Fund deficit (on a GAAP-basis) grew 91% from FY1986-87 to FY1990-91, and reached a then-record \$6.265 billion (audited) by March 31, 1991. Due largely to the accounting treatment of State aid to local governments now paid by New York State Local Government Assistance Corporation (as described below), the State had a General Fund surplus (on a GAAP basis) of \$1.668 billion in FY1991-92 (although the State issued \$531 million of its deficit notes at fiscal year end to avert a cash-basis

deficit). As a consequence, the accumulated General Fund deficit at March 31, 1992 was restated to be \$4.616 billion. In the process of adopting the FY1992-93 budget, the State was required to close a potential \$4.8 billion revenue and expenditure gap. While the State is expected to end FY1992-93 with a modest cash basis surplus for FY1992-93, published reports indicate that it faces a potential \$3.7 billion gap in preparing a FY1993-94 budget. There can be no assurance that the State will not face budget gaps in future years, resulting from a disparity between tax revenues projected from a lower recurring-receipts base and the spending required to maintain State programs at current levels. Furthermore, the State is a party to numerous lawsuits in which an adverse decision could require extraordinary expenditures. Certain major budgetary considerations affecting the State are outlined below.

REVENUE BASE. The State's principal revenue sources are economically sensitive, and include the personal income tax (55% of estimated FY1992-93 General Fund tax receipts), user taxes and fees (16%), and business taxes (19%). One-fourth of the 4% State sales tax has been dedicated to pay debt service of the New York Local Government Assistance Corporation, and has correspondingly reduced General Fund receipts. Capital gains are a significant component of income tax collections. Auto sales and building materials are significant components of retail sales tax collections. Tax rates are relatively high and may impose political and economic constraints on the ability of the State to further increase its taxes. State legislation enacted in 1987 phased in a reduction in the top rate of the State's personal income tax; these tax cuts have substantially reduced the recurring revenues of the State. The final phase-in (originally scheduled for October 1990) has been deferred three times, and is currently scheduled for 1993. If the additional personal income tax rate cut is implemented as scheduled and the surcharge on business income is reduced from the current 15% to 10% as required by current law, State receipts could fall by approximately \$1 billion. In the absence of countervailing economic growth or expenditure cuts such actions could make the achievement of a balanced State budget more difficult in future years.

STATE DEBT. The State has the heaviest debt burden of any state (with nearly \$5.0 billion of general obligation and \$16.8 billion of lease-purchase or other contractual debt outstanding as of June 30, 1992), and debt service costs absorb a large share of the State's budget. The State is also obligated with respect to nearly \$8.2 billion for statutory moral obligations for 9 of its Authorities and for guarantees of \$498 million of other Authority debt. In addition, the State has one of the largest seasonal financing requirements of any municipal issuer, and is required each spring to borrow substantial sums from public credit markets to finance its accumulated General Fund deficit and its scheduled payments of aid to local governments and school districts. No assurance can be given that the State will be able to continue to meet its financing requirements in the public credit markets at the times or in the amounts required. The annual Spring Borrowing is contingent on the certification by the State Comptroller that the newly adopted State budget is balanced. Prior delays in the Spring Borrowing in recent years owing to delayed enactment of the State budget have resulted in delays in the scheduled payments of State aid and have consequently caused various local governments and school districts to experience cash flow difficulties. For the fourth consecutive year, a growing budget gap caused the State at the end of its fiscal year to issue \$531 million of its short-term notes (payable from the next year's tax receipts) to finance its FY1991-92 deficit. The State recently created the New York State Local Government Assistance Corporation (LGAC) as a financing vehicle to reduce the State's seasonal financing needs by having LGAC finance the State's local assistance payments by issuing long-term debt, payable over 30 years from a portion of the State sales tax. The enabling legislation for LGAC contains a covenant restricting the amount of the State's Spring Borrowing, which may reduce the State's fiscal flexibility.

BUDGETARY FLEXIBILITY. A major share of the State's General Fund budget is accounted for by contractually required expenses (such as pension and debt service costs) and by federally mandated programs (such as AFDC and Medicaid). In addition, State aid for school districts comprises a major share of the budget, and total appropriations and distribution of such aid is especially contentious politically. Furthermore, the State has utilized a substantial range of actions of a non-recurring nature in recent years to finance its General Fund operations, including tapping excess monies in special funds, refinancing outstanding debt to reduce reserve fund requirements and current (but not long-term) debt service costs, recalculating pension fund contributions, selling state assets, reimbursing past General Fund expenditures by the issuance of Authority debt, and deferring payment for expenditures to future fiscal years. Such actions may have reduced the State's ability to respond to unanticipated events in the future.

POLITICAL FACTORS. Political control of the Legislature has been divided between the Senate and the Assembly for most of the State's recent history, and has contributed to protracted State budget negotiations that have delayed enactment of the State budget past the April 1 constitutional deadline in each of the past eight years. In addition, the independently elected State Comptroller audits state agencies, Authorities and local governments, and issues reports from time to time that may result in adverse publicity or conflicting fiscal projections.

LABOR COSTS. The State government workforce is mostly unionized, subject to the Taylor Law which authorizes collective bargaining and prohibits (but has not historically prevented) strikes and work slowdowns. Costs for employee health benefits have increased substantially, and can be expected to further increase. The State has a substantial unfunded liability for future pension benefits, and has utilized changes in its pension fund investment return assumptions to reduce current contribution requirements. If such investment earnings assumptions are not sustained by actual results, additional State contributions will be required in future years to meet the State's contractual obligations.

PUBLIC ASSISTANCE. The State has the second largest number of persons receiving public assistance (AFDC and Home Relief) of any state. AFDC costs are shared among the federal government, the State and its counties (including the City) by statutory formula. Caseloads tend to rise significantly during economic downturns, but have fallen only in the later stages of past economic recoveries.

MEDICAID. The State participates in the federal Medicaid program under a state plan approved by the Health Care Financing Administration. The federal government provides 50% of eligible program costs, with the remainder shared by the State and its counties (including the City). The Governor has proposed that the State assume local costs for Medicaid, but enabling legislation has not yet been adopted. Basic program eligibility and benefits are determined by federal guidelines, but the State provides a number of optional benefits and expanded eligibility. Program costs have increased substantially in recent years, and account for a rising share of the State budget. Federal law requires the State adopt reimbursement rates for hospitals and nursing homes that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities in providing patient care, a standard that has led to past litigation by hospitals and nursing homes seeking higher reimbursement from the State. Cutbacks in State spending for Medicaid may adversely affect the financial condition of hospitals and health care institutions that are the obligors of bonds that may be held by the funds.

ENERGY COSTS. Increases in energy costs, especially for heating oil and gasoline, may exceed budgeted amounts. Such costs are related to the severity of winter conditions and to international developments affecting the petroleum market.

ENVIRONMENTAL PROTECTION. Federal legislation and Environment Protection Agency regulations mandate compliance with various standards for air and water pollution and hazardous wastes. Many jurisdictions within the State (including the City) are not in compliance with such standards, and are subject to a range of penalties. No assurance can be given that the State or its local governments will meet such standards within the current deadlines for compliance under such regulations or consent decrees, or that such deadlines will be further extended. The costs of compliance are substantial, as may be the costs of penalties that may be imposed on the State or its local governments.

THE STATE AUTHORITIES. The State's Authorities are not subject to the constitutional restrictions on the incurrence of debt which apply to the State itself, and may issue bonds and notes within the amounts of, and as otherwise restricted by, their legislative authorization. The New York State Public Authorities Control Board approves the issuance of debt and major contracts by ten of the Authorities. As of September 30, 1991, there were 17 Authorities that had outstanding debt of \$100 million or more, the aggregate debt of which (including refunding bonds and moral obligation or State-guaranteed debt) then totaled approximately \$57.1 billion. In recent years the State has provided financial assistance through appropriations, in some cases of a recurring nature, to certain Authorities for operating and other expenses and, (from 1976 to 1987) in fulfillment of its commitments on moral obligation indebtedness or otherwise, for debt service. The State has budgeted operating assistance of approximately \$853 million for the Metropolitan Transportation Authority (MTA) and \$20 million for four other Authorities (including the State Housing Finance Agency and the State Urban Development Corporation) during FY1992-93. This assistance is expected to continue to be required (and may increase) in future years. Failure by the State to appropriate necessary amounts or to take other action to permit the Authorities to meet their obligations could result in a default by one or more of the Authorities (as happened in 1975 by the Urban Development Corporation).

The MTA, where credit standing was recently cut, oversees the operation of the City's subway and bus lines by its affiliates, the New York City Transit Authority and the Manhattan and Bronx Surface Transit Operating Authority (collectively, the "TA"). MTA subsidiaries operate certain commuter rail and bus lines in the New York metropolitan area. An affiliated agency, the Triborough Bridge and Tunnel Authority (TBTA), operates certain intrastate toll bridges and tunnels. To maintain its facilities and equipment, which deteriorated significantly in the late 1970s due to deferred maintenance, the MTA prepares a four year capital program subject to approval by the MTA Capital Program Review Board. The proposed 1992-1996 program (rejected by the Review Board) projected total spending requirements of \$10 billion, but identified only \$6 billion in potential funding. The MTA is facing a substantial budget deficit in 1993 (not accounting for any wage increase) in TA operations due to a falloff in ridership, reduced collections from dedicated taxes (mortgage recording and realty transfer taxes) and reduced State and City aid. Because fares are

not sufficient to finance its mass transit operations, the MTA has depended and will continue to depend for operating support upon a system of State, local government and TBTA support, and, to the extent available, federal assistance (including loans, grants and operating subsidies). A regional business tax surcharge, which provided \$59 million in revenues to the MTA in 1991, is scheduled to expire, unless extended by the Legislature, in November 1993. In addition, the City provides a substantial subsidy to the TA. There can be no assurance that any such assistance will continue at any particular level or in any fixed relationship to the operating costs and capital needs of the MTA.

THE CITY. In the early 1970s, the City incurred substantial operating deficits, and its financial controls, accounting practices, and disclosure policies were widely criticized. In 1975, the City encountered severe financial difficulties and lost access to the public credit markets. The State Legislature responded in 1975 by creating the Municipal Assistance Corporation For The City of New York (MAC) to provide financing assistance for the City and the Financial Control Board to exercise certain oversight and review functions with respect to the City's finances. The Financial Control Board's powers over the City were suspended in June 1986, but would be reinstated (under current law) if the City experiences certain adverse financial circumstances. At the time of the fiscal crisis, the State provided substantial financial assistance to the City, the federal government provided the City with direct seasonal loans and guarantees on the City's long-term debt, and the City's labor unions accepted deferrals of wage increases and approved purchases of City bonds by the pension funds. No assurance can be given that similar assistance would again be made available if needed, particularly given the current budgetary constraints faced by both the federal and State governments.

The City provides services usually undertaken by counties, school districts or special districts in other large urban areas. State law requires the City to allocate at least 40% of its General Fund to Board of Education operations, and mandates the City to assume the local share of public assistance and Medicaid costs. The City had GAAP operating surpluses of \$567 million in FY1987, \$225 million in FY1988, \$409 million in FY1989, \$253 million in FY1990, \$27 million in FY1991 and \$570 million in FY1992 before discretionary transfers and expenditures. The City has experienced substantial financial difficulties in the early 1990s, primarily related to the impact of the recession on the local economy (reducing revenues from most major taxes and increasing public assistance and Medicaid caseloads), rising health care costs for City employees and for Medicaid, and the repeated deferral of the sale of the New York Coliseum site to a private developer. In response, the City implemented gap-closing programs in FY1990 and in FY1991 which enabled the City to offset a potential \$3.2 billion deficit in FY1991 and to achieve modest GAAP surpluses in those years. The programs initially relied primarily on actions of a non-recurring nature, but included substantial property tax rate increases and a personal income tax surcharge imposed in FY1991 and selected service cutbacks. Reductions in State aid, larger than budgeted labor settlements and increased police expenditures added to the adverse budgetary impact of the local recession, confronting the City with a potential \$3.3 billion imbalance during FY1992 budget negotiations. This initial budget gap was closed by adoption of a budget providing for various tax increases and significant service reductions. Aid to nonprofit cultural institutions in the City was significantly reduced (as was State aid to such institutions), including certain institutions that are obligors of bonds that may be held by the funds.

The City's four year financial plan for FY1993-FY1996 (as modified by the Mayor's preliminary budget for FY1994), while projecting a modest budget surplus for FY1993, recommended measures to close a potential budget gap of \$2.1 billion in FY1994; the Mayor further identified potential budget gaps in later fiscal years (rising to \$3.8 billion in FY1996). The plan contained numerous assumptions concerning factors which may impact the City's budget, such as: the willingness and ability of MAC to take actions necessary in transitional funding for FY1994 and FY1995; the willingness and ability of the federal and State governments to provide financial assistance and to take other actions contemplated by the City; the ultimate disposition of the City's wage settlements (which could be determined through binding arbitration); the performance of the City economy (particularly to the extent tax collections and public assistance caseloads are affected); and the extent actual earnings on pension fund assets are consistent with the 9% return assumed in determining the currently planned level of required City contributions. No assurance can be given that the assumptions used by the City will be realized. Furthermore, actions taken in recent fiscal years to avert deficits may have reduced the City's flexibility in responding to future budgetary imbalances, and have deferred certain expenditures to later fiscal years.

The City projects that local revenues will provide approximately 68% of total revenues in FY1993 while Federal aid, including categorical grants, will provide 11% and State aid, including unrestricted aid and categorical grants, will provide 21%. As a proportion of total revenues, State aid remained relatively constant over the period from 1980 to 1990, while federal aid was sharply reduced (having provided nearly 20% of total FY1980 revenues). The largest source of the City's revenues is the real estate tax (approximately 26% of total revenues for FY1993), at rates levied by the City Council (subject to certain State constitutional limits). In the

event of a reduction in total assessments, higher tax rates would be required to maintain the same amount of tax revenue. The City derives the remainder of its tax revenues from a variety of other economically sensitive local taxes (subject to authorization by the Legislature), including: a local sales and compensating use tax (dedicated primarily to MAC debt service) imposed in addition to the State's tax; the personal income tax on City residents and the earnings tax on non-residents; a general corporation tax; and a financial corporation tax. High tax burdens in the City impose political and economic constraints on the ability of the City to increase local tax rates.

The City is the largest municipal debt issuer in the nation, and has more than doubled its debt load since the end of FY1986, in large measure to rehabilitate its extensive, aging physical plant. The City's seasonal borrowing needs increased significantly during FY1990 and FY1991, largely due to delayed State aid payments, and totalled \$2.25 billion in FY1993. The City's current \$19.1 billion capital financing program (most of which would be used to reimburse the City's general fund for capital expenditures the City expects to incur) reflects major reductions in the City's 1993-96 capital plan, which will reduce future debt service requirements, but may adversely affect the condition of its deteriorating physical plant. No assurance can be given that the credit markets will absorb the projected amounts of City obligations, which are essential if the City is to meet its planned operating and capital expenditures. Furthermore, the ability of the City to obtain credit enhancement and to sell its bonds at favorable interest rates is constrained by capacity limits established by the major bond insurance companies and reinsurers to limit their credit exposure risks.

A voter-approved study of secession by Staten Island (one of five counties/boroughs, comprising 4% of the City's population and 19% of its land area) is being undertaken, and State law provides a complex mechanism for such secession. The State Legislature is also considering establishment of a similar secession mechanism for Queens.

OTHER LOCALITIES. The State provides substantial financial assistance to its political subdivisions, totalling approximately 71% of General Fund disbursements in the State's FY1991-92, primarily for aid to elementary, secondary and higher education (49% of local assistance) and Medicaid and income maintenance (36%). The Legislature has enacted substantial reductions from previously budgeted levels of State aid since December 1990. To the extent the State is constrained by its financial condition, State assistance to localities may be further reduced, compounding the serious fiscal constraints already experienced by many local governments. Localities also face anticipated and potential problems resulting from pending litigation (including challenges to local property tax assessments), judicial decisions and socio-economic trends.

At December 31, 1991, the total indebtedness of all localities in the State, other than New York City, was approximately \$13.3 billion. A small portion (approximately \$51 million) of this indebtedness represented borrowing to finance budgetary deficits issued pursuant to enabling State legislation (requiring budgetary review by the State Comptroller). Seventeen localities had outstanding indebtedness for deficit financing at the close of their fiscal year ending 1990 (compared to 11 in 1988). Subsequently, certain counties and other local governments have encountered significant financial difficulties, including the counties of Suffolk (whose long-term debt ratings were reduced below investment grade by Standard & Poor's for several months during 1991), Nassau, Monroe, and Westchester, and the City of Buffalo. The State has imposed financial control on New York City from 1977 to 1986 and on the City of Yonkers since 1984 under an appointed control board in response to fiscal crises encountered by such municipalities. The Legislature imposed certain limited fiscal restraints on Nassau and Suffolk Counties, and authorized their issuance of deficit bonds to finance over several years their respective 1992 operating deficits.

SPECIAL FACTORS AFFECTING PUERTO RICO

The following only highlights some of the more significant financial trends and problems affecting the Commonwealth of Puerto Rico (the "Commonwealth" or "Puerto Rico"), and is based on information drawn from official statements and prospectuses relating to the securities offerings of Puerto Rico, its agencies and instrumentalities, as available on the date of this Statement of Additional Information. FMR has not independently verified any of the information contained in such official statements, prospectuses and other publicly available documents, but is not aware of any fact which would render such information materially inaccurate.

The economy of Puerto Rico is closely linked with that of the United States, and in fiscal 1992 trade with the United States accounted for approximately 88% of Puerto Rico's exports and approximately 68% of its imports. In this regard, in fiscal 1992 Puerto Rico experienced a \$2,940,300,000 positive adjusted merchandise trade balance. Since fiscal 1987 personal income, both aggregate and per capita, have increased consistently each fiscal year. In fiscal 1992 aggregate personal income was \$22.7 billion and personal per capita income was \$6,360. Gross domestic product in fiscal 1989, 1990, 1991 and 1992 was \$19,954,000, \$21,619,000, \$22,857,000, and \$23,620,000 respectively. For fiscal 1993, an increase in gross domestic product of 2.9% over fiscal 1992 is forecasted. However, actual growth in the Puerto Rico economy will depend on several factors including the condition of the U.S. economy, the exchange rate for the U.S.

dollar, the price stability of oil imports, and interest rates. Due to these factors there is no assurance that the economy of Puerto Rico will continue to grow.

Puerto Rico has made marked improvements in fighting unemployment. Unemployment is at a low level compared to that of the late 1970s, but it still remains significantly above the United States average. Despite long term improvements the unemployment rate rose from 15.2% to 16.5% from fiscal 1991 to fiscal 1992. At the end of the third quarter of fiscal 1993 the unemployment rate in Puerto Rico stood at 17.3%. There is a possibility that the unemployment rate will continue to increase.

The economy of Puerto Rico has undergone a transformation in the later half of this century from one centered around agriculture, to one dominated by the manufacturing and service industries. Manufacturing is the cornerstone of Puerto Rico's economy, accounting for \$13.2 billion or 38.7% of gross domestic product in 1992. However, manufacturing has experienced a basic change over the years as a result of the influx of higher wage, high technology industries such as the pharmaceutical industry, electronics, computers, micro-processors, scientific instruments and high technology machinery. The service sector, which includes wholesale and retail trade, finance and real estate, ranks second in its contribution to gross domestic product and is the sector that employs the greatest number of people. In fiscal 1992, the service sector generated \$13.0 billion in gross domestic product or 38.3% of the total and employed over 449,000 workers providing 46% of total employment. The government sector and tourism also contribute to the island economy each accounting for \$3.7 billion and \$1.5 billion in fiscal 1992, respectively.

Much of the development of the manufacturing sector of the economy of Puerto Rico is attributable to federal and Commonwealth tax incentives, most notably section 936 of the Internal Revenue Code of 1986, as amended ("Section 936") and the Commonwealth's Industrial Incentives Program. Section 936 currently grants U.S. corporations that meet certain criteria and elect its application a credit against their U.S. corporate income tax on the portion of the tax attributable to (i) income derived from the active conduct of a trade or business in Puerto Rico ("active income"), or from the sale or exchange of substantially all the assets used in the active conduct of such trade or business, and (ii) qualified possession source investment income ("passive income"). The Industrial Incentives Program, through the 1987 Industrial Incentives Act, grants corporations engaged in certain qualified activities a fixed 90% exemption from Commonwealth income and property taxes and a 60% exemption from municipal license taxes.

On August 16, 1993, President Clinton signed a bill amending Section 936. Under the amendments, U.S. corporations with operations in Puerto Rico can elect to receive a federal income tax credit equal to: 40% of the credit currently available, phased in over a five year period, starting at 60% of the current credit, or a credit based on investment and wages. The investment and wage credit would equal the sum of (i) 60% of qualified compensation to employees, (ii) a specified percentage of depreciation deductions with respect to tangible property located in Puerto Rico, and (iii) a portion of income taxed paid to Puerto Rico, up to a 9% effective tax rate, subject to certain requirements. It is not possible to determine at this time whether the reductions in tax incentives for operations in Puerto Rico will have a significant impact on the economy of Puerto Rico or the time period in which such impact would arise.

PORTFOLIO TRANSACTIONS

All orders for the purchase or sale of portfolio securities are placed on behalf of the funds by FMR (either directly or through affiliated sub-advisers) pursuant to authority contained in each fund's management contract. FMR is also responsible for the placement of transaction orders for other investment companies and accounts for which it or its affiliates act as investment adviser. Securities purchased and sold by the money market fund will be traded on a net basis (i.e., without commission). In selecting broker-dealers, subject to applicable limitations of the federal securities laws, FMR will consider various relevant factors, including, but not limited to, the size and type of the transaction; the nature and character of the markets for the security to be purchased or sold; the execution efficiency, settlement capability, and financial condition of the broker-dealer firm; the broker-dealer's execution services rendered on a continuing basis; and the reasonableness of any commissions.

The funds may execute portfolio transactions with broker-dealers who provide research and execution services to the funds or other accounts over which FMR or its affiliates exercise investment discretion. Such services may include advice concerning the value of securities; the advisability of investing in, purchasing, or selling securities; the availability of securities or the purchasers or sellers of securities; furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and performance of accounts; and effecting securities transactions and performing functions incidental thereto (such as clearance and settlement). FMR maintains a listing of broker-dealers who provide such services on a regular basis. However, as many transactions on behalf of the money market fund are placed with broker-dealers (including broker-dealers on the list) without regard to the furnishing of such services, it is not possible to estimate the proportion of such transactions directed to such broker-dealers solely because such

services were provided. The selection of such broker-dealers generally is made by FMR (to the extent possible consistent with execution considerations) based upon the quality of research and execution services provided.

The receipt of research from broker-dealers that execute transactions on behalf of the funds may be useful to FMR in rendering investment management services to the funds or its other clients, and, conversely, such research provided by broker-dealers who have executed transaction orders on behalf of other FMR clients may be useful to FMR in carrying out its obligations to the funds. The receipt of such research has not reduced FMR's normal independent research activities; however, it enables FMR to avoid additional expenses that could be incurred if FMR tried to develop comparable information through its own efforts.

Subject to applicable limitations of the federal securities laws, broker-dealers may receive commissions for agency transactions that are in excess of the amount of commissions charged by other broker-dealers in recognition of their research and execution services. In order to cause the funds to pay such higher commissions, FMR must determine in good faith that such commissions are reasonable in relation to the value of the brokerage and research services provided by such executing broker-dealers, viewed in terms of a particular transaction or FMR's overall responsibilities to the funds and its other clients. In reaching this determination, FMR will not attempt to place a specific dollar value on the brokerage and research services provided or to determine what portion of the compensation should be related to those services.

FMR is authorized to use research services provided by and to place portfolio transactions with brokerage firms that have provided assistance in the distribution of shares of the funds, or shares of other Fidelity funds, to the extent permitted by law. FMR may use research services provided by and place agency transactions with Fidelity Brokerage Services, Inc. (FBSI), a member of the New York Stock Exchange and a subsidiary of FMR Corp., if the commissions are fair and reasonable and comparable to commissions charged by non-affiliated, qualified brokerage firms for similar services.

Section 11(a) of the Securities Exchange Act of 1934 prohibits members of national securities exchanges from executing exchange transactions for accounts which they or their affiliates manage, except in accordance with regulations of the SEC. Pursuant to such regulations, the Board of Trustees has approved a written agreement that permits FBSI to effect portfolio transactions on national securities exchanges and to retain compensation in connection with such transactions. For the fiscal periods May 1, 1992 to January 31, 1993, May 1, 1991 to April 30, 1992, and May 1, 1990 to April 30, 1991, the funds did not pay brokerage commissions. The Trustees periodically review FMR's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the funds and review the commissions paid by each fund over representative periods of time to determine if they are reasonable in relation to the benefits to each fund.

For the fiscal periods ended January 31, 1994, and January 31, 1993, the insured and high yield funds' portfolio turnover rates were ___% and ___%, respectively.

From time to time the Trustees will review whether the recapture for the benefit of the funds of some portion of the brokerage commissions or similar fees paid by the funds on portfolio transactions is legally permissible and advisable. Each fund seeks to recapture soliciting broker-dealer fees on the tender of portfolio securities, but at present no other recapture arrangements are in effect. The Trustees intend to continue to review whether recapture opportunities are available and are legally permissible and, if so, to determine in the exercise of their business judgment whether it would be advisable for the funds to seek such recapture.

Although the Trustees and officers of the funds are substantially the same as those of other funds managed by FMR, investment decisions for each fund are made independently from those of other funds managed by FMR or accounts managed by FMR affiliates. It sometimes happens that the same security is held in the portfolio of more than one of these funds or accounts.

Simultaneous transactions are inevitable when several funds are managed by the same investment adviser, particularly when the same security is suitable for the investment objective of more than one fund.

When two or more funds are simultaneously engaged in the purchase or sale of the same security, the prices and amounts are allocated in accordance with a formula considered by the officers of the funds involved to be equitable to each fund. In some cases, this system could have a detrimental effect on the price or value of the security as far as the funds are concerned. In other cases, however, the ability of the funds to participate in volume transactions will produce better executions and prices for the funds. It is the current opinion of the Trustees that the desirability of retaining FMR as investment adviser to the funds outweighs any disadvantages that may be said to exist from exposure to simultaneous transactions.

VALUATION OF PORTFOLIO SECURITIES

INSURED AND HIGH YIELD FUNDS. Valuations of portfolio securities furnished by the pricing service employed by the insured and high yield funds are based upon a computerized matrix system or appraisals by the pricing service, in each case in reliance upon information concerning market

transactions and quotations from recognized municipal securities dealers. The methods used by the pricing service and the quality of valuations so established are reviewed by officers of the funds and FSC under the general supervision of the Trustees. There are a number of pricing services available, and the Trustees, or officers acting on behalf of the Trustees, on the basis of on-going evaluation of these services, may use other pricing services or discontinue the use of any pricing service in whole or in part.

MONEY MARKET FUND. The fund values its investments on the basis of amortized cost. This technique involves valuing an instrument at its cost as adjusted for amortization of premium or accretion of discount rather than its value based on current market quotations or appropriate substitutes which reflect current market conditions. The amortized cost value of an instrument may be higher or lower than the price the fund would receive if it sold the instrument.

Valuing the fund's instruments on the basis of amortized cost and use of the term "money market fund" are permitted by Rule 2a-7 under the Investment Company Act of 1940. The fund must adhere to certain conditions under Rule 2a-7; these conditions are summarized in the Prospectus.

The Board of Trustees of the trust oversees FMR's adherence to SEC rules concerning money market funds, and has established procedures designed to stabilize the fund's NAV at \$1.00. At such intervals as they deem appropriate, the Trustees consider the extent to which NAV calculated by using market valuations would deviate from \$1.00 per share. If the Trustees believe that a deviation from the fund's amortized cost per share may result in material dilution or other unfair results to shareholders, the Trustees have agreed to take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. Such corrective action could include selling portfolio instruments prior to maturity to realize capital gains or losses or to shorten average portfolio maturity; withholding dividends; redeeming shares in kind; establishing NAV by using available market quotations; and such other measures as the Trustees may deem appropriate.

During periods of declining interest rates, the fund's yield based on amortized cost may be higher than the yield based on market valuations. Under these circumstances, a shareholder in the fund would be able to obtain a somewhat higher yield than would result if the fund utilized market valuations to determine its NAV. The converse would apply in a period of rising interest rates.

PERFORMANCE

The funds may quote performance in various ways. All performance information supplied by the funds in advertising is historical and is not intended to indicate future returns. The insured and high yield funds' share prices, and all of the funds' yields and total returns fluctuate in response to market conditions and other factors. The value of the insured and high yield funds' shares when redeemed may be more or less than their original cost.

YIELD CALCULATIONS. To compute the MONEY MARKET FUND'S yield for a period, the net change in value of a hypothetical account containing one share reflects the value of additional shares purchased with dividends from the one original share and dividends declared on both the original share and any additional shares. The net change is then divided by the value of the account at the beginning of the period to obtain a base period return. This base period return is annualized to obtain a current annualized yield. The money market fund also may calculate an effective yield by compounding the base period return over a one-year period. In addition to the current yield, the money market fund may quote yields in advertising based on any historical seven-day period.

For the INSURED AND HIGH YIELD FUNDS, yields used in advertising are computed by dividing a fund's interest income for a given 30-day or one-month period, net of expenses, by the average number of shares entitled to receive dividends during the period, dividing this figure by the fund's net asset value per share at the end of the period, and annualizing the result (assuming compounding of income) in order to arrive at an annual percentage rate. Income is calculated for purposes of the insured and high yield funds' yield quotations in accordance with standardized methods applicable to all stock and bond funds. In general, interest income is reduced with respect to bonds trading at a premium over their par value by subtracting a portion of the premium from income on a daily basis, and is increased with respect to bonds trading at a discount by adding a portion of the discount to daily income. Capital gains and losses generally are excluded from the calculation.

Income calculated for purposes of determining the insured and high yield funds' yields differs from income as determined for other accounting purposes. Because of the different accounting methods used, and because of the compounding of income assumed in yield calculations, each fund's yield may not equal its distribution rate, the income paid to your account, or the income reported in the funds' financial statements.

A fund's tax-equivalent yield is the rate an investor would have to earn from a fully taxable investment after taxes to equal the fund's tax-free yield. Tax-equivalent yields are calculated by dividing a fund's yield by the result of one minus a stated federal or combined federal, state, and city tax rate. (If only a portion of the fund's yield is tax-exempt, only that portion is adjusted in the calculation.)

The tables following show the effect of a shareholder's tax status on effective yield under federal and state income tax laws for 1994. They show the approximate yield a taxable security must provide at various income brackets to produce after-tax yields equivalent to those of hypothetical tax-exempt obligations yielding from 2.0% to 8.0%. Of course, no assurance can be given that a fund will achieve any specific tax-equivalent yield. While each fund invests principally in obligations whose interest is exempt from federal income tax, other income received by the funds may be taxable.

Use this table to find your approximate effective tax bracket on investment income as a New York resident with triple taxes (federal, state, and New York City) or double taxes (federal and state) for 1994.

199 4 TAX RATES

<TABLE>
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<S>	<C>	<C>	<C>	<C>	<C>	<C>
Marginal Federal	New York	New York			New York	
Taxable Income	Taxable Income	Income	Marginal		City Income	State Income
Single Return*	Joint Return*	Tax Bracket	Tax Bracket		Tax Bracket	Tax Bracket

</TABLE>

Double Triple

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<S>	<C>	<C>	<C>	<C>	<C>	<C>
\$22,101 - \$25,000	\$36,901 - \$45,000	28%	12.28%	7.88%	33.67%	36.83%
25,001 - 53,500	45,001 - 89,500	28%	12.28%	7.88%	33.67%	36.84%
53,501 - 60,000	89,501 - 108,000	31%	12.28%	7.88%	36.43%	39.47%
60,001 - 115,000	108,001 - 140,000	31%	12.28%	7.88%	36.43%	39.51%
115,001 - 250,000	140,001 - 250,000	36%	12.28%	7.88%	41.04%	43.89%

</TABLE>

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<S>	<C>	<C>	<C>	<C>	<C>	<C>
250,001 - +	250,001 - +	39.6%	12.28%	7.88%	44.36%	47.05%

</TABLE>

*Taxable income (gross income after all exemptions, adjustments, and deductions) based on 1994 tax rates. Having determined your effective tax bracket on the previous page, use the appropriate table below to determine the tax - equivalent yield for a given tax - free yield.

NEW YORK CITY RESIDENTS - TRIPLE TAXES - 1994

If your effective combined federal, state, and New York City personal income tax rate in 1994 is:

36.83% 36.84% 39.47% 39.51% 43.89% 47.05%

To match these tax-free yields: Your taxable investment would have to earn the following yield:

2%	3.17%	3.17%	3.30%	3.31%	3.56%	3.78%
3%	4.75%	4.75%	4.96%	4.96%	5.35%	5.67%
4%	6.33%	6.33%	6.61%	6.61%	7.13%	7.55%
5%	7.92%	7.92%	8.26%	8.27%	8.91%	9.44%
6%	9.50%	9.50%	9.91%	9.92%	10.69%	11.33%
7%	11.08%	11.08%	11.56%	11.57%	12.48%	13.22%

8% 12.66% 12.66% 13.22% 13.23% 14.26% 15.11%

NEW YORK STATE RESIDENTS (OUTSIDE NYC) - DOUBLE TAXES - 1994

If your effective combined federal and state personal income tax rate in 1994 is:

33.67% 36.43% 41.04% 44.36%

To match these

tax-free yields: Your taxable investment would have to earn the following yield:

2% 3.02% 3.15% 3.39% 3.59%

3% 4.52% 4.72% 5.09% 5.39%

4% 6.03% 6.29% 6.78% 7.19%

5% 7.54% 7.87% 8.48% 8.99%

6% 9.05% 9.44% 10.18% 10.78%

7% 10.55% 11.01% 11.87% 12.58%

8% 12.06% 12.59% 13.57% 14.38%

The money market fund may invest a portion of its assets in obligations that are subject to state or federal income taxes. When the money market fund invests in these obligations, its tax-equivalent yields will be lower. In the tables above, tax-equivalent yields are calculated assuming investments are 100% federally and state tax-free.

Yield information may be useful in reviewing the funds' performance and in providing a basis for comparison with other investment alternatives.

However, each fund's yield fluctuates, unlike investments that pay a fixed interest rate over a stated period of time. When comparing investment alternatives, investors should also note the quality and maturity of the portfolio securities of the respective investment companies they have chosen to consider.

Investors should recognize that in periods of declining interest rates, a fund's yield will tend to be somewhat higher than prevailing market rates, and in periods of rising interest rates, a fund's yield will tend to be somewhat lower. Also, when interest rates are falling, the inflow of net new money to a fund from the continuous sale of its shares will likely be invested in instruments producing lower yields than the balance of the fund's holdings, thereby reducing the fund's current yield. In periods of rising interest rates, the opposite can be expected to occur.

TOTAL RETURN CALCULATIONS. Total returns quoted in advertising reflect all aspects of a fund's return, including the effect of reinvesting dividends and capital gain distributions (if any), and any change in the fund's net asset value per share (NAV) over the period. Average annual total returns are calculated by determining the growth or decline in value of a hypothetical historical investment in a fund over a stated period, and then calculating the annually compounded percentage rate that would have produced the same result if the rate of growth or decline in value had been constant over the period. For example, a cumulative total return of 100% over ten years would produce an average annual total return of 7.18%, which is the steady annual rate of return that would equal 100% growth on a compounded basis in ten years. While average annual total returns are a convenient means of comparing investment alternatives, investors should realize that a fund's performance is not constant over time, but changes from year to year, and that average annual total returns represent averaged figures as opposed to the actual year - to - year performance of the fund.

In addition to average annual total returns, a fund may quote unaveraged or cumulative total returns reflecting the simple change in value of an investment over a stated period. Average annual and cumulative total returns may be quoted as a percentage or as a dollar amount, and may be calculated for a single investment, a series of investments, or a series of redemptions, over any time period. Total returns may be broken down into their components of income and capital (including capital gains and changes in share price) in order to illustrate the relationship of these factors and their contributions to total return. An example of this type of illustration is given below. Total returns, yields, and other performance information may be quoted numerically or in a table, graph, or similar illustration.

NET ASSET VALUE. Charts and graphs using the insured and high yield funds' net asset values, adjusted net asset values, and benchmark indices may be used to exhibit performance. An adjusted NAV includes any distributions paid by the fund and reflects all elements of its return. Unless otherwise indicated, each fund's adjusted NAVs are not adjusted for sales charges, if any.

HISTORICAL RESULTS. The following table shows the funds' total returns for the periods ended January 31, 1994.

Average Annual Total Returns* Cumulative Total Returns*

One Five Life of One Five Life of

Money Market Fund

Insured Fund

High Yield Fund

* If FMR had not reimbursed certain fund expenses during these periods, the funds' total returns would have been lower.

** The funds commenced operations on July 6, 1984 (money market fund), October 11, 1985 (insured fund), and July 10, 1984 (high yield fund). Prior to October 1, 1985, the money market fund was designed as a Short-Term Bond Portfolio and did not seek to maintain a stable \$1.00 share price.

The money market fund's seven - day yield as of January 31, 1994 was ____%, with a corresponding tax - equivalent yield of ____%. The insured and high yield funds' 30 - day yields as of January 31, 1994 were ____% and ____%, respectively, with corresponding tax - equivalent yields of ____% and ____%, respectively. Tax - equivalent yields are based on the highest 1994 combined federal, New York State, and New York City income tax rate of ____%. The following tables show the income and capital elements of each fund's total returns. During the periods quoted, interest rates and bond prices fluctuated widely; thus, the figures should not be considered representative of the dividend income or capital gain or loss that could be realized from investments in the funds today. In addition, the tables compare each fund's return to the record of the Standard & Poor's 500 Composite Stock Price Index (S&P 500), the Dow Jones Industrial Average (DJIA), and the cost of living (measured by the Consumer Price Index, or CPI) over the same period. The S&P 500 and DJIA comparisons are provided to show how each fund's total return compared to the return of a broad average of common stocks and a narrower set of stocks of major industrial companies, respectively, over the same period. Of course, since the funds invest in money market and fixed-income securities, common stocks represent a different type of investment from the funds. Common stocks generally offer greater potential growth than the funds, but generally experience greater price volatility, which means a greater potential for loss. In addition, common stocks generally provide lower income than a money market or bond fund investment such as the funds. The S&P 500 and DJIA are based on the prices of unmanaged groups of stocks and, unlike the funds' returns, their returns do not include the effect of paying brokerage commissions or other costs of investing. MONEY MARKET FUND. During the period July 6, 1984 (commencement of operations) through January 31, 1994, a hypothetical \$10,000 investment in the fund would have grown to \$_____, assuming all distributions were reinvested.

<TABLE>
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FIDELITY NEW YORK TAX - FREE MONEY MARKET PORTFOLIO <C> INDICES
</TABLE>

<TABLE>
<CAPTION>
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	<C> Value of	<C> Value of	<C> Value of	<C>	<C>	<C>	<C>
	Initial	Reinvested	Reinvested				Cost
Period	\$10,000	Dividend	Capital Gain	Total			of
Ended	Investment	Distributions	Distributions	Value	S&P 500	DJIA	Living**

</TABLE>

<TABLE>
<CAPTION>
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	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1/31/85*	\$10,030	\$ 334	\$0	\$10,364	\$12,072	\$11,767	\$10,174
1/31/86	9,990	855	0	10,845	14,838	15,013	10,569
1/31/87	9,990	1,290	0	11,280	19,871	21,361	10,723
1/31/88	9,990	1,729	0	11,719	19,210	19,996	11,157
1/31/89	9,990	2,270	0	12,260	23,069	24,791	11,678

1/31/90	9,990	2,943	0	12,933	26,407	28,461	12,285
1/31/91	9,990	3,593	0	13,583	28,620	31,247	12,980
1/31/92	9,990	4,103	0	14,093	35,118	38,021	13,317
1/31/93	9,990	4,439	0	14,429	38,842	40,220	13,751
1/31/94							

</TABLE>

* From July 6, 1984 (commencement of operations).

** From month end closest to initial investment date.

Explanatory Notes: With an initial investment of \$10,000 made on July 6, 1984, the net amount invested in fund shares was \$10,000. The cost of the initial investment (\$10,000), together with the aggregate cost of reinvested dividends for the period covered (their cash value at the time they were reinvested), amounted to \$ _____. If distributions had not been reinvested, the amount of distributions earned from the fund over time would have been smaller, and cash payments (dividends) for the period would have amounted to \$3,681. The fund did not distribute any capital gains during the period. If FMR had not reimbursed certain fund expenses, the fund's total returns would have been lower.

INSURED FUND. During the period October 11, 1985 (commencement of operations) through January 31, 1994, a hypothetical \$10,000 investment in the fund would have grown to \$18,890, assuming all distributions were reinvested.

FIDELITY NEW YORK TAX - FREE INSURED PORTFOLIO INDICES

<TABLE>

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	Value of	Value of	Value of				
	Initial	Reinvested	Reinvested				Cost
Period	\$10,000	Dividend	Capital Gain	Total			of
Ended	Investment	Distributions	Distributions	Value	S&P 500	DJIA	Living**

</TABLE>

<TABLE>

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1/31/86*							
1/31/87							
1/31/88							
1/31/89							
1/31/90							
1/31/91							
1/31/92							
1/31/93							
1/31/94							

</TABLE>

* From October 11, 1985 (commencement of operations).

** From month end closest to initial investment date.

Explanatory Notes: With an initial investment of \$10,000 made on October 11, 1985, the net amount invested in fund shares was \$10,000. The cost of the initial investment (\$10,000), together with the aggregate cost of reinvested dividends and capital gain distributions for the period covered (their cash value at the time they were reinvested), amounted to \$ _____. If distributions had not been reinvested, the amount of distributions earned from the fund over time would have been smaller, and cash payments for the period would have amounted to \$ _____ for income dividends and \$ _____ for capital gain distributions. If FMR had not reimbursed certain fund expenses, the fund's total returns would have been lower.

HIGH YIELD FUND. During the period July 10, 1984 (commencement of operations) through January 31, 1994, a hypothetical \$10,000 investment in the fund would have grown to \$ _____, assuming all

<TABLE>
 <CAPTION>

<S>	<C> Value of	<C> Value of	<C> Value of	<C>	<C>	<C>	<C>
	Initial	Reinvested	Reinvested				Cost
Period	\$10,000	Dividend	Capital Gain	Total			of
Ended	Investment	Distributions	Distributions	Value	S&P 500	DJIA	Living**

</TABLE>

1/31/85*
 1/31/86
 1/31/87
 1/31/88
 1/31/89
 1/31/90
 1/31/91
 1/31/92
 1/31/93

* From July 10, 1984 (commencement of operations).
 ** From month end closest to initial investment date.
 Explanatory Notes: With an initial investment of \$10,000 made on July 10, 1984, the net amount invested in fund shares was \$10,000. The cost of the initial investment (\$10,000), together with the aggregate cost of reinvested dividends and capital gain distributions for the period covered (their cash value at the time they were reinvested), amounted to \$ _____. If distributions had not been reinvested, the amount of distributions earned from the fund over time would have been smaller, and cash payments for the period would have amounted to \$ _____ for income dividends and \$ _____ for capital gain distributions. If FMR had not reimbursed certain fund expenses, the fund's total returns would have been lower.

A fund's performance may be compared to the performance of other mutual funds in general, or to the performance of particular types of mutual funds. These comparisons may be expressed as mutual fund rankings prepared by Lipper Analytical Services, Inc. (Lipper), an independent service located in Summit, New Jersey that monitors the performance of mutual funds. Lipper generally ranks funds on the basis of total return, assuming reinvestment of distributions, but does not take sales charges or redemption fees into consideration, and is prepared without regard to tax consequences. Lipper may also rank funds based on yield. In addition to the mutual fund rankings, a fund's performance may be compared to mutual fund performance indices prepared by Lipper.

From time to time, a fund's performance may also be compared to other mutual funds tracked by financial or business publications and periodicals. For example, the fund may quote Morningstar, Inc. in its advertising materials. Morningstar, Inc. is a mutual fund rating service that rates mutual funds on the basis of risk-adjusted performance. Rankings that compare the performance of Fidelity funds to one another in appropriate categories over specific periods of time may also be quoted in advertising.

Fidelity may provide information designed to help individuals understand their investment goals and explore various financial strategies. For example, Fidelity's FundMatchsm Program includes a workbook describing general principles of investing, such as asset allocation, diversification, risk tolerance, and goal setting; a questionnaire designed to help create a personal financial profile; and an action plan offering investment alternatives. Materials may also include discussions of Fidelity's three asset allocation funds and other Fidelity funds, products, and services.

Ibbotson Associates of Chicago, Illinois (Ibbotson) provides historical returns of the capital markets in the United States, including common stocks, small capitalization stocks, long-term corporate bonds, intermediate-term government bonds, long-term government bonds, Treasury bills, the U.S. rate of inflation (based on the CPI), and combinations of various capital markets. The performance of these capital markets is based on the returns of different indices.

Fidelity funds may use the performance of these capital markets in order

to demonstrate general risk-versus-reward investment scenarios. Performance comparisons may also include the value of a hypothetical investment in any of these capital markets. The risks associated with the security types in any capital market may or may not correspond directly to those of the funds. Ibbotson calculates total returns in the same method as the funds. The funds may also compare performance to that of other compilations or indices that may be developed and made available in the future.

A fund may compare its performance or the performance of securities in which it may invest to averages published by IBC USA (Publications), Inc. of Ashland, Massachusetts. These averages assume reinvestment of distributions. The IBC/Donoghue's MONEY FUND AVERAGES (registered trademark)/All Tax-Free, which is reported in the MONEY FUND REPORT (registered trademark), covers over ___ tax-free money market funds. The Bond Fund Report AverageS (registered trademark)/All Tax-Free, which is reported in the BOND FUND REPORT (registered trademark), covers over ___ tax-free bond funds. When evaluating comparisons to money market funds, investors should consider the relevant differences in investment objectives and policies. Specifically, money market funds invest in short-term, high-quality instruments and seek to maintain a stable \$1.00 share price. The intermediate and high yield funds, however, invest in longer-term instruments and their share prices change daily in response to a variety of factors.

A fund may compare and contrast in advertising the relative advantages of investing in a mutual fund versus an individual municipal bond. Unlike tax-free mutual funds, individual municipal bonds offer a stated rate of interest and, if held to maturity, repayment of principal. Although some individual municipal bonds might offer a higher return, they do not offer the reduced risk of a mutual fund that invests in many different securities. The initial investment requirements and sales charges of many tax-free mutual funds are lower than the purchase cost of individual municipal bonds, which are generally issued in \$5,000 denominations and are subject to direct brokerage costs.

In advertising materials, Fidelity may reference or discuss its products and services, which may include: other Fidelity funds; retirement investing; brokerage products and services; the effects of periodic investment plans and dollar cost averaging; saving for college; charitable giving; and the Fidelity credit card. In addition, Fidelity may quote financial or business publications and periodicals, including model portfolios or allocations, as they relate to fund management, investment philosophy, and investment techniques. Fidelity may also reprint, and use as advertising and sales literature, articles from Fidelity Focus, a quarterly magazine provided free of charge to Fidelity fund shareholders.

A fund may present its fund number, Quotron (registered trademark) number, and CUSIP number, and discuss or quote its current portfolio manager.

A fund may advertise examples of the effects of periodic investment plans, including the principle of dollar cost averaging. In such a program, an investor invests a fixed dollar amount in a fund at periodic intervals, thereby purchasing fewer shares when prices are high and more shares when prices are low. While such a strategy does not assure a profit or guard against loss in a declining market, the investor's average cost per share can be lower than if fixed numbers of shares are purchased at the same intervals. In evaluating such a plan, investors should consider their ability to continue purchasing shares during periods of low price levels.

As of January 31, 199 4 , FMR advised ___ tax - free funds with a total value of over \$ ___ billion. According to the Investment Company Institute, over the past eight years, assets in tax - exempt funds increased from \$ ___ billion in 1984 to approximately \$ ___ billion at the end of 199 3 . The money market fund may reference the growth and variety of money market mutual funds and the adviser's innovation and participation in the industry.

ADDITIONAL PURCHASE AND REDEMPTION INFORMATION

Each fund is open for business and its net asset value per share (NAV) is calculated each day the New York Stock Exchange (NYSE) is open for trading. The NYSE has designated the following holiday closings for 199 4 : Washington's Birthday (observed), Good Friday, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day, and Christmas Da y (observed) . Although FMR expects the same holiday schedule , with the addition of New Year's Day, to be observed in the future, the NYSE may modify its holiday schedule at any time. Also, the money market fund will be closed for wire purchases and redemptions in days when the Federal Reserve wire system is closed.

FSC normally calculates the money market fund's NAV twice each business day, once at 12:00 noon Eastern time and once as of the close of the NYSE (normally 4:00 p.m. Eastern time). FSC normally determines the insured and high yield funds' NAV as of the close of the NYSE (normally 4:00 p.m. Eastern time). However, NAV may be calculated earlier if trading on the NYSE is restricted or as permitted by the SEC. To the extent that portfolio securities are traded in other markets on days when the NYSE is closed, a fund's NAV may be affected on days when investors do not have access to the fund to purchase or redeem shares.

If the Trustees determine that existing conditions make cash payment undesirable, redemption payments may be made in whole or in part in

securities or other property, valued for this purpose as they are valued in computing each fund's NAV. Shareholders receiving securities or other property on redemption may realize a gain or loss for tax purposes, and will incur any costs of sale, as well as the associated inconveniences. Pursuant to Rule 11a-3 under the 1940 Act, each fund is required to give shareholders at least 60 days' notice prior to terminating or modifying its exchange privilege. Under the Rule, the 60-day notification requirement may be waived if (i) the only effect of a modification would be to reduce or eliminate an administrative fee, redemption fee, or deferred sales charge ordinarily payable at the time of exchange, or (ii) a fund suspends the redemption of the shares to be exchanged as permitted under the 1940 Act or by the SEC, or the fund to be acquired suspends the sales of its shares because it is unable to invest amounts effectively in accordance with its investment objective and policies.

In the Prospectus, each fund has notified shareholders that it reserves the right at any time, without prior notice, to refuse exchange purchases by any person or group if, in FMR's judgment, a fund would be unable to invest effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected.

DISTRIBUTIONS AND TAXES

DISTRIBUTIONS. If you request to have distributions mailed to you and the U.S. Postal Service cannot deliver your checks, or if your checks remain uncashed for six months, Fidelity may reinvest your distributions at the then-current NAV. All subsequent distributions will then be reinvested until you provide Fidelity with alternate instructions.

DIVIDENDS. To the extent that each fund's income is derived from federally tax-exempt interest, the daily dividends declared by each fund also are federally tax-exempt. The funds will send each shareholder a notice in January describing the tax status of dividends and capital gain distributions (if any) for the prior year.

Shareholders are required to report tax-exempt income on their federal tax returns. Shareholders who earn other income, such as social security benefits, may be subject to federal income tax on up to one half of such benefits to the extent that their income, including tax-exempt income, exceeds certain base amounts.

The funds purchase municipal obligations based on opinions of bond counsel regarding the federal income tax status of the obligations. These opinions generally will be based upon covenants by the issuers regarding continuing compliance with federal tax requirements. If the issuer of an obligation fails to comply with its covenants at any time, interest on the obligation could become federally taxable retroactive to the date the obligation was issued.

As a result of the Tax Reform Act of 1986, interest on certain "private activity" securities (referred to as "qualified bonds" in the Internal Revenue Code) is subject to the federal alternative minimum tax (AMT), although the interest continues to be excludable from gross income for other tax purposes. Interest from private activity securities will be considered tax-exempt for purposes of the funds' policies of investing so that at least 80% of their income is free from federal income tax.

Interest from private activity securities is a tax-preference item for the purposes of determining whether a taxpayer is subject to the AMT and the amount of AMT to be paid, if any. Private activity securities issued after August 7, 1986 to benefit a private or industrial user or to finance a private facility are affected by this rule.

The insured and high yield funds do not currently intend to purchase private activity municipal obligations whose interest is a tax preference item for purposes of the AMT. Nevertheless, each fund reserves the right to purchase such obligations in the future, subject to notice to shareholders, if the Board of Trustees determines that it is in the best interest of shareholders to do so. The money market fund may invest in private activity securities. The fund currently intends to limit income from private activity securities to 20%.

It is the current position of the SEC Staff that a fund which uses the word "tax-free" in its name may not derive more than 20% of its income from municipal obligations that pay interest that is a preference item for purposes of the AMT. Under this position, at least 80% of each fund's income distributions would have to be exempt from the AMT as well as federal taxes.

Corporate investors should note that a tax preference item for purposes of the corporate AMT is 75% of the amount by which adjusted current earnings (which includes tax-exempt interest) exceeds alternative minimum taxable income of the corporation.

If a shareholder receives an exempt-interest dividend and sells shares at a loss after holding them for a period of six months or less, the loss will be disallowed to the extent of the amount of exempt-interest dividend.

CAPITAL GAIN DISTRIBUTIONS. Long-term capital gains earned by the funds on the sale of securities and distributed to shareholders are federally taxable as long-term capital gains, regardless of the length of time that shareholders have held their shares. If a shareholder receives a long-term capital gain distribution on shares of a fund and such shares are held six months or less and are sold at a loss, the portion of the loss equal to the amount of the long-term capital gain distribution will be considered a long-term loss for tax purposes.

A portion of the gain on bonds purchased at a discount after April 30, 1993 and short-term capital gains distributed by the fund[s] are federally

taxable to shareholders as dividends, not as capital gains. Distributions from short-term capital gains do not qualify for the dividends-received deduction. Dividend distributions resulting from a recharacterization of gain from the sale of bonds purchased at a discount after April 30, 1993 are not considered income for purposes of the funds policy of investing so that at least 80% of their income is free from federal income tax. The money market fund may distribute any net realized short-term capital gains once a year or more often as necessary to maintain its net asset value at \$1.00 a share .

TAX STATUS OF THE FUNDS. Each fund has qualified and intends to continue to qualify each year as a "regulated investment company" for tax purposes so that it will not be liable for federal tax on income and capital gains distributed to shareholders. In order to qualify as a regulated investment company and avoid being subject to federal income or excise taxes at the fund level, each fund intends to distribute substantially all of its net investment income and net realized capital gains (if any) within each calendar year as well as on a fiscal year basis. Each fund also intends to comply with other tax rules applicable to regulated investment companies, including a requirement that capital gains from the sale of securities held less than three months constitute less than 30% of the fund's gross income for each fiscal year. Gains from some futures contracts and options are included in this 30% calculation, which may limit the insured and high yield funds' investments in such instruments. Fidelity New York Municipal Trusts treats each of its portfolios (including the insured and high yield funds) as a separate entity for tax purposes. Fidelity New York Municipal Trust II treats each of its portfolios (including the money market fund) as a separate entity for tax purposes.

As of January 31, 199 4 , the funds had approximate capital loss carryovers available to offset future capital gains as follows:

AGGREGATE

CAPITAL

LOSS AMOUNT THAT EXPIRES ON JANUARY 31,

CARRYOVER 1997 1998

Money Market Fund

Insured Fund

High Yield Fund

To the extent that capital loss carryovers are used to offset any future capital gains, it is unlikely that the gains so offset will be distributed to shareholders since any such distributions may be taxable to shareholders as ordinary income.

NEW YORK TAX MATTERS. As long as a fund continues to qualify as a regulated investment company under the federal Code, it will not incur New York income or franchise tax liability on income and capital gains distributed to shareholders. New York personal income tax law also provides that exempt-interest dividends paid by a regulated investment company, or series thereof, from interest on obligations which are exempt from tax under New York law are excludable from gross income.

OTHER TAX INFORMATION. The information above is only a summary of some of the tax consequences generally affecting the funds and their shareholders, and no attempt has been made to discuss individual tax consequences. Investors should consult their tax advisers to determine whether the funds are suitable to their particular tax situations.

FMR

FMR is a wholly owned subsidiary of FMR Corp., a parent company organized in 1972. At present, the principal operating activities of FMR Corp. are those conducted by three of its divisions as follows: FSC, which is the transfer and shareholder servicing agent for certain of the funds advised by FMR; Fidelity Investments Institutional Operations Company, which performs shareholder servicing functions for certain institutional customers; and Fidelity Investments Retail Marketing Company, which provides marketing services to various companies within the Fidelity organization.

Several affiliates of FMR are also engaged in the investment advisory business. Fidelity Management Trust Company provides trustee, investment advisory, and administrative services to retirement plans and corporate employee benefit accounts. Fidelity Management & Research (U.K.) Inc. (FMR U.K.) and Fidelity Management & Research (Far East) Inc. (FMR Far East), both wholly owned subsidiaries of FMR formed in 1986, supply investment research, and may supply portfolio management services, to FMR in connection with certain funds advised by FMR. Analysts employed by FMR, FMR U.K., and FMR Far East research and visit thousands of domestic and foreign companies each year. FMR Texas, a wholly owned subsidiary of FMR formed in 1989, supplies portfolio management and research services in connection with certain money market funds advised by FMR.

TRUSTEES AND OFFICERS

The Trustees and executive officers of the trusts are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. Trustees and officers elected or

appointed to Fidelity New York Municipal Trust prior to the money market fund's conversion from a series of Fidelity New York Municipal Trust to a series of Fidelity New York Municipal Trust II served Fidelity New York Municipal Trust in identical capacities. All persons named as Trustees also serve in similar capacities for other funds advised by FMR. Unless otherwise noted, the business address of each Trustee and officer is 82 Devonshire Street, Boston, Massachusetts 02109, which is also the address of FMR. Those Trustees who are "interested persons" (as defined in the 1940 Act) by virtue of their affiliation with either trust or FMR are indicated by an asterisk (*).

*EDWARD C. JOHNSON 3d, Trustee and President, is Chairman, Chief Executive Officer and a Director of FMR Corp.; a Director and Chairman of the Board and of the Executive Committee of FMR; Chairman and a Director of FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc., and Fidelity Management & Research (Far East) Inc.

*J. GARY BURKHEAD, Trustee and Senior Vice President, is President of FMR; and President and a Director of FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc., and Fidelity Management & Research (Far East) Inc.

RALPH F. COX, 200 Rivercrest Drive, Fort Worth, TX, Trustee (1991), is President of Greenhill Petroleum Corporation (petroleum exploration and production, 1990). Prior to his retirement in March 1990, Mr. Cox was President and Chief Operating Officer of Union Pacific Resources Company (exploration and production). He is a Director of Bonneville Pacific Corporation (independent power, 1989) and CH2M Hill Companies (engineering). In addition, he served on the Board of Directors of the Norton Company (manufacturer of industrial devices, 1983-1990) and continues to serve on the Board of Directors of the Texas State Chamber of Commerce, and is a member of advisory boards of Texas A&M University and the University of Texas at Austin.

PHYLLIS BURKE DAVIS, 340 E. 64th Street #22C, New York, NY, Trustee (1992). Prior to her retirement in September 1991, Mrs. Davis was the Senior Vice President of Corporate Affairs of Avon Products, Inc. She is currently a Director of BellSouth Corporation (telecommunications), Eaton Corporation (manufacturing, 1991), and the TJX Companies, Inc. (retail stores, 1990), and previously served as a Director of Hallmark Cards, Inc. (1985-1991) and Nabisco Brands, Inc. In addition, she serves as a Director of the New York City Chapter of the National Multiple Sclerosis Society, and is a member of the Advisory Council of the International Executive Service Corps. and the President's Advisory Council of The University of Vermont School of Business Administration (1988).

RICHARD J. FLYNN, 77 Fiske Hill, Sturbridge, MA, Trustee, is a financial consultant. Prior to September 1986, Mr. Flynn was Vice Chairman and a Director of the Norton Company (manufacturer of industrial devices). He is currently a Director of Mechanics Bank and a Trustee of College of the Holy Cross and Old Sturbridge Village, Inc.

E. BRADLEY JONES, 3881-2 Lander Road, Chagrin Falls, OH, Trustee (1990). Prior to his retirement in 1984, Mr. Jones was Chairman and Chief Executive Officer of LTV Steel Company. Prior to May 1990, he was Director of National City Corporation (a bank holding company) and National City Bank of Cleveland. He is a Director of TRW Inc. (original equipment and replacement products), Cleveland-Cliffs Inc (mining), NACCO Industries, Inc. (mining and marketing), Consolidated Rail Corporation, Birmingham Steel Corporation (1988), Hyster-Yale Materials Handling, Inc. (1989), and RPM, Inc. (manufacturer of chemical products, 1990). In addition, he serves as a Trustee of First Union Real Estate Investments, Chairman of the Board of Trustees and a member of the Executive Committee of the Cleveland Clinic Foundation, a Trustee and a member of the Executive Committee of University School (Cleveland), and a Trustee of Cleveland Clinic Florida.

DONALD J. KIRK, 680 Steamboat Road, Apartment #1-North, Greenwich, CT, Trustee, is a Professor at Columbia University Graduate School of Business and a financial consultant. Prior to 1987, he was Chairman of the Financial Accounting Standards Board. Mr. Kirk is a Director of General Re Corporation (reinsurance) and Valuation Research Corp. (appraisals and valuations, 1993). In addition, he serves as Vice Chairman of the Board of Directors of the National Arts Stabilization Fund and Vice Chairman of the Board of Trustees of the Greenwich Hospital Association (1989).

*PETER S. LYNCH, Trustee (1990) is Vice Chairman of FMR (1992). Prior to his retirement on May 31, 1990, he was a Director of FMR (1989) and Executive Vice President of FMR (a position he held until March 31, 1991); Vice President of Fidelity Magellan Fund and FMR Growth Group Leader; and Managing Director of FMR Corp. Mr. Lynch was also Vice President of Fidelity Investments Corporate Services (1991-1992). He is a Director of W.R. Grace & Co. (chemicals, 1989) and Morrison Knudsen Corporation (engineering and construction, 1988). In addition, he serves as a Trustee of Boston College, Massachusetts Eye & Ear Infirmary, Historic Deerfield (1989) and Society for the Preservation of New England Antiquities, and as an Overseer of the Museum of Fine Arts of Boston (1990).

GERALD C. McDONOUGH, 135 Aspenwood Drive, Cleveland, OH, Trustee (1989), is Chairman of G.M. Management Group (strategic advisory services). Prior to his retirement in July 1988, he was Chairman and Chief Executive Officer of Leaseway Transportation Corp. (physical distribution services). Mr. McDonough is a Director of ACME-Cleveland Corp. (metal working,

telecommunications and electronic products), Brush-Wellman Inc. (metal refining), York International Corp. (air conditioning and refrigeration, 1989), Commercial Intertech Corp. (water treatment equipment, 1992), and Associated Estates Realty Corporation (a real estate investment trust, 1993).

EDWARD H. MALONE, 5601 Turtle Bay Drive #2104, Naples, FL, Trustee (1988). Prior to his retirement in 1985, Mr. Malone was Chairman, General Electric Investment Corporation and a Vice President of General Electric Company. He is a Director of Allegheny Power Systems, Inc. (electric utility), General Re Corporation (reinsurance) and Mattel Inc. (toy manufacturer). He is also a Trustee of Rensselaer Polytechnic Institute and of Corporate Property Investors and a member of the Advisory Boards of Butler Capital Corporation Funds and Warburg, Pincus Partnership Funds.

MARVIN L. MANN, 55 Railroad Avenue, Greenwich, CT, Trustee (1993) is Chairman of the Board, President, and Chief Executive Officer of Lexmark International, Inc. (office machines, 1991). Prior to 1991, he held the positions of Vice President of International Business Machines Corporation ("IBM") and President and General Manager of various IBM divisions and subsidiaries. Mr. Mann is a Director of M.A. Hanna Company (chemicals, 1993) and Infomart (marketing services, 1991), a Trammell Crow Co. In addition, he serves as the Campaign Vice Chairman of the Tri-State United Way (1993) and is a member of the University of Alabama President's Cabinet (1990).

THOMAS R. WILLIAMS, 21st Floor, 191 Peachtree Street, N.E., Atlanta, GA, Trustee (1988), is President of The Wales Group, Inc. (management and financial advisory services). Prior to retiring in 1987, Mr. Williams served as Chairman of the Board of First Wachovia Corporation (bank holding company), and Chairman and Chief Executive Officer of The First National Bank of Atlanta and First Atlanta Corporation (bank holding company). He is currently a Director of BellSouth Corporation (telecommunications), ConAgra, Inc. (agricultural products), Fisher Business Systems, Inc. (computer software, 1988), Georgia Power Company (electric utility), Gerber Alley & Associates, Inc. (computer software), National Life Insurance Company of Vermont, American Software, Inc. (1989), and AppleSouth, Inc. (restaurants, 1992).

GARY L. FRENCH, Treasurer (1991). Prior to becoming Treasurer of the Fidelity funds, Mr. French was Senior Vice President, Fund Accounting - Fidelity Accounting & Custody Services Co. (1991); Vice President, Fund Accounting - Fidelity Accounting & Custody Services Co. (1990); and Senior Vice President, Chief Financial and Operations Officer - Huntington Advisers, Inc. (1985-1990).

ARTHUR S. LORING, Secretary, is Senior Vice President and General Counsel of FMR, Vice President-Legal of FMR Corp., and Vice President and Clerk of FDC.

THOMAS D. MAHER, Assistant Vice President (1990), is Assistant Vice President of Fidelity's money market funds and Vice President and Associate General Counsel of FMR Texas Inc. (1990).

JANICE BRADBURN, is Vice President of the money market fund (1992) and other funds managed by FMR.

GARY LEE SWAYZE, is Vice President of the insured fund (1987) and the high yield fund (1987) and other funds managed by FMR and a Vice President of FMR.

Under a retirement program that became effective on November 1, 1989, Trustees, upon reaching age 72, become eligible to participate in a defined benefit retirement program under which they receive payments during their lifetime from the funds based on their basic trustee fees and length of service. Currently, Messrs. Robert L. Johnson, William R. Spaulding,

Bertram H. Witham, and David L. Yunich participate in the program. As of January 31, 1994, the funds' Trustees and officers, owned in the aggregate less than 1% of the outstanding shares of each fund.

MANAGEMENT CONTRACTS

Each fund employs FMR to furnish investment advisory and other services. Under its management contract with each fund, FMR acts as investment adviser and, subject to the supervision of the Board of Trustees, directs the investments of each fund in accordance with its investment objective, policies, and limitations. FMR also provides the funds with all necessary office facilities and personnel for servicing the funds' investments, and compensates all officers of the Trusts, all Trustees who are "interested persons" of the Trusts or of FMR, and all personnel of the Trust or FMR performing services relating to research, statistical, and investment activities.

In addition, FMR or its affiliates, subject to the supervision of the Board of Trustees, provide the management and administrative services necessary for the operation of the funds. These services include providing facilities for maintaining each fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters, and other persons dealing with the funds; preparing all general shareholder communications and conducting shareholder relations; maintaining the funds' records and the registration of each fund's shares under federal and state law; developing management and shareholder services for the funds; and furnishing reports, evaluations, and analyses on a variety of subjects to the Board of Trustees.

In addition to the management fee payable to FMR and the fees payable to United Missouri Bank, N.A. (United Missouri), each fund pays all of its expenses, without limitation, that are not assumed by those parties. Each

fund pays for the typesetting, printing, and mailing of proxy material to shareholders, legal expenses, and the fees of the custodian, auditor, and non-interested Trustees. Although each management contract provides that the fund will pay for typesetting, printing, and mailing prospectuses, statements of additional information, notices and reports to existing shareholders, United Missouri has entered into a revised sub-transfer agent agreement with FSC, pursuant to which FSC bears the cost of providing these services to existing shareholders. Other expenses paid by each fund include interest, taxes, brokerage commissions, each fund's proportionate share of insurance premiums and Investment Company Institute dues, and the costs of registering shares under federal and state securities laws. Each fund is also liable for such nonrecurring expenses as may arise, including costs of any litigation to which a fund may be a party and any obligation it may have to indemnify each Trust's officers and Trustees with respect to litigation.

FMR is the insured and high yield fund's manager pursuant to management contracts dated January 1, 1989, which were approved by shareholders on November 28, 1988. FMR is the money market fund's manager pursuant to a management contract dated December 30, 1991. The contract was approved by Fidelity New York Municipal Trust as sole shareholder of the trust on December 30, 1991 in conjunction with an Agreement and Plan to convert the fund from a series of a Massachusetts business trust to a series of a Delaware Trust. The Agreement and Plan of Conversion was approved by public shareholders of the fund on October 23, 1991. Besides reflecting the fund's redomiciling, the December 30, 1991 contract is identical to the fund's prior management contract with FMR, which was approved by shareholders of the fund on November 28, 1988. For the services of FMR under the contracts, each fund pays FMR a monthly management fee composed of the sum of two elements: a group fee rate and an individual fund fee rate. The group fee rate is based on the monthly average net assets of all of the registered investment companies with which FMR has management contracts and is calculated on a cumulative basis pursuant to the graduated schedule shown below. Also shown below is the effective annual fee rate at various levels of group net assets. For example, the effective annual group fee rate at _____ billion of group net assets -- their approximate level for January 1994 -- was _____ %, which is the weighted average of the respective fee rates for each level of group net assets up to _____ billion .

GROUP FEE RATE SCHEDULE* EFFECTIVE ANNUAL FEE RATES

AVERAGE GROUP ASSETS	ANNUALIZED RATE	GROUP NET ASSETS	EFFECTIVE ANNUAL FEE RATE
0 - 3 billion	\$ 3 billion		.3700%
3 - 6	6		.3400
6 - 9	9		.3100
9 - 12	12		.2800
12 - 15	15		.2500
15 - 18	18		.2200
18 - 21	21		.2000
21 - 24	24		.1900
24 - 30	30		.1800
30 - 36	36		.1750
36 - 42	42		.1700
42 - 48	48		.1650
48 - 66	66		.1600
66 - 84	84		.1550
84 - 120	120		.1500
120 - 174	174		.1450
174 - 228	228		.1400
228 - 282	282		.1375
282 - 3 3 6	3 3 6		.1350
Over 3 3 6	3 3 6		.1325

* The rates shown for average group assets in excess of \$1 74 billion were adopted by FMR on a voluntary basis on November 1, 1993 pending approval of shareholders of the money market paste of a new management contract reflecting the extended schedule. The extended schedule provides for lower management fees as total assets under management increase.

Shareholders of the insured and high yield funds approved a amended contracts and the extended fee rate schedule for the for average group assets above \$120 billion on January 19, 1994.

Each fund's individual fund fee rate is .25%. Based on the average net assets of funds advised by FMR for January 199 4 , the annual management fee rate would be calculated as follows:

Group Fee Rate Individual Fund Fee Rate Management Fee Rate

$$\text{_____ \%} + .25\% = \text{_____ \%}$$

One-twelfth (1/12) of this annual management fee rate is then applied to each fund's average net assets for the current month, giving a dollar amount which is the fee for that month.

Management fees paid to FMR are indicated in the table below for the periods shown.

MANAGEMENT FEES

Fiscal Year	Fiscal Period	Fiscal Year
Ended	May 1, 1992 to	Ended
January 31, 1994	January 31, 1993	April 30, 1992

Money Market Fund

Insured Fund

High Yield Portfolio

SUB - ADVISER. With respect to the money market fund, FMR has entered into a sub - advisory agreement with FMR Texas pursuant to which FMR Texas has primary responsibility for providing portfolio investment management services to the fund. Under the sub - advisory agreement, FMR pays FMR Texas a fee equal to 50% of the management fee payable to FMR under its current management contract with the fund. The fees paid to FMR Texas are not reduced by any voluntary or mandatory expense reimbursements that may be in effect from time to time. For the fiscal periods ending

January 31, 1994, January 31, 1993, and April 30, 1992, FMR paid FMR Texas fees of \$ _____, \$818,073, \$1,100,724, respectively, under the sub - advisory agreement.

DISTRIBUTION AND SERVICE PLANS

Each fund has adopted a distribution and service plan (the Plans) under Rule 12b - 1 of the 1940 Act (the Rule). The Rule provides in substance that a mutual fund may not engage directly or indirectly in financing any activity that is primarily intended to result in the sale of shares of the fund except pursuant to a plan adopted by the fund under the Rule. The Board of Trustees has adopted the Plans to allow the funds and FMR to incur certain expenses that might be considered to constitute indirect payment by the funds of distribution expenses. Under the Plans, if the payment by a fund to FMR of management fees should be deemed to be indirect financing by the fund of the distribution of its shares, such payment is authorized by the fund's Plan.

The Plans specifically recognize that FMR, either directly or through FDC, may use its management fee revenue, past profits, or other resources, without limitation, to pay promotional and administrative expenses in connection with the offer and sale of shares of the funds. In addition, the Plans provide that FMR may use its resources, including its management fee revenues, to make payments to third parties that provide assistance in selling the funds' shares or to third parties, including banks, that render shareholder support services. Payments made by FMR to third parties during the fiscal period ended January 31, 1993 amounted to \$56,922 (money market fund), \$3,036 (insured fund), and \$2,237 (high yield fund).

As required by the Rule, the Trustees carefully considered all pertinent factors relating to the implementation of the Plans prior to their approval, and have determined that there is a reasonable likelihood that the Plans will benefit the funds and their shareholders. In particular, the Trustees noted that the Plans do not authorize payments by the funds other than those made to FMR under its management contracts with the funds. To the extent that the Plans give FMR and FDC greater flexibility in connection with the distribution of shares of the funds, additional sales of the funds' shares may result. Additionally, certain shareholder support services may be provided more effectively under the Plans by local entities with whom shareholders have other relationships. The Plans were approved by the shareholders of the insured and high yield funds on November 28, 1986. The money market fund's Plan was approved by Fidelity New York Municipal Trust on December 30, 1991 as the then sole shareholder of the fund, pursuant to an Agreement and Plan of Conversion approved by public shareholders of the fund on October 23, 1991.

The Glass-Steagall Act generally prohibits federally and state chartered or

supervised banks from engaging in the business of underwriting, selling, or distributing securities. Although the scope of this prohibition under the Glass-Steagall Act has not been clearly defined by the courts or appropriate regulatory agencies, FDC believes that the Glass-Steagall Act should not preclude a bank from performing shareholder support services, or servicing and recordkeeping functions. FDC intends to engage banks only to perform such functions. However, changes in federal or state statutes and regulations pertaining to the permissible activities of banks and their affiliates or subsidiaries, as well as further judicial or administrative decisions or interpretations, could prevent a bank from continuing to perform all or a part of the contemplated services. If a bank were prohibited from so acting, the Trustees would consider what actions, if any, would be necessary to continue to provide efficient and effective shareholder services. In such event, changes in the operation of the funds might occur, including possible termination of any automatic investment or redemption or other services then provided by the bank. It is not expected that shareholders would suffer any adverse financial consequences as a result of any of these occurrences. The funds may execute portfolio transactions with and purchase securities issued by depository institutions that receive payments under the Plans. No preference will be shown in the selection of investments for the instruments of such depository institutions. In addition, state securities laws on this issue may differ from the interpretations of federal law expressed herein, and banks and other financial institutions may be required to register as dealers pursuant to state law.

INTEREST OF FMR AFFILIATES

United Missouri is each fund's custodian and transfer agent. United Missouri has entered into a sub-contract with FSC, an affiliate of FMR, under the terms of which FSC performs the processing activities associated with providing transfer agent and shareholder servicing functions for the funds. Under the sub-contract, FSC bears the expense of typesetting, printing, and mailing prospectuses, statements of additional information, and all other reports, notices, and statements to shareholders, except proxy statements. FSC also pays all out-of-pocket expenses associated with transfer agent services.

United Missouri pays FSC an annual fee of \$13.75 (money market fund) and \$25.50 (insured and high yield funds) per regular account with a balance of \$5,000 or more, \$10.00 (money market fund) and \$15.00 (insured and high yield funds) per regular account with a balance of less than \$5,000, and a supplemental activity charge of \$5.61 for monetary transactions. The account fee and monetary transaction charge for money market fund accounts set up as Core Accounts in the Fidelity Ultra Service Account program are \$12.35 and \$.74, respectively. These fees and charges are subject to annual cost escalation based on postal rate changes and changes in wage and price levels as measured by the National Consumer Price Index for Urban Areas. With respect to institutional client master accounts, United Missouri pays FSC a per account fee of \$95 and monetary transactions charges of \$20 or \$17.50 depending on the nature of services provided. Prior to November 7, 1991 (insured and high yield funds) and November 14, 1991 (money market fund), Shawmut Bank, N.A. (Shawmut) served as the funds' custodian and transfer agent and also sub-contracted with FSC to perform the processing activities associated with providing transfer agent and shareholder servicing functions for the funds. Beginning June 1, 1989, FSC was compensated by Shawmut on the same basis as it is currently compensated by United Missouri (although fee rates and charges were adjusted periodically to reflect postal rate changes and changes in wage and price levels as measured by the National Consumer Price Index for Urban Areas). Transfer agent fees, including reimbursement for out-of-pocket expenses, paid to FSC for the fiscal periods shown are indicated in the table below.

TRANSFER AGENT FEES

Fiscal Year	Fiscal Period	Fiscal Year
Ended	May 1, 1992 to	Ended
January 31, 1991	January 31, 1993	April 30, 1992
Money Market Fund	\$632,990	\$821,733
Insured Fund	293,981	305,456
High Yield Fund	364,165	427,473

United Missouri has an additional sub-contract with FSC, pursuant to which FSC performs the calculations necessary to determine each fund's net asset value per share and dividends and maintains each fund's accounting records. The annual fee rates for these pricing and bookkeeping services are based on the funds' average net assets, and are presented in the table below.

	\$0-\$500	Greater Than	Million	\$500 Million	Minimum Per Year	Maximum Per Year
Money Market Fund			.0175%	.0075%	\$20,000	\$750,000
Insured and High Yield Fund			.04%	.02%	\$45,000	\$750,000

Prior to November 7, 1991 (insured and high yield funds) and November 14, 1991 (money market fund), Shawmut sub-contracted with FSC for pricing and bookkeeping services. Beginning July 1, 1991, FSC was compensated for these services by Shawmut on the same basis as it is currently compensated by United Missouri. Prior to July 1, 1991, the annual fee paid to FSC for pricing and bookkeeping services was based on two schedules, one pertaining to the funds' average net assets and one pertaining to the type and number of transactions each fund made.

Pricing and bookkeeping fees, including reimbursement for out-of-pocket expenses, paid to FSC for the fiscal periods shown, are indicated in the table below.

PRICING AND BOOKKEEPING FEES

Fiscal Year	Fiscal Period	Fiscal Year
Ended	May 1, 1992 to	Ended
January 31, 1994	January 31, 1993	April 30, 1992
Money Market Fund	\$ 84,374	\$126,182
Insured Fund	119,823	138,081
High Yield Fund	150,314	188,128

The transfer agent fees and charges and pricing and bookkeeping fees previously described are paid to FSC by United Missouri, which is entitled to reimbursement from the funds for these expenses.

FSC has entered into an agreement with Fidelity Brokerage Services, Inc. (FBSI), a subsidiary of FMR Corp., pursuant to which FBSI performs certain recordkeeping, communication, and other services for money market fund shareholders participating in the Fidelity Ultra Service Account program. FBSI directly charges each Ultra Service Account an administrative fee that chooses the enhanced features, an administrative fee at a rate of \$5.00 per month for these services, which is in addition to the transfer agency fee received by FSC. Administrative fees paid to FBSI by money market fund shareholders participating in the Fidelity Ultra Service Account program amounted to approximately \$ _____ for the fiscal period ended January 31, 1994.

Each fund has a distribution agreement with FDC, a Massachusetts corporation organized on July 18, 1960. FDC is a broker - dealer registered under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. The distribution agreements call for FDC to use all reasonable efforts, consistent with its other business, to secure purchasers for shares of each fund, which are continuously offered at net asset value. Promotional and administrative expenses in connection with the offer and sale of shares are paid by FMR.

DESCRIPTION OF THE TRUSTS

TRUSTS' ORGANIZATION. Fidelity New York Municipal Trust (the Massachusetts Trust) is an open-end, management investment company organized as a Massachusetts business trust on April 25, 1983. On January 8, 1990, the trust's name was changed from Fidelity New York Tax - Free Fund to Fidelity New York Municipal Trust. Currently, there are four funds of the Massachusetts Trust: Fidelity New York Tax - Free High Yield Portfolio; Fidelity New York Tax - Free Insured Portfolio; Spartan New York Intermediate Municipal Portfolio; and Spartan New York Municipal High Yield Portfolio. The Massachusetts Trust's Declaration of Trust permits the Trustees to create additional funds.

On November 30, 1988, assets of the Short-Term Portfolio were transferred to the insured fund pursuant to an Agreement and Plan of Reorganization (the Agreement). The Agreement provided for the transfer of substantially all of the assets of the Short-Term Portfolio to the insured fund in exchange solely for shares of beneficial interest of the insured fund and distribution, pursuant to the Agreement, of the insured fund shares to the shareholders of the Short-Term Portfolio in liquidation of the Short-Term Portfolio as provided in the Agreement. Shares of the Short-Term Portfolio are no longer available for purchase.

Fidelity New York Municipal Trust II (the Delaware Trust) is an open - end management investment company organized as a Delaware business trust on June 20, 1991. Currently, there are two funds of the Delaware Trust: Fidelity New York Tax - Free Money Market Portfolio and Spartan New York Municipal Money Market Portfolio. Fidelity New York Tax-Free Money Market Portfolio entered into an agreement to acquire all of the assets of Fidelity New York Tax - Free Money Market Portfolio, a series of Fidelity New York Municipal Trust (a Massachusetts business trust) on December 30, 1991. The Delaware Trust's Trust Instrument permits the Trustees to create additional funds.

In the event that FMR ceases to be investment adviser to a trust or any of its funds, the right of the trust or fund to use the identifying names "Fidelity" and "Spartan" may be withdrawn. There is a remote possibility that one fund might become liable for any misstatement in its

Prospectus or Statement of Additional Information about another fund.

The assets of each trust received for the issue or sale of shares of each of its funds and all income, earnings, profits, and proceeds thereof, subject only to the rights of creditors, are especially allocated to such

fund, and constitute the underlying assets of such fund. The underlying assets of each fund are segregated on the books of account, and are to be charged with the liabilities with respect to such fund and with a share of the general expenses of their respective trusts. Expenses with respect to the trusts are to be allocated in proportion to the asset value of their respective funds, except where allocations of direct expense can otherwise be fairly made. The officers of the trusts, subject to the general supervision of the Boards of Trustees, have the power to determine which expenses are allocable to a given fund, or which are general or allocable to all of the funds of a certain trust. In the event of the dissolution or liquidation of a trust, shareholders of each fund of that trust are entitled to receive as a class the underlying assets of such fund available for distribution.

SHAREHOLDER AND TRUSTEE LIABILITY - MASSACHUSETTS TRUST. The Massachusetts Trust is an entity of the type commonly known as "Massachusetts business trust." Under Massachusetts law, shareholders of such a trust may, under certain circumstances, be held personally liable for the obligations of the trust. The Declaration of Trust provides that the Massachusetts Trust shall not have any claim against shareholders except for the payment of the purchase price of shares and requires that each agreement, obligation, or instrument entered into or executed by the Massachusetts Trust or its Trustees shall include a provision limiting the obligations created thereby to the Massachusetts Trust and its assets. The Declaration of Trust provides for indemnification out of each fund's property of any shareholders held personally liable for the obligations of the fund. The Declaration of Trust also provides that each fund shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the fund and satisfy any judgment thereon. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the fund itself would be unable to meet its obligations. FMR believes that, in view of the above, the risk of personal liability to shareholders is remote.

The Declaration of Trust further provides that the Trustees, if they have exercised reasonable care, will not be liable for any neglect or wrongdoing, but nothing in the Declaration of Trust protects a Trustee against any liability to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office.

SHAREHOLDER AND TRUSTEE LIABILITY - DELAWARE TRUST. The Delaware Trust is a business trust organized under Delaware law. Delaware law provides that shareholders shall be entitled to the same limitations of personal liability extended to stockholders of private corporations for profit. The courts of some states, however, may decline to apply Delaware law on this point. The Trust Instrument contains an express disclaimer of shareholder liability for the debts, liabilities, obligations, and expenses of the Delaware Trust and requires that a disclaimer be given in each contract entered into or executed by the Delaware Trust or its Trustees. The Trust Instrument provides for indemnification out of each fund's property of any shareholder or former shareholder held personally liable for the obligations of the fund. The Trust Instrument also provides that each fund shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the fund and satisfy any judgment thereon. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which Delaware law does not apply, no contractual limitation of liability was in effect, and the fund is unable to meet its obligations. FMR believes that, in view of the above, the risk of personal liability to shareholders is extremely remote.

The Trust Instrument further provides that the Trustees shall not be personally liable to any person other than the Delaware Trust or its shareholders; moreover, the Trustees shall not be liable for any conduct whatsoever, provided that a Trustee is not protected against any liability to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office.

VOTING RIGHTS - BOTH TRUSTS. Each fund's capital consists of shares of beneficial interest. As a shareholder, you receive one vote for each dollar of net asset value per share you own. The shares have no preemptive or conversion rights; the voting and dividend rights, the right of redemption, and the privilege of exchange are described in the Prospectus. Shares are fully paid and nonassessable, except as set forth under the heading "Shareholder and Trustee Liability" above. Shareholders representing 10% or more of the Trust or a fund may, as set forth in the Declaration of Trust, call meetings of the Trust or a fund for any purpose related to the Trust or fund, as the case may be, including, in the case of a meeting of the entire Trust, the purpose of voting on removal of one or more Trustees. The Trust or any fund may be terminated upon the sale of its assets to another open-end management investment company, or upon liquidation and distribution of its assets, if approved by vote of the holders of a majority of the outstanding shares of the Trust or the fund. A trust or any fund may be terminated upon the sale of its assets to (or, in the case of the Delaware Trust and its funds, merger with) another open-end management investment company or series thereof, or upon liquidation and distribution of its assets. Generally, such terminations must be approved by vote of the holders of a majority of the outstanding

shares of the trust or the fund (for the Delaware Trust), or by a vote of the holders of a majority of the fund or trust, as determined by the current value of each shareholder's investment in the fund or trust (for the Massachusetts Trust). If not so terminated or reorganized, the trusts and their funds will continue indefinitely.

Under the Trust Instrument, the Trustees may, without shareholder vote, cause the Delaware Trust to merge or consolidate into one or more trusts, partnerships, or corporations, so long as the surviving entity is an open-end management investment company that will succeed to or assume the Delaware Trust registration statement, or cause the Delaware Trust to be incorporated under Delaware law.

CUSTODIAN. United Missouri Bank, N.A., 1010 Grand Avenue, Kansas City, Missouri is custodian of the assets of the fund. The custodian is responsible for the safekeeping of the fund's assets and the appointment of subcustodian banks and clearing agencies. The custodian takes no part in determining the investment policies of the fund or in deciding which securities are purchased or sold by the fund. The fund may, however, invest in obligations of the custodian and may purchase securities from or sell securities to the custodian.

FMR, its officers and directors, its affiliated companies, and the trusts' Trustees may from time to time have transactions with various banks, including banks serving as custodians for certain of the funds advised by FMR. Transactions that have occurred to date include mortgages and personal and general business loans. In the judgment of FMR, the terms and conditions of those transactions were not influenced by existing or potential custodial or other Fund relationships.

AUDITOR. Price Waterhouse, 160 Federal Street, Boston, Massachusetts, serves as each trust's independent accountant. The auditor examines financial statements for the funds and provides other audit, tax, and related services.

FINANCIAL STATEMENTS

The funds' Annual Report for the fiscal period ended January 31, 1994 is a separate report supplied with this Statement of Additional Information and is incorporated herein by reference.

APPENDIX

DOLLAR-WEIGHTED AVERAGE MATURITY is derived by multiplying the value of each investment by the number of days remaining to its maturity, adding these calculations, and then dividing the total by the value of the fund's portfolio. An obligation's maturity is typically determined on a stated final maturity basis, although there are some exceptions to this rule.

For example, if it is probable that the issuer of an instrument will take advantage of a maturity-shortening device, such as a call, refunding, or redemption provision, the date on which the instrument will probably be called, refunded, or redeemed may be considered to be its maturity date. When a municipal bond issuer has committed to call an issue of bonds and has established an independent escrow account that is sufficient to, and is pledged to, refund that issue, the number of days to maturity for the prerefunded bond is considered to be the number of days to the announced call date of the bonds.

The descriptions that follow are examples of eligible ratings for the high yield and insured funds. The funds may, however, consider ratings for other types of investments and the ratings assigned by other ratings organizations when determining the eligibility of a particular investment.

DESCRIPTION OF MOODY'S INVESTORS SERVICE, INC.'S RATINGS OF STATE AND MUNICIPAL NOTES:

Moody's ratings for state and municipal and other short-term obligations will be designated Moody's Investment Grade (MIG, or VMIG for variable rate obligations). This distinction is in recognition of the difference between short-term credit risk and long-term credit risk. Factors affecting the liquidity of the borrower and short-term cyclical elements are critical in short-term ratings, while other factors of major importance in bond risk, long-term secular trends for example, may be less important over the short run. Symbols used will be as follows:

MIG-1/VMIG-1 - This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG-2/VMIG-2 - This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

MIG-3/VMIG-3 - This designation denotes favorable quality, with all security elements accounted for but there is lacking the undeniable strength of the preceding grades. Liquidity and cash flow protection may be narrow and market access for refinancing is likely to be less well established.

MIG-4/VMIG-4 - This designation denotes adequate quality protection commonly regarded as required of an investment security is present and, although not distinctly or predominantly speculative, there is specific risk.

DESCRIPTION OF STANDARD & POOR'S CORPORATION'S RATINGS OF STATE AND MUNICIPAL NOTES:

SP-1 - Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.

SP-2 - Satisfactory capacity to pay principal and interest.

SP-3 - Speculative capacity to pay principal and interest.

DESCRIPTION OF MOODY'S INVESTORS SERVICE, INC.'S MUNICIPAL BOND

RATINGS:

AAA - Bonds rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

AA - Bonds rated Aa are judged to be of high quality by all standards. Together with Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A - Bonds rated A possess many favorable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

BAA - Bonds rated Baa are considered as medium-grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

BA - Bonds rated Ba are judged to have speculative elements. Their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times in the future. Uncertainty of position characterizes bonds in this class.

CA- Bonds rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked short-comings.

C - Bonds rated C are the lowest-rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

CAA - Bonds rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principle and interest.

Those bonds in the Aa, A, Baa, Ba, and B groups which Moody's believes possess the strongest investment attributes are designated by the symbols Aa1, A1, Baa1, Ba1, and B1.

DESCRIPTION OF STANDARD & POOR'S CORPORATION'S MUNICIPAL BOND RATINGS:

AAA - Debt rated AAA has the highest rating assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA - Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the highest-rated debt issues only in small degree.

A - Debt rated A has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions.

BBB - Debt rated BBB is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher-rated categories.

BB - Debt rated BB has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

B - Debt rated B has a greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The B rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BB or BB- rating.

CCC - Debt rated CCC has a currently identifiable vulnerability to default, and is dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

CC- Debt rated CC is typically applied to debt subordinated to senior debt which is assigned an actual or implied CCC debt rating.

C - The rating C is typically applied to debt subordinated to senior debt which is assigned on actual or implied CCC-debt rating. The C rating may be used to cover a situation where a bankruptcy petition has been filed but debt service payments are continued.

CI - The rating CI is reserved for income bonds on which no interest is being paid.

D - Debt rated D is in payment default. The D rating category is used

when interest payments or principal payments are not made on the date due even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period. The D rating will also be used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

The ratings from AA to CCC may be modified by the addition of a plus or minus to show relative standing within the major rating categories.

SPARTAN NEW YORK MUNICIPAL FUNDS:
 SPARTAN NEW YORK MUNICIPAL MONEY MARKET PORTFOLIO
 SPARTAN NEW YORK INTERMEDIATE MUNICIPAL PORTFOLIO
 SPARTAN NEW YORK MUNICIPAL HIGH YIELD PORTFOLIO

CROSS REFERENCE SHEET
 FORM N-1A

ITEM NUMBER PROSPECTUS SECTION

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d	How to Buy Shares
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8	How to Sell Shares; Investor Services; Transaction Details; Exchange Restrictions
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* Not Applicable

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20		Distributions and Taxes
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22		Performance
23		Financial Statements

</TABLE>

* Not Applicable

Please read this prospectus before investing, and keep it on file for future reference. It contains important information, including how each fund invests and the services available to shareholders.

A Statement of Additional Information dated March 22, 1994 has been filed with the Securities and Exchange Commission, and is incorporated herein by reference (is legally considered a part of this prospectus). The Statement of Additional Information is available free upon request by calling Fidelity at 1-800-544-8888.

Investments in the money market fund are neither insured nor guaranteed by the U.S. government, and there can be no assurance that the fund will maintain a stable \$1.00 share price.

Mutual fund shares are not deposits or obligations of, or endorsed or guaranteed by, any bank, nor are they federally insured or otherwise protected by the FDIC, the Federal Reserve Board, or any other agency. Each of these funds seeks a high level of current income free from federal income tax and New York State and City income taxes. The funds have different strategies, however, and carry varying degrees of risk.

FIDELITY NEW YORK
TAX-FREE FUNDS

SPARTAN NEW YORK MUNICIPAL MONEY MARKET PORTFOLIO
SPARTAN NEW YORK INTERMEDIATE MUNICIPAL PORTFOLIO
SPARTAN NEW YORK MUNICIPAL HIGH YIELD PORTFOLIO
PROSPECTUS
MARCH 22, 1994 (FIDELITY_LOGO_GRAPHIC) 82 DEVONSHIRE STREET, BOSTON, MA
02109

LIKE ALL MUTUAL
FUNDS, THESE
SECURITIES HAVE NOT
BEEN APPROVED OR
DISAPPROVED BY THE
SECURITIES AND
EXCHANGE
COMMISSION OR ANY
STATE SECURITIES
COMMISSION, NOR HAS
THE SECURITIES AND
EXCHANGE
COMMISSION OR ANY
STATE SECURITIES
COMMISSION PASSED
UPON THE ACCURACY
OR ADEQUACY OF THIS
PROSPECTUS. ANY
REPRESENTATION TO
THE CONTRARY IS A
CRIMINAL OFFENSE.
NFR-pro-394
CONTENTS

KEY FACTS	THE FUNDS AT A GLANCE
	WHO MAY WANT TO INVEST
EXPENSES AND PERFORMANCE	EXPENSES Each fund's yearly operating expenses.
	FINANCIAL HIGHLIGHTS A summary of each fund's financial data.
	PERFORMANCE How each fund has done over time.
YOUR ACCOUNT	DOING BUSINESS WITH FIDELITY
	TYPES OF ACCOUNTS Different

ways to set up your account.

HOW TO BUY SHARES Opening an account and making additional investments.

HOW TO SELL SHARES Taking money out and closing your account.

INVESTOR SERVICES Services to help you manage your account.

DIVIDENDS, CAPITAL GAINS, AND TAXES

TRANSACTION DETAILS Share price calculations and the timing of purchases and redemptions.

EXCHANGE RESTRICTIONS

CHARTER How each fund is organized.

BREAKDOWN OF EXPENSES How operating costs are calculated and what they include.

INVESTMENT PRINCIPLES Each fund's overall approach to investing.

SECURITIES AND INVESTMENT PRACTICES

SHAREHOLDER AND ACCOUNT POLICIES

THE FUNDS IN DETAIL

KEY FACTS

THE FUNDS AT A GLANCE

MANAGEMENT: Fidelity Management & Research Company (FMR) is the management arm of Fidelity Investments, which was established in 1946 and is now America's largest mutual fund manager. FMR Texas Inc. (FTX), a subsidiary of FMR, chooses investments for New York Tax-Free Money Market. As with any mutual fund, there is no assurance that a fund will achieve its goal.

NEW YORK MONEY MARKET

GOAL: High current tax-free income for New York residents while maintaining a stable share price.

STRATEGY: Invests in high-quality, short-term securities whose interest is free from federal income tax and New York State and City income taxes.

NEW YORK INSURED

GOAL: High current tax-free income for New York residents.

STRATEGY: Invests mainly in investment-grade securities whose interest is free from federal income tax and New York State and City income taxes, while maintaining an average maturity of three to 10 years.

NEW YORK HIGH YIELD

GOAL: High current tax-free income for New York residents.

STRATEGY: Invests mainly in long-term, investment-grade securities whose interest is free from federal income tax and New York State and City income taxes.

WHO MAY WANT TO INVEST

These non-diversified funds may be appropriate for investors in higher tax brackets who seek high current income that is free from federal and New York State and City income taxes. Each fund's level of risk, and potential reward, depend on the quality and maturity of its investments.

Lower-quality, longer-term investments typically carry the most risk and the highest yield potential. You should consider your tolerance for risk when making an investment decision.

The value of the funds' investments and the income they generate will vary from day to day, generally reflecting changes in interest rates, market conditions, and other federal and state political and economic news. These funds do not constitute a balanced investment plan.

New York Tax-Free Money Market is managed to keep its share price stable at \$1.00. When you sell your shares of any of the other funds, they may be worth more or less than what you paid for them.

The Spartan family of funds is designed for cost-conscious investors looking for higher yields through lower costs. The Spartan Approach (Registered trademark) requires investors to make high minimum investments and, in some cases, to pay for individual transactions.

EXPENSES AND PERFORMANCE

EXPENSES

SHAREHOLDER TRANSACTION EXPENSES are charges you pay when you buy or sell

shares of a fund. See page__ for more information.

Maximum sales charge on purchases and
reinvested dividends None

Deferred sales charge on redemptions None

Redemption fee (on shares held less than 180 days)

for New York Tax-Free High Yield. .50%

for New York Tax-Free Money Market None

for New York Tax-Free Insured None

Exchange and wire transaction fees \$5.00

Checkwriting fee, per check written \$2.00

Account closeout fee \$5.00

THESE FEES ARE WAIVED (except for the redemption fee) if your account
balance at the time of the transaction is \$50,000 or more.

ANNUAL FUND OPERATING EXPENSES are paid out of each fund's assets. Each
fund pays a management fee to FMR. Expenses are factored into each fund's
share price or dividends and are not charged directly to shareholder
accounts (see page __).

NEW YORK MONEY MARKET

Management fee ___%

12b-1 fee None

Other expenses %

Total fund operating expenses ___%

NEW YORK INSURED

Management fee (after reimbursement) ___%

12b-1 fee None

Other expenses %

Total fund operating expenses ___%

NEW YORK HIGH YIELD

Management fee ___%

12b-1 fee None

Other expenses %

Total fund operating expenses ___%

EXAMPLES: Let's say, hypothetically, that each fund's annual return is 5%
and that its operating expenses are exactly as just described. For every
\$1,000 you invested, here's how much you would pay in total expenses after
the number of years indicated, first assuming that you leave your account
open, and then assuming that you close your account at the end of the
period:

NEW YORK MONEY MARKET

Account open Account closed

After 1 year \$ \$

After 3 years \$ \$

After 5 years \$ \$

After 10 years \$ \$

NEW YORK INSURED

Account open Account closed

After 1 year \$ \$

After 3 years \$ \$

After 5 years \$ \$

After 10 years \$ \$

NEW YORK HIGH YIELD

Account open Account closed

After 1 year \$ \$

After 3 years \$ \$

After 5 years \$ \$

After 10 years \$ \$

These examples illustrate the effect of expenses, but are not meant to
suggest actual or expected costs or returns, all of which may vary.
The operating expenses on page __ are projections based on historical
expenses, except for Spartan New York Intermediate which are based on
estimated expenses, and are calculated as a percentage of average net
assets. FMR has voluntarily agreed to temporarily limit total operating
expenses of Spartan New York Intermediate to .__% of the fund's average net
assets. If this agreement were not in effect, the fund's management fee
and total operating expenses would be .__% and .__%, respectively.
Expenses eligible for reimbursement do not include interest, taxes,
brokerage commissions, or extraordinary expenses.

FINANCIAL HIGHLIGHTS

The tables that follow have been audited by _____, independent
accountants. Their unqualified reports are included in each fund's Annual
Report. Each fund's Annual Report is incorporated by reference into (is
legally a part of) the Statement of Additional Information.
[Financial Highlights to be filed by subsequent amendment.]

PERFORMANCE

Mutual fund performance can be measured as TOTAL RETURN or YIELD. The total
returns and yields that follow are based on historical fund results.
Each fund's fiscal year runs from February 1 through January 31. The tables
below show each fund's performance over past fiscal years compared to a
measure of inflation. The charts on page __ help you compare the yields of
these funds to those of their competitors.

AVERAGE ANNUAL TOTAL RETURNS

Fiscal periods ended	Past 1 year	Life of fund
January 31, 1994		
Spartan NY Money Market %	%A	
Spartan NY Intermediate %	%B	

Spartan NY High Yield n/a %C

CUMULATIVE TOTAL RETURNS

Fiscal periods ended

Past 1

Life of

January 31, 1994

year

fund

Spartan NY Money Market % %A

Spartan NY Intermediate % %B

Spartan NY High Yield n/a %C

SPARTAN NEW YORK MUNICIPAL MONEY MARKET

7-day yields

Percentage (%)

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New York Tax-Free Money

Market

Competitive
funds average

1991

1992

1993

1994

A From February 3, 1990

B February 3, 1990

EXPLANATION OF TERMS

TOTAL RETURN is the change in value of an investment in a fund over a given period, assuming reinvestment of any dividends and capital gains. A CUMULATIVE TOTAL RETURN reflects actual performance over a stated period of time. An AVERAGE ANNUAL TOTAL RETURN is a hypothetical rate of return that, if achieved annually, would have produced the same cumulative total return if performance had been constant over the entire period. Average annual total returns smooth out variations in performance; they are not the same as actual year-by-year results.

SPARTAN NEW YORK INTERMEDIATE MUNICIPAL

30-day yields

Percentage (%)

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New York
Tax-Free
Insured
Competitive
funds average
1991

1992
1993
1994

YIELD refers to the income generated by an investment in a fund over a given period of time, expressed as an annual percentage rate. When a money market fund yield assumes that income earned is reinvested, it is called an EFFECTIVE YIELD. A TAX-EQUIVALENT YIELD shows what an investor would have to earn before taxes to equal a tax-free yield. Yields for the bond funds are calculated according to a standard that is required for all stock and bond funds. Because this differs from other accounting methods, the quoted yield may not equal the income actually paid to shareholders. THE CONSUMER PRICE INDEX is a widely recognized measure of inflation calculated by the U.S. government.

THE COMPETITIVE FUNDS AVERAGES for New York Tax-Free Money Market are the IBC/Donoghue's MONEY FUND AVERAGES (registered trademark)/IBC/Donoghue's Money Fund Averages: New York Tax-Free Funds category, which currently reflects the performance of over ___ mutual funds with similar objectives. These averages are published in the MONEY FUND REPORT (Registered trademark) by IBC USA (Publications), Inc. The competitive funds averages for the bond funds are published by Lipper Analytical Services, Inc. New York Insured and New York High Yield compare their performance to the Lipper New York Insured Municipal Debt Funds and Lipper New York Municipal Debt Funds, respectively, which currently reflects the performance of ___ and ___ mutual funds with similar objectives, respectively. All of these averages assume reinvestment of distributions.

SPARTAN NEW YORK MUNICIPAL HIGH YIELD

30-day yields

Percentage (%)

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New York Tax-Free
High Yield
Competitive
funds average

1992
1993

THE TOP CHART SHOWS THE 7-DAY EFFECTIVE YIELDS FOR THE FUND AND ITS COMPETITIVE FUNDS AVERAGE AS OF THE LAST TUESDAY OF EACH MONTH FROM JANUARY 1991 THROUGH JANUARY 1994. THE BOTTOM TWO CHARTS SHOW THE 30-DAY ANNUALIZED NET YIELDS FOR THE FUNDS AND THEIR COMPETITIVE FUNDS AVERAGES AS OF THE LAST DAY OF EACH MONTH DURING THE SAME PERIOD.

The funds' recent strategies, performance, and holdings are detailed twice a year in financial reports, which are sent to all shareholders. For current performance or a free annual report, call 1-800-544-8888. TOTAL RETURNS AND YIELDS ARE BASED ON PAST RESULTS AND ARE NOT AN INDICATION OF FUTURE PERFORMANCE.
YOUR ACCOUNT

DOING BUSINESS WITH FIDELITY

Fidelity Investments was established in 1946 to manage one of America's first mutual funds. Today, Fidelity is the largest mutual fund company in the country, and is known as an innovative provider of high-quality financial services to individuals and institutions.

In addition to its mutual fund business, the company operates one of America's leading discount brokerage firms, Fidelity Brokerage Services, Inc. (FBSI). Fidelity is also a leader in providing tax-sheltered retirement plans for individuals investing on their own or through their employer.

Fidelity is committed to providing investors with practical information to make investment decisions. Based in Boston, Fidelity provides customers with complete service 24 hours a day, 365 days a year, through a network of telephone service centers around the country.

To reach Fidelity for general information, call these numbers:

(bullet) For mutual funds, 1-800-544-8888

(bullet) For brokerage, 1-800-544-7272

If you would prefer to speak with a representative in person, Fidelity has over 100 walk-in Investor Centers across the country.

TYPES OF ACCOUNTS

You may set up an account directly in a fund or, if you own or intend to purchase individual securities as part of your total investment portfolio, you may consider investing in a fund through a brokerage account.

If you are investing through FBSI or another financial institution or investment professional, refer to its program materials for any special provisions regarding your investment in the fund.

The different ways to set up (register) your account with Fidelity are listed below.

WAYS TO SET UP YOUR ACCOUNT

INDIVIDUAL OR JOINT TENANTS

FOR YOUR GENERAL INVESTMENT NEEDS

Individual accounts are owned by one person. Joint accounts can have two or more owners (tenants).

GIFTS OR TRANSFERS TO A MINOR (UGMA, UTMA)

TO INVEST FOR A CHILD'S EDUCATION OR OTHER FUTURE NEEDS

These custodial accounts provide a way to give money to a child and obtain tax benefits. An individual can give up to \$10,000 a year per child without paying federal gift tax. Depending on state laws, you can set up a custodial account under the Uniform Gifts to Minors Act (UGMA) or the Uniform Transfers to Minors Act (UTMA).

TRUST

FOR MONEY BEING INVESTED BY A TRUST

The trust must be established before an account can be opened.

BUSINESS OR ORGANIZATION

FOR INVESTMENT NEEDS OF CORPORATIONS, ASSOCIATIONS, PARTNERSHIPS, OR OTHER GROUPS

Requires a special application.

HOW TO BUY SHARES

EACH FUND'S SHARE PRICE, called net asset value (NAV), is calculated every business day. New York Tax-Free Money Market is managed to keep its share

price stable at \$1.00. Each fund's shares are sold without a sales charge. Shares are purchased at the next share price calculated after your investment is received and accepted. Share price is normally calculated at 4 p.m. Eastern time and also at noon for New York Tax-Free Money Market. IF YOU ARE NEW TO FIDELITY, complete and sign an account application and mail it along with your check. You may also open your account in person or by wire as described on page . If there is no application accompanying this prospectus, call 1-800-544-8888.

IF YOU ALREADY HAVE MONEY INVESTED IN A FIDELITY FUND, you can:

- (bullet) Mail in an application with a check, or
 - (bullet) Open your account by exchanging from another Fidelity fund.
- If you buy shares by check or Fidelity Money Line(Registered trademark), and then sell those shares by any method other than by exchange to another Fidelity fund, the payment may be delayed for up to seven business days to ensure that your previous investment has cleared.

MINIMUM INVESTMENTS

TO OPEN AN ACCOUNT \$10,000
 TO ADD TO AN ACCOUNT \$1,000
 Through automatic investment plans \$500
 MINIMUM BALANCE \$5,000
 For New York Money Market \$10,000

UNDERSTANDING THE SPARTAN

APPROACH(Registered trademark)
 Fidelity's Spartan Approach is based on the principle that lower fund expenses can increase returns. The Spartan funds keep expenses low in two ways. First, higher investment minimums reduce the effect of a fund's fixed costs, many of which are paid on a per-account basis. Second, unlike most mutual funds that include transaction costs as part of overall fund expenses, Spartan shareholders pay directly for the transactions they make. (checkmark)

<TABLE>

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<C>

TO OPEN AN ACCOUNT

<C>

TO ADD TO AN ACCOUNT

Phone 1-800-544-777 (phone_graphic)

(bullet) Exchange from another Fidelity fund account with the same registration, including name, address, and taxpayer ID number.

(bullet) Exchange from another Fidelity fund account with the same registration, including name, address, and taxpayer ID number.
 (bullet) Use Fidelity Money Line to transfer from your bank account. Call before your first use to verify that this service is in place on your account. Maximum Money Line: \$50,000.

</TABLE>

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Mail (mail_graphic)

<C>

(bullet) Complete and sign the application. Make your check payable to the complete name of the fund of your choice. Mail to the address indicated on the application.

<C>

(bullet) Make your check payable to the complete name of the fund of your choice. Indicate your fund account number on your check. Mail to the address printed on your account statement.
 (bullet) Exchange by mail: call 1-800-544-6666 for instructions.

</TABLE>

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In Person (hand_graphic)	(bullet) Bring your application and check to a Fidelity Investor Center. Call 1-800-544-9797 for the center nearest you.	(bullet) Bring your check to a Fidelity Investor Center. Call 1-800-544-9797 for the center nearest you.

<TABLE>		
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Wire (wire_graphic)	(bullet) There may be a \$5.00 fee for each wire purchase. (bullet) Call 1-800-544-7777 to set up your account and to arrange a wire transaction. (bullet) Wire within 24 hours to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify the complete name of the fund and include your new account number and your name.	(bullet) There may be a \$5.00 fee for each wire purchase. (bullet) Wire to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify the complete name of the fund and include your account number and your name.

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Automatically (automatic_graphic)	(bullet) Not available.	(bullet) Use Fidelity Automatic Account Builder. Sign up for this service when opening your account, or call 1-800-544-6666 to add it.

<TABLE>		
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(tdd_graphic) TDD - Service for the Deaf and Hearing Impaired: 1-800-544-0118		

HOW TO SELL SHARES

You can arrange to take money out of your fund account at any time by selling (redeeming) some or all of your shares. Your shares will be sold at the next share price calculated after your order is received and accepted. Share price is normally calculated at 4 p.m. Eastern time and also at noon for New York Tax-Free Money Market.

IF YOU ARE SELLING SOME BUT NOT ALL OF YOUR SHARES, leave at least \$5,000 worth of shares in the account (\$10,000 for New York Tax-Free Money Market) to keep it open.

TO SELL SHARES BY BANK WIRE OR FIDELITY MONEY LINE, you will need to sign up for these services in advance.

CERTAIN REQUESTS MUST INCLUDE A SIGNATURE GUARANTEE. It is designed to protect you and Fidelity from fraud. Your request must be made in writing and include a signature guarantee if any of the following situations apply:

- (bullet) You wish to redeem more than \$100,000 worth of shares,
- (bullet) Your account registration has changed within the last 30 days,
- (bullet) The check is being mailed to a different address than the one on your account (record address),
- (bullet) The check is being made payable to someone other than the account owner, or
- (bullet) The redemption proceeds are being transferred to a Fidelity account with a different registration.

You should be able to obtain a signature guarantee from a bank, broker (including Fidelity Investor Centers), dealer, credit union (if authorized under state law), securities exchange or association, clearing agency, or savings association. A notary public cannot provide a signature guarantee.

SELLING SHARES IN WRITING

Write a "letter of instruction" with:

- (bullet) Your name,
- (bullet) The fund's name,
- (bullet) Your fund account number,
- (bullet) The dollar amount or number of shares to be redeemed, and
- (bullet) Any other applicable requirements listed in the table at right.

Unless otherwise instructed, Fidelity will send a check to the record address. Deliver your letter to a Fidelity Investor Center, or mail it to:

Fidelity Investments
P.O. Box 660602
Dallas, TX 75266-0602

CHECKWRITING

If you have a checkbook for your account in Spartan New York Municipal Money Market or Spartan New York Intermediate Municipal, you may write an unlimited number of checks. Do not, however, try to close out your account by check.

ACCOUNT TYPE SPECIAL REQUIREMENTS

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 IF YOU SELL SHARES OF SPARTAN NEW YORK MUNICIPAL HIGH YIELD AFTER HOLDING THEM LESS THAN 180 DAYS, THE FUND WILL DEDUCT A REDEMPTION FEE EQUAL TO .50% OF THE VALUE OF THOSE SHARES. IF YOUR ACCOUNT BALANCE IS LESS THAN \$50,000, THERE ARE FEES FOR INDIVIDUAL REDEMPTION TRANSACTIONS: \$2.00 FOR EACH CHECK YOU WRITE AND \$5.00 FOR EACH EXCHANGE, BANK WIRE, AND ACCOUNT CLOSEOUT.

</TABLE>

<TABLE>
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 <S> Phone 1-800-544-777 (phone_graphic) <C> All account types <C> (bullet) Maximum check request: \$100,000.
 (bullet) For Money Line transfers to your bank account; minimum: none; maximum: \$100,000.
 (bullet) You may exchange to other Fidelity funds if both accounts are registered with the same name(s), address, and taxpayer ID number.

Mail or in Person (mail_graphic) (hand_graphic) Individual, Joint Tenant, Sole Proprietorship, UGMA, UTMA Trust (bullet) The letter of instruction must be signed by all persons required to sign for transactions, exactly as their names appear on the account.
 (bullet) The trustee must sign the letter indicating capacity as trustee. If the trustee's name is not in the account registration, provide a copy of the trust document certified within the last 60 days.
 (bullet) At least one person authorized by corporate resolution to act on the account must sign the letter.
 (bullet) Include a corporate resolution with corporate seal or a signature guarantee.
 (bullet) Call 1-800-544-6666 for instructions.

Wire (wire_graphic) All account types (bullet) You must sign up for the wire feature before using it. To verify that it is in place, call 1-800-544-6666. Minimum wire: \$5,000.
 (bullet) Your wire redemption request must be received by Fidelity before 4 p.m. Eastern time for money to be wired on the next business day.

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Check (check_graphic) All account types (bullet) Minimum check: \$1,000.
(bullet) All account owners must sign a signature card to receive a checkbook.

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<C> <C>

(tdd_graphic) TDD - Service for the Deaf and Hearing Impaired: 1-800-544-0118

</TABLE>

INVESTOR SERVICES

Fidelity provides a variety of services to help you manage your account.

INFORMATION SERVICES

FIDELITY'S TELEPHONE REPRESENTATIVES are available 24 hours a day, 365 days a year. Whenever you call, you can speak with someone equipped to provide the information or service you need.

24-HOUR SERVICE

ACCOUNT ASSISTANCE

1-800-544-6666

ACCOUNT BALANCES

1-800-544-7544

ACCOUNT TRANSACTIONS

1-800-544-7777

PRODUCT INFORMATION

1-800-544-8888

QUOTES

1-800-544-8544

RETIREMENT ACCOUNT

ASSISTANCE

1-800-544-4774

AUTOMATED SERVICE

(checkmark)

STATEMENTS AND REPORTS that Fidelity sends to you include the following:

(bullet) Confirmation statements (after every transaction, except reinvestments, that affects your account balance or your account registration)

(bullet) Account statements (quarterly)

(bullet) Financial reports (every six months)

To reduce expenses, only one copy of most financial reports will be mailed to your household, even if you have more than one account in the fund. Call 1-800-544-6666 if you need copies of financial reports or historical account information.

TRANSACTION SERVICES

EXCHANGE PRIVILEGE. You may sell your fund shares and buy shares of other Fidelity funds by telephone or in writing. There may be a \$5.00 fee for each exchange out of the funds.

Note that exchanges out of a fund are limited to four per calendar year, and that they may have tax consequences for you. For complete policies and restrictions governing exchanges, including circumstances under which a shareholder's exchange privilege may be suspended or revoked, see page .
SYSTEMATIC WITHDRAWAL PLANS let you set up monthly or quarterly redemptions from your account.

FIDELITY MONEY LINE (Registered trademark) enables you to transfer money by phone between your bank account and your fund account. Most transfers are complete within three business days of your call.

REGULAR INVESTMENT PLANS

One easy way to pursue your financial goals is to invest money regularly. Fidelity offers convenient services that let you transfer money into your fund account, or between fund accounts, automatically. While regular investment plans do not guarantee a profit and will not protect you against loss in a declining market, they can be an excellent way to invest for a home, educational expenses, and other long-term financial goals.

REGULAR INVESTMENT PLANS

FIDELITY AUTOMATIC ACCOUNT BUILDERSM

TO MOVE MONEY FROM YOUR BANK ACCOUNT TO A FIDELITY FUND

MINIMUM	FREQUENCY	SETTING UP OR CHANGING
\$500	Monthly or quarterly	(bullet) For a new account, complete the appropriate section on the fund application. (bullet) For existing accounts, call 1-800-544-6666 for an application. (bullet) To change the amount or frequency of your investment, call 1-800-544-6666 at least three business days prior to your next scheduled investment date.

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DIRECT DEPOSIT
TO SEND ALL OR A PORTION OF YOUR PAYCHECK OR GOVERNMENT CHECK TO A FIDELITY FUNDA

</TABLE>
MINIMUM FREQUENCY SETTING UP OR CHANGING
\$500 Every pay (bullet) Check the appropriate box on the fund
period application, or call 1-800-544-6666 for an
authorization form.
(bullet) Changes require a new authorization
form.

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FIDELITY AUTOMATIC EXCHANGE SERVICE
TO MOVE MONEY FROM A FIDELITY MONEY MARKET FUND TO ANOTHER FIDELITY FUND

</TABLE>
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<CAPTION>
<S> <C> <C>
MINIMUM FREQUENCY SETTING UP OR CHANGING
\$500 Monthly, (bullet) To establish, call 1-800-544-6666 after
bimonthly, both accounts are opened.
quarterly, or (bullet) To change the amount or frequency of
annually your investment, call 1-800-544-6666.

</TABLE>
A BECAUSE BOND FUND SHARE PRICES FLUCTUATE, THOSE FUNDS MAY NOT BE
APPROPRIATE CHOICES FOR DIRECT DEPOSIT OF YOUR ENTIRE CHECK.
DIVIDENDS, CAPITAL GAINS, AND TAXES

Each fund distributes substantially all of its net investment income and
capital gains, if any, to shareholders each year. Income dividends are
declared daily and paid monthly. Capital gains earned by the bond funds are
normally distributed in March and December.

DISTRIBUTION OPTIONS
When you open an account, specify on your application how you want to
receive your distributions. If the option you prefer is not listed on the
application, call 1-800-544-6666 for instructions. Each fund offers four
options (three for New York Tax-Free Money Market):

5. REINVESTMENT OPTION. Your dividend and capital gain distributions, if
any, will be automatically reinvested in additional shares of the fund. If
you do not indicate a choice on your application, you will be assigned this
option.

6. INCOME-EARNED OPTION. Your capital gain distributions, if any, will be
automatically reinvested, but you will be sent a check for each dividend
distribution. This option is not available for New York Tax-Free Money
Market.

7. CASH OPTION. You will be sent a check for your dividend and capital gain
distributions, if any.

8. DIRECTED DIVIDENDS (Registered trademark) OPTION. Your dividend and
capital gain distributions, if any, will be automatically invested in
another identically registered Fidelity fund.

Dividends will be reinvested at the fund's NAV on the last day of the
month. Capital gain distributions, if any, will be reinvested at the NAV as
of the date the fund deducts the distribution from its NAV. The mailing of
distribution checks will begin within seven days.

UNDERSTANDING
DISTRIBUTIONS

As a fund shareholder, you
are entitled to your share of
the fund's net income and
gains on its investments. The
fund passes its earnings
along to its investors as
DISTRIBUTIONS.

Each fund earns interest from
its investments. These are
passed along as DIVIDEND
DISTRIBUTIONS. The fund may
realize capital gains if it sells
securities for a higher price
than it paid for them. These
are passed along as CAPITAL
GAIN DISTRIBUTIONS. Money
market funds usually don't
make capital gain
distributions.

(checkmark)

TAXES

As with any investment, you should consider how an investment in a tax-free fund could affect you. Below are some of the funds' tax implications.

TAXES ON DISTRIBUTIONS. Interest income that a fund earns is distributed to shareholders as income dividends. Interest that is federally tax-free remains tax-free when it is distributed.

However, gain on the sale of tax-free bonds results in taxable distributions. Short-term capital gains and a portion of the gain on bonds purchased at a discount are taxed as dividends. Long-term capital gain distributions are taxed as long-term capital gains. These distributions are taxable when they are paid, whether you take them in cash or reinvest them. However, distributions declared in December and paid in January are taxable as if they were paid on December 31. Fidelity will send you and the IRS a statement showing the tax status of the distributions paid to you in the previous year.

The interest from some municipal securities is subject to the federal alternative minimum tax. Each fund may invest up to 100% of its assets in these securities. Individuals who are subject to the tax must report this interest on their tax returns.

To the extent a fund's income dividends are derived from state tax-free investments, they will be free from New York state and city income taxes.

TAXES ON TRANSACTIONS. Your bond fund redemptions - including exchanges to other Fidelity funds - are subject to capital gains tax. A capital gain or loss is the difference between the cost of your shares and the price you receive when you sell them.

Whenever you sell shares of a fund, Fidelity will send you a confirmation statement showing how many shares you sold and at what price. You will also receive a consolidated transaction statement every January. However, it is up to you or your tax preparer to determine whether this sale resulted in a capital gain and, if so, the amount of tax to be paid. Be sure to keep your regular account statements; the information they contain will be essential in calculating the amount of your capital gains.

"BUYING A DIVIDEND." If you buy shares just before a fund deducts a distribution from its NAV, you will pay the full price for the shares and then receive a portion of the price back in the form of a taxable distribution.

SHAREHOLDER AND ACCOUNT POLICIES

TRANSACTION DETAILS

THE FUNDS ARE OPEN FOR BUSINESS each day the New York Stock Exchange (NYSE) is open. Fidelity normally calculates each fund's net asset value as of the close of business of the NYSE, normally 4 p.m. Eastern time, and also at noon for New York Tax-Free Money Market.

EACH FUND'S NAV is the value of a single share. The NAV is computed by adding the value of the fund's investments, cash, and other assets, subtracting its liabilities, and then dividing the result by the number of shares outstanding.

The money market fund values the securities it owns on the basis of amortized cost. This method minimizes the effect of changes in a security's market value and helps the fund to maintain a stable \$1.00 share price. For the bond funds, assets are valued primarily on the basis of market quotations, if available. Since market quotations are often unavailable, assets are usually valued by a method that the Board of Trustees believes accurately reflects fair value.

EACH FUND'S OFFERING PRICE (price to buy one share) and **REDEMPTION PRICE** (price to sell one share) are its NAV.

WHEN YOU SIGN YOUR ACCOUNT APPLICATION, you will be asked to certify that your Social Security or taxpayer identification number is correct and that you are not subject to 31% backup withholding for failing to report income to the IRS. If you violate IRS regulations, the IRS can require a fund to withhold 31% of your taxable distributions and redemptions.

YOU MAY INITIATE MANY TRANSACTIONS BY TELEPHONE. Note that Fidelity will not be responsible for any losses resulting from unauthorized transactions if it follows reasonable procedures designed to verify the identity of the caller. Fidelity will request personalized security codes or other information, and may also record calls. You should verify the accuracy of your confirmation statements immediately after you receive them. If you do not want the ability to redeem and exchange by telephone, call Fidelity for instructions.

IF YOU ARE UNABLE TO REACH FIDELITY BY PHONE (for example, during periods of unusual market activity), consider placing your order by mail or by visiting a Fidelity Investor Center.

EACH FUND RESERVES THE RIGHT TO SUSPEND THE OFFERING OF SHARES for a period of time. Each fund also reserves the right to reject any specific purchase order, including certain purchases by exchange. See "Exchange Restrictions" on page . Purchase orders may be refused if, in FMR's opinion, they are of a size that would disrupt management of a fund.

WHEN YOU PLACE AN ORDER TO BUY SHARES, your order will be processed at the next offering price calculated after your order is received and accepted. Note the following:

- (bullet) All of your purchases must be made in U.S. dollars and checks must be drawn on U.S. banks.

- (bullet) Fidelity does not accept cash.

(bullet) When making a purchase with more than one check, each check must have a value of at least \$50.

(bullet) Each fund reserves the right to limit the number of checks processed at one time.

(bullet) If your check does not clear, your purchase will be cancelled and you could be liable for any losses or fees a fund or its transfer agent has incurred.

(bullet) You begin to earn dividends as of the first business day following the day of your purchase.

TO AVOID THE COLLECTION PERIOD associated with check and Money Line purchases, consider buying shares by bank wire, U.S. Postal money order, U.S. Treasury check, Federal Reserve check, or direct deposit instead. YOU MAY BUY OR SELL SHARES OF THE FUNDS THROUGH A BROKER, who may charge you a fee for this service. If you invest through a broker or other institution, read its program materials for any additional service features or fees that may apply.

CERTAIN FINANCIAL INSTITUTIONS that have entered into sales agreements with Fidelity Distributors Corporation (FDC) may enter confirmed purchase orders on behalf of customers by phone, with payment to follow no later than the time when a fund is priced on the following business day. If payment is not received by that time, the financial institution could be held liable for resulting fees or losses.

WHEN YOU PLACE AN ORDER TO SELL SHARES, your shares will be sold at the next NAV calculated after your request is received and accepted. Note the following:

(bullet) Normally, redemption proceeds will be mailed to you on the next business day, but if making immediate payment could adversely affect a fund, it may take up to seven days to pay you.

(bullet) Shares will earn dividends through the date of redemption; however, shares redeemed on a Friday or prior to a holiday will continue to earn dividends until the next business day.

(bullet) Fidelity Money Line redemptions generally will be credited to your bank account on the second or third business day after your phone call.

(bullet) Each fund may hold payment on redemptions until it is reasonably satisfied that investments made by check or Fidelity Money Line have been collected, which can take up to seven business days.

(bullet) Redemptions may be suspended or payment dates postponed when the NYSE is closed (other than weekends or holidays), when trading on the NYSE is restricted, or as permitted by the SEC.

(bullet) If you sell shares by writing a check and the amount of the check is greater than the value of your account, your check will be returned to you and you may be subject to additional charges.

THE REDEMPTION FEE for New York Tax-Free High Yield will be deducted from the amount of your redemption. This fee is paid to the fund rather than FMR, and it does not apply to shares that were acquired through reinvestment of distributions. If shares you are redeeming were not all held for the same length of time, those shares you held longest will be redeemed first for purposes of determining whether the fee applies.

THE FEES FOR INDIVIDUAL TRANSACTIONS are waived if your account balance at the time of the transaction is \$50,000 or more. Otherwise, you should note the following:

(bullet) The \$2.00 checkwriting charge will be deducted from your account.

(bullet) The \$5.00 exchange fee will be deducted from the amount of your exchange.

(bullet) The \$5.00 wire fee will be deducted from the amount of your wire.

(bullet) The \$5.00 account closeout fee does not apply to exchanges or wires, but it will apply to checkwriting.

IF YOUR ACCOUNT BALANCE FALLS BELOW \$5,000 (\$10,000 for New York Tax-Free Money Market), you will be given 30 days' notice to reestablish the minimum balance. If you do not increase your balance, Fidelity reserves the right to close your account and send the proceeds to you. Your shares will be redeemed at the NAV on the day your account is closed and the \$5.00 account closeout fee will be charged.

FIDELITY MAY CHARGE A FEE FOR SPECIAL SERVICES, such as providing historical account documents, that are beyond the normal scope of its services.

EXCHANGE RESTRICTIONS

As a shareholder, you have the privilege of exchanging shares of a fund for shares of other Fidelity funds. However, you should note the following:

(bullet) The fund you are exchanging into must be registered for sale in your state.

(bullet) You may only exchange between accounts that are registered in the same name, address, and taxpayer identification number.

(bullet) Before exchanging into a fund, read its prospectus.

(bullet) If you exchange into a fund with a sales charge, you pay the percentage-point difference between that fund's sales charge and any sales charge you have previously paid in connection with the shares you are exchanging. For example, if you had already paid a sales charge of 2% on your shares and you exchange them into a fund with a 3% sales charge, you would pay an additional 1% sales charge.

(bullet) Exchanges may have tax consequences for you.

(bullet) Because excessive trading can hurt fund performance and shareholders, each fund reserves the right to temporarily or permanently terminate the exchange privilege of any investor who makes more than four

exchanges out of the fund per calendar year. Accounts under common ownership or control, including accounts with the same taxpayer identification number, will be counted together for purposes of the four exchange limit.

(bullet) Each fund reserves the right to refuse exchange purchases by any person or group if, in FMR's judgment, the fund would be unable to invest the money effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected.

(bullet) Your exchanges may be restricted or refused if a fund receives or anticipates simultaneous orders affecting significant portions of the fund's assets. In particular, a pattern of exchanges that coincide with a "market timing" strategy may be disruptive to a fund.

Although the funds will attempt to give you prior notice whenever they are reasonably able to do so, they may impose these restrictions at any time. The funds reserve the right to terminate or modify the exchange privilege in the future.

OTHER FUNDS MAY HAVE DIFFERENT EXCHANGE RESTRICTIONS, and may impose administrative fees of up to \$7.50 and redemption fees of up to 1.50% on exchanges. Check each fund's prospectus for details.

THE FUNDS IN DETAIL

CHARTER

EACH FUND IS A MUTUAL FUND: an investment that pools shareholders' money and invests it toward a specified goal. In technical terms, New York Tax-Free Money Market is currently a non-diversified fund of Fidelity New York Municipal Trust II, and New York Tax-Free Insured and New York Tax-Free High Yield are currently non-diversified funds of Fidelity New York Municipal Trust. Both trusts are open-end management investment companies. Fidelity New York Municipal Trust II was organized as a Delaware business trust on June 20, 1991. Fidelity New York Municipal Trust was organized as a Massachusetts business trust on April 25, 1983. There is a remote possibility that one fund might become liable for a misstatement in the prospectus about another fund.

EACH FUND IS GOVERNED BY A BOARD OF TRUSTEES, which is responsible for protecting the interests of shareholders. The trustees are experienced executives who meet throughout the year to oversee the funds' activities, review contractual arrangements with companies that provide services to the funds, and review performance. The majority of trustees are not otherwise affiliated with Fidelity.

THE FUNDS MAY HOLD SPECIAL MEETINGS AND MAIL PROXY MATERIALS. These meetings may be called to elect or remove trustees, change fundamental policies, approve a management contract, or for other purposes. Shareholders not attending these meetings are encouraged to vote by proxy. Fidelity will mail proxy materials in advance, including a voting card and information about the proposals to be voted on. The number of votes you are entitled to is based upon the dollar value of your investment.

FMR AND ITS AFFILIATES

FIDELITY FACTS

Fidelity offers the broadest selection of mutual funds in the world.

(bullet) Number of Fidelity mutual funds: over ___

(bullet) Assets in Fidelity mutual funds: over \$___ billion

(bullet) Number of shareholder accounts: over __ million

(bullet) Number of investment analysts and portfolio

managers: over ___
(checkmark)

The funds are managed by FMR, which chooses their investments and handles their business affairs. FTX has primary responsibility for providing investment management services for New York Tax-Free Money Market.

David Murphy is manager of Spartan New York Intermediate Municipal, which he has managed since ___. Mr. Murphy also manages Limited Term Municipals, New York Tax-Free Insured, Spartan California Intermediate Municipal, Spartan Intermediate Municipal, Spartan New Jersey Municipal High Yield and Spartan Short-Intermediate Municipal. Before joining Fidelity in 1989, he managed municipal bond funds at Scudder, Stevens & Clark.

Norman Lind is manager of Spartan New York Municipal High Yield, which he has managed since ___. Mr. Lind also manages New York Tax-Free High Yield and ___.

FDC distributes and markets Fidelity's funds and services. Fidelity Service Co. (FSC) performs transfer agent servicing functions for the funds.

FMR Corp. is the parent company of these organizations. Through ownership of voting common stock, Edward C. Johnson 3d (President and a trustee of the trusts), Johnson family members, and various trusts for the benefit of the Johnson family form a controlling group with respect to FMR Corp.

United Missouri Bank, N.A., is each fund's transfer agent, although it employs FSC to perform these functions for the funds. It is located at 1010 Grand Avenue, Kansas City, Missouri.

To carry out the funds' transactions, FMR may use its broker-dealer

affiliates and other firms that sell fund shares, provided that a fund receives services and commission rates comparable to those of other broker-dealers.

BREAKDOWN OF EXPENSES

Like all mutual funds, the funds pay fees related to their daily operations. Expenses paid out of a fund's assets are reflected in its share price or dividends; they are neither billed directly to shareholders nor deducted from shareholder accounts.

FMR may, from time to time, agree to reimburse the funds for management fees and other expenses above a specified limit. FMR retains the ability to be repaid by a fund if expenses fall below the specified limit prior to the end of the fiscal year. Reimbursement arrangements, which may be terminated at any time without notice, can decrease a fund's expenses and boost its performance.

MANAGEMENT FEE

The management fee is calculated and paid to FMR every month. Each fund pays a management fee at a fixed annual rate of its average net assets: .25% for New York Tax-Free Money Market and .55% for New York Tax-Free Insured and New York Tax-Free High Yield. For Spartan New York Intermediate Municipal, the total management fee for fiscal 1994, after reimbursement, was .__%

FMR HAS SUB-ADVISORY AGREEMENTS with FTX, which has primary responsibility for providing investment management for New York Tax-Free Money Market, while FMR retains responsibility for providing other management services. FMR pays FTX 50% of its management fee (before expense reimbursements) for these services.

FSC performs many transaction and accounting functions for the funds. These services include processing shareholder transactions and calculating each fund's share price. FMR, and not the funds, pays for these services.

Each fund has adopted a Distribution and Service Plan. These plans recognize that FMR may use its resources, including management fees, to pay expenses associated with the sale of fund shares. This may include payments to third parties, such as banks or broker-dealers, that provide shareholder support services or engage in the sale of the fund's shares. It is important to note, however, that the funds do not pay FMR any separate fees for this service.

For fiscal 1994, the portfolio turnover rates for New York Tax-Free Insured and New York Tax-Free High Yield were .__% (annualized) and . __%, respectively. These rates vary from year to year.

INVESTMENT PRINCIPLES

SPARTAN NEW YORK MUNICIPAL MONEY MARKET seeks high current income that is free from federal income tax and New York State and City income taxes while maintaining a stable \$1.00 share price by investing in high-quality, short-term municipal securities of all types. As a result, when you sell your shares, they should be worth the same amount as when you bought them. Of course, there is no guarantee that the fund will maintain a stable \$1.00 share price. FMR normally invests at least 65% of the fund's total assets in State tax-free securities, and normally invests so that at least 80% of the fund's income distributions are free from federal income tax.

The fund follows industry-standard guidelines on the quality and maturity of its investments, which are designed to help maintain a stable \$1.00 share price. The fund will purchase only high-quality securities that FMR believes present minimal credit risks and will observe maturity restrictions on securities it buys. It is possible that a major change in interest rates or a default on the fund's investments could cause its share price (and the value of your investment) to change.

SPARTAN NEW YORK INTERMEDIATE MUNICIPAL seeks high current income that is free from federal income tax and New York State and City income taxes by investing primarily in high-quality and upper-medium-grade-quality municipal bonds, although it can also invest in lower-quality securities. The fund normally maintains a dollar-weighted average maturity of three to 10 years. FMR normally invests at least 65% of the fund's total assets in State tax-free securities, and normally invests at least 80% of the fund's assets in municipal securities whose interest is free from federal income tax.

NEW YORK TAX-FREE HIGH YIELD seeks high current income that is free from federal income tax and New York State and City income taxes by investing primarily in municipal securities judged by FMR to be of investment-grade quality, although it can also invest in some lower-quality securities. The fund normally invests in long-term bonds, generally maintaining a dollar-weighted average maturity of 15 years or longer, although it may invest in obligations of any maturity. FMR normally invests so that at least 80% of the fund's income distributions are free from federal and New York State and City income taxes.

EACH FUND'S yield and each bond fund's share price change daily based on interest rate changes and on the quality and maturity of its investments. In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Lower-quality securities offer higher yields, but also carry more risk.

Each fund's performance is closely tied to the economic and political conditions within the State of New York. Recently, both the City and State of New York have experienced significant financial difficulty, and the State's credit standing is one of the lowest in the country.

If you are subject to the federal alternative minimum tax, you should note that each fund may invest all of its assets in municipal securities issued

to finance private activities. The interest from these investments is a tax-preference item for purposes of the tax.

FMR normally invests each fund's assets according to its investment strategy. The funds do not expect to invest in federally taxable obligations, and the bond funds also do not expect to invest in state taxable obligations. When FMR considers it appropriate, however, it may temporarily invest substantially in cash that is not earning interest or short-term instruments, or may invest more than normally permitted in taxable obligations.

SECURITIES AND INVESTMENT PRACTICES

The following pages contain more detailed information about types of instruments in which the funds may invest, and strategies FMR may employ in pursuit of the funds' investment objectives. A summary of risks and restrictions associated with these instrument types and investment practices is included as well. Policies and limitations are considered at the time of purchase; the sale of instruments is not required in the event of a subsequent change in circumstances.

FMR may not buy all of these instruments or use all of these techniques to the full extent permitted unless it believes that doing so will help the funds achieve their goals. As a shareholder, you will receive financial reports every six months detailing fund holdings and describing recent investment activities.

DEBT SECURITIES. Bonds and other debt instruments are used by issuers to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest, and must repay the amount borrowed at maturity. Some debt securities, such as zero coupon bonds, do not pay current interest, but are purchased at a discount from their face values. Debt securities have varying degrees of quality and varying levels of sensitivity to changes in interest rates. Longer-term bonds are generally more sensitive to interest rate changes than short-term bonds.

Lower-quality debt securities may have speculative characteristics, and involve greater risk of default or price changes due to changes in the issuer's creditworthiness. The market prices of these securities may fluctuate more than higher-quality securities and may decline significantly in periods of general or regional economic difficulty.

The table on page __ provides a summary of ratings assigned to debt holdings (not including money market instruments) in New York Tax-Free High Yield's portfolio. These figures are dollar-weighted averages of month-end portfolio holdings during fiscal 1994, and are presented as a percentage of total investments. These percentages are historical and do not necessarily indicate the fund's current or future debt holdings.

SPARTAN NEW YORK MUNICIPAL HIGH YIELD

FISCAL 1994 DEBT HOLDINGS, BY RATING

MOODY'S STANDARD &P;

POOR'S

INVESTORS SERVICE, INC. CORPORATION

Rating Average A Rating Averag

eA

INVESTMENT GRADE

Highest quality Aaa AAA

High quality Aa % AA %

Upper-medium grade A A

Medium grade Baa % BBB %

LOWER QUALITY

Moderately speculative Ba % BB %

Speculative B % B %

Highly speculative Caa % CCC %

Poor quality Ca % CC %

Lowest quality, no interest C C

In default, in arrears -- D %

% %

A THE DOLLAR-WEIGHTED AVERAGE OF DEBT SECURITIES NOT RATED BY MOODY'S OR S&P;P AMOUNTED TO __%. THIS MAY INCLUDE SECURITIES RATED BY OTHER NATIONALLY RECOGNIZED RATING SERVICES, AS WELL AS UNRATED SECURITIES. UNRATED SECURITIES ARE NOT NECESSARILY LOWER-QUALITY SECURITIES. REFER TO THE

FUND'S STATEMENT OF ADDITIONAL INFORMATION FOR A MORE COMPLETE DISCUSSION OF THESE RATINGS.

RESTRICTIONS: New York Tax-Free Insured does not currently intend to invest more than 40% of its total assets in securities rated below A by Moody's or S&P;P, and unrated securities judged by FMR to be of equivalent quality. The fund does not currently intend to invest more than 5% of its assets in securities rated Ba/BB or lower, and unrated securities of equivalent quality. New York Tax-Free High Yield does not currently intend to invest more than one-third of its assets in bonds of equivalent quality to Ba or lower by Moody's and BB or lower by S&P;P, and does not currently intend to invest in bonds whose quality is judged by FMR to be equivalent to bonds rated lower than B. The fund does not currently intend to invest in bonds rated below Caa by Moody's or CCC by S&P;P.

MUNICIPAL SECURITIES are issued to raise money for a variety of public purposes, including general financing for state and local governments, or financing for specific projects or public facilities. Municipal securities may be issued in anticipation of future revenues, and may be backed by the full taxing power of a municipality, the revenues from a specific project,

or the credit of a private organization. A security's credit may be enhanced by a bank, insurance company, or other financial institution. A fund may own a municipal security directly or may own one through a participation interest.

STATE TAX-FREE SECURITIES include obligations issued by the State of New York or its counties, municipalities, authorities, or other subdivisions. The ability of issuers to repay their debt can be affected by many factors that impact the economic vitality of either the state or a region within the state.

Other State tax-free securities include general obligations of U.S. territories and possessions such as Guam, the Virgin Islands, and Puerto Rico, and their political subdivisions and public corporations. The economy of Puerto Rico is closely linked to the U.S. economy, and will depend on the strength of the U.S. dollar, interest rates, the price stability of oil imports, and the continued existence of favorable tax incentives. Recent legislation reduced these incentives, but it is impossible to predict what impact the changes will have.

MUNICIPAL LEASE OBLIGATIONS are used by municipalities to acquire land, equipment, or facilities. If the municipality stops making payments or transfers its obligations to a private entity, the obligation could lose value or become taxable.

PRIVATE ENTITIES may be involved in some municipal securities. For example, industrial revenue bonds are backed by private entities, and resource recovery bonds often involve private corporations. The viability of a project or tax incentives could affect the value and credit quality of these securities.

ASSET-BACKED SECURITIES may include pools of purchase contracts, financing leases, or sales agreements entered into by municipalities. These securities usually rely on continued payments by a municipality, and may also be subject to prepayment risk.

VARIABLE- AND FLOATING-RATE INSTRUMENTS may have interest rates that move in tandem with a benchmark, helping to stabilize their prices. Inverse floaters have interest rates that move in the opposite direction from the benchmark, making the instrument's market value more volatile.

PUT FEATURES entitle the holder to put (sell back) an instrument to the issuer or a financial intermediary. In exchange for this benefit, a fund may pay periodic fees or accept a lower interest rate. Demand features, standby commitments, and tender options are types of put features.

ADJUSTING INVESTMENT EXPOSURE. A fund can use various techniques to increase or decrease its exposure to changing security prices, interest rates, or other factors that affect security values. These techniques may involve derivative transactions such as buying and selling options and futures contracts and purchasing indexed securities.

FMR can use these practices to adjust the risk and return characteristics of a fund's portfolio of investments. If FMR judges market conditions incorrectly or employs a strategy that does not correlate well with the fund's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of the fund and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty to the transaction does not perform as promised.

WHEN-ISSUED AND DELAYED-DELIVERY TRANSACTIONS are trading practices in which payment and delivery for the securities take place at a future date. The market value of a security could change during this period, which could affect a fund's yield or the market value of its assets.

ILLIQUID AND RESTRICTED SECURITIES. Some investments may be determined by FMR, under the supervision of the Board of Trustees, to be illiquid, which means that they may be difficult to sell promptly at an acceptable price. The sale of other securities may be subject to legal restrictions. Difficulty in selling securities may result in a loss or may be costly to a fund.

RESTRICTIONS: A fund may not purchase a security if, as a result, more than 10% of its assets would be invested in illiquid securities.

DIVERSIFICATION. Diversifying a fund's investment portfolio can reduce the risks of investing. This may include limiting the amount of money invested in any one issuer or, on a broader scale, in any one industry or type of project. Economic, business, or political changes can affect all securities of a similar type. A fund that is not diversified may be more sensitive to these changes, and also to changes in the market value of a single issuer or industry.

RESTRICTIONS: The funds are considered non-diversified. To meet quarterly federal tax requirements, however, a fund generally does not invest more than 25% of its total assets in any one issuer and, with respect to 50% of total assets, does not invest more than 5% of its total assets in any one issuer. These limitations do not apply to U.S. government securities. A fund may invest more than 25% of its total assets in tax-free securities that finance similar types of projects.

BORROWING. A fund may borrow from banks or from other funds advised by FMR, or through reverse repurchase agreements. If a bond fund borrows money, its share price may be subject to greater fluctuation until the borrowing is paid off. If the fund makes additional investments while borrowings are outstanding, this may be considered a form of leverage.

RESTRICTIONS: A fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.

FUNDAMENTAL INVESTMENT POLICIES AND RESTRICTIONS

Some of the policies and restrictions discussed on the preceding pages are fundamental, that is, subject to change only by shareholder approval. The following paragraphs restate all those that are fundamental. All policies stated throughout this prospectus, other than those identified in the following paragraphs, can be changed without shareholder approval. SPARTAN NEW YORK MUNICIPAL MONEY MARKET seeks as high a level of current income, exempt from federal income tax and New York State and City income taxes, as is consistent with preservation of capital by investing in high-quality, short-term municipal obligations. The fund will normally invest so that at least 80% of its income distributions are exempt from federal income tax.

SPARTAN NEW YORK INTERMEDIATE MUNICIPAL seeks a high level of current income exempt from federal income tax and New York State and City income taxes. The fund will normally invest at least 80% of its assets in municipal securities whose interest is free from federal income tax.

SPARTAN NEW YORK MUNICIPAL HIGH YIELD seeks the highest level of current income, exempt from federal income tax and New York State and City income taxes, available from municipal bonds judged by FMR to be of investment-grade quality, although the fund may also invest a portion of its assets in bonds rated below investment-grade quality. The fund will normally invest so that at least 80% of its income distributions are exempt from federal and New York State and City income taxes.

EACH FUND may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.

From Filler pages

SPARTAN(registered trademark) NEW YORK MUNICIPAL MONEY MARKET PORTFOLIO
A FUND OF FIDELITY NEW YORK MUNICIPAL TRUST II
SPARTAN(registered trademark) NEW YORK INTERMEDIATE MUNICIPAL PORTFOLIO
A FUND OF FIDELITY NEW YORK MUNICIPAL TRUST
SPARTAN(registered trademark) NEW YORK MUNICIPAL HIGH YIELD PORTFOLIO
A FUND OF FIDELITY NEW YORK MUNICIPAL TRUST
STATEMENT OF ADDITIONAL INFORMATION

MARCH 22, 1994

This Statement is not a prospectus but should be read in conjunction with the funds' current Prospectus (dated March 22, 1994). Please retain this document for future reference. The Annual Report for the fiscal period ended January 31, 1994 is incorporated herein by reference. To obtain an additional copy of the Prospectus or the Annual Report, please call Fidelity Distributors Corporation at 1-800-544-8888.

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Investment Adviser

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FMR Texas Inc. (FMR Texas)

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Fidelity Distributors Corporation (FDC)

Custodian and Transfer Agent

United Missouri Bank, N.A. (United Missouri) and Fidelity Service Co. (FSC)

SNR-ptb-394

INVESTMENT POLICIES AND LIMITATIONS

The following policies and limitations supplement those set forth in the Prospectus. Unless otherwise noted, whenever an investment policy or limitation states a maximum percentage of a fund's assets that may be invested in any security or other asset, or sets forth a policy regarding quality standards, such standard or percentage limitation will be determined immediately after and as a result of the fund's acquisition of such security or other asset. Accordingly, any subsequent change in values, net assets, or other circumstances will not be considered when determining whether the investment complies with the fund's investment policies and limitations.

Each fund's fundamental investment policies and limitations cannot be changed without approval by a "majority of the outstanding voting securities" (as defined in the Investment Company Act of 1940 (the 1940 Act)) of a fund. However, except for the fundamental investment limitations set forth below, the investment policies and limitations described in this Statement of Additional Information are not fundamental and may be changed without shareholder approval.

INVESTMENT LIMITATIONS OF SPARTAN NEW YORK MUNICIPAL MONEY MARKET PORTFOLIO (MONEY MARKET FUND)

THE FOLLOWING ARE THE MONEY MARKET FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

- (1) issue senior securities, except as permitted under the Investment Company Act of 1940;
- (2) sell securities short, unless it owns, or by virtue of its ownership of other securities, has the right to obtain at no added cost, securities equivalent in kind and amount to the securities sold short;
- (3) purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions;
- (4) borrow money, except that the fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed this amount will be reduced within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;
- (5) underwrite securities issued by others (except to the extent that the fund may be deemed to be an underwriter within the meaning of the Securities Act of 1933 in the disposition of restricted securities);
- (6) purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or tax-exempt obligations issued or guaranteed by a U.S. territory or possession or a state or local government, or a political subdivision of any of the foregoing) if, as a result, more than 25% of the fund's total assets would be invested in securities of companies whose principal business activities are in the same industry;
- (7) purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business);
- (8) purchase or sell physical commodities unless acquired as a result of ownership of securities; or
- (9) lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements.

(10) The fund may, notwithstanding any other fundamental investment policy or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund. THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

- (i) To meet federal tax requirements for qualification as a "regulated investment company," the fund limits its investments so that at the close of each quarter of its taxable year: (a) with regard to at least 50% of total assets, no more than 5% of total assets are invested in the securities of a single issuer, and (b) no more than 25% of total assets are invested in the securities of a single issuer. Limitations (a) and (b) do not apply to "Government securities" as defined for federal tax purposes.
- (ii) The fund does not currently intend to sell securities short.
- (iii) The fund does not currently intend to purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.
- (iii) The fund may borrow money only (a) from a bank or from a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (4)). The fund will not purchase any security while borrowings representing more than 5% of its total assets are outstanding. The fund will not borrow from other funds advised by FMR or its affiliates if total outstanding borrowings immediately after such borrowing would exceed 15% of the fund's total assets.

(iv) The fund does not currently intend to purchase any security if, as a result, more than 10% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

(v) The fund does not currently intend to invest more than 25% of its total assets in industrial revenue bonds related to a single industry.

(vi) The fund does not currently intend to purchase or sell futures contracts or call options. This limitation does not apply to options attached to, or acquired or traded together with, their underlying securities, and does not apply to securities that incorporate features similar to options or futures contracts.

(vii) The fund does not currently intend to engage in repurchase agreements or make loans, but this limitation does not apply to purchases of debt securities.

(viii) The fund does not currently intend to (a) purchase securities of other investment companies, except in the open market where no commission except the ordinary broker's commission is paid, or (b) purchase or retain securities issued by other open-end investment companies. Limitations (a) and (b) do not apply to securities received as dividends, through offers of exchange, or as a result of a reorganization, consolidation, or merger.

(ix) The fund does not currently intend to invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

For purposes of limitations (6) and (i), FMR identifies the issuer of a security depending on its terms and conditions. In identifying the issuer, FMR will consider the entity or entities responsible for payment of interest and repayment of principal and the source of such payments; the way in which assets and revenues of an issuing political subdivision are separated from those of other political entities; and whether a governmental body is guaranteeing the security.

For the fund's limitations on quality and maturity, see the section entitled "Quality and Maturity" on page ___.

INVESTMENT LIMITATIONS OF SPARTAN NEW YORK INTERMEDIATE MUNICIPAL PORTFOLIO (INTERMEDIATE FUND)

THE FOLLOWING ARE THE INTERMEDIATE FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

(1) issue senior securities, except as permitted under the Investment Company Act of 1940;

(2) borrow money, except that the fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed this amount will be reduced within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;

(3) underwrite securities issued by others, except to the extent that the fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of restricted securities;

(4) purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or tax-exempt obligations issued or guaranteed by a U.S. territory or possession or a state or local government, or a political subdivision of any of the foregoing) if, as a result, more than 25% of the fund's total assets would be invested in securities of companies whose principal business activities are in the same industry;

(5) purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business);

(6) purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from purchasing or selling options and futures contracts or from investing in securities or other instruments backed by physical commodities); or

(7) lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements.

(8) The fund may, notwithstanding any other fundamental investment policy or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

(i) To meet federal tax requirements for qualification as a "regulated investment company," the fund limits its investments so that at the close of each quarter of its taxable year: (a) with regard to at least 50% of total assets, no more than 5% of total assets are invested in the securities of a single issuer, and (b) no more than 25% of total assets are invested in the securities of a single issuer. Limitations (a) and (b) do not apply to "Government securities" as defined for federal tax purposes.

(ii) The fund does not currently intend to sell securities short, unless it owns or has the right to obtain securities equivalent in kind and amount to

the securities sold short, and provided that transactions in futures contracts and options are not deemed to constitute selling securities short.

(iii) The fund does not currently intend to purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.

(iv) The fund may borrow money only (a) from a bank or from a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (2)). The fund will not purchase any security while borrowings representing more than 5% of its total assets are outstanding. The fund will not borrow from other funds advised by FMR or its affiliates if total outstanding borrowings immediately after such borrowing would exceed 15% of the fund's total assets.

(v) The fund does not currently intend to purchase any security if, as a result, more than 10% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

(vi) The fund does not currently intend to invest more than 25% of its total assets in industrial revenue bonds related to a single industry.

(vii) The fund does not currently intend to engage in repurchase agreements or make loans, but this limitation does not apply to purchases of debt securities.

(viii) The fund does not currently intend to (a) purchase securities of other investment companies, except in the open market where no commission except the ordinary broker's commission is paid, or (b) purchase or retain securities issued by other open-end investment companies. Limitations (a) and (b) do not apply to securities received as dividends, through offers of exchange, or as a result of a reorganization, consolidation, or merger.

(ix) The fund does not currently intend to invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

For purposes of limitations (4) and (i), FMR identifies the issuer of a security depending on its terms and conditions. In identifying the issuer, FMR will consider the entity or entities responsible for payment of interest and repayment of principal and the source of such payments; the way in which assets and revenues of an issuing political subdivision are separated from those of other political entities; and whether a governmental body is guaranteeing the security.

For the fund's limitations on futures and options transactions, see the section entitled "Limitations on Futures and Options Transactions" beginning on page 9.

INVESTMENT LIMITATIONS OF SPARTAN NEW YORK MUNICIPAL HIGH YIELD PORTFOLIO (HIGH YIELD FUND)

THE FOLLOWING ARE THE HIGH YIELD FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

(1) issue senior securities, except as permitted under the Investment Company Act of 1940;

(2) borrow money, except that the fund may borrow money for temporary or emergency purposes (not for leveraging or investment) in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings). Any borrowings that come to exceed this amount will be reduced within three days (not including Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;

(3) underwrite securities issued by others, except to the extent that the fund may be considered an underwriter within the meaning of the Securities Act of 1933 in the disposition of restricted securities;

(4) purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, or tax-exempt obligations issued or guaranteed by a U.S. territory or possession or a state or local government, or a political subdivision of any of the foregoing) if, as a result, more than 25% of the fund's total assets would be invested in securities of companies whose principal business activities are in the same industry;

(5) purchase or sell real estate unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business);

(6) purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the fund from purchasing or selling options and futures contracts or from investing in securities or other instruments backed by physical commodities; or,

(7) lend any security or make any other loan if, as a result, more than 33 1/3% of its total assets would be lent to other parties, but this limitation does not apply to purchases of debt securities or to repurchase agreements.

(8) The fund may, notwithstanding any other fundamental investment policy

or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund. THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

(i) To meet federal tax requirements for qualification as a "regulated investment company," the fund limits its investments so that at the close of each quarter of its taxable year: (a) with regard to at least 50% of total assets, no more than 5% of total assets are invested in the securities of a single issuer, and (b) no more than 25% of total assets are invested in the securities of a single issuer. Limitations (a) and (b) do not apply to "Government securities" as defined for federal tax purposes.

(ii) The fund does not currently intend to sell securities short, unless it owns or has the right to obtain securities equivalent in kind and amount to the securities sold short, and provided that transactions in futures contracts and options are not deemed to constitute selling securities short.

(iii) The fund does not currently intend to purchase securities on margin, except that the fund may obtain such short-term credits as are necessary for the clearance of transactions, and provided that margin payments in connection with futures contracts and options on futures contracts shall not constitute purchasing securities on margin.

(iv) The fund may borrow money only (a) from a bank or from a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) by engaging in reverse repurchase agreements with any party (reverse repurchase agreements are treated as borrowings for purposes of fundamental investment limitation (2)). The fund will not purchase any security while borrowings presenting more than 5% of its total assets are outstanding. The fund will not borrow from other funds advised by FMR or its affiliates if total outstanding borrowings immediately after such borrowing would exceed 15% of the fund's total assets.

(v) The fund does not currently intend to purchase any security if, as a result, more than 10% of its net assets would be invested in securities that are deemed to be illiquid because they are subject to legal or contractual restrictions on resale or because they cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued.

(vi) The fund does not currently intend to invest more than 25% of its total assets in industrial revenue bonds related to a single industry.

(vii) The fund does not currently intend to engage in repurchase agreements or make loans, but this limitation does not apply to purchases of debt securities.

(viii) The fund does not currently intend to (a) purchase securities of other investment companies, except in the open market where no commission except the ordinary broker's commission is paid, or (b) purchase or retain securities issued by other open-end investment companies. Limitations (a) and (b) do not apply to securities received as dividends, through offers of exchange, or as a result of a reorganization, consolidation, or merger.

(ix) The fund does not currently intend to invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies, and limitations as the fund.

For purposes of limitations (4) and (i), FMR identifies the issuer of a security depending on its terms and conditions. In identifying the issuer, FMR will consider the entity or entities responsible for payment of interest and repayment of principal and the source of such payments; the way in which assets and revenues of an issuing political subdivision are separated from those of other political entities; and whether a governmental body is guaranteeing the security.

QUALITY AND MATURITY (MONEY MARKET FUND ONLY). Pursuant to procedures adopted by the Board of Trustees, the fund may purchase only high-quality securities that FMR believes present minimal credit risks. To be considered high-quality, a security must be rated in accordance with applicable rules in one of the two highest categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security) or, if unrated, judged to be of equivalent quality by FMR. The fund must limit its investments to securities with remaining maturities of 397 days or less and must maintain a dollar-weighted average maturity of 90 days or less.

For the high yield fund's limitations on futures and options transactions, see the section entitled "Limitations on Futures and Options Transactions" beginning on page 9.

AFFILIATED BANK TRANSACTIONS. Pursuant to exemptive orders issued by the Securities and Exchange Commission (SEC), the funds may engage in transactions with financial institutions that are, or may be considered to be, "affiliated persons" of the funds under the Investment Company Act of 1940. Such transactions may be entered into only pursuant to procedures established and periodically reviewed by the Board of Trustees. These transactions may include repurchase agreements with custodian banks; purchases, as principal, of short-term obligations of, and repurchase agreements with, the 50 largest U.S. banks (measured by deposits); transactions in municipal securities; transactions in U.S. government securities with affiliated banks that are primary dealers in these securities; short-term currency transactions; and short-term secured borrowing.

DELAYED-DELIVERY TRANSACTIONS. Each fund may buy and sell securities on a delayed-delivery or when-issued basis. These transactions involve a commitment by a fund to purchase or sell specific securities at a predetermined price or yield, with payment and delivery taking place after the customary settlement period for that type of security (and more than seven days in the future). Typically, no interest accrues to the purchaser until the security is delivered. The high yield fund may receive fees for entering into delayed-delivery transactions.

When purchasing securities on a delayed-delivery basis, each fund assumes the rights and risks of ownership, including the risk of price and yield fluctuations. Because a fund is not required to pay for securities until the delivery date, these risks are in addition to the risks associated with the fund's other investments. If a fund remains substantially fully invested at a time when delayed-delivery purchases are outstanding, the delayed-delivery purchases may result in a form of leverage. When delayed-delivery purchases are outstanding, the fund will set aside appropriate liquid assets in a segregated custodial account to cover its purchase obligations. When a fund has sold a security on a delayed-delivery basis, the fund does not participate in further gains or losses with respect to the security. If the other party to a delayed-delivery transaction fails to deliver or pay for the securities, the fund could miss a favorable price or yield opportunity, or could suffer a loss.

Each fund may renegotiate delayed-delivery transactions after they are entered into, and may sell underlying securities before they are delivered, which may result in capital gains or losses.

REFUNDING CONTRACTS. The intermediate and high yield funds may purchase securities on a when-issued basis in connection with the refinancing of an issuer's outstanding indebtedness. Refunding contracts require the issuer to sell and a fund to buy refunded municipal obligations at a stated price and yield on a settlement date that may be several months or several years in the future. The funds generally will not be obligated to pay the full purchase price if they fail to perform under a refunding contract. Instead, refunding contracts generally provide for payment of liquidated damages to the issuer (currently 15-20% of the purchase price). A fund may secure its obligations under a refunding contract by depositing collateral or a letter of credit equal to the liquidated damages provisions of the refunding contract. When required by SEC guidelines, each fund will place liquid assets in a segregated custodial account equal in amount to its obligations under refunding contracts.

INVERSE FLOATERS. The intermediate and high yield funds may invest in inverse floaters, which are instruments whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. Changes in the interest rate on the other security or index inversely affect the residual interest rate paid on the inverse floater, with the result that the inverse floater's price will be considerably more volatile than that of a fixed-rate bond. For example, a municipal issuer may decide to issue two variable-rate instruments instead of a single long-term, fixed-rate bond. The interest rate on one instrument reflects short-term interest rates, while the interest rate on the other instrument (the inverse floater) reflects the approximate rate the issuer would have paid on a fixed-rate bond, multiplied by two, minus the interest rate paid on the short-term instrument. Depending on market availability, the two portions may be recombined to form a fixed-rate municipal bond. The market for inverse floaters is relatively new.

VARIABLE OR FLOATING RATE OBLIGATIONS bear variable or floating interest rates and carry rights that permit holders to demand payment of the unpaid principal balance plus accrued interest from the issuers or certain financial intermediaries. Floating rate instruments have interest rates that change whenever there is a change in a designated base rate while variable rate instruments provide for a specified periodic adjustment in the interest rate. These formulas are designed to result in a market value for the instrument that approximates its par value.

With respect to the money market fund, a demand instrument with a conditional demand feature must have received both a short-term and a long-term high-quality rating or, if unrated, have been determined to be of comparable quality pursuant to procedures adopted by the Board of Trustees. A demand instrument with an unconditional demand feature may be acquired solely in reliance upon a short-term high-quality rating or, if unrated, upon a finding of comparable short-term quality pursuant to procedures adopted by the Board of Trustees.

The funds may invest in fixed-rate bonds that are subject to third party puts and in participation interests in such bonds held in trust or otherwise. These bonds and participation interests have tender options or demand features that permit a fund to tender (or put) the bonds to an institution at periodic intervals and to receive the principal amount thereof. A fund considers variable rate instruments structured in this way (Participating VRDOs) to be essentially equivalent to other VRDOs it purchases. The IRS has not ruled whether the interest on Participating VRDOs is tax-exempt and, accordingly, a fund intends to purchase these instruments based on opinions of bond counsel.

The money market fund may invest in variable or floating rate instruments that ultimately mature in more than 397 days, if the fund acquires a right to sell the instruments that meets certain requirements set forth in Rule 2a-7. Variable rate instruments (including instruments subject to a demand

feature) that mature in 397 days or less may be deemed to have maturities equal to the period remaining until the next readjustment of the interest rate. Other variable rate instruments with demand features may be deemed to have a maturity equal to the period remaining until the next adjustment of the interest rate or the period remaining until the principal amount can be recovered through demand. A floating rate instrument subject to a demand feature may be deemed to have a maturity equal to the period remaining until the principal amount can be recovered through demand.

TENDER OPTION BONDS are created by coupling an intermediate- or long-term, fixed-rate, tax-exempt bond (generally held pursuant to a custodial arrangement) with a tender agreement that gives the holder the option to tender the bond at its face value. As consideration for providing the tender option, the sponsor (usually a bank, broker-dealer, or other financial institution) receives periodic fees equal to the difference between the bond's fixed coupon rate and the rate (determined by a remarketing or similar agent) that would cause the bond, coupled with the tender option, to trade at par on the date of such determination. After payment of the tender option fee, a fund effectively holds a demand obligation that bears interest at the prevailing short-term tax-exempt rate. Subject to applicable regulatory requirements, the money market fund may buy tender option bonds if the agreement gives the fund the right to tender the bond to its sponsor no less frequently than once every 397 days. In selecting tender option bonds for the funds, FMR will consider the creditworthiness of the issuer of the underlying bond, the custodian, and the third party provider of the tender option. In certain instances, a sponsor may terminate a tender option if, for example, the issuer of the underlying bond defaults on interest payments.

ZERO COUPON BONDS do not make regular interest payments. Instead, they are sold at a deep discount from their face value and are redeemed at face value when they mature. Because zero coupon bonds do not pay current income, their prices can be very volatile when interest rates change. In calculating its daily dividend, a fund takes into account as income a portion of the difference between a zero coupon bond's purchase price and its face value.

STANDBY COMMITMENTS are puts that entitle holders to same-day settlement at an exercise price equal to the amortized cost of the underlying security plus accrued interest, if any, at the time of exercise. Each fund may acquire standby commitments to enhance the liquidity of portfolio securities, but, in the case of the money market fund, only when the issuers of the commitments present minimal risk of default.

Ordinarily a fund will not transfer a standby commitment to a third party, although it could sell the underlying municipal security to a third party at any time. A fund may purchase standby commitments separate from or in conjunction with the purchase of securities subject to such commitments. In the latter case, the fund would pay a higher price for the securities acquired, thus reducing their yield to maturity. Standby commitments will not affect the dollar-weighted average maturity of the money market fund or the valuation of the securities underlying the commitments.

Issuers or financial intermediaries may obtain letters of credit or other guarantees to support their ability to buy securities on demand. FMR may rely upon its evaluation of a bank's credit in determining whether to support an instrument supported by a letter of credit. In evaluating a foreign bank's credit, FMR will consider whether adequate public information about the bank is available and whether the bank may be subject to unfavorable political or economic developments, currency controls, or other governmental restrictions that might affect the bank's ability to honor its credit commitment.

Standby commitments are subject to certain risks, including the ability of issuers of standby commitments to pay for securities at the time the commitments are exercised; the fact that standby commitments are not marketable by the funds; and the possibility that the maturities of the underlying securities may be different from those of the commitments.

MUNICIPAL LEASE OBLIGATIONS. Each fund may invest a portion of its assets in municipal leases and participation interests therein. These obligations, which may take the form of a lease, an installment purchase, or a conditional sale contract, are issued by state and local governments and authorities to acquire land and a wide variety of equipment and facilities. Generally, the funds will not hold such obligations directly as a lessor of the property, but will purchase a participation interest in a municipal obligation from a bank or other third party. A participation interest gives a fund a specified, undivided interest in the obligation in proportion to its purchased interest in the total amount of the obligation.

Municipal leases frequently have risks distinct from those associated with general obligation or revenue bonds. State constitutions and statutes set forth requirements that states or municipalities must meet to incur debt. These may include voter referenda, interest rate limits, or public sale requirements. Leases, installment purchases, or conditional sale contracts (which normally provide for title to the leased asset to pass to the governmental issuer) have evolved as a means for governmental issuers to acquire property and equipment without meeting their constitutional and statutory requirements for the issuance of debt. Many leases and contracts include "non-appropriation clauses" providing that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for such purposes by the appropriate legislative body on a yearly or other periodic basis. Non-appropriation

clauses free the issuer from debt issuance limitations. **FEDERALLY TAXABLE OBLIGATIONS.** The funds do not intend to invest in securities whose interest is federally taxable; however, from time to time, each fund may invest a portion of its assets on a temporary basis in fixed-income obligations whose interest is subject to federal income tax. For example, each fund may invest in obligations whose interest is federally taxable pending the investment or reinvestment in municipal securities of proceeds from the sale of its shares or sales of portfolio securities.

Should a fund invest in federally taxable obligations, it would purchase securities that in FMR's judgment are of high quality. These would include obligations issued or guaranteed by the U.S. government or its agencies or instrumentalities; obligations of domestic banks; and repurchase agreements. The intermediate and high yield funds' standards for high-quality taxable obligations are essentially the same as those described by Moody's Investors Service, Inc. (Moody's) in rating corporate obligations within its two highest ratings of Prime-1 and Prime-2, and those described by Standard & Poor's Corporation (S&P) in rating corporate obligations within its two highest ratings of A-1 and A-2. The money market fund will purchase taxable obligations only if they meet its quality requirements.

Proposals to restrict or eliminate the federal income tax exemption for interest on municipal obligations are introduced before Congress from time to time. Proposals also may be introduced before the New York state legislature that would affect the state tax treatment of the funds' distributions. If such proposals were enacted, the availability of municipal obligations and the value of the funds' holdings would be affected and the Trustees would reevaluate the funds' investment objectives and policies.

Each fund anticipates being as fully invested as practicable in municipal securities; however, there may be occasions when, as a result of maturities of portfolio securities, sales of fund shares, or in order to meet redemption requests, a fund may hold cash that is not earning income. In addition, there may be occasions when, in order to raise cash to meet redemptions, a fund may be required to sell securities at a loss.

REPURCHASE AGREEMENTS. In a repurchase agreement, a fund purchases a security and simultaneously commits to resell that security to the seller at an agreed-upon price on an agreed-upon date within a number of days from the date of purchase. The resale price reflects the purchase price plus an agreed-upon incremental amount which is unrelated to the coupon rate or maturity of the purchased security. A repurchase agreement is a taxable obligation which involves the obligation of the seller to pay the agreed-upon price, which obligation is in effect secured by the value (at least equal to the amount of the agreed-upon resale price and marked to market daily) of the underlying security. Each fund may engage in repurchase agreements with respect to any security in which it is authorized to invest even if, with respect to the money market fund, the underlying security matures in more than 397 days. While it does not presently appear possible to eliminate all risks from these transactions (particularly the possibility of a decline in the market value of the underlying securities, as well as delays and costs to a fund in connection with bankruptcy proceedings), it is each fund's current policy to limit repurchase agreement transactions to those parties whose creditworthiness has been reviewed and found satisfactory by FMR.

REVERSE REPURCHASE AGREEMENTS. In a reverse repurchase agreement, a fund sells a portfolio instrument to another party, such as a bank or broker-dealer, in return for cash and agrees to repurchase the instrument at a particular price and time. While a reverse repurchase agreement is outstanding, a fund will maintain appropriate liquid assets in a segregated custodial account to cover its obligation under the agreement. Each fund will enter into reverse repurchase agreements only with parties whose creditworthiness has been found satisfactory by FMR. Such transactions may increase fluctuations in the market value of the fund's assets and may be viewed as a form of leverage.

ILLIQUID INVESTMENTS are investments that cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued. Under the supervision of the Board of Trustees, FMR determines the liquidity of each fund's investments and, through reports from FMR, the Board monitors investments in illiquid instruments. In determining the liquidity of each fund's investments, FMR may consider various factors including (1) the frequency of trades and quotations, (2) the number of dealers and prospective purchasers in the marketplace, (3) dealer undertakings to make a market, and (4) the nature of the security (including any demand or tender features), and (5) the nature of the marketplace for trades (including the ability to assign or offset a fund's rights and obligations relating to the investment). Investments currently considered by the money market fund to be illiquid include restricted securities and municipal lease obligations determined by FMR to be illiquid. Investments currently considered by the intermediate and high yield funds to be illiquid include over-the-counter options. Also, FMR may determine some restricted securities and municipal lease obligations to be illiquid. However, with respect to over-the-counter options the intermediate and high yield funds write, all or a portion of the value of the underlying instrument may be illiquid depending on the assets held to cover the option and the nature and terms of any agreement a fund may have

to close out the option before expiration. In the absence of market quotations, illiquid investments are valued for purposes of monitoring amortized cost valuation (money market fund) and priced at fair value (intermediate and high yield funds) as determined in good faith by a committee appointed by the Board of Trustees. If through a change in values, net assets, or other circumstances, a fund were in a position where more than 10% of its net assets were invested in illiquid securities, it would seek to take appropriate steps to protect liquidity.

RESTRICTED SECURITIES generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the Securities Act of 1933, or in a registered public offering. Where registration is required, a fund may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time the fund may be permitted to sell a security under an effective registration statement. If, during such a period, adverse market conditions were to develop, a fund might obtain a less favorable price than prevailed when it decided to seek registration of the security. However, in general, the money market fund anticipates holding restricted securities to maturity or selling them in an exempt transaction.

LOWER-RATED MUNICIPAL SECURITIES. The intermediate and high yield funds may invest a portion of their assets in lower-rated municipal securities as described in the Prospectus.

While the market for New York municipals is considered to be substantial, adverse publicity and changing investor perceptions may affect the ability of outside pricing services used by a fund to value its portfolio securities, and a fund's ability to dispose of lower-rated bonds. The outside pricing services are consistently monitored by FMR and reported to the Board to determine whether the services are furnishing prices that accurately reflect fair value. The impact of changing investor perceptions may be especially pronounced in markets where municipal securities are thinly traded.

A fund may choose, at its expense or in conjunction with others, to pursue litigation or otherwise exercise its rights as a security holder to seek to protect the interests of security holders if it determines this to be in the best interest of a fund's shareholders.

INTERFUND BORROWING PROGRAM. Each fund has received permission from the SEC to lend money to and borrow money from other funds advised by FMR or its affiliates, but will participate in the interfund borrowing program only as a borrower. Interfund loans normally will extend overnight, but can have a maximum duration of seven days. A fund will borrow through the program only when the costs are equal to or lower than the costs of bank loans. Loans may be called on one day's notice, and the fund may have to borrow from a bank at a higher interest rate if an interfund loan is called or not renewed.

LIMITATIONS ON FUTURES AND OPTIONS TRANSACTIONS (INTERMEDIATE AND HIGH YIELD FUNDS ONLY). Each fund has filed a notice of eligibility for exclusion from the definition of the term "commodity pool operator" with the Commodity Futures Trading Commission (CFTC) and the National Futures Association, which regulate trading in the futures markets. Each fund intends to comply with Section 4.5 of the regulations under the Commodity Exchange Act, which limits the extent to which a fund can commit assets to initial margin deposits and option premiums.

In addition, a fund will not: (a) sell futures contracts, purchase put options, or write call options if, as a result, more than 25% of a fund's total assets would be hedged with futures and options under normal conditions; (b) purchase futures contracts or write put options if, as a result, a fund's total obligations upon settlement or exercise of purchased futures contracts and written put options would exceed 25% of its total assets; or (c) purchase call options if, as a result, the current value of option premiums for call options purchased by a fund would exceed 5% of a fund's total assets. These limitations do not apply to options attached to, or acquired or traded together with their underlying securities, and do not apply to securities that incorporate features similar to options. The above limitations on a fund's investments in futures contracts and options, and a fund's policies regarding futures contracts and options discussed elsewhere in this Statement of Additional Information and may be changed as regulatory agencies permit.

FUTURES CONTRACTS. When a fund purchases a futures contract, it agrees to purchase a specified underlying instrument at a specified future date. When the fund sells a futures contract, it agrees to sell the underlying instrument at a specified future date. The price at which the purchase and sale will take place is fixed when the fund enters into the contract. Some currently available futures contracts are based on specific securities, such as U.S. Treasury bonds or notes, and some are based on indices of securities prices, such as the Bond Buyer Municipal Bond Index. Futures can be held until their delivery dates, or can be closed out before then if a liquid secondary market is available.

The value of a futures contract tends to increase and decrease in tandem with the value of its underlying instrument. Therefore, purchasing futures contracts will tend to increase the fund's exposure to positive and negative price fluctuations in the underlying instrument, much as if it had purchased the underlying instrument directly. When the fund sells a futures contract, by contrast, the value of its futures position will tend to move in a direction contrary to the market. Selling futures contracts,

therefore, will tend to offset both positive and negative market price changes, much as if the underlying instrument had been sold.

FUTURES MARGIN PAYMENTS. The purchaser or seller of a futures contract is not required to deliver or pay for the underlying instrument unless the contract is held until the delivery date. However, both the purchaser and seller are required to deposit "initial margin" with a futures broker known as a futures commission merchant (FCM), when the contract is entered into. Initial margin deposits are typically equal to a percentage of the contract's value. If the value of either party's position declines, that party will be required to make additional "variation margin" payments to settle the change in value on a daily basis. The party that has a gain may be entitled to receive all or a portion of this amount. Initial and variation margin payments do not constitute purchasing securities on margin for purposes of the funds' investment limitations. In the event of the bankruptcy of an FCM that holds margin on behalf of the fund, the fund may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the fund.

PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, a fund obtains the right (but not the obligation) to sell the option's underlying instrument at a fixed strike price. In return for this right, the fund pays the current market price for the option (known as the option premium). Options have various types of underlying instruments, including specific securities, indices of securities prices, and futures contracts. The fund may terminate its position in a put option it has purchased by allowing it to expire or by exercising the option. If the option is allowed to expire, the fund will lose the entire premium it paid. If the fund exercises the option, it completes the sale of the underlying instrument at the strike price. The fund may also terminate a put option position by closing it out in the secondary market at its current price, if a liquid secondary market exists.

The buyer of a typical put option can expect to realize a gain if security prices fall substantially. However, if the underlying instrument's price does not fall enough to offset the cost of purchasing the option, a put buyer can expect to suffer a loss (limited to the amount of the premium paid, plus related transaction costs).

The features of call options are essentially the same as those of put options, except that the purchaser of a call option obtains the right to purchase, rather than sell, the underlying instrument at the option's strike price. A call buyer typically attempts to participate in potential price increases of the underlying instrument with risk limited to the cost of the option if security prices fall. At the same time, the buyer can expect to suffer a loss if security prices do not rise sufficiently to offset the cost of the option.

WRITING PUT AND CALL OPTIONS. When a fund writes a put option, it takes the opposite side of the transaction from the option's purchaser. In return for receipt of the premium, the fund assumes the obligation to pay the strike price for the option's underlying instrument if the other party to the option chooses to exercise it. When writing an option on a futures contract the fund will be required to make margin payments to an FCM as described above for futures contracts. The fund may seek to terminate its position in a put option it writes before exercise by closing out the option in the secondary market at its current price. If the secondary market is not liquid for a put option the fund has written, however, the fund must continue to be prepared to pay the strike price while the option is outstanding, regardless of price changes, and must continue to set aside assets to cover its position.

If security prices rise, a put writer generally would expect to profit, although its gain would be limited to the amount of the premium it received. If security prices remain the same over time, it is likely that the writer will also profit, because it should be able to close out the option at a lower price. If security prices fall, the put writer would expect to suffer a loss. This loss should be less than the loss from purchasing the underlying instrument directly, however, because the premium received for writing the option should mitigate the effects of the decline. Writing a call option obligates a fund to sell or deliver the option's underlying instrument, in return for the strike price, upon exercise of the option. The characteristics of writing call options are similar to those of writing put options, except that writing calls generally is a profitable strategy if prices remain the same or fall. Through receipt of the option premium, a call writer mitigates the effects of a price decline. At the same time, because a call writer must be prepared to deliver the underlying instrument in return for the strike price, even if its current value is greater, a call writer gives up some ability to participate in security price increases.

COMBINED POSITIONS. A fund may purchase and write options in combination with each other, or in combination with futures or forward contracts, to adjust the risk and return characteristics of the overall position. For example, a fund may purchase a put option and write a call option on the same underlying instrument, in order to construct a combined position whose risk and return characteristics are similar to selling a futures contract. Another possible combined position would involve writing a call option at one strike price and buying a call option at a lower price, in order to reduce the risk of the written call option in the event of a substantial price increase. Because combined options positions involve multiple

trades, they result in higher transaction costs and may be more difficult to open and close out.

CORRELATION OF PRICE CHANGES. Because there are a limited number of types of exchange-traded options and futures contracts, it is likely that the standardized contracts available will not match a fund's current or anticipated investments exactly. A fund may invest in options and futures contracts based on securities with different issuers, maturities, or other characteristics from the securities in which it typically invests, which involves a risk that the options or futures position will not track the performance of the fund's other investments.

Option and futures prices can also diverge from the prices of their underlying instruments, even if the underlying instruments match the fund's investments well. Options and futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect correlation may also result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures and securities are traded, or from imposition of daily price fluctuation limits or trading halts. A fund may purchase or sell options and futures contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases. If price changes in a fund's options or futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.

LIQUIDITY OF OPTIONS AND FUTURES CONTRACTS. There is no assurance a liquid secondary market will exist for any particular options or futures contract at any particular time. Options may have relatively low trading volume and liquidity if their strike prices are not close to the underlying instrument's current price. In addition, exchanges may establish daily price fluctuation limits for options and futures contracts, and may halt trading if a contract's price moves upward or downward more than the limit in a given day. On volatile trading days when the price fluctuation limit is reached or a trading halt is imposed, it may be impossible for the fund to enter into new positions or close out existing positions. If the secondary market for a contract is not liquid because of price fluctuation limits or otherwise, it could prevent prompt liquidation of unfavorable positions, and potentially could require the fund to continue to hold a position until delivery or expiration regardless of changes in its value. As a result, the fund's access to other assets held to cover its options or futures positions could also be impaired.

OTC OPTIONS. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While this type of arrangement allows the fund greater flexibility to tailor an option to its needs, OTC options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

ASSET COVERAGE FOR FUTURES AND OPTIONS POSITIONS. The funds will comply with guidelines established by the Securities and Exchange Commission with respect to coverage of options and futures strategies by mutual funds, and if the guidelines so require will set aside appropriate liquid assets in a segregated custodial account in the amount prescribed. Securities held in a segregated account cannot be sold while the futures or option strategy is outstanding, unless they are replaced with other suitable assets. As a result, there is a possibility that segregation of a large percentage of the fund's assets could impede portfolio management or the fund's ability to meet redemption requests or other current obligations.

SPECIAL FACTORS AFFECTING NEW YORK

The financial condition of the State of New York (the State), its public authorities and public benefit corporations (the Authorities) and its local governments, particularly The City of New York (the City), could affect the market values and marketability of, and therefore the net asset value per share and the interest income of, the funds, or result in the default of existing obligations, including obligations which may be held by the funds. The following section provides only a brief summary of the complex factors affecting the financial situation in New York and is based on information obtained from the State, certain of its Authorities, the City and certain other localities, as publicly available on the date of this Statement of Additional Information. The information contained in such publicly available documents has not been independently verified. It should be noted that the creditworthiness of obligations issued by local issuers may be unrelated to the creditworthiness of the State, and that there is no obligation on the part of the State to make payment on such local obligations in the event of default in the absence of a specific guarantee or pledge provided by the State.

The State and the City have been facing serious financial difficulties and have each experienced recent declines in their credit standings. Standard & Poor's Corporation and Moody's Investors Service Inc. have each assigned ratings for the State's general obligation bonds that are among the three lowest of the 50 states. The ratings of certain related debt of

other issuers for which the State has an outstanding moral obligation, lease purchase, guarantee or other contractual obligation are generally linked directly to the State's rating. Should the financial condition of the State, its Authorities, or its local governments deteriorate, their respective credit ratings could be further reduced, and the market value and marketability of their outstanding notes and bonds could be adversely affected, and their respective access to the public credit markets jeopardized.

ECONOMIC FACTORS. New York is the second most populous state, and historically has been one of the wealthiest states in the nation. However, the State economy has grown more slowly than that of the nation as a whole, resulting in the gradual erosion of its relative economic affluence (due to factors such as relative costs for taxes, labor, and energy). The State's manufacturing and maritime base have been seriously eroded, as illustrated by the decline of the steel industry in the Buffalo area and of the apparel and textile industries in the City. In addition, the City experienced substantial socio-economic changes, as a large segment of its population and a significant share of corporate headquarters and other businesses relocated (many out-of-state).

Both the State and the City experienced substantial revenue increases in the mid-1980s attributable directly (corporate income and financial corporations taxes) and indirectly (personal income and a variety of other taxes) to growth in new jobs, rising profits, and capital appreciation derived from the finance sector of the City's economy. From 1977 to its 1988 peak, the finance, insurance, and real estate sectors rose 55%, to account in 1988 for 23% of total earnings in the City and 14% statewide (compared to 7% nationwide). The finance sector's growth was a catalyst for the New York metropolitan region's related business and professional services, retail trade and residential and commercial real estate markets. The then rising real estate market contributed to City revenues, as higher property values and new construction added to collections from property taxes, mortgage recording, and transfer taxes and sales taxes on building materials. The boom on Wall Street more than compensated for the continued erosion of the State's (and the City's) manufacturing and maritime base, since average wages in finance and related business and professional services were substantially higher (thereby providing a net increase of higher incomes, taxed at even higher marginal rates).

However, the effects of the October 1987 stock market crash and the 1990-92 national recession have had a disproportionately adverse impact on the New York metropolitan region, as private sector job losses since 1989 have offset all the prior employment gains of the 1980s. Declines in both employment and earnings in the finance sector contributed to declines in retail sales and real estate values. In addition, a number of widely publicized bankruptcies among highly leveraged retailing, brokerage and real estate development companies occurred. The effects of the recession have extended to banking, insurance, business services (such as law, accounting and advertising), publishing and communications. Factors which may inhibit the City's economic recovery include (i) credit restraints imposed by the weak financial condition of several major money center banks located in the City; (ii) increases in combined State and local tax burdens, if uncompetitive tax rates are imposed; (iii) perceived declines in the quality of life attributable to service reductions and the deterioration of the City's aging and dilapidated infrastructure; or (iv) additional employment losses in the City's banking sector or corporate headquarters complex due to further corporate relocations or restructurings. The City's future economic condition will also likely be affected by its competitive position as a world financial center (compared to London, Tokyo, Frankfurt, and competing regional U.S. centers).

While the State's economy (the nation's second largest) is broader-based than that of the City, particular industries are concentrated in and have a disproportionate impact on certain areas, such as aerospace in Long Island, heavy industry in Buffalo, photographic and optical equipment in Rochester, machinery and transportation equipment in Syracuse and Utica-Rome, computers in Binghamton and in the Mid-Hudson Valley, and electrical equipment in Schenectady. Of the six largest private employers in the State outside the City, three derive a significant share of their revenues from contracts with the Defense Department, whose budget (and contract outlays) may be further reduced during the 1990s. In addition, State government has a significant local economic impact on the Albany area and on communities where state university campuses or corrections and mental health facilities are located. Constraints on economic growth, taxpayer resistance to proposed substantial increases in local tax rates, and reductions in State aid in regions apart from the City have contributed to financial difficulties for several county and other local governments. These recent trends have had, and may continue to have, an adverse impact on both State and local government revenue receipts. The adverse fiscal impact on the State and its local governments (especially the City, Suffolk County and Buffalo) of the 1990-92 national recession has been substantial, and could worsen if the recession deepens or is protracted locally.

THE STATE. The State has been experiencing substantial financial difficulties, with General Fund (the principal operating account) deficits incurred in each of the past _____ fiscal years (ending _____). The State's accumulated General Fund deficit (on a GAAP-basis) grew 91% from FY1986-87 to FY1990-91, and reached a then-record \$6.265 billion (audited) by March 31, 1991. Due largely to the accounting treatment of State aid to local

governments now paid by New York State Local Government Assistance Corporation (as described below), the State had a General Fund surplus (on a GAAP basis) of \$1.668 billion in FY1991-92 (although the State issued \$531 million of its deficit notes at fiscal year end to avert a cash-basis deficit). As a consequence, the accumulated General Fund deficit at March 31, 1992 was restated to be \$4.616 billion. In the process of adopting the FY1992-93 budget, the State was required to close a potential \$4.8 billion revenue and expenditure gap. While the State is expected to end FY1992-93 with a modest cash basis surplus for FY1992-93, published reports indicate that it faces a potential \$3.7 billion gap in preparing a FY1993-94 budget. There can be no assurance that the State will not face budget gaps in future years, resulting from a disparity between tax revenues projected from a lower recurring-receipts base and the spending required to maintain State programs at current levels. Furthermore, the State is a party to numerous lawsuits in which an adverse decision could require extraordinary expenditures. Certain major budgetary considerations affecting the State are outlined below.

REVENUE BASE. The State's principal revenue sources are economically sensitive, and include the personal income tax (55% of estimated FY1992-93 General Fund tax receipts), user taxes and fees (16%), and business taxes (19%). One-fourth of the 4% State sales tax has been dedicated to pay debt service of the New York Local Government Assistance Corporation, and has correspondingly reduced General Fund receipts. Capital gains are a significant component of income tax collections. Auto sales and building materials are significant components of retail sales tax collections. Tax rates are relatively high and may impose political and economic constraints on the ability of the State to further increase its taxes. State legislation enacted in 1987 phased in a reduction in the top rate of the State's personal income tax; these tax cuts have substantially reduced the recurring revenues of the State. The final phase-in (originally scheduled for October 1990) has been deferred three times, and is currently scheduled for 1993. If the additional personal income tax rate cut is implemented as scheduled and the surcharge on business income is reduced from the current 15% to 10% as required by current law, State receipts could fall by approximately \$1 billion. In the absence of countervailing economic growth or expenditure cuts such actions could make the achievement of a balanced State budget more difficult in future years.

STATE DEBT. The State has the heaviest debt burden of any state (with nearly \$5.0 billion of general obligation and \$16.8 billion of lease-purchase or other contractual debt outstanding as of June 30, 199_), and debt service costs absorb a large share of the State's budget. The State is also obligated with respect to nearly \$8.2 billion for statutory moral obligations for 9 of its Authorities and for guarantees of \$498 million of other Authority debt. In addition, the State has one of the largest seasonal financing requirements of any municipal issuer, and is required each spring to borrow substantial sums from public credit markets to finance its accumulated General Fund deficit and its scheduled payments of aid to local governments and school districts. No assurance can be given that the State will be able to continue to meet its financing requirements in the public credit markets at the times or in the amounts required. The annual Spring Borrowing is contingent on the certification by the State Comptroller that the newly adopted State budget is balanced. Prior delays in the Spring Borrowing in recent years owing to delayed enactment of the State budget have resulted in delays in the scheduled payments of State aid and have consequently caused various local governments and school districts to experience cash flow difficulties. For the____ consecutive year, a growing budget gap caused the State at the end of its fiscal year to issue \$____ million of its short-term notes (payable from the next year's tax receipts) to finance its FY____ deficit. The State recently created the New York State Local Government Assistance Corporation (LGAC) as a financing vehicle to reduce the State's seasonal financing needs by having LGAC finance the State's local assistance payments by issuing long-term debt, payable over 30 years from a portion of the State sales tax. The enabling legislation for LGAC contains a covenant restricting the amount of the State's Spring Borrowing, which may reduce the State's fiscal flexibility.

BUDGETARY FLEXIBILITY. A major share of the State's General Fund budget is accounted for by contractually required expenses (such as pension and debt service costs) and by federally mandated programs (such as AFDC and Medicaid). In addition, State aid for school districts comprises a major share of the budget, and total appropriations and distribution of such aid is especially contentious politically. Furthermore, the State has utilized a substantial range of actions of a non-recurring nature in recent years to finance its General Fund operations, including tapping excess monies in special funds, refinancing outstanding debt to reduce reserve fund requirements and current (but not long-term) debt service costs, recalculating pension fund contributions, selling state assets, reimbursing past General Fund expenditures by the issuance of Authority debt, and deferring payment for expenditures to future fiscal years. Such actions may have reduced the State's ability to respond to unanticipated events in the future.

POLITICAL FACTORS. Political control of the Legislature has been divided between the Senate and the Assembly for most of the State's recent history, and has contributed to protracted State budget negotiations that have delayed enactment of the State budget past the April 1 constitutional

deadline in each of the past eight years. In addition, the independently elected State Comptroller audits state agencies, Authorities and local governments, and issues reports from time to time that may result in adverse publicity or conflicting fiscal projections.

LABOR COSTS. The State government workforce is mostly unionized, subject to the Taylor Law which authorizes collective bargaining and prohibits (but has not historically prevented) strikes and work slowdowns. Costs for employee health benefits have increased substantially, and can be expected to further increase. The State has a substantial unfunded liability for future pension benefits, and has utilized changes in its pension fund investment return assumptions to reduce current contribution requirements. If such investment earnings assumptions are not sustained by actual results, additional State contributions will be required in future years to meet the State's contractual obligations.

PUBLIC ASSISTANCE. The State has the second largest number of persons receiving public assistance (AFDC and Home Relief) of any state. AFDC costs are shared among the federal government, the State and its counties (including the City) by statutory formula. Caseloads tend to rise significantly during economic downturns, but have fallen only in the later stages of past economic recoveries.

MEDICAID. The State participates in the federal Medicaid program under a state plan approved by the Health Care Financing Administration. The federal government provides 50% of eligible program costs, with the remainder shared by the State and its counties (including the City). The Governor has proposed that the State assume local costs for Medicaid, but enabling legislation has not yet been adopted. Basic program eligibility and benefits are determined by federal guidelines, but the State provides a number of optional benefits and expanded eligibility. Program costs have increased substantially in recent years, and account for a rising share of the State budget. Federal law requires the State adopt reimbursement rates for hospitals and nursing homes that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities in providing patient care, a standard that has led to past litigation by hospitals and nursing homes seeking higher reimbursement from the State. Cutbacks in State spending for Medicaid may adversely affect the financial condition of hospitals and health care institutions that are the obligors of bonds that may be held by the funds.

ENERGY COSTS. Increases in energy costs, especially for heating oil and gasoline, may exceed budgeted amounts. Such costs are related to the severity of winter conditions and to international developments affecting the petroleum market.

ENVIRONMENTAL PROTECTION. Federal legislation and Environment Protection Agency regulations mandate compliance with various standards for air and water pollution and hazardous wastes. Many jurisdictions within the State (including the City) are not in compliance with such standards, and are subject to a range of penalties. No assurance can be given that the State or its local governments will meet such standards within the current deadlines for compliance under such regulations or consent decrees, or that such deadlines will be further extended. The costs of compliance are substantial, as may be the costs of penalties that may be imposed on the State or its local governments.

THE STATE AUTHORITIES. The State's Authorities are not subject to the constitutional restrictions on the incurrence of debt which apply to the State itself, and may issue bonds and notes within the amounts of, and as otherwise restricted by, their legislative authorization. The New York State Public Authorities Control Board approves the issuance of debt and major contracts by ten of the Authorities. As of September 30, 1991, there were 17 Authorities that had outstanding debt of \$100 million or more, the aggregate debt of which (including refunding bonds and moral obligation or State-guaranteed debt) then totaled approximately \$57.1 billion. In recent years the State has provided financial assistance through appropriations, in some cases of a recurring nature, to certain Authorities for operating and other expenses and, (from 1976 to 1987) in fulfillment of its commitments on moral obligation indebtedness or otherwise, for debt service. The State has budgeted operating assistance of approximately \$___ million for the Metropolitan Transportation Authority (MTA) and \$___ million for four other Authorities (including the State Housing Finance Agency and the State Urban Development Corporation) during FY_____. This assistance is expected to continue to be required (and may increase) in future years. Failure by the State to appropriate necessary amounts or to take other action to permit the Authorities to meet their obligations could result in a default by one or more of the Authorities (as happened in 1975 by the Urban Development Corporation).

The MTA, where credit standing was recently cut, oversees the operation of the City's subway and bus lines by its affiliates, the New York City Transit Authority and the Manhattan and Bronx Surface Transit Operating Authority (collectively, the "TA"). MTA subsidiaries operate certain commuter rail and bus lines in the New York metropolitan area. An affiliated agency, the Triborough Bridge and Tunnel Authority (TBTA), operates certain intrastate toll bridges and tunnels. To maintain its facilities and equipment, which deteriorated significantly in the late 1970s due to deferred maintenance, the MTA prepares a four year capital program subject to approval by the MTA Capital Program Review Board. The proposed 1992-1996 program (rejected by the Review Board) projected total spending requirements of \$10 billion, but identified only \$6 billion in

potential funding. The MTA is facing a substantial budget deficit in 1993 (not accounting for any wage increase) in TA operations due to a falloff in ridership, reduced collections from dedicated taxes (mortgage recording and realty transfer taxes) and reduced State and City aid. Because fares are not sufficient to finance its mass transit operations, the MTA has depended and will continue to depend for operating support upon a system of State, local government and TBTA support, and, to the extent available, federal assistance (including loans, grants and operating subsidies). A regional business tax surcharge, which provided \$59 million in revenues to the MTA in 1991, is scheduled to expire, unless extended by the Legislature, in November 1993. In addition, the City provides a substantial subsidy to the TA. There can be no assurance that any such assistance will continue at any particular level or in any fixed relationship to the operating costs and capital needs of the MTA.

THE CITY. In the early 1970s, the City incurred substantial operating deficits, and its financial controls, accounting practices, and disclosure policies were widely criticized. In 1975, the City encountered severe financial difficulties and lost access to the public credit markets. The State Legislature responded in 1975 by creating the Municipal Assistance Corporation For The City of New York (MAC) to provide financing assistance for the City and the Financial Control Board to exercise certain oversight and review functions with respect to the City's finances. The Financial Control Board's powers over the City were suspended in June 1986, but would be reinstated (under current law) if the City experiences certain adverse financial circumstances. At the time of the fiscal crisis, the State provided substantial financial assistance to the City, the federal government provided the City with direct seasonal loans and guarantees on the City's long-term debt, and the City's labor unions accepted deferrals of wage increases and approved purchases of City bonds by the pension funds. No assurance can be given that similar assistance would again be made available if needed, particularly given the current budgetary constraints faced by both the federal and State governments.

The City provides services usually undertaken by counties, school districts or special districts in other large urban areas. State law requires the City to allocate at least 40% of its General Fund to Board of Education operations, and mandates the City to assume the local share of public assistance and Medicaid costs. The City had GAAP operating surpluses of \$567 million in FY1987, \$225 million in FY1988, \$409 million in FY1989, \$253 million in FY1990, \$27 million in FY1991 and \$570 million in FY1992 before discretionary transfers and expenditures. The City has experienced substantial financial difficulties in the early 1990s, primarily related to the impact of the recession on the local economy (reducing revenues from most major taxes and increasing public assistance and Medicaid caseloads), rising health care costs for City employees and for Medicaid, and the repeated deferral of the sale of the New York Coliseum site to a private developer. In response, the City implemented gap-closing programs in FY1990 and in FY1991 which enabled the City to offset a potential \$3.2 billion deficit in FY1991 and to achieve modest GAAP surpluses in those years. The programs initially relied primarily on actions of a non-recurring nature, but included substantial property tax rate increases and a personal income tax surcharge imposed in FY1991 and selected service cutbacks. Reductions in State aid, larger than budgeted labor settlements and increased police expenditures added to the adverse budgetary impact of the local recession, confronting the City with a potential \$3.3 billion imbalance during FY1992 budget negotiations. This initial budget gap was closed by adoption of a budget providing for various tax increases and significant service reductions. Aid to nonprofit cultural institutions in the City was significantly reduced (as was State aid to such institutions), including certain institutions that are obligors of bonds that may be held by the funds.

The City's four year financial plan for FY1993-FY1996 (as modified by the Mayor's preliminary budget for FY1994), while projecting a modest budget surplus for FY1993, recommended measures to close a potential budget gap of \$2.1 billion in FY1994; the Mayor further identified potential budget gaps in later fiscal years (rising to \$3.8 billion in FY1996). The plan contained numerous assumptions concerning factors which may impact the City's budget, such as: the willingness and ability of MAC to take actions necessary in transitional funding for FY1994 and FY1995; the willingness and ability of the federal and State governments to provide financial assistance and to take other actions contemplated by the City; the ultimate disposition of the City's wage settlements (which could be determined through binding arbitration); the performance of the City economy (particularly to the extent tax collections and public assistance caseloads are affected); and the extent actual earnings on pension fund assets are consistent with the 9% return assumed in determining the currently planned level of required City contributions. No assurance can be given that the assumptions used by the City will be realized. Furthermore, actions taken in recent fiscal years to avert deficits may have reduced the City's flexibility in responding to future budgetary imbalances, and have deferred certain expenditures to later fiscal years.

The City projects that local revenues will provide approximately 68% of total revenues in FY1993 while Federal aid, including categorical grants, will provide 11% and State aid, including unrestricted aid and categorical grants, will provide 21%. As a proportion of total revenues, State aid remained relatively constant over the period from 1980 to 1990, while

federal aid was sharply reduced (having provided nearly 20% of total FY1980 revenues). The largest source of the City's revenues is the real estate tax (approximately 26% of total revenues for FY1993), at rates levied by the City Council (subject to certain State constitutional limits). In the event of a reduction in total assessments, higher tax rates would be required to maintain the same amount of tax revenue. The City derives the remainder of its tax revenues from a variety of other economically sensitive local taxes (subject to authorization by the Legislature), including: a local sales and compensating use tax (dedicated primarily to MAC debt service) imposed in addition to the State's tax; the personal income tax on City residents and the earnings tax on non-residents; a general corporation tax; and a financial corporation tax. High tax burdens in the City impose political and economic constraints on the ability of the City to increase local tax rates.

The City is the largest municipal debt issuer in the nation, and has more than doubled its debt load since the end of FY1986, in large measure to rehabilitate its extensive, aging physical plant. The City's seasonal borrowing needs increased significantly during FY1990 and FY1991, largely due to delayed State aid payments, and totalled \$2.25 billion in FY1993. The City's current \$19.1 billion capital financing program (most of which would be used to reimburse the City's general fund for capital expenditures the City expects to incur) reflects major reductions in the City's 1993-96 capital plan, which will reduce future debt service requirements, but may adversely affect the condition of its deteriorating physical plant. No assurance can be given that the credit markets will absorb the projected amounts of City obligations, which are essential if the City is to meet its planned operating and capital expenditures. Furthermore, the ability of the City to obtain credit enhancement and to sell its bonds at favorable interest rates is constrained by capacity limits established by the major bond insurance companies and reinsurers to limit their credit exposure risks.

A voter-approved study of secession by Staten Island (one of five counties/boroughs, comprising 4% of the City's population and 19% of its land area) is being undertaken, and State law provides a complex mechanism for such secession. The State Legislature is also considering establishment of a similar secession mechanism for Queens.

OTHER LOCALITIES. The State provides substantial financial assistance to its political subdivisions, totalling approximately 71% of General Fund disbursements in the State's FY1991-92, primarily for aid to elementary, secondary and higher education (49% of local assistance) and Medicaid and income maintenance (36%). The Legislature has enacted substantial reductions from previously budgeted levels of State aid since December 1990. To the extent the State is constrained by its financial condition, State assistance to localities may be further reduced, compounding the serious fiscal constraints already experienced by many local governments. Localities also face anticipated and potential problems resulting from pending litigation (including challenges to local property tax assessments), judicial decisions and socio-economic trends.

At December 31, 1991, the total indebtedness of all localities in the State, other than New York City, was approximately \$13.3 billion. A small portion (approximately \$51 million) of this indebtedness represented borrowing to finance budgetary deficits issued pursuant to enabling State legislation (requiring budgetary review by the State Comptroller). Seventeen localities had outstanding indebtedness for deficit financing at the close of their fiscal year ending 1990 (compared to 11 in 1988). Subsequently, certain counties and other local governments have encountered significant financial difficulties, including the counties of Suffolk (whose long-term debt ratings were reduced below investment grade by Standard & Poor's for several months during 1991), Nassau, Monroe, and Westchester, and the City of Buffalo. The State has imposed financial control on New York City from 1977 to 1986 and on the City of Yonkers since 1984 under an appointed control board in response to fiscal crises encountered by such municipalities. The Legislature imposed certain limited fiscal restraints on Nassau and Suffolk Counties, and authorized their issuance of deficit bonds to finance over several years their respective 1992 operating deficits.

SPECIAL FACTORS AFFECTING PUERTO RICO

The following only highlights some of the more significant financial trends and problems affecting the Commonwealth of Puerto Rico (the "Commonwealth" or "Puerto Rico"), and is based on information drawn from official statements and prospectuses relating to the securities offerings of Puerto Rico, its agencies and instrumentalities, as available on the date of this Statement of Additional Information. FMR has not independently verified any of the information contained in such official statements, prospectuses and other publicly available documents, but is not aware of any fact which would render such information materially inaccurate.

The economy of Puerto Rico is closely linked with that of the United States, and in fiscal 1992 trade with the United States accounted for approximately 88% of Puerto Rico's exports and approximately 68% of its imports. In this regard, in fiscal 1992 Puerto Rico experienced a \$2,940,300,000 positive adjusted merchandise trade balance. Since fiscal 1987 personal income, both aggregate and per capita, have increased consistently each fiscal year. In fiscal 1992 aggregate personal income was \$22.7 billion and personal per capita income was \$6,360. Gross domestic product in fiscal 1989, 1990, 1991 and 1992 was \$19,954,000, \$21,619,000,

22,857,000, and \$23,620,000 respectively. For fiscal 1993, an increase in gross domestic product of 2.9% over fiscal 1992 is forecasted. However, actual growth in the Puerto Rico economy will depend on several factors including the condition of the U.S. economy, the exchange rate for the U.S. dollar, the price stability of oil imports, and interest rates. Due to these factors there is no assurance that the economy of Puerto Rico will continue to grow.

Puerto Rico has made marked improvements in fighting unemployment. Unemployment is at a low level compared to that of the late 1970s, but it still remains significantly above the United States average. Despite long term improvements the unemployment rate rose from 15.2% to 16.5% from fiscal 1991 to fiscal 1992. At the end of the third quarter of fiscal 1993 the unemployment rate in Puerto Rico stood at 17.3%. There is a possibility that the unemployment rate will continue to increase.

The economy of Puerto Rico has undergone a transformation in the later half of this century from one centered around agriculture, to one dominated by the manufacturing and service industries. Manufacturing is the cornerstone of Puerto Rico's economy, accounting for \$13.2 billion or 38.7% of gross domestic product in 1992. However, manufacturing has experienced a basic change over the years as a result of the influx of higher wage, high technology industries such as the pharmaceutical industry, electronics, computers, micro-processors, scientific instruments and high technology machinery. The service sector, which includes wholesale and retail trade, finance and real estate, ranks second in its contribution to gross domestic product and is the sector that employs the greatest number of people. In fiscal 1992, the service sector generated \$13.0 billion in gross domestic product or 38.3% of the total and employed over 449,000 workers providing 46% of total employment. The government sector and tourism also contribute to the island economy each accounting for \$3.7 billion and \$1.5 billion in fiscal 1992, respectively.

Much of the development of the manufacturing sector of the economy of Puerto Rico is attributable to federal and Commonwealth tax incentives, most notably section 936 of the Internal Revenue Code of 1986, as amended ("Section 936") and the Commonwealth's Industrial Incentives Program. Section 936 currently grants U.S. corporations that meet certain criteria and elect its application a credit against their U.S. corporate income tax on the portion of the tax attributable to (i) income derived from the active conduct of a trade or business in Puerto Rico ("active income"), or from the sale or exchange of substantially all the assets used in the active conduct of such trade or business, and (ii) qualified possession source investment income ("passive income"). The Industrial Incentives Program, through the 1987 Industrial Incentives Act, grants corporations engaged in certain qualified activities a fixed 90% exemption from Commonwealth income and property taxes and a 60% exemption from municipal license taxes.

On August 16, 1993, President Clinton signed a bill amending Section 936. Under the amendments, U.S. corporations with operations in Puerto Rico can elect to receive a federal income tax credit equal to: 40% of the credit currently available, phased in over a five year period, starting at 60% of the current credit, or a credit based on investment and wages. The investment and wage credit would equal the sum of (i) 60% of qualified compensation to employees, (ii) a specified percentage of depreciation deductions with respect to tangible property located in Puerto Rico, and (iii) a portion of income taxed paid to Puerto Rico, up to a 9% effective tax rate, subject to certain requirements. It is not possible to determine at this time whether the reductions in tax incentives for operations in Puerto Rico will have a significant impact on the economy of Puerto Rico or the time period in which such impact would arise.

PORTFOLIO TRANSACTIONS

All orders for the purchase or sale of portfolio securities are placed on behalf of the funds by FMR (either directly or through affiliated sub-advisers) pursuant to authority contained in each fund's management contract. FMR is also responsible for the placement of transaction orders for other investment companies and accounts for which it or its affiliates act as investment adviser. Securities purchased and sold by the money market fund generally will be traded on a net basis (i.e., without commission). In selecting broker-dealers, subject to applicable limitations of the federal securities laws, FMR will consider various relevant factors, including, but not limited to, the size and type of the transaction; the nature and character of the markets for the security to be purchased or sold; the execution efficiency, settlement capability, and financial condition of the broker-dealer firm; the broker-dealer's execution services rendered on a continuing basis; and the reasonableness of any commissions.

The funds may execute portfolio transactions with broker-dealers who provide research and execution services to the funds or other accounts over which FMR or its affiliates exercise investment discretion. Such services may include advice concerning the value of securities; the advisability of investing in, purchasing, or selling securities; the availability of securities or the purchasers or sellers of securities; furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and performance of accounts; and effecting securities transactions and performing functions incidental thereto (such as clearance and settlement). FMR maintains a listing of broker-dealers who provide such services on a regular basis. However, as many

transactions on behalf of the money market fund are placed with broker-dealers (including broker-dealers on the list) without regard to the furnishing of such services, it is not possible to estimate the proportion of such transactions directed to such broker-dealers solely because such services were provided. The selection of such broker-dealers generally is made by FMR (to the extent possible consistent with execution considerations) based upon the quality of research and execution services provided.

The receipt of research from broker-dealers that execute transactions on behalf of the funds may be useful to FMR in rendering investment management services to the funds or its other clients, and, conversely, such research provided by broker-dealers who have executed transaction orders on behalf of other FMR clients may be useful to FMR in carrying out its obligations to the funds. The receipt of such research has not reduced FMR's normal independent research activities; however, it enables FMR to avoid the additional expenses that could be incurred if FMR tried to develop comparable information through its own efforts.

Subject to applicable limitations of the federal securities laws, broker-dealers may receive commissions for agency transactions that are in excess of the amount of commissions charged by other broker-dealers in recognition of their research and execution services. In order to cause the funds to pay such higher commissions, FMR must determine in good faith that such commissions are reasonable in relation to the value of the brokerage and research services provided by such executing broker-dealers, viewed in terms of a particular transaction or FMR's overall responsibilities to the funds and its other clients. In reaching this determination, FMR will not attempt to place a specific dollar value on the brokerage and research services provided, or to determine what portion of the compensation should be related to those services.

FMR is authorized to use research services provided by and to place portfolio transactions with brokerage firms that have provided assistance in the distribution of shares of the funds, or shares of other Fidelity funds, to the extent permitted by law. FMR may use research services provided by and place agency transactions with Fidelity Brokerage Services, Inc. (FBSI), a member of the New York Stock Exchange and subsidiary of FMR Corp., if the commissions are fair and reasonable and comparable to commissions charged by non-affiliated, qualified brokerage firms for similar services.

Section 11(a) of the Securities Exchange Act of 1934 prohibits members of national securities exchanges from executing exchange transactions for accounts which they or their affiliates manage, except in accordance with regulations of the SEC. Pursuant to such regulations, the Board of Trustees has approved a written agreement that permits FBSI to effect portfolio transactions on national securities exchanges and to retain compensation in connection with such transactions. For the fiscal periods February 1, 1993 to January 31, 1994, May 1, 1992 to January 31, 1993, and May 1, 1991 to April 30, 1992, the funds paid no brokerage commissions. The Trustees periodically review FMR's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the funds and review the commissions paid by each fund over representative periods of time to determine if they are reasonable in relation to the benefits to each fund.

For fiscal 1994 and 1993, the high yield fund's turnover rates were ___% and 35%, respectively. For fiscal 1994, the intermediate fund's portfolio turnover rate was ___%.

From time to time the Trustees will review whether the recapture for the benefit of the funds of some portion of the brokerage commissions or similar fees paid by the funds on portfolio transactions is legally permissible and advisable. Each fund seeks to recapture soliciting broker-dealer fees on the tender of portfolio securities, but at present no other recapture arrangements are in effect. The Trustees intend to continue to review whether recapture opportunities are available and are legally permissible and, if so, to determine in the exercise of their business judgment whether it would be advisable for each fund to seek such recapture.

Although the Trustees and officers of the funds are substantially the same as those of other funds managed by FMR, investment decisions for each fund are made independently from those of other funds managed by FMR or accounts managed by FMR affiliates. It sometimes happens that the same security is held in the portfolio of more than one of these funds or accounts.

Simultaneous transactions are inevitable when several funds are managed by the same investment adviser, particularly when the same security is suitable for the investment objective of more than one fund.

When two or more funds are simultaneously engaged in the purchase or sale of the same security, the prices and amounts are allocated in accordance with a formula considered by the officers of the funds involved to be equitable to each fund. In some cases, this system could have a detrimental effect on the price or value of the security as far as the funds are concerned. In other cases, however, the ability of the funds to participate in volume transactions will produce better executions and prices for the funds. It is the current opinion of the Trustees that the desirability of retaining FMR as investment adviser to the funds outweighs any disadvantages that may be said to exist from exposure to simultaneous transactions.

VALUATION OF PORTFOLIO SECURITIES

INTERMEDIATE AND HIGH YIELD FUNDS. Valuations of portfolio securities furnished by the pricing service employed by the intermediate and high yield funds are based upon a computerized matrix system or appraisals by the pricing service, in each case in reliance upon information concerning market transactions and quotations from recognized municipal securities dealers. The methods used by the pricing service and the quality of valuations so established are reviewed by officers of the fund and FSC under the general supervision of the Board of Trustees. There are a number of pricing services available, and the Trustees, or officers acting on behalf of the Trustees, on the basis of on-going evaluation of these services, may use other pricing services or discontinue the use of any pricing service in whole or in part.

MONEY MARKET FUND. The fund values its investments on the basis of amortized cost. This technique involves valuing an instrument at its cost as adjusted for amortization of premium or accretion of discount rather than its value based on current market quotations or appropriate substitutes which reflect current market conditions. The amortized cost value of an instrument may be higher or lower than the price the fund would receive if it sold the instrument.

Valuing the fund's instruments on the basis of amortized cost and use of the term "money market fund" are permitted by Rule 2a-7 under the 1940 Act. The fund must adhere to certain conditions under Rule 2a-7.

The Board of Trustees of the trusts oversee FMR's adherence to SEC rules concerning money market funds, and has established procedures designed to stabilize the fund's NAV at \$1.00. At such intervals as they deem appropriate, the Trustees consider the extent to which NAV calculated by using market valuations would deviate from \$1.00 per share. If the Trustees believe that a deviation from the fund's amortized cost per share may result in material dilution or other unfair results to shareholders, the Trustees have agreed to take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results. Such corrective action could include selling portfolio instruments prior to maturity to realize capital gains or losses or to shorten average portfolio maturity; withholding dividends; redeeming shares in kind; establishing NAV by using available market quotations; and such other measures as the Trustees may deem appropriate.

During periods of declining interest rates, the fund's yield based on amortized cost may be higher than the yield based on market valuations. Under these circumstances, a shareholder in the fund would be able to obtain a somewhat higher yield than would result if the fund utilized market valuations to determine its NAV. The converse would apply in a period of rising interest rates.

PERFORMANCE

The funds may quote performance in various ways. All performance information supplied by the funds in advertising is historical and is not intended to indicate future returns. The high yield fund's share price, and both of the funds' yields and total returns fluctuate in response to market conditions and other factors. The value of the high yield fund shares when redeemed may be more or less than their original cost.

YIELD CALCULATIONS. To compute the MONEY MARKET FUND'S yield for a period, the net change in value of a hypothetical account containing one share reflects the value of additional shares purchased with dividends from the one original share and dividends declared on both the original share and any additional shares. The net change is then divided by the value of the account at the beginning of the period to obtain a base period return. This base period return is annualized to obtain a current annualized yield. The money market fund may also calculate an effective yield by compounding the base period return over a one year period. In addition to the current yield, the money market fund may quote yields in advertising based on any historical seven-day period.

For the INTERMEDIATE AND HIGH YIELD FUNDS, yields used in advertising are computed by dividing a fund's interest income for a given 30-day or one month period, net of expenses, by the average number of shares entitled to receive dividends during the period, dividing this figure by a fund's net asset value per share at the end of the period, and annualizing the result (assuming compounding of income) in order to arrive at an annual percentage rate. Yields do not reflect the high yield fund's .50% redemption fee, which applies to shares held less than 180 days. Income is calculated for purposes of the intermediate and high yield funds' yield quotations in accordance with standardized methods applicable to all stock and bond funds. In general, interest income is reduced with respect to bonds trading at a premium over their par value by subtracting a portion of the premium from income on a daily basis, and is increased with respect to bonds trading at a discount by adding a portion of the discount to daily income. Capital gains and losses generally are excluded from the calculation.

Income calculated for purposes of calculating the intermediate and high yield funds' yields differs from income as determined for other accounting purposes. Because of the different accounting methods used, and because of the compounding of income assumed in yield calculations, the intermediate and high yield funds' yields may not equal their distribution rates, the income paid to your account, or the income reported in each fund's financial statement.

A fund's tax-equivalent yield is the rate an investor would have to earn

from a fully taxable investment after taxes to equal the fund's tax-free yield. Tax-equivalent yields are calculated by dividing a fund's yield by the result of one minus a stated federal or combined federal, state, and city tax rate. (If only a portion of the fund's yield is tax-exempt, only that portion is adjusted in the calculation.)

The following tables show the effect of a shareholder's tax status on effective yield under federal and state income tax laws for 1994. They show the approximate yield a taxable security must provide at various income brackets to produce after-tax yields equivalent to those of hypothetical tax-exempt obligations yielding from 2.0% to 8.0%. Of course, no assurance can be given that a fund will achieve any specific tax-equivalent yield. While each fund invests principally in obligations whose interest is exempt from federal income tax, other income received by the funds may be taxable.

Use this table to find your approximate effective tax bracket on investment income as a New York resident with triple taxes (federal, state, and New York City) or double taxes (federal and state) for 1994.

1994 TAX RATES

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Marginal Federal	<C> New York	<C> New York	<C>	<C> New York	<C>
Taxable Income	Taxable Income	Income	Marginal	City Income	State Income
Single Return*	Joint Return*	Tax Bracket	Tax Bracket	Tax Bracket	Tax Bracket

</TABLE>

Double Triple

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<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$22,101 - \$25,000	\$36,901 - \$45,000	28%	12.28%	7.88%	33.67%	36.83%
25,001 - 53,500	45,001 - 89,500	28%	12.28%	7.88%	33.67%	36.84%
53,501 - 60,000	89,501 - 108,000	31%	12.28%	7.88%	36.43%	39.47%
60,001 - 115,000	108,001 - 140,000	31%	12.28%	7.88%	36.43%	39.51%
115,001 - 250,000	140,001 - 250,000	36%	12.28%	7.88%	41.04%	43.89%

</TABLE>

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<C>	<C>	<C>	<C>	<C>	<C>	<C>		
250,001 -	+	250,001 -	+	39.6%	12.28%	7.88%	44.36%	47.05%

</TABLE>

*Taxable income (gross income after all exemptions, adjustments, and deductions) based on 1993 tax rates.
Having determined your effective tax bracket, use the appropriate table below to determine the tax-equivalent yield for a given tax-free yield.
NEW YORK CITY RESIDENTS - TRIPLE TAXES - 1994
If your effective combined federal, state, and New York City personal income tax rate in 1994 is:

36.83%	36.84%	39.47%	39.51%	43.89%	47.05%
--------	--------	--------	--------	--------	--------

<TABLE>
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To match these

tax-free yields: Your taxable investment would have to earn the following yield:

</TABLE>

2%	3.17%	3.17%	3.30%	3.31%	3.56%	3.78%
3%	4.75%	4.75%	4.96%	4.96%	5.35%	5.67%
4%	6.33%	6.33%	6.61%	6.61%	7.13%	7.55%
5%	7.92%	7.92%	8.26%	8.27%	8.91%	9.44%
6%	9.50%	9.50%	9.91%	9.92%	10.69%	11.33%

7% 11.08% 11.08% 11.56% 11.57% 12.48% 13.22%

8% 12.66% 12.66% 13.22% 13.23% 14.26% 15.11%

NEW YORK STATE RESIDENTS (OUTSIDE NYC) - DOUBLE TAXES - 1994

If your effective combined federal and state personal income tax rate in 1994 is:

33.67% 36.43% 41.04% 44.36%

<TABLE>

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To match these

tax-free yields: Your taxable investment would have to earn the following yield:

</TABLE>

2% 3.02% 3.15% 3.39% 3.59%

3% 4.52% 4.72% 5.09% 5.39%

4% 6.03% 6.29% 6.78% 7.19%

5% 7.54% 7.87% 8.48% 8.99%

6% 9.05% 9.44% 10.18% 10.78%

7% 10.55% 11.01% 11.87% 12.58%

8% 12.06% 12.59% 13.57% 14.38%

Each fund may invest a portion of its assets in obligations that are subject to state or federal income taxes. When a fund invests in these obligations, its tax-equivalent yields will be lower. In the tables above, tax-equivalent yields are calculated assuming investments are 100% federally and state tax-free.

Yield information may be useful in reviewing the funds' performance and in providing a basis for comparison with other investment alternatives.

However, each fund's yield fluctuates, unlike investments that pay a fixed interest rate over a stated period of time. When comparing investment alternatives, investors should also note the quality and maturity of the portfolio securities of the respective investment companies that they have chosen to consider.

Investors should recognize that in periods of declining interest rates, a fund's yield will tend to be somewhat higher than prevailing market rates, and in periods of rising interest rates, a fund's yield will tend to be somewhat lower. Also, when interest rates are falling, the inflow of net new money to a fund from the continuous sale of its shares will likely be invested in instruments producing lower yields than the balance of the fund's holdings, thereby reducing the fund's current yield. In periods of rising interest rates, the opposite can be expected to occur.

TOTAL RETURN CALCULATIONS. Total returns quoted in advertising reflect all aspects of a fund's returns, including the effect of reinvesting dividends and capital gain distributions (if any), and any change in the fund's net asset value per share (NAV) over the period. Average annual total returns are calculated by determining the growth or decline in value of a hypothetical historical investment in a fund over a stated period, and then calculating the annually compounded percentage rate that would have produced the same result if the rate of growth or decline in value had been constant over the period. For example, a cumulative total return of 100% over ten years would produce an average annual total return of 7.18%, which is the steady annual rate of return that would equal 100% growth on a compounded basis in ten years. While average annual total returns are a convenient means of comparing investment alternatives, investors should realize that a fund's performance is not constant over time, but changes from year to year, and that average annual total returns represent averaged figures as opposed to the actual year-to-year performance of the fund. In addition to average annual returns, a fund may quote unaveraged or cumulative total returns reflecting the simple change in value of an investment over a stated period. Average annual and cumulative total returns may be quoted as a percentage or as a dollar amount, and may be calculated for a single investment, a series of investments, or a series of redemptions, over any time period. Total returns may be broken down into their components of income and capital (including capital gains and changes in share price) in order to illustrate the relationship of these factors and their contributions to total return. An example of this type of illustration is given below. Total returns, yields, and other performance information may be quoted numerically or in a table, graph, or similar illustration, and may omit to include the effect of each fund's \$5.00 account closeout fee and, with respect to the high yield fund, the .50% redemption fee applicable to shares held less than 180 days, or other charges for special transactions or services. Omitting fees and charges will cause the funds' total return figures to be higher.

NET ASSET VALUE. Charts and graphs using a bond fund's net asset values, adjusted net asset values, and benchmark indices may be used to exhibit performance. An adjusted NAV includes any distributions paid by the fund and reflects all elements of its return. Unless otherwise indicated, the fund's adjusted NAVs are not adjusted for sales charges, if any. HISTORICAL RESULTS. The following table shows the funds' total returns for the periods ended January 31, 1994. Figures include the effect of each fund's \$5.00 account closeout fee based on an average size account. Figures for the high yield fund do not include the effect of the fund's .50% redemption fee, applicable to shares held less than 180 days.

Average Annual Total Returns Cumulative Total Returns

One	Life of	One	Life of
Year	Fund*	Year	Fund*

Money Market Fund

Intermediate Fund

High Yield Fund

*The funds commenced operations on February 3, 1990 (money market and high yield funds), and _____, 199_ (intermediate fund). The money market fund's seven-day yield as of January 31, 1994 was __%, with a corresponding tax-equivalent yield of __%. The intermediate fund's 30-day yield as of January 31, 1994 was __% with a corresponding tax-equivalent yield of __%. The high yield fund's 30-day yield as of January 31, 1994 was __%, with a corresponding tax-equivalent yield of __%. The tax-equivalent yields are based on the highest 1994 combined federal, New York State, and New York City income tax rate of __%. These figures do not reflect the funds' \$5.00 account closeout fees.

The following tables show the income and capital elements of each fund's total return from February 3, 1990 (commencement of operations for money market and high yield fund), and December __, 1993 (commencement of operations for intermediate fund) through January 31, 1994. The tables compare each fund's return to the record of the Standard & Poor's 500 Composite Stock Price Index (S&P 500), the Dow Jones Industrial Average (DJIA), and the cost of living (measured by the Consumer Price Index, or CPI) over the same period. The S&P 500 and DJIA comparisons are provided to show how each fund's total return compared to the return of a broad average of common stocks and a narrower set of stocks of major industrial companies, respectively, over the same period. Of course, since the funds invest in money market and fixed-income securities, common stocks represent a different type of investment from the funds. Common stocks generally offer greater potential growth than the funds, but generally experience greater price volatility, which means a greater potential for loss. In addition, common stocks generally provide lower income than a money market or bond fund investment such as the funds. The S&P 500 and DJIA are based on the prices of unmanaged groups of stocks and, unlike the funds' returns, their returns do not include the effect of paying brokerage commissions or other costs of investing.

MONEY MARKET FUND. During the period February 3, 1990 (commencement of operations) through January 31, 1994, a hypothetical \$10,000 investment in the fund would have grown to \$_____, assuming all distributions were reinvested. This was a period of widely fluctuating interest rates and bond prices, and should not be considered representative of the divided income or capital gain or loss that could be realized from an investment in the fund today.

SPARTAN NEW YORK MUNICIPAL MONEY MARKET PORTFOLIO INDICES

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	Value of	Value of	Value of				
	Initial	Reinvested	Reinvested				Cost
Period	\$10,000	Dividend	Capital Gain	Total			of
Ended	Investment	Distributions	Distributions	Value	S&P 500	DJIA	Living**

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1/31/91*	\$10,000						
1/31/92	10,000						
1/31/93	10,000						

</TABLE>

* From February 3, 1990 (commencement of operations).
 ** From month-end closest to initial investment date.
 Explanatory Notes: With an initial investment of \$10,000 made on February 3, 1990, the net amount invested in fund shares was \$10,000. The cost of the initial investment (\$10,000), together with the aggregate cost of reinvested dividends for the period covered (their cash value at the time they were reinvested), amounted to \$_____. If distributions had not been reinvested, the amount of distributions earned from the fund over time would have been smaller, and cash payments (dividends) for the period would have amounted to \$_____. The fund did not distribute any capital gains during the period. If FMR had not reimbursed certain fund expenses, the fund's total returns would have been lower. The figures in the table do not include the effect of the fund's \$5.00 account closeout fee.
 HIGH YIELD FUND. During the period February 3, 1990 (commencement of operations) through January 31, 1994, a hypothetical \$10,000 investment in the fund would have grown to \$_____, assuming all distributions were reinvested. This was a period of widely fluctuating interest rates and bond prices and should not be considered representative of the dividend income or capital gain or loss that could be realized from an investment in the fund today.

SPARTAN NEW YORK MUNICIPAL HIGH YIELD PORTFOLIO INDICES

<TABLE>

<CAPTION>

<S>	<C> Value of Initial	<C> Value of Reinvested	<C> Value of Reinvested	<C> Total	<C> S&P 500	<C> DJIA	<C> Cost of Living**
Period	\$10,000	Dividend	Capital Gain				
Ended	Investment	Distributions	Distributions	Value			

1/31/91*

1/31/92

1/31/93

1/31/94

</TABLE>

* From February 3, 1990 (commencement of operations).
 ** From month-end closest to initial investment date.
 Explanatory Notes: With an initial investment of \$10,000 made on February 3, 1990, the net amount invested in fund shares was \$10,000. The cost of the initial investment (\$10,000), together with the aggregate cost of reinvested distributions for the period covered (their cash value at the time they were reinvested), amounted to \$_____. If distributions had not been reinvested, the amount of distributions earned from the fund over time would have been smaller, and cash payments for the period would have amounted to \$____ for income dividends and \$____ for capital gain distributions. If FMR had not reimbursed certain fund expenses, the fund's total returns would have been lower. The figures in the table do not include the effect of the fund's \$5.00 account closeout fee or the .50% redemption fee applicable to shares held less than 180 days.
 A fund's performance may be compared to the performance of other mutual funds in general, or to the performance of particular types of mutual funds. These comparisons may be expressed as mutual fund rankings prepared by Lipper Analytical Services, Inc. (Lipper), an independent service located in Summit, New Jersey that monitors the performance of mutual funds. Lipper generally ranks funds on the basis of total return, assuming reinvestment of distributions, but does not take sales charges or redemption fees into consideration, and is prepared without regard to tax consequences. Lipper may also rank funds based on yield. In addition to the mutual fund rankings, a fund's performance may be compared to mutual fund performance indices prepared by Lipper.
 From time to time, a fund's performance may also be compared to other mutual funds tracked by financial or business publications and periodicals. For example, the fund may quote Morningstar, Inc. in its advertising materials. Morningstar, Inc. is a mutual fund rating service that rates mutual funds on the basis of risk-adjusted performance. Rankings that compare the performance of Fidelity funds to one another in appropriate categories over specific periods of time may also be quoted in advertising. Fidelity may provide information designed to help individuals understand their investment goals and explore various financial strategies. For example, Fidelity's FundMatchsm Program includes a workbook describing

general principles of investing, such as asset allocation, diversification, risk tolerance, and goal setting; a questionnaire designed to help create a personal financial profile; and an action plan offering investment alternatives. Materials may also include discussions of Fidelity's three asset allocation funds and other Fidelity funds, products, and services. Ibbotson Associates of Chicago, Illinois (Ibbotson) provides historical returns of the capital markets in the United States, including common stocks, small capitalization stocks, long-term corporate bonds, intermediate-term government bonds, long-term government bonds, Treasury bills, the U.S. rate of inflation (based on the CPI), and combinations of various capital markets. The performance of these capital markets is based on the returns of different indices.

Fidelity funds may use the performance of these capital markets in order to demonstrate general risk-versus-reward investment scenarios. Performance comparisons may also include the value of a hypothetical investment in any of these capital markets. The risks associated with the security types in any capital market may or may not correspond directly to those of the funds. Ibbotson calculates total returns in the same method as the funds. The funds may also compare performance to that of other compilations or indices that may be developed and made available in the future.

A fund may compare its performance or the performance of securities in which it may invest to averages published by IBC USA (Publications), Inc. of Ashland, Massachusetts. These averages assume reinvestment of distributions. The IBC/Donoghue's MONEY FUND AVERAGES (registered trademark)/All Tax-Free, which is reported in the MONEY FUND REPORT (registered trademark), covers over ___ tax-free money market funds. The Bond Fund AverageS (registered trademark)/All Tax-Free, which is reported in the BOND FUND REPORT (registered trademark), covers over ___ tax-free bond funds. When evaluating comparisons to money market funds, investors should consider the relevant differences in investment objectives and policies. Specifically, money market funds invest in short-term, high-quality instruments and seek to maintain a stable \$1.00 share price. The intermediate and high yield funds, however, invest in longer-term instruments and their share prices change daily in response to a variety of factors.

A fund may compare and contrast in advertising the relative advantages of investing in a mutual fund versus an individual municipal bond. Unlike tax-free mutual funds, individual municipal bonds offer a stated rate of interest and, if held to maturity, repayment of principal. Although some individual municipal bonds might offer a higher return, they do not offer the reduced risk of a mutual fund that invests in many different securities. The initial investment requirements and sales charges of many tax-free mutual funds are lower than the purchase cost of individual municipal bonds, which are generally issued in \$5,000 denominations and are subject to direct brokerage costs.

In advertising materials, Fidelity may reference or discuss its products and services, which may include: other Fidelity funds; retirement investing; brokerage products and services; the effects of periodic investment plans and dollar cost averaging; saving for college; charitable giving; and the Fidelity credit card. In addition, Fidelity may quote financial or business publications and periodicals, including model portfolios or allocations, as they relate to fund management, investment philosophy, and investment techniques. Fidelity may also reprint, and use as advertising and sales literature, articles from Fidelity Focus, a quarterly magazine provided free of charge to Fidelity fund shareholders. A fund may present its fund number, Quotron (registered trademark) number, and CUSIP number, and discuss or quote its current portfolio manager. The intermediate and high yield funds may advertise examples of the effects of periodic investment plans, including the principle of dollar cost averaging. In such a program, an investor invests a fixed dollar amount in a fund at periodic intervals, thereby purchasing fewer shares when prices are high and more shares when prices are low. While such a strategy does not assure a profit or guard against loss in a declining market, the investor's average cost per share can be lower than if fixed numbers of shares are purchased at the same intervals. In evaluating such a plan, investors should consider their ability to continue purchasing shares during periods of low price levels.

As of January 31, 1994, FMR advised ___ tax-free funds with a total value of over \$___ billion and ___ Spartan funds with approximately \$___ billion in assets.

According to the Investment Company Institute, assets in tax-exempt funds increased from \$45 billion in 1984 to approximately \$___ billion at the end of 1993. The money market fund may reference the growth and variety of money market mutual funds and the adviser's innovation and participation in the industry.

ADDITIONAL PURCHASE AND REDEMPTION INFORMATION

Each fund is open for business and its net asset value per share (NAV) is calculated each day the New York Stock Exchange (NYSE) is open for trading. The NYSE has designated the following holiday closings for 1994: Washington's Birthday (observed), Good Friday, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day, and Christmas Day (observed). Although FMR expects the same holiday schedule with the addition of New Year's Day, to be observed in the future, the NYSE may modify its holiday schedule at any time. Also, the money market fund will be closed for wire purchases and redemptions on days when the Federal

Reserve Wire System is closed.

FSC normally determines the high yield fund's NAV as of the close of the NYSE (normally 4:00 p.m. Eastern time). FSC normally calculates the money market fund's NAV twice each business day, once at 12:00 noon Eastern time and once as of the close of the NYSE (normally 4:00 p.m. Eastern time). However, NAV may be calculated earlier if trading on the NYSE is restricted or as permitted by the SEC. To the extent that portfolio securities are traded in other markets on days when the NYSE is closed, a fund's NAV may be affected on days when investors do not have access to the fund to purchase or redeem shares.

If the Trustees determine that existing conditions make cash payments undesirable, redemption payments may be made in whole or in part in securities or other property, valued for this purpose as they are valued in computing each fund's NAV. Shareholders receiving securities or other property on redemption may realize a gain or loss for tax purposes, and will incur any costs of sale, as well as the associated inconveniences. Pursuant to Rule 11a-3 under the 1940 Act, each fund is required to give shareholders at least 60 days' notice prior to terminating or modifying its exchange privilege. Under the Rule, the 60-day notification requirement may be waived if (i) the only effect of a modification would be to reduce or eliminate an administrative fee, redemption fee, or deferred sales charge ordinarily payable at the time of an exchange, or (ii) a fund suspends the redemption of shares to be exchanged as permitted under the 1940 Act or by the SEC, or the fund to be acquired suspends the sale of its shares because it is unable to invest amounts effectively in accordance with its investment objective and policies.

In the Prospectus, each fund has notified shareholders that it reserves the right at any time, without prior notice, to refuse exchange purchases by any person or group if, in FMR's judgment, a fund would be unable to invest effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected.

DISTRIBUTIONS AND TAXES

DISTRIBUTIONS. If you request to have distributions mailed to you and the U.S. Postal Service cannot deliver your checks, or if your checks remain uncashed for six months, Fidelity may reinvest your distributions at the then-current NAV. All subsequent distributions will then be reinvested until you provide Fidelity with alternate instructions.

DIVIDENDS. To the extent that each fund's income is derived from federally tax-exempt interest, the daily dividends declared by each fund also are federally tax-exempt. The funds will send each shareholder a notice in January describing the tax status of dividends and capital gain distributions (if any) for the prior year.

Shareholders are required to report tax-exempt income on their federal tax returns. Shareholders who earn other income, such as social security benefits, may be subject to federal income tax on up to one half of such benefits to the extent that their income, including tax-exempt income, exceeds certain base amounts.

The funds purchase municipal obligations based on opinions of bond counsel regarding the federal income tax status of the obligations. These opinions generally will be based upon covenants by the issuers regarding continuing compliance with federal tax requirements. If the issuer of an obligation fails to comply with its covenants at any time, interest on the obligations could become federally taxable retroactive to the date the obligation was issued.

As a result of the Tax Reform Act of 1986, interest on certain "private activity" securities (referred to as "qualified bonds" in the Internal Revenue Code) is subject to the federal alternative minimum tax (AMT), although the interest continues to be excludable from gross income for other tax purposes. Interest from private activity securities will be considered tax-exempt for purposes of the funds' policies of investing so that at least 80% of their income is free from federal income tax. Interest from private activity securities is a tax-preference item for the purposes of determining whether a taxpayer is subject to the AMT and the amount of AMT to be paid, if any. Private activity securities issued after August 7, 1986 to benefit a private or industrial user or to finance a private facility are affected by this rule.

Corporate investors should note that a tax preference item for purposes of the corporate AMT is 75% of the amount by which adjusted current earnings (which includes tax-exempt interest) exceeds alternative minimum taxable income of the corporation.

If a shareholder receives an exempt-interest dividend and sells shares at a loss after holding them for a period of six months or less, the loss will be disallowed to the extent of the amount of exempt-interest dividend.

CAPITAL GAIN DISTRIBUTIONS. Long-term capital gains earned by the funds on the sale of securities and distributed to shareholders are federally taxable as long-term capital gains, regardless of the length of time that shareholders have held their shares. If a shareholder receives a long-term capital gain distribution on shares of a fund and such shares are held six months or less and are sold at a loss, the portion of the loss equal to the amount of the long-term capital gain distribution will be considered a long-term loss for tax purposes.

A portion of the gain on bonds purchased at a discount after April 30, 1993 and short-term capital gains distributed by the funds are federally taxable to shareholders as dividends, not as capital gains. Distributions from short-term capital gains do not qualify for the dividends-received

deduction. Dividend distributions resulting from a recharacterization of gain from the sale of bonds purchased at a discount after April 30, 1993 are not considered income for purposes of the funds policy of investing so that at least 80% of their income is free from federal income tax. The money market fund may distribute any net realized short-term capital gains once a year or more often as necessary to maintain its net asset value at \$1.00 a share.

TAX STATUS OF THE FUNDS. Each fund has qualified and intends to continue to qualify each year as a "regulated investment company" for tax purposes so that it will not be liable for federal tax on income and capital gains distributed to shareholders. In order to qualify as a regulated investment company and avoid being subject to federal income or excise taxes at the fund level, each fund intends to distribute substantially all of its net investment income and net realized capital gains (if any) within each calendar year as well as on a fiscal year basis. Each fund intends to comply with other tax rules applicable to regulated investment companies, including a requirement that capital gains from the sale of securities held less than three months constitute less than 30% of the fund's gross income for each fiscal year. Gains from some futures contracts and options are included in this 30% calculation, which may limit the high yield fund's investments in such instruments. Each fund is treated as a separate entity from the other funds of Fidelity New York Municipal Trust for tax purposes. As of January 31, 1994, the funds had approximate capital loss carryovers available to offset future capital gains as follows:

AGGREGATE

CAPITAL

	LOSS			AMOUNT THAT EXPIRES ON JANUARY 31,		
	CARRYOVER	2000	2001			
Money Market Fund	\$	\$	\$			
Intermediate Fund	\$	\$	\$			
High Yield Fund	\$	\$	\$			

To the extent that capital loss carryovers are used to offset any future capital gains, it is unlikely that the gains so offset will be distributed to shareholders since any such distributions may be taxable to shareholders as ordinary income.

NEW YORK TAX MATTERS. As long as a fund continues to qualify as a regulated investment company under the federal Code, it will not incur New York income or franchise tax liability on income and capital gains distributed to shareholders. New York personal income tax law also provides that exempt-interest dividends paid by a regulated investment company, or series thereof, from interest on obligations which are exempt from tax under New York law are excludable from gross income.

OTHER TAX INFORMATION. The information above is only a summary of some of the tax considerations generally affecting the funds and their shareholders, and no attempt has been made to discuss individual tax consequences. Investors should consult their tax advisers to determine whether the funds are suitable to their particular tax situations.

FMR

FMR is a wholly owned subsidiary of FMR Corp., a parent company organized in 1972. At present, the principal operating activities of FMR Corp. are those conducted by three of its divisions as follows: FSC, which is the transfer and shareholder servicing agent for certain of the funds advised by FMR; Fidelity Investments Institutional Operations Company, which performs shareholder servicing functions for certain institutional customers; and Fidelity Investments Retail Marketing Company, which provides marketing services to various companies within the Fidelity organization.

Several affiliates of FMR are also engaged in the investment advisory business. Fidelity Management Trust Company provides trustee, investment advisory, and administrative services to retirement plans and corporate employee benefit accounts. Fidelity Management & Research (U.K.) Inc. (FMR U.K.) and Fidelity Management & Research (Far East) Inc. (FMR Far East), both wholly owned subsidiaries of FMR formed in 1986, supply investment research, and may supply portfolio management services, to FMR in connection with certain funds advised by FMR. Analysts employed by FMR, FMR U.K., and FMR Far East research and visit thousands of domestic and foreign companies each year. FMR Texas, a wholly owned subsidiary of FMR formed in 1989, supplies fund management and research services in connection with certain money market funds advised by FMR.

TRUSTEES AND OFFICERS

The Trustees and executive officers of the trust are listed below. Except as indicated, each individual has held the office shown or other offices in the same company for the last five years. All persons named as Trustees also serve in similar capacities for other funds advised by FMR. Unless otherwise noted, the business address of each Trustee and officer is 82 Devonshire Street, Boston, Massachusetts 02109, which is also the address of FMR. Those Trustees who are "interested persons" (as defined in the 1940 Act) by virtue of their affiliation with either the trust or FMR are

indicated by an asterisk (*).

*EDWARD C. JOHNSON 3d, Trustee and President, is Chairman, Chief Executive Officer and a Director of FMR Corp.; a Director and Chairman of the Board and of the Executive Committee of FMR; Chairman and a Director of FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc., and Fidelity Management & Research (Far East) Inc.

*J. GARY BURKHEAD, Trustee and Senior Vice President, is President of FMR; and President and a Director of FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc., and Fidelity Management & Research (Far East) Inc.

RALPH F. COX, 200 Rivercrest Drive, Fort Worth, TX, Trustee (1991), is President of Greenhill Petroleum Corporation (petroleum exploration and production, 1990). Prior to his retirement in March 1990, Mr. Cox was President and Chief Operating Officer of Union Pacific Resources Company (exploration and production). He is a Director of Bonneville Pacific Corporation (independent power, 1989) and CH2M Hill Companies (engineering). In addition, he served on the Board of Directors of the Norton Company (manufacturer of industrial devices, 1983-1990) and continues to serve on the Board of Directors of the Texas State Chamber of Commerce, and is a member of advisory boards of Texas A&M University and the University of Texas at Austin.

PHYLLIS BURKE DAVIS, 340 E. 64th Street #22C, New York, NY, Trustee (1992). Prior to her retirement in September 1991, Mrs. Davis was the Senior Vice President of Corporate Affairs of Avon Products, Inc. She is currently a Director of BellSouth Corporation (telecommunications), Eaton Corporation (manufacturing, 1991), and the TJX Companies, Inc. (retail stores, 1990), and previously served as a Director of Hallmark Cards, Inc. (1985-1991) and Nabisco Brands, Inc. In addition, she serves as a Director of the New York City Chapter of the National Multiple Sclerosis Society, and is a member of the Advisory Council of the International Executive Service Corps. and the President's Advisory Council of The University of Vermont School of Business Administration (1988).

RICHARD J. FLYNN, 77 Fiske Hill, Sturbridge, MA, Trustee, is a financial consultant. Prior to September 1986, Mr. Flynn was Vice Chairman and a Director of the Norton Company (manufacturer of industrial devices). He is currently a Director of Mechanics Bank and a Trustee of College of the Holy Cross and Old Sturbridge Village, Inc.

E. BRADLEY JONES, 3881-2 Lander Road, Chagrin Falls, OH, Trustee (1990). Prior to his retirement in 1984, Mr. Jones was Chairman and Chief Executive Officer of LTV Steel Company. Prior to May 1990, he was Director of National City Corporation (a bank holding company) and National City Bank of Cleveland. He is a Director of TRW Inc. (original equipment and replacement products), Cleveland-Cliffs Inc (mining), NACCO Industries, Inc. (mining and marketing), Consolidated Rail Corporation, Birmingham Steel Corporation (1988), Hyster-Yale Materials Handling, Inc. (1989), and RPM, Inc. (manufacturer of chemical products, 1990). In addition, he serves as a Trustee of First Union Real Estate Investments, Chairman of the Board of Trustees and a member of the Executive Committee of the Cleveland Clinic Foundation, a Trustee and a member of the Executive Committee of University School (Cleveland), and a Trustee of Cleveland Clinic Florida.

DONALD J. KIRK, 680 Steamboat Road, Apartment #1-North, Greenwich, CT, Trustee, is a Professor at Columbia University Graduate School of Business and a financial consultant. Prior to 1987, he was Chairman of the Financial Accounting Standards Board. Mr. Kirk is a Director of General Re Corporation (reinsurance) and Valuation Research Corp. (appraisals and valuations, 1993). In addition, he serves as Vice Chairman of the Board of Directors of the National Arts Stabilization Fund and Vice Chairman of the Board of Trustees of the Greenwich Hospital Association (1989).

*PETER S. LYNCH, Trustee (1990) is Vice Chairman of FMR (1992). Prior to his retirement on May 31, 1990, he was a Director of FMR (1989) and Executive Vice President of FMR (a position he held until March 31, 1991); Vice President of Fidelity Magellan Fund and FMR Growth Group Leader; and Managing Director of FMR Corp. Mr. Lynch was also Vice President of Fidelity Investments Corporate Services (1991-1992). He is a Director of W.R. Grace & Co. (chemicals, 1989) and Morrison Knudsen Corporation (engineering and construction, 1988). In addition, he serves as a Trustee of Boston College, Massachusetts Eye & Ear Infirmary, Historic Deerfield (1989) and Society for the Preservation of New England Antiquities, and as an Overseer of the Museum of Fine Arts of Boston (1990).

GERALD C. McDONOUGH, 135 Aspenwood Drive, Cleveland, OH, Trustee (1989), is Chairman of G.M. Management Group (strategic advisory services). Prior to his retirement in July 1988, he was Chairman and Chief Executive Officer of Leaseway Transportation Corp. (physical distribution services). Mr. McDonough is a Director of ACME-Cleveland Corp. (metal working, telecommunications and electronic products), Brush-Wellman Inc. (metal refining), York International Corp. (air conditioning and refrigeration, 1989), Commercial Intertech Corp. (water treatment equipment, 1992), and Associated Estates Realty Corporation (a real estate investment trust, 1993).

EDWARD H. MALONE, 5601 Turtle Bay Drive #2104, Naples, FL, Trustee (1988). Prior to his retirement in 1985, Mr. Malone was Chairman, General Electric Investment Corporation and a Vice President of General Electric Company. He is a Director of Allegheny Power Systems, Inc. (electric utility), General Re Corporation (reinsurance) and Mattel Inc. (toy manufacturer).

He is also a Trustee of Rensselaer Polytechnic Institute and of Corporate Property Investors and a member of the Advisory Boards of Butler Capital Corporation Funds and Warburg, Pincus Partnership Funds.

MARVIN L. MANN, 55 Railroad Avenue, Greenwich, CT, Trustee (1993) is Chairman of the Board, President, and Chief Executive Officer of Lexmark International, Inc. (office machines, 1991). Prior to 1991, he held the positions of Vice President of International Business Machines Corporation ("IBM") and President and General Manager of various IBM divisions and subsidiaries. Mr. Mann is a Director of M.A. Hanna Company (chemicals, 1993) and Infomart (marketing services, 1991), a Trammell Crow Co. In addition, he serves as the Campaign Vice Chairman of the Tri-State United Way (1993) and is a member of the University of Alabama President's Cabinet (1990).

THOMAS R. WILLIAMS, 21st Floor, 191 Peachtree Street, N.E., Atlanta, GA, Trustee (1988), is President of The Wales Group, Inc. (management and financial advisory services). Prior to retiring in 1987, Mr. Williams served as Chairman of the Board of First Wachovia Corporation (bank holding company), and Chairman and Chief Executive Officer of The First National Bank of Atlanta and First Atlanta Corporation (bank holding company). He is currently a Director of BellSouth Corporation (telecommunications), ConAgra, Inc. (agricultural products), Fisher Business Systems, Inc. (computer software, 1988), Georgia Power Company (electric utility), Gerber Alley & Associates, Inc. (computer software), National Life Insurance Company of Vermont, American Software, Inc. (1989), and AppleSouth, Inc. (restaurants, 1992).

GARY L. FRENCH, Treasurer (1991). Prior to becoming Treasurer of the Fidelity funds, Mr. French was Senior Vice President, Fund Accounting - Fidelity Accounting & Custody Services Co. (1991); Vice President, Fund Accounting - Fidelity Accounting & Custody Services Co. (1990); and Senior Vice President, Chief Financial and Operations Officer - Huntington Advisers, Inc. (1985-1990).

ARTHUR S. LORING, Secretary, is Senior Vice President and General Counsel of FMR, Vice President-Legal of FMR Corp., and Vice President and Clerk of FDC.

JANICE BRADBURN, is Vice President of the money market fund (1992) and other funds managed by FMR.

GARY LEE SWAYZE, is Vice President of the insured fund (1987) and the high yield fund (1987) and other funds managed by FMR and a Vice President of FMR.

THOMAS D. MAHER, Assistant Vice President (1990), is Assistant Vice President of Fidelity's money market funds and Vice President and Associate General Counsel of FMR Texas Inc. (1990).

Under a retirement program that became effective on November 1, 1989, Trustees, upon reaching age 72, become eligible to participate in a defined benefit retirement program under which they receive payments during their lifetime from the funds based on their basic trustee fees and length of service. Currently, Messrs. Robert L. Johnson, William R. Spaulding, Bertram H. Witham, and David L. Yunich participate in the program.

As of January 31, 1994, the funds' Trustees and officers own the aggregate less than 1% of the outstanding shares of each fund.

MANAGEMENT CONTRACTS

Each fund employs FMR to furnish investment advisory and other services.

Under its management contract with each fund, FMR acts as investment adviser and, subject to the supervision of the Board of Trustees, directs the investments of each fund in accordance with its investment objective, policies, and limitations. FMR also provides the funds with all necessary office facilities and personnel for servicing the funds' investments, and compensates all officers of the Trust, all Trustees who are "interested persons" of the Trust or of FMR, and all personnel of the trust or FMR performing services relating to research, statistical, and investment activities.

In addition, FMR or its affiliates, subject to the supervision of the Board of Trustees, provide the management and administrative services necessary for the operation of the funds. These services include providing facilities for maintaining each fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters, and other persons dealing with the funds; preparing all general shareholder communications and conducting shareholder relations; maintaining the funds' records and the registration of the funds' shares under federal and state law; developing management and shareholder services for the funds; and furnishing reports, evaluations, and analyses on a variety of subjects to the Board of Trustees.

FMR is responsible for the payment of all expenses of the funds with certain exceptions. Specific expenses payable by FMR include, without limitation, the fees and expenses of registering and qualifying the funds and their shares for distribution under federal and state securities laws; expenses of typesetting for printing the Prospectus and Statement of Additional Information; custodian charges; audit and legal expenses; insurance expense; association membership dues; and the expenses of mailing reports to shareholders, shareholder meetings, and proxy solicitations. FMR also provides for transfer agent and dividend disbursing services and fund and general accounting record maintenance through FSC.

FMR pays all other expenses of the funds with the following exceptions: fees and expenses of the Trustees who are not "interested persons" of the Trust or FMR (the non-interested Trustees); interest on borrowings; taxes;

brokerage commissions (if any); and such nonrecurring expenses as may arise, including costs of any litigation to which the funds may be a party, and any obligation it may have to indemnify the officers and Trustees with respect to litigation.

FMR is each fund's manager pursuant to management contracts dated January 18, 1990, which was approved by shareholders on September 19, 1990. For the services of FMR under the management contracts, the funds pay FMR a monthly management fee at the annual rate of .50% (money market fund) and .55% (high yield fund), of average net assets throughout the month. FMR reduces its fee by an amount equal to the fees and expenses of the non-interested Trustees.

FMR may, from time to time, voluntarily reimburse all or a portion of a fund's operating expenses (exclusive of interest, taxes, brokerage commissions, and extraordinary expenses). The following tables outline expense limitations (as a percentage of the funds' average net assets) from commencement of operations to the date of this Statement of Additional Information.

MONEY MARKET FUND:

From	To	Expense Limitation
February 3, 1990	August 31, 1990	.00%
September 1, 1990	October 31, 1990	.05%
November 1, 1990	November 30, 1990	.10%
December 1, 1990	February 28, 1991	.15%
March 1, 1991	April 30, 1991	.20%
May 1, 1991	June 30, 1991	.25%
July 1, 1991	July 31, 1991	.30%
August 1, 1991	October 31, 1991	.35%
November 1, 1991	January 31, 1992	.40%
February 1, 1992	March 31, 1992	.45%

Fiscal Period Ended	Management Fees Before Reimbursement	Amount of Reimbursement
1/31/93	\$1,714,772	\$ 0
4/30/92	2,320,501	610,755
4/30/91	653,583	428,691

HIGH YIELD FUND:

From	To	Expense Limitation
February 3, 1990	July 31, 1990	.00%
August 1, 1990	September 30, 1990	.10%
October 1, 1990	January 31, 1991	.20%
February 1, 1991	February 28, 1991	.30%
March 1, 1991	October 31, 1991	.35%
November 1, 1991	April 30, 1992	.40%
May 1, 1992	August 31, 1992	.45%
September 1, 1992	February 28, 1993	.50%

Fiscal Period Ended	Management Fees Before Reimbursement	Amount of Reimbursement
1/31/93	\$1,380,063	\$179,546
4/30/92	1,267,172	395,876
4/30/91	653,583	428,691

To defray shareholder service costs, FMR or its affiliates also collect the funds' \$5.00 exchange fees, \$5.00 account closeout fees, \$5.00 fee for wire purchases and redemptions, and (money market fund only) \$2.00 checkwriting charge. Shareholder transaction fees and charges collected for the fiscal periods ended January 31, 1994, January 31, 1993, and April 30, 1992 are as follows:

MONEY MARKET FUND:

	Exchange Fees	Account Closeout Fees	Wire Fees	Checkwriting Charges
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1994

1993	\$13,210	\$1,414	\$3,095	\$10,754
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1992	19,518	1,399	4,625	17,174
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HIGH YIELD FUND:

	Exchange Fees	Account Closeout Fees	Wire Fees
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1994

1993	\$6,385	\$740	\$1,280
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1992	6,045	625	1,230
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SUB-ADVISER. With respect to the money market fund, FMR has entered into a sub-advisory agreement with FMR Texas pursuant to which FMR Texas has primary responsibility for providing fund investment management services to the fund. Under the sub-advisory agreement, FMR pays FMR Texas a fee equal to 50% of the management fee payable to FMR under its current management contract with the fund. The fees paid to FMR Texas are not reduced by any voluntary or mandatory expense reimbursements that may be in effect from time to time. During the fiscal periods ended January 31, 1994, January 31, 1993, and April 30, 1992, FMR paid FMR Texas fees of \$_____, \$857,386, and \$1,160,251, respectively, under the sub-advisory agreement.

DISTRIBUTION AND SERVICE PLANS

Each fund has adopted a distribution and service plan (the Plans) under Rule 12b-1 of the 1940 Act (the Rule). The Rule provides in substance that a mutual fund may not engage directly or indirectly in financing any activity that is primarily intended to result in the sale of shares of the fund except pursuant to a plan adopted by the fund under the Rule. The Board of Trustees has adopted the Plans to allow the funds and FMR to incur certain expenses that might be considered to constitute indirect payment by the funds of distribution expenses. Under the Plans, if the payment by a fund to FMR of management fees should be deemed to be indirect financing by the fund of the distribution of its shares, such payment is authorized by the Plans.

The Plans specifically recognize that FMR, either directly or through FDC, may use its management fee revenue, past profits, or other resources, without limitation, to pay promotional and administrative expenses in connection with the offer and sale of shares of the funds. In addition, the Plans provide that FMR may use its resources, including its management fee revenues, to make payments to third parties that provide assistance in selling the funds' shares or to third parties, including banks, that render shareholder support services. The Trustees have not authorized third party payments to date.

The funds' Plan has been approved by the Trustees. As required by the Rule, the Trustees carefully considered all pertinent factors relating to the implementation of the Plans prior to their approval, and have determined that there is a reasonable likelihood that the Plans will benefit the funds and their shareholders. In particular, the Trustees noted that the Plans do not authorize payments by the funds other than those made to FMR under its management contracts with the funds. To the extent that the Plans give FMR and FDC greater flexibility in connection with the distribution of shares of the funds, additional sales of the funds' shares may result. Additionally, certain shareholder support services may be provided more effectively under the Plans by local entities with whom shareholders have other relationships. The Plans were approved by the funds' shareholders on September 19, 1990.

The Glass-Steagall Act generally prohibits federally and state chartered or supervised banks from engaging in the business of underwriting, selling, or distributing securities. Although the scope of this prohibition under the Glass-Steagall Act has not been clearly defined by the courts or appropriate regulatory agencies, FDC believes that the Glass-Steagall Act should not preclude a bank from performing shareholder support services, or servicing and recordkeeping functions. FDC intends to engage banks only to perform such functions. However, changes in federal or state statutes and regulations pertaining to the permissible activities of banks and their affiliates or subsidiaries, as well as further judicial or administrative decisions or interpretations, could prevent a bank from continuing to perform all or a part of the contemplated services. If a bank were prohibited from so acting, the Trustees would consider what actions, if any, would be necessary to continue to provide efficient and effective shareholder services. In such event, changes in the operation of the funds might occur, including possible termination of any automatic investment or redemption or other services then provided by the bank. It is not expected that shareholders would suffer any adverse financial consequences as a result of any of these occurrences. The funds may execute portfolio transactions with and purchase securities issued by depository institutions that receive payments under the Plans. No preference will be shown in the selection of investments for the instruments of such depository institutions. In addition, state securities laws on this issue may differ

from the interpretations of federal law expressed herein, and banks and other financial institutions may be required to register as dealers pursuant to state law.

INTEREST OF FMR AFFILIATES

United Missouri is each fund's custodian and transfer agent. United Missouri has entered into sub-contracts with FSC, an affiliate of FMR, under the terms of which FSC performs the processing activities associated with providing transfer agent and shareholder servicing functions for each fund. United Missouri has additional sub-contracts with FSC, pursuant to which FSC performs the calculations necessary to determine each fund's net asset value per share and dividends and maintains each fund's accounting records. United Missouri is entitled to reimbursement for fees paid to FSC from FMR, who bears these costs pursuant to its management contract with each fund.

Each fund has a distribution agreement with FDC, a Massachusetts corporation organized on July 18, 1960. FDC is a broker-dealer registered under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. The distribution agreement calls for FDC to use all reasonable efforts, consistent with its other business, to secure purchasers for shares of each fund, which are continuously offered at net asset value. Promotional and administrative expenses in connection with the offer and sale of shares are paid by FMR.

DESCRIPTION OF THE TRUSTS

TRUSTS' ORGANIZATION. Fidelity New York Municipal Trust (the Massachusetts Trust), is an open-end management investment company organized as a Massachusetts business trust on April 25, 1983. On January 8, 1990, the Trust's name was changed from Fidelity New York Tax-Free Fund to Fidelity New York Municipal Trust. Currently, there are four funds of the Trust: Fidelity New York Tax-Free Insured Portfolio, Fidelity New York Tax-Free High Yield Portfolio, Spartan New York Intermediate Municipal Portfolio, and Spartan New York Municipal High Yield Portfolio. The Massachusetts Trust's Declaration of Trust permits the Trustees to create additional funds.

Fidelity New York Municipal Trust II (the Delaware Trust) is an open-end management investment company organized as a Delaware business trust on June 20, 1991. Currently, there are two funds of the Delaware Trust: Fidelity New York Tax-Free Money Market Portfolio and Spartan New York Municipal Money Market Portfolio. Fidelity New York Tax-Free Money Market Portfolio entered into an agreement to acquire all of the assets of Fidelity New York Tax-Free Money Market Portfolio, a series of Fidelity New York Municipal Trust (a Massachusetts business trust) on December 30, 1991. The Delaware Trust's Trust Instrument permits the Trustees to create additional funds.

In the event that FMR ceases to be the investment adviser to the Trust or a fund, the right of the Trust or fund to use the identifying names "Fidelity" and "Spartan" may be withdrawn. The funds' Declarations of Trust permit the Trustees to create additional funds.

The assets of the Trust received for the issue or sale of shares of each fund and all income, earnings, profits, and proceeds thereof, subject only to the rights of creditors, are especially allocated to such fund, and constitute the underlying assets of such fund. The underlying assets of each fund are segregated on the books of account, and are to be charged with the liabilities with respect to such fund and with a share of the general expenses of the Trust. Expenses with respect to the Trust are to be allocated in proportion to the asset value of the respective funds, except where allocations of direct expense can otherwise be fairly made. The officers of the Trust, subject to the general supervision of the Board of Trustees, have the power to determine which expenses are allocable to a given fund, or which are general or allocable to all of the funds. In the event of the dissolution or liquidation of the Trust, shareholders of each fund are entitled to receive as a class the underlying assets of such fund available for distribution.

SHAREHOLDER AND TRUSTEE LIABILITY. The Trust is an entity of the type commonly known as "Massachusetts business trust." Under Massachusetts law, shareholders of such a trust may, under certain circumstances, be held personally liable for the obligations of the trust. The Declaration of Trust provides that the Trust shall not have any claim against shareholders except for the payment of the purchase price of shares and requires that each agreement, obligation, or instrument entered into or executed by the Trust or the Trustees shall include a provision limiting the obligations created thereby to the Trust and its assets. The Declaration of Trust provides for indemnification out of each fund's property of any shareholders held personally liable for the obligations of the fund. The Declaration of Trust also provides that each fund shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the fund and satisfy any judgment thereon. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the fund itself would be unable to meet its obligations. FMR believes that, in view of the above, the risk of personal liability to shareholders is remote.

The Declaration of Trust further provides that the Trustees, if they have exercised reasonable care, will not be liable for any neglect or wrongdoing, but nothing in the Declaration of Trust protects a Trustee against any liability to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of

the duties involved in the conduct of his office.

VOTING RIGHTS - BOTH TRUSTS. Each fund's capital consists of shares of beneficial interest. As a shareholder, you receive one vote for each dollar of net asset value per share you own. The shares have no preemptive or conversion rights; the voting and dividend rights, the right of redemption, and the privilege of exchange are described in the Prospectus. Shares are fully paid and nonassessable, except as set forth under the heading "Shareholder and Trustee Liability" above. Shareholders representing 10% or more of the Trust or a fund may, as set forth in the Declaration of Trust, call meetings of the Trust or a fund for any purpose related to the Trust or fund, as the case may be, including, in the case of a meeting of the entire Trust, the purpose of voting on removal of one or more Trustees.

A trust or any fund may be terminated upon the sale of its assets to (or, in the case of the Delaware Trust and its funds, merger with) another open-end management investment company or series thereof, or upon liquidation and distribution of its assets. Generally, such terminations must be approved by vote of the holders of a majority of the outstanding shares of the trust or the fund (for the Delaware Trust), or by a vote of the holders of a majority of the fund or trust, as determined by the current value of each shareholder's investment in the fund or trust (for the Massachusetts trust). If not so terminated or reorganized, the trusts and their funds will continue indefinitely.

Under the Trust Instrument, the Trustees may, without shareholder vote, cause the Delaware Trust to merge or consolidate into one or more trusts, partnerships, or corporations, so long as the surviving entity is an open-end management investment company that will succeed to or assume the Delaware Trust registration statement, or cause the Delaware Trust to be incorporated under Delaware law.

CUSTODIAN. United Missouri Bank, N.A., 1010 Grand Avenue, Kansas City, Missouri is custodian of the assets of the funds. The custodian is responsible for the safekeeping of the funds' assets and the appointment of subcustodian banks and clearing agencies. The custodian takes no part in determining the investment policies of the funds or in deciding which securities are purchased or sold by the funds. The funds may, however, invest in obligations of the custodian and may purchase securities from or sell securities to the custodian.

FMR, its officers and directors, its affiliated companies, and the trust's Trustees may from time to time have transactions with various banks, including banks serving as custodians for certain of the funds advised by FMR. Transactions that have occurred to date include mortgages and personal and general business loans. In the judgment of FMR, the terms and conditions of those transactions were not influenced by existing or potential custodial or other fund relationships.

AUDITOR. Price Waterhouse, 160 Federal Street, Boston, Massachusetts, serves as the trust's independent accountant. The auditor examines financial statements for the funds and provides other audit, tax, and related services.

FINANCIAL STATEMENTS

Each fund's Annual Report for the fiscal period ended January 31, 1994 is a separate report supplied with this Statement of Additional Information and is incorporated herein by reference.

APPENDIX

DOLLAR-WEIGHTED AVERAGE MATURITY is derived by multiplying the value of each investment by the number of days remaining to its maturity, adding these calculations, and then dividing the total by the value of the fund's portfolio. An obligation's maturity is typically determined on a stated final maturity basis, although there are some exceptions to this rule. For example, if it is probable that the issuer of an instrument will take advantage of a maturity-shortening device, such as a call, refunding, or redemption provision, the date on which the instrument will probably be called, refunded, or redeemed may be considered to be its maturity date. When a municipal bond issuer has committed to call an issue of bonds and has established an independent escrow account that is sufficient to, and is pledged to, refund that issue, the number of days to maturity for the prerefunded bond is considered to be the number of days to the announced call date of the bonds.

The descriptions that follow are examples of eligible ratings for the intermediate and high yield funds. A fund may, however, consider ratings for other types of investments and the ratings assigned by other ratings organizations when determining the eligibility of a particular investment.

DESCRIPTION OF MOODY'S INVESTORS SERVICE, INC.'S RATINGS OF STATE AND MUNICIPAL NOTES:

Moody's ratings for state and municipal and other short-term obligations will be designated Moody's Investment Grade (MIG, or VMIG for variable rate obligations). This distinction is in recognition of the difference between short-term credit risk and long-term credit risk. Factors affecting the liquidity of the borrower and short-term cyclical elements are critical in short-term ratings, while other factors of major importance in bond risk, long-term secular trends for example, may be less important over the short run. Symbols used will be as follows:

MIG-1/VMIG-1 - This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.

MIG-2/VMIG-2 - This designation denotes high quality. Margins of

protection are ample although not so large as in the preceding group.
MIG-3/VMIG-3 - This designation denotes favorable quality, with all security elements accounted for but there is lacking the undeniable strength of the preceding grades. Liquidity and cash flow protection may be narrow and market access for refinancing is likely to be less well established.

MIG-4/VMIG-4 - This designation denotes adequate quality protection commonly regarded as required of an investment security is present and, although not distinctly or predominantly speculative, there is specific risk.

DESCRIPTION OF STANDARD & POOR'S CORPORATION'S RATINGS OF STATE AND MUNICIPAL NOTES:

SP-1 - Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.

SP-2 - Satisfactory capacity to pay principal and interest.

SP-3 - Speculative capacity to pay principal and interest.

DESCRIPTION OF MOODY'S INVESTORS SERVICE, INC.'S MUNICIPAL BOND RATINGS:

AAA - Bonds rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

AA - Bonds rated Aa are judged to be of high quality by all standards. Together with Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A - Bonds rated A possess many favorable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

BAA - Bonds rated Baa are considered as medium-grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

BA - Bonds rated Ba are judged to have speculative elements. Their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times in the future. Uncertainty of position characterizes bonds in this class.

CA- Bonds rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked short-comings.

C - Bonds rated C are the lowest-rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

CAA - Bonds rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principle and interest.

Those bonds in the Aa, A, Baa, Ba, and B groups which Moody's believes possess the strongest investment attributes are designated by the symbols Aa1, A1, Baa1, Ba1, and B1.

DESCRIPTION OF STANDARD & POOR'S CORPORATION'S MUNICIPAL BOND RATINGS:

AAA - Debt rated AAA has the highest rating assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA - Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the highest-rated debt issues only in small degree.

A - Debt rated A has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions.

BBB - Debt rated BBB is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher-rated categories.

BB - Debt rated BB has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

B - Debt rated B has a greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The B rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BB or BB- rating.

CCC - Debt rated CCC has a currently identifiable vulnerability to default, and is dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

CC- Debt rated CC is typically applied to debt subordinated to senior debt which is assigned an actual or implied CCC debt rating.

C - The rating C is typically applied to debt subordinated to senior debt which is assigned an actual or implied CCC-debt rating. The C rating may be used to cover a situation where a bankruptcy petition has been filed but debt service payments are continued.

CI - The rating CI is reserved for income bonds on which no interest is being paid.

D- Debt rated D is in payment default. The D rating category is used when interest payments or principal payments are not made on the date due even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period. The D rating will also be used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

The ratings from AA to CCC may be modified by the addition of a plus or minus to show relative standing within the major rating categories.

PART C. OTHER INFORMATION

Item 24. Financial Statements and Exhibits

(a) (1) Not applicable.

(b) Exhibits

(1) (a) Amended and Restated Declaration of Trust dated June 20, 1984 is incorporated herein by reference to Exhibit 1(c) to the initial Registration Statement.

(b) Supplement to Declaration of Trust dated April 10, 1985 is incorporated herein by reference to Exhibit 1(b) to Post-Effective Amendment No. 2.

(c) Supplement to Declaration of Trust dated December 9, 1988 is incorporated herein by reference to Exhibit 1(c) to Post-Effective Amendment No. 13.

(d) Supplement to the Declaration of Trust dated January 5, 1990 is incorporated herein by reference to Exhibit 1(d) to Post-Effective Amendment No. 18.

(e) Supplement to the Declaration of Trust dated April 9, 1990 is incorporated herein by reference to Exhibit 1(e) to Post-Effective Amendment No. 17.

(2) By-Laws of the Trust are incorporated herein by reference to Exhibit 2 to the initial Registration Statement.

(3) Not applicable.

(4) Not applicable.

(5) (a) Form of Management Contract between Spartan New York Intermediate Municipal Portfolio and Fidelity Management & Research Company is incorporated by reference to Exhibit 5(a) to Post-Effective Amendment No. 28.

(b) Management Contract between Fidelity New York Tax-Free High Yield Portfolio and Fidelity Management & Research Company, dated January 1, 1989 is incorporated herein by reference to Exhibit 5(b) to Post-Effective Amendment No. 13.

(c) Management Contract between Fidelity New York Tax-Free Insured Portfolio and Fidelity Management & Research Company, dated January 1, 1989 is incorporated herein by reference to Exhibit 5(c) to Post-Effective Amendment No. 13.

(d) Management Contract between Spartan New York Municipal Money Market Portfolio and Fidelity Management & Research Company, dated January 18, 1990 is incorporated herein by reference to Exhibit 5(d) to Post-Effective Amendment No. 18.

(e) Management Contract between Spartan New York Municipal High Yield Portfolio and Fidelity Management & Research Company, dated January 18, 1990 is incorporated herein by reference to Exhibit 5(e) to Post-Effective Amendment No. 18.

(f) Sub-Advisory Agreement between FMR Texas Inc. and Fidelity Management & Research Company with respect to Spartan New York Municipal Money Market Portfolio, dated January 18, 1990 is incorporated herein by reference to Exhibit 5(f) to Post-Effective Amendment No. 18.

(6) (a) General Distribution Agreement between Fidelity New York Tax-Free Insured Portfolio and Fidelity Distributors Corporation dated April 1, 1987 are incorporated herein by reference to Exhibit 6(a)2 to Post-Effective Amendment No. 10.

(b) General Distribution Agreement between Fidelity New York Tax-Free High Yield Portfolio, and Fidelity Distributors Corporation dated April 1, 1987 are incorporated herein by reference to Exhibit 6(b)3 to Post-Effective Amendment No. 10.

(c) Amendment to General Distribution Agreements between Fidelity New York Tax-Free Insured Portfolio and Fidelity Distributors Corporation and Fidelity New York Tax-Free High Yield Portfolio and Fidelity Distributors Corporation, dated January 1, 1988 are incorporated herein by reference to Exhibit 6(c) to Post-Effective Amendment No. 11.

(d) General Distribution Agreement between Spartan New York Municipal Money Market Portfolio and Fidelity Distributors Corporation, dated January 18, 1990 is incorporated herein by reference to Exhibit 6(d) to Post-Effective Amendment No. 18.

(e) General Distribution Agreement between Spartan New York Municipal High Yield Portfolio and Fidelity Distributors Corporation, dated January 18, 1990 is incorporated herein by reference to Exhibit 6(e) to Post-Effective Amendment No. 18.

(f) Form of General Distribution Agreement between Spartan New York Intermediate Municipal Portfolio and Fidelity Distributors Corporation is incorporated herein by reference to Exhibit 6(f) to Post-Effective Amendment No. 28.

(7) Retirement Plan for Non-Interested Person Trustees, Directors or General Partners, effective November 1, 1989, is incorporated herein by reference to Exhibit 7 to Post-Effective Amendment No. 23.

(8) (a) Custodian Agreement between Fidelity New York Municipal Trust and United Missouri Bank, N.A., dated July 18, 1991 is incorporated herein by reference to Exhibit 8(a) to Post-Effective Amendment No. 24.

(9) (a) Transfer Agent Agreement between Fidelity New York Municipal Trust and United Missouri Bank, N.A., dated November 14, 1991 is incorporated herein by reference to Exhibit 9(a) to Post-Effective Amendment No. 24.

(b) Appointment of Sub-Transfer Agent and Schedule A for Fidelity New York Tax-Free High Yield Portfolio, dated November 7, 1991, is incorporated herein by reference to Exhibit 9(b) to Post-Effective Amendment No. 24.

(c) Appointment of Sub-Transfer Agent and Schedule A for Fidelity New York Tax-Free Insured Portfolio, dated November 7, 1991, is incorporated herein by reference to Exhibit 9(c) to Post-Effective Amendment No. 24.

(d) Service Agreement between Fidelity New York Municipal Trust and United Missouri Bank, N.A., dated November 14, 1991, is incorporated herein by reference to Exhibit 9(d) to Post-Effective Amendment No. 24.

(e) Appointment of Sub-Servicing Agent and Schedules B and C for Fidelity New York Tax-Free High Yield Portfolio, dated November 7, 1991, is incorporated herein by reference to Exhibit 9(e) to Post-Effective Amendment No. 24.

(f) Appointment of Sub-Servicing Agent and Schedules B and C for Fidelity New York Tax-Free Insured Portfolio, dated November 7, 1991, is incorporated herein by reference to Exhibit 9(f) to Post-Effective Amendment No. 24.

(g) Appointment to Sub-Servicing Agent and Schedules B and C for Spartan New York Municipal Money Market Portfolio, dated November 14, 1991, is incorporated herein by reference to Exhibit 9(g) to Post-Effective Amendment No. 24.

(h) Appointment of Sub-Transfer Agent and Schedule A for Spartan New York Municipal Money Market Portfolio, dated November 14, 1991, is incorporated herein by reference to Exhibit 9(h) to Post-Effective Amendment No. 24.

(i) Appointment of Sub-Servicing Agent and Schedules B and C for Spartan New York Municipal High Yield Portfolio, dated November 7, 1991, is incorporated herein by reference to Exhibit 9(i) to Post-Effective Amendment No. 24.

(j) Appointment of Sub-Transfer Agent and Schedule A for Spartan New York Municipal High Yield Portfolio, dated November 7, 1991, is incorporated herein by reference to Exhibit 9(j) to Post-Effective Amendment No. 24.

(k) Form of Schedules A (transfer, dividend disbursing and shareholders' servicing agent); B (pricing and bookkeeping); and C (securities lending transactions) relating to Spartan New York Intermediate Municipal Portfolio, are incorporated herein by reference to Exhibit 9(k) to Post-Effective Amendment No. 28.

(l) Form of Appointment of Sub-Transfer Agent for Spartan New York Intermediate Municipal Portfolio is incorporated herein by reference to Exhibit 9(l) to Post-Effective Amendment No. 28.

(m) Form of Appointment of Sub-Servicing Agent for Spartan New York Intermediate Municipal Portfolio is incorporated herein by reference to Exhibit 9(m) to Post-Effective Amendment No. 28.

(10) Not applicable.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

(14) Not applicable.

(15) (a) Distribution and Service Plan pursuant to Rule 12b-1 for Fidelity New York tax-free High Yield Portfolio is incorporated herein by reference to Exhibit 15(a) to Post-Effective Amendment No. 7.

(b) Distribution and Service Plan pursuant to Rule 12b-1 for Fidelity New York Tax-Free Insured Portfolio is incorporated herein by reference to Exhibit 15(b) to Post-Effective Amendment No. 7.

(c) Distribution and Service Plan pursuant to Rule 12b-1 for Spartan New York Municipal Money Market Portfolio is incorporated herein by reference to Exhibit 15(c) to Post-Effective Amendment No. 18.

(d) Distribution and Service Plan pursuant to Rule 12b-1 for Spartan New York Municipal High Yield Portfolio is incorporated herein by reference to Exhibit 15(d) to Post-Effective Amendment No. 18.

(e) Form of Distribution and Service Plan pursuant to Rule 12b-1 for Spartan New York Intermediate Municipal Portfolio is incorporated herein by reference to Exhibit 15(e) to Post-Effective Amendment No. 28..

(16) (a) A revised schedule for the computation of performance quotations for Fidelity New York Tax-Free Insured Portfolio, Fidelity New York Tax-Free High Yield Portfolio, Spartan New York Municipal Money Market Portfolio, and Spartan New York Municipal High Yield Portfolio is incorporated herein by reference to Exhibit 16 (a) to Post-Effective Amendment No. 20.

(b) An additional schedule for the computation of performance quotations for Fidelity New York Tax-Free Insured Portfolio, Fidelity New York Tax-Free High Yield Portfolio, Spartan New York Municipal Money Market Portfolio, and Spartan New York Municipal High Yield Portfolio was filed as Exhibit 16(b) to Post-Effective Amendment No. 26.

(c) A schedule for the computation of performance quotations for the Spartan New York Intermediate Municipal Portfolio is filed herein as Exhibit 16(c).

Item 25. Persons Controlled by or under Common Control with Registrant
The Registrant's Board of Trustees is the same as the boards of other funds advised by FMR, each of which has Fidelity Management & Research Company as its investment adviser. In addition, the officers of these funds are substantially identical. Nonetheless, Registrant takes the position that it is not under common control with these other funds since the power residing in the respective boards and officers arises as the result of an official position with the respective funds.

Item 26. Number of Holders of Securities
November 30, 1993

Title of Class: Shares of Beneficial Interest
Name of Series Number of Record Holders
Fidelity New York Tax-Free Insured Portfolio 13,131

Fidelity New York Tax-Free High Yield Portfolio 16,165

Spartan New York Municipal Money Market Portfolio 24,020

Spartan New York Municipal High Yield Portfolio 9,064

Spartan New York Intermediate Municipal Portfolio 0

Item 27. Indemnification

Article XI, Section 2 of the Declaration of Trust sets forth the reasonable and fair means for determining whether indemnification shall be provided to any past or present Trustee or officer. It states that the Registrant shall indemnify any present or past Trustee or officer to the fullest extent permitted by law against liability and all expenses reasonably incurred by him in connection with any claim, action, suit or proceeding in which he is involved by virtue of his service as a trustee, an officer, or both. Additionally, amounts paid or incurred in settlement of such matters are covered by this indemnification. Indemnification will not be provided in certain circumstances, however. These include instances of willful misfeasance, bad faith, gross negligence, and reckless disregard of the duties involved in the conduct of the particular office involved.

Item 28. Business and Other Connections of Investment Adviser

(1) FIDELITY MANAGEMENT & RESEARCH COMPANY
FMR serves as investment adviser to a number of other investment companies. The directors and officers of the Adviser have held, during the past two fiscal years, the following positions of a substantial nature.

<TABLE>

<CAPTION>

<S>

<C>

Edward C. Johnson 3d Chairman of the Executive Committee of FMR; President and Chief Executive Officer of FMR Corp.; Chairman of the Board and a Director of FMR, FMR Corp., FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research (Far East) Inc.; President and Trustee of funds advised by FMR;

J. Gary Burkhead President of FMR; Managing Director of FMR Corp.; President and a Director of FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research (Far East) Inc.; Senior Vice President and Trustee of funds advised by FMR.

Peter S. Lynch Vice Chairman of FMR (1992).

David Breazzano Vice President of FMR (1993) and of a fund advised by FMR.

Stephan Campbell	Vice President of FMR (1993).
Rufus C. Cushman, Jr.	Vice President of FMR and of funds advised by FMR; Corporate Preferred Group Leader.
Will Danof	Vice President of FMR (1993) and of a fund advised by FMR.
Scott DeSano	Vice President of FMR (1993).
Penelope Dobkin	Vice President of FMR (1990) and of a fund advised by FMR.
Larry Domash	Vice President of FMR (1993).
George Domolky	Vice President of FMR (1993) and of a fund advised by FMR.
Charles F. Dornbush	Senior Vice President of FMR (1991); Chief Financial Officer of the Fidelity funds; Treasurer of FMR Texas Inc. (1989), Fidelity Management & Research (U.K.) Inc., and Fidelity Management & Research (Far East) Inc.
Robert K. Duby	Vice President of FMR.
Margaret L. Eagle	Vice President of FMR and of a fund advised by FMR.
Kathryn L. Eklund	Vice President of FMR (1991).
Richard B. Fentin	Senior Vice President of FMR (1993) and of a fund advised by FMR.
Daniel R. Frank	Vice President of FMR and of funds advised by FMR.
Gary L. French	Vice President of FMR (1991) and Treasurer of the funds advised by FMR (1991). Prior to assuming the position as Treasurer he was Senior Vice President, Fund Accounting - Fidelity Accounting & Custody Services Co. (1991) (Vice President, 1990-1991); and Senior Vice President, Chief Financial and Operations Officer - Huntington Advisers, Inc. (1985-1990).
Michael S. Gray	Vice President of FMR and of funds advised by FMR.
Barry A. Greenfield	Vice President of FMR and of a fund advised by FMR.
William J. Hayes	Senior Vice President of FMR (1989); Income/Growth Group Leader (1990) and International Group Leader (1990).

Robert Haber Vice President of FMR (1991) and of funds advised by FMR.

Daniel Harnetz Vice President of FMR (1991) and of a fund advised by FMR.

Ellen S. Heller Vice President of FMR (1991).

</TABLE>

John Hickling Vice President of FMR (1993) and of funds advised by FMR.

<TABLE>

<CAPTION>

<S>

<C>

Robert F. Hill Vice President of FMR (1989); and Director of Technical Research.

Stephan Jonas Vice President of FMR (1993).

David B. Jones Vice President of FMR (1993).

Steven Kaye Vice President of FMR (1993) and of a fund advised by FMR.

Frank Knox Vice President of FMR (1993).

Robert A. Lawrence Senior Vice President of FMR (1993); and High Income Group Leader.

Alan Leifer Vice President of FMR and of a fund advised by FMR.

Harris Leviton Vice President of FMR (1993) and of a fund advised by FMR.

Bradford E. Lewis Vice President of FMR (1991) and of funds advised by FMR.

Robert H. Morrison Vice President of FMR and Director of Equity Trading.

David Murphy Vice President of FMR (1991) and of funds advised by FMR.

Jacques Perold Vice President of FMR (1991).

Brian Posner Vice President of FMR (1993) and of a fund advised by FMR.

Anne Punzak	Vice President of FMR (1990) and of funds advised by FMR.
Richard A. Spillane	Vice President of FMR (1990) and of funds advised by FMR; and Director of Equity Research (1989).
Robert E. Stansky	Senior Vice President of FMR (1993) and of funds advised by FMR.
Thomas Steffanci	Senior Vice President of FMR (1993); and Fixed-Income Division Head.
Gary L. Swayze	Vice President of FMR and of funds advised by FMR; and Tax-Free Fixed-Income Group Leader.
Donald Taylor	Vice President of FMR (1993) and of funds advised by FMR.
Beth F. Terrana	Senior Vice President of FMR (1993) and of funds advised by FMR.
Joel Tillinghast	Vice President of FMR (1993) and of a fund advised by FMR.
Robert Tucket	Vice President of FMR (1993).
George A. Vanderheiden	Senior Vice President of FMR; Vice President of funds advised by FMR; and Growth Group Leader (1990).
Jeffrey Vinik	Senior Vice President of FMR (1993) and of a fund advised by FMR.
Guy E. Wickwire	Vice President of FMR and of a fund advised by FMR.
Arthur S. Loring	Senior Vice President (1993), Clerk and General Counsel of FMR; Vice President, Legal of FMR Corp.; and Secretary of funds advised by FMR.

</TABLE>

FMR TEXAS INC. (FMR Texas)

FMR Texas provides investment advisory services to Fidelity Management & Research Company. The directors and officers of the Sub-Adviser have held the following positions of a substantial nature during the past two fiscal years.

<TABLE>

<CAPTION>

<S>

Edward C. Johnson 3d	<C> Chairman and Director of FMR Texas; Chairman of the Executive Committee of FMR; President and Chief Executive Officer of FMR Corp.; Chairman of the Board and a Director of FMR, FMR Corp., Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research (U.K.) Inc.; President and Trustee of funds advised by FMR.
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J. Gary Burkhead	President and Director of FMR Texas; President of FMR;
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Managing Director of FMR Corp.; President and a Director of Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research (U.K.) Inc.; Senior Vice President and Trustee of funds advised by FMR.

Frederic L. Henning Jr. Senior Vice President of FMR Texas; Money Market Group Leader.

Leland Baron Vice President of FMR Texas (1991) and of funds advised by FMR.

Thomas D. Maher Vice President of FMR Texas.

Burnell Stehman Vice President of FMR Texas and of funds advised by FMR.

John Todd Vice President of FMR Texas and of funds advised by FMR.

Sarah H. Zenoble Vice President of FMR Texas and of funds advised by FMR.

Charles F. Dornbush Treasurer of FMR Texas; Treasurer of Fidelity Management & Research (U.K.) Inc.; Treasurer of Fidelity Management & Research (Far East) Inc.; Senior Vice President and Chief Financial Officer of the Fidelity funds.

David C. Weinstein Secretary of FMR Texas; Clerk of Fidelity Management & Research (U.K.) Inc.; Clerk of Fidelity Management & Research (Far East) Inc.

</TABLE>

Item 29. Principal Underwriters

(a) Fidelity Distributors Corporation (FDC) acts as distributor for most funds advised by FMR and the following other funds:

- CrestFunds, Inc.
 - The Victory Funds
 - ARK Funds
- (b)

Name and Principal Business Address*	Positions and Offices With Underwriter	Positions and Offices With Registrant
Edward C. Johnson 3d	Director	Trustee and President
Nita B. Kincaid	Director	None
W. Humphrey Bogart	Director	None
Kurt A. Lange	President and Treasurer	None
William L. Adair	Senior Vice President	None
Thomas W. Littauer	Senior Vice President	None
Arthur S. Loring	Vice President and Clerk	Secretary

* 82 Devonshire Street, Boston, MA
(c) Not applicable.

Item 30. Location of Accounts and Records

All accounts, books, and other documents required to be maintained by

Section 31(a) of the 1940 Act and the Rules promulgated thereunder are maintained by Fidelity Management & Research Company or Fidelity Service Co., 82 Devonshire St., Boston, MA, 02109, or the funds' custodian United Missouri Bank, N.A., 1010 Grand Avenue, Kansas City, Missouri.

Item 31. Management Services

Not applicable.

Item 32. Undertakings

The Registrant on behalf of Fidelity New York Tax-Free High Yield Portfolio, Fidelity New York Tax-Free Insured Portfolio, Spartan New York Municipal High Yield Portfolio, and Spartan New York Intermediate Municipal Portfolio undertakes, provided the information required by Item 5A is contained in the annual report, to furnish each person to whom a prospectus has been delivered, upon their request and without charge, a copy of the Registrant's latest annual report to shareholders.

The Registrant undertakes to file a Post-Effective Amendment, using financial statements for Spartan New York Intermediate Municipal Portfolio, which need not be certified, within six months of the fund's effectiveness. The registrant undertakes for the fund: (1) to call a meeting of shareholders for the purpose of voting upon the question of removal of a trustee or trustees, when requested to do so by record holders of not less than 10% of its outstanding shares; and (2) to assist in communications with other shareholders pursuant to Section 16(c) (1) and (2), whenever shareholders meeting the qualifications set forth in Section 16 (c) seek the opportunity to communicate with other shareholders with a view toward requesting a meeting.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Post-Effective Amendment No. 29 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, and Commonwealth of Massachusetts, on the 4th day of January 1994.

FIDELITY NEW YORK MUNICIPAL TRUST

By /s/Edward C. Johnson 3d (dagger)

Edward C. Johnson 3d, President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

(Signature) (Title) (Date)

<TABLE>

<CAPTION>

<S>

/s/Edward C. Johnson 3d(dagger) <C> President and Trustee <C> January 4 , 1994

Edward C. Johnson 3d (Principal Executive Officer)

</TABLE>

/s/Gary L. French Treasurer January 4 , 1994

Gary L. French

/s/J. Gary Burkhead Trustee January 4, 1994

J. Gary Burkhead

/s/Ralph F. Cox * Trustee January 4, 1994

Ralph F. Cox

/s/Phyllis Burke Davis * Trustee January 4, 1994

Phyllis Burke Davis

/s/Richard J. Flynn * Trustee January 4 , 1994

Richard J. Flynn

/s/E. Bradley Jones * Trustee January 4, 1994

E. Bradley Jones

/s/Donald J. Kirk * Trustee January 4, 1994

Donald J. Kirk

/s/Peter S. Lynch * Trustee January 4 , 1994

Peter S. Lynch

/s/Edward H. Malone * Trustee January 4 , 1994

Edward H. Malone

/s/Marvin L. Mann * Trustee January 4 , 1994

Marvin L. Mann

/s/Gerald C. McDonough* Trustee January 4, 1994

Gerald C. McDonough

/s/Thomas R. Williams * Trustee January 4, 1994

Thomas R. Williams

(dagger) Signatures affixed by J. Gary Burkhead pursuant to a power of attorney dated October 20, 1993 and filed herewith.

* Signature affixed by Robert C. Hacker pursuant to a power of attorney dated October 20, 1993 and filed herewith.

POWER OF ATTORNEY

I, the undersigned President and Director, Trustee or General Partner, as the case may be, of the following investment companies:

<TABLE>

<CAPTION>

<S>

Fidelity Advisor Series I	<C>	Fidelity Institutional Trust
Fidelity Advisor Series II		Fidelity Investment Trust
Fidelity Advisor Series III		Fidelity Magellan Fund
Fidelity Advisor Series IV		Fidelity Massachusetts Municipal Trust
Fidelity Advisor Series V		Fidelity Money Market Trust
Fidelity Advisor Series VI		Fidelity Mt. Vernon Street Trust
Fidelity Advisor Series VII		Fidelity Municipal Trust
Fidelity Advisor Series VIII		Fidelity New York Municipal Trust
Fidelity California Municipal Trust		Fidelity Puritan Trust
Fidelity Capital Trust		Fidelity School Street Trust
Fidelity Charles Street Trust		Fidelity Securities Fund
Fidelity Commonwealth Trust		Fidelity Select Portfolios
Fidelity Congress Street Fund		Fidelity Sterling Performance Portfolio, L.P.
Fidelity Contrafund		Fidelity Summer Street Trust
Fidelity Corporate Trust		Fidelity Trend Fund
Fidelity Court Street Trust		Fidelity U.S. Investments-Bond Fund, L.P.
Fidelity Destiny Portfolios		Fidelity U.S. Investments-Government Securities
Fidelity Deutsche Mark Performance		Fund, L.P.
Portfolio, L.P.		Fidelity Union Street Trust
Fidelity Devonshire Trust		Fidelity Yen Performance Portfolio, L.P.
Fidelity Exchange Fund		Spartan U.S. Treasury Money Market
Fidelity Financial Trust		Fund
Fidelity Fixed-Income Trust		Variable Insurance Products Fund
Fidelity Government Securities Fund		Variable Insurance Products Fund II
Fidelity Hastings Street Trust		
Fidelity Income Fund		

</TABLE>

plus any other investment company for which Fidelity Management & Research Company acts as investment adviser and for which the undersigned individual serves as President and Board Member (collectively, the "Funds"), hereby severally constitute and appoint J. Gary Burkhead, my true and lawful attorney-in-fact, with full power of substitution, and with full power to sign for me and in my name in the appropriate capacity, all Pre-Effective Amendments to any Registration Statements of the Funds, any and all subsequent Post-Effective Amendments to said Registration Statements, any Registration Statements on Form N-14, and any supplements or other instruments in connection therewith, and generally to do all such things in my name and behalf in connection therewith as said attorney-in-fact deem necessary or appropriate, to comply with the provisions of the Securities Act of 1933 and Investment Company Act of 1940, and all related requirements of the Securities and Exchange Commission. I hereby ratify and confirm all that said attorneys-in-fact or their substitutes may do or cause to be done by virtue hereof.

WITNESS my hand on the date set forth below.

/s/Edward C. Johnson 3d October 20, 1993

POWER OF ATTORNEY

We, the undersigned Directors, Trustees or General Partners, as the case may be, of the following investment companies:

<S>	<C>
Fidelity Advisor Series I	Fidelity Institutional Trust
Fidelity Advisor Series II	Fidelity Investment Trust
Fidelity Advisor Series III	Fidelity Magellan Fund
Fidelity Advisor Series IV	Fidelity Massachusetts Municipal Trust
Fidelity Advisor Series V	Fidelity Money Market Trust
Fidelity Advisor Series VI	Fidelity Mt. Vernon Street Trust
Fidelity Advisor Series VII	Fidelity Municipal Trust
Fidelity Advisor Series VIII	Fidelity New York Municipal Trust
Fidelity California Municipal Trust	Fidelity Puritan Trust
Fidelity Capital Trust	Fidelity School Street Trust
Fidelity Charles Street Trust	Fidelity Securities Fund
Fidelity Commonwealth Trust	Fidelity Select Portfolios
Fidelity Congress Street Fund	Fidelity Sterling Performance Portfolio, L.P.
Fidelity Contrafund	Fidelity Summer Street Trust
Fidelity Corporate Trust	Fidelity Trend Fund
Fidelity Court Street Trust	Fidelity U.S. Investments-Bond Fund, L.P.
Fidelity Destiny Portfolios	Fidelity U.S. Investments-Government Securities Fund, L.P.
Fidelity Deutsche Mark Performance Portfolio, L.P.	Fidelity Union Street Trust
Fidelity Devonshire Trust	Fidelity Yen Performance Portfolio, L.P.
Fidelity Exchange Fund	Spartan U.S. Treasury Money Market Fund
Fidelity Financial Trust	Variable Insurance Products Fund
Fidelity Fixed-Income Trust	Variable Insurance Products Fund II
Fidelity Government Securities Fund	
Fidelity Hastings Street Trust	
Fidelity Income Fund	

</TABLE>

plus any other investment company for which Fidelity Management & Research Company acts as investment adviser and for which the undersigned individuals serve as Board Members (collectively, the "Funds"), hereby severally constitute and appoint Arthur J. Brown, Arthur C. Delibert, Robert C. Hacker, Richard M. Phillips, Dana L. Platt and Stephanie A. Xupolos, each of them singly, our true and lawful attorneys-in-fact, with full power of substitution, and with full power to each of them, to sign for us and in our names in the appropriate capacities, all Pre-Effective Amendments to any Registration Statements of the Funds, any and all subsequent Post-Effective Amendments to said Registration Statements, any Registration Statements on Form N-14, and any supplements or other instruments in connection therewith, and generally to do all such things in our names and behalf in connection therewith as said attorneys-in-fact deem necessary or appropriate, to comply with the provisions of the Securities Act of 1933 and Investment Company Act of 1940, and all related requirements of the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact or their substitutes may do or cause to be done by virtue hereof.

WITNESS our hands on this twentieth day of October, 1993.

/s/Edward C. Johnson 3d /s/Peter S. Lynch

Edward C. Johnson 3d Peter S. Lynch

/s/J. Gary Burkhead /s/Edward H. Malone

J. Gary Burkhead Edward H. Malone

/s/Richard J. Flynn /s/Gerald C. McDonough

Richard J. Flynn Gerald C. McDonough

/s/E. Bradley Jones /s/Thomas R. Williams

/s/Donald J. Kirk

Donald J. Kirk

POWER OF ATTORNEY

I, the undersigned Director, Trustee or General Partner, as the case may be, of the following investment companies:

<TABLE>

<CAPTION>

<S>

Fidelity Advisor Series I
 Fidelity Advisor Series III
 Fidelity Advisor Series IV
 Fidelity Advisor Series VI
 Fidelity Advisor Series VIII
 Fidelity California Municipal Trust
 Fidelity Capital Trust
 Fidelity Charles Street Trust
 Fidelity Commonwealth Trust
 Fidelity Congress Street Fund
 Fidelity Contrafund
 Fidelity Deutsche Mark Performance
 Portfolio, L.P.
 Fidelity Devonshire Trust
 Fidelity Financial Trust
 Fidelity Fixed-Income Trust
 Fidelity Government Securities Fund
 Fidelity Hastings Street Trust
 Fidelity Income Fund
 Fidelity Institutional Trust
 Fidelity Investment Trust

<C>

Fidelity Magellan Fund
 Fidelity Massachusetts Municipal Trust
 Fidelity Money Market Trust
 Fidelity Mt. Vernon Street Trust
 Fidelity New York Municipal Trust
 Fidelity Puritan Trust
 Fidelity School Street Trust
 Fidelity Select Portfolios
 Fidelity Sterling Performance Portfolio, L.P.
 Fidelity Summer Street Trust
 Fidelity Trend Fund
 Fidelity Union Street Trust
 Fidelity U.S. Investments-Bond Fund, L.P.
 Fidelity U.S. Investments-Government Securities
 Fund, L.P.
 Fidelity Yen Performance Portfolio, L.P.
 Spartan U.S. Treasury Money Market
 Fund
 Variable Insurance Products Fund
 Variable Insurance Products Fund II

</TABLE>

plus any other investment company for which Fidelity Management & Research Company acts as investment adviser and for which the undersigned individual serves as a Board Member (collectively, the "Funds"), hereby severally constitute and appoint Arthur J. Brown, Arthur C. Delibert, Robert C. Hacker, Richard M. Phillips, Dana L. Platt and Stephanie A. Xupolos, each of them singly, my true and lawful attorneys-in-fact, with full power of substitution, and with full power to each of them, to sign for me and in my name in the appropriate capacity, all Pre-Effective Amendments to any Registration Statements of the Funds, any and all subsequent Post-Effective Amendments to said Registration Statements, any Registration Statements on Form N-14, and any supplements or other instruments in connection therewith, and generally to do all such things in my name and behalf in connection therewith as said attorneys-in-fact deem necessary or appropriate, to comply with the provisions of the Securities Act of 1933 and Investment Company Act of 1940, and all related requirements of the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact or their substitutes may do or cause to be done by virtue hereof.

WITNESS my hand on the date set forth below.

/s/Ralph F. Cox October 20, 1993

Ralph F. Cox

POWER OF ATTORNEY

I, the undersigned Director, Trustee or General Partner, as the case may be, of the following investment companies:

<TABLE>

<CAPTION>

<S>

Fidelity Advisor Series I
 Fidelity Advisor Series III
 Fidelity Advisor Series IV
 Fidelity Advisor Series VI
 Fidelity Advisor Series VIII
 Fidelity Beacon Street Trust
 Fidelity Capital Trust
 Fidelity Commonwealth Trust
 Fidelity Contrafund
 Fidelity Deutsche Mark Performance
 Portfolio, L.P.
 Fidelity Devonshire Trust

<C>

Fidelity Investment Trust
 Fidelity Mt. Vernon Street Trust
 Fidelity School Street Trust
 Fidelity Select Portfolios
 Fidelity Sterling Performance Portfolio, L.P.
 Fidelity Trend Fund
 Fidelity Union Street Trust
 Fidelity U.S. Investments-Bond Fund, L.P.
 Fidelity U.S. Investments-Government Securities
 Fund, L.P.
 Fidelity Yen Performance Portfolio, L.P.
 Spartan U.S. Treasury Money Market

Fidelity Financial Trust	Fund
Fidelity Fixed-Income Trust	Variable Insurance Products Fund
Fidelity Government Securities Fund	Variable Insurance Products Fund II
Fidelity Hastings Street Trust	
Fidelity Institutional Trust	

</TABLE>

plus any other investment company for which Fidelity Management & Research Company acts as investment adviser and for which the undersigned individual serves as a Board Member (collectively, the "Funds"), hereby severally constitute and appoint Arthur J. Brown, Arthur C. Delibert, Robert C. Hacker, Richard M. Phillips, Dana L. Platt and Stephanie A. Xupolos, each of them singly, my true and lawful attorneys-in-fact, with full power of substitution, and with full power to each of them, to sign for me and in my name in the appropriate capacity, all Pre-Effective Amendments to any Registration Statements of the Funds, any and all subsequent Post-Effective Amendments to said Registration Statements, any Registration Statements on Form N-14, and any supplements or other instruments in connection therewith, and generally to do all such things in my name and behalf in connection therewith as said attorneys-in-fact deem necessary or appropriate, to comply with the provisions of the Securities Act of 1933 and Investment Company Act of 1940, and all related requirements of the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact or their substitutes may do or cause to be done by virtue hereof.

WITNESS my hand on the date set forth below.
/s/Phyllis Burke Davis October 20, 1993

Phyllis Burke Davis

POWER OF ATTORNEY

I, the undersigned Director, Trustee or General Partner, as the case may be, of the following investment companies:

<TABLE>	<C>
<CAPTION>	
<S>	
Fidelity Advisor Series I	Fidelity Investment Trust
Fidelity Advisor Series III	Fidelity Special Situations Fund
Fidelity Advisor Series IV	Fidelity Sterling Performance Portfolio, L.P.
Fidelity Advisor Series VI	Fidelity Trend Fund
Fidelity Advisor Series VII	Fidelity U.S. Investments-Bond Fund, L.P.
Fidelity Advisor Series VIII	Fidelity U.S. Investments-Government Securities Fund, L.P.
Fidelity Contrafund	
Fidelity Deutsche Mark Performance Portfolio, L.P.	Fidelity Yen Performance Portfolio, L.P.
Fidelity Fixed-Income Trust	Spartan U.S. Treasury Money Market Fund
Fidelity Government Securities Fund	Variable Insurance Products Fund
Fidelity Hastings Street Trust	Variable Insurance Products Fund II
Fidelity Institutional Trust	

</TABLE>

plus any other investment company for which Fidelity Management & Research Company acts as investment adviser and for which the undersigned individual serves as a Board Member (collectively, the "Funds"), hereby severally constitute and appoint Arthur J. Brown, Arthur C. Delibert, Robert C. Hacker, Richard M. Phillips, Dana L. Platt and Stephanie A. Xupolos, each of them singly, my true and lawful attorneys-in-fact, with full power of substitution, and with full power to each of them, to sign for me and in my name in the appropriate capacity, all Pre-Effective Amendments to any Registration Statements of the Funds, any and all subsequent Post-Effective Amendments to said Registration Statements, any Registration Statements on Form N-14, and any supplements or other instruments in connection therewith, and generally to do all such things in my name and behalf in connection therewith as said attorneys-in-fact deem necessary or appropriate, to comply with the provisions of the Securities Act of 1933 and Investment Company Act of 1940, and all related requirements of the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact or their substitutes may do or cause to be done by virtue hereof.

WITNESS my hand on the date set forth below.
/s/Marvin L. Mann October 20, 1993

Marvin L. Mann