FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **1994-01-14**
SEC Accession No. 0000354046-94-000015

(HTML Version on secdatabase.com)

FILER

FIDELITY FINANCIAL TRUST

CIK:**708191**| IRS No.: **042778698** | State of Incorp.:**MA** | Fiscal Year End: **1130**
Type: **485BPOS** | Act: **33** | File No.: **002-79910** | Film No.: **94501487**

Mailing Address
82 DEVONSHIRE STREET
MAILZONE ZZ2
BOSTON MA 02109

Business Address
82 DEVONSHIRE ST
BOSTON MA 02109
6175707000

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM N-1A
REGISTRATION STATEMENT (NO. 2-79910)
UNDER THE SECURITIES ACT OF 1933 [ ]
Pre-Effective Amendment No. [ ]
Post-Effective Amendment No.26 [x]
and
REGISTRATION STATEMENT UNDER THE INVESTMENT
COMPANY ACT OF 1940 [x]
Amendment No. [ ]
Fidelity Financial Trust
(Exact Name of Registrant as Specified in Charter)
82 Devonshire St., Boston, MA 02109
(Address Of Principal Executive Offices)
Registrant's Telephone Number: (617) 570-7000
Arthur S. Loring, Secretary
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)
[x] On January 19, 1994 pursuant to paragraph (b) of Rule 485
[ ] 60 days after filing pursuant to paragraph (a)
[ ] On ( ) 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 will file the notice required by such
Rule before January 31, 1994.

FIDELITY FINANCIAL TRUST:
FIDELITY CONVERTIBLE SECURITIES FUND
CROSS REFERENCE SHEET
FORM N-1A

ITEM NUMBER	PROSPECTUS SECTION
1	Cover Page
2a	Expenses
b, c	Contents; The Fund at a Glance; Who May Want to Invest
3a	Financial Highlights
b	*
c	Performance
4a i	Charter
ii	The Fund at a Glance; Investment Principles; Securities & Investment Practices
b	Securities & Investment Practices
c	Who May Want to Invest; Investment Principles; Securities & Investment Practices
5a	Charter
b i	Doing Business with Fidelity; Charter
ii	Charter; Breakdown of Expenses
iii	Expenses; Breakdown of Expenses
c, d	Charter; Breakdown of Expenses
e	Expenses
f	Charter

6a i	Charter
ii	How to Buy Shares; How to Sell Shares; Transaction Details; Exchange Restrictions
iii	*
b	*
c	Exchange Restrictions
d	*
e	Doing Business with Fidelity; How to Buy Shares; How to Sell Shares; Investor Services
f, g	Dividends, Capital Gains, and Taxes
7a	Charter
b	How to Buy Shares; Transaction Details
c	Sales Charge Reductions and Waivers
d	How to Buy Shares
e, f	*
8	How to Sell Shares; Investor Services; Transaction Details; Exchange Restrictions
9	*

* Not Applicable

FIDELITY CONVERTIBLE SECURITIES FUND
CROSS REFERENCE SHEET
(continued)

FORM N-1A ITEM NUMBER	STATEMENT OF ADDITIONAL INFORMATION SECTION
10	Cover Page
11	Cover Page
12	*
13a - c	Investment Policies and Limitations
d	Portfolio Transactions
14a - c	Trustees and Officers
15a, b	*
c	Trustees and Officers
16a i	FMR; Portfolio Transactions
ii	Trustees and Officers
iii	Management Contract
b	Management Contract
c, d	Contracts with Companies Affiliated with FMR
e - g	*

h	Description of the Fund
i	Contracts with Companies Affiliated with FMR
17a - d	Portfolio Transactions
e	*
18a	Description of the Fund
b	*
19a	Additional Purchase and Redemption Information
b	Additional Purchase and Redemption Information; Valuation of Portfolio Securities
c	*
20	Distributions and Taxes
21a, b	Contracts with Companies Affiliated with FMR
c	*
22	Performance
23	Financial Statements

* Not Applicable

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

A Statement of Additional Information dated January 19, 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.

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.

Convertible Securities seeks high total return through a combination of current income and capital appreciation by investing primarily in securities that can be converted into common stock.

Many of the fund's investments are lower-quality debt securities, which carry increased risk of default and price volatility, and may present problems of liquidity and valuation.

FIDELITY
CONVERTIBLE
SECURITIES
FUND
PROSPECTUS
JANUARY 19, 1994

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.

CVS-pro-194

(Registered trademark)

82 Devonshire Street, Boston, MA 02109

CONTENTS

KEY FACTS

THE FUND AT A GLANCE

GOAL: High total return through a combination of current income and capital appreciation. As with any mutual fund, there is no assurance that the fund will achieve its goal.

STRATEGY: Invests primarily in securities that are convertible into common stock.

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. Foreign affiliates of FMR help choose investments for the fund.

SIZE: As of November 30, 1993, the fund had over $1 billion in assets.

WHO MAY WANT TO INVEST

The fund is designed for those who want income and exposure to changes in the bond market, but are also looking for exposure to the stock market. The value of convertible securities typically moves up and down with the underlying stocks, but with less potential for gain or loss. The fund may be appropriate for investors who are willing to ride out stock market fluctuations in pursuit of potentially high long-term returns. The fund is not in itself a balanced investment plan.

The fund's investments are sensitive to interest rates, credit quality, and changes in the stock market. Over time, stocks have shown greater growth potential than other types of securities. In the short-term, however, stock prices can fluctuate dramatically in response to company, market, or economic news. The value of the fund's investments and the income they generate will vary. When you sell your fund shares, they may be worth more or less tha n what you paid for them.

THE SPECTRUM OF
FIDELITY FUNDS

Broad categories of Fidelity funds are presented here in order of ascending risk. Generally, investors seeking to maximize return must assume greater risk. Convertible Securities is in the GROWTH AND INCOME category.

(bullet) MONEY MARKET Seeks income and stability by investing in high-quality, short-term investments.

(bullet) INCOME Seeks income by investing in bonds.

(arrow) GROWTH AND INCOME Seeks long-term growth and income by investing in stocks and bonds.

(bullet) GROWTH Seeks long-term growth by investing mainly in stocks.

(checkmark)

<r>EXPENSES & PERFORMANCE</r>

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 the fund's assets. The fund pays a management fee that varies based on its performance . It also incurs other expenses for services such as maintaining shareholder records and furnishing shareholder statements and fund reports. The fund's expenses are factored into its share price or dividends and are not charged directly to shareholder accounts (see page 22).

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

Management fee .53 %
12b-1 fee None
Other expenses .39 %
Total fund operating expenses .92 %

EXAMPLES: Let's say, hypothetically, that the 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 year $ 9
After 3 years $ 29
After 5 years $ 51
After 10 years $ 113

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

UNDERSTANDING
EXPENSES
Operating a mutual fund involves a variety of expenses for portfolio management, shareholder statements, tax reporting, and other services. These costs are paid from the fund's assets; their effect is already factored into any quoted share price or return.
(checkmark)
FINANCIAL HIGHLIGHTS
The table that follows has been audited by Price Waterhouse , independent accountants. Their unqualified report is included in the fund's Annual Report. The Annual Report is incorporated by reference into (is legally a part of) the Statement of Additional Information.

SELECTED PER-SHARE DATA

<TABLE>
<CAPTION>
<S>
<C> <C> <C> <C> <C> <C> <C>

1.Years ended November 30,	1987A	1988	1989	1990	1991	1992	1993
2.Net asset value, beginning of period	$ 10.00	$ 9.05	$ 10.01	$ 11.81	$ 10.53	$ 13.45	$ 15.77
3.Income from Investment Operations							
4. Net investment income	.40	.63	.80	.64	.60	.67	.75
5. Net realized and unrealized gain (loss) on investments	(1.11)	.93	1.72	(1.15)	2.94	2.66	2.24
6. Total from investment operations	(.71)	1.56	2.52	(.51)	3.54	3.33	2.99
7.Less Distributions							
8. From net investment income	(.24)	(.60)	(.72)	(.77)	(.62)	(.64)	(.73)
9. From net realized gain	-	-	-	-	-	(.37)	(.40)
10. Total distributions	(.24)	(.60)	(.72)	(.77)	(.62)	(1.01)	(1.13)
11.Net asset value, end of period	$ 9.05	$ 10.01	$ 11.81	$ 10.53	$ 13.45	$ 15.77	$ 17.63
12.Total returnB	(7.47) %	17.69 %	26.28 %	(4.61) %	34.52 %	26.18 %	19.94 %

13.RATIOS AND SUPPLEMENTAL DATA

14.Net assets, end of period (000 omitted)	$ 39,502	$ 44,628	$ 59,627	$ 57,205	$ 126,230	$ 412,363	$ 1,056,282
15.Ratio of expenses to average net assets	1.60 %C	1.60 %	1.38 %	1.31 %	1.17 %	.96 %	.92 %
16.Ratio of net investment income to average net assets	5.45 %C	6.20 %	7.48 %	5.63 %	4.99 %	4.82 %	4.62 %
17.Portfolio turnover rate	233 %C	191 %	207 %	223 %	152 %	258 %	312 %

</TABLE>

A FROM JANUARY 5, 1987 (COMMENCEMENT OF OPERATIONS) TO NOVEMBER 30, 1987

B TOTAL RETURNS FOR PERIODS OF LESS THAN ONE YEAR ARE NOT ANNUALIZED.

C ANNUALIZED

PERFORMANCE

Mutual fund performance is commonly measured as TOTAL RETURN. The total returns that follow are based on historical fund results and do not reflect the effect of taxes.

The fund's fiscal year runs from December 1 through November 30. The tables below show the fund's performance over past fiscal years compared to two measures: investing in a broad selection of stocks (Merrill Lynch Convertible Securities Index), and not investing at all (inflation, or CPI). To help you compare this fund to other funds, the chart on page 7 displays calendar-year performance.

AVERAGE ANNUAL TOTAL RETURNS

Fiscal periods ended November 30, 1993	Past 1 year	Past 5 years	Life of fundA
Convertible Securities	19.94%	19.65%	15.27%
Merrill Lynch Convertible Securities Index	20.82%	15.01%	.n/a
Consumer Price Index	2.68%	3.92%	4.09%

CUMULATIVE TOTAL RETURNS

Fiscal periods ended November 30, 1993	Past 1 year	Past 5 years	Life of fundA
Convertible Securities	19.94 %	145. 22 %	167. 04 %
Merrill Lynch Convertible Securities Index	20.82%	101.24%	.n/a
Consumer Price Index	2.68%	21.20%	31.95%

A FROM JANUARY 5, 1987

EXAMPLE: Let's say, hypothetically, that an investor put $10,000 in the fund on January 5, 1987. From that date through November 30, 1993, the fund's total return was 167.04 %. That $10,000 would have grown to $ 26,704 (the initial investment plus 167.04 % of $10,000).

$10,000 OVER LIFE OF FUND

Fiscal years 1987 1990 1993

Row: 1, Col: 1, Value: 10000.0
Row: 2, Col: 1, Value: 10350.2
Row: 3, Col: 1, Value: 10437.75
Row: 4, Col: 1, Value: 10282.1
Row: 5, Col: 1, Value: 10252.92
Row: 6, Col: 1, Value: 10429.22
Row: 7, Col: 1, Value: 10949.7
Row: 8, Col: 1, Value: 11195.21
Row: 9, Col: 1, Value: 11119.15
Row: 10, Col: 1, Value: 9020.630000000001
Row: 11, Col: 1, Value: 9000.740000000002
Row: 12, Col: 1, Value: 9253.190000000001
Row: 13, Col: 1, Value: 9598.15
Row: 14, Col: 1, Value: 9993.849999999999
Row: 15, Col: 1, Value: 10126.04
Row: 16, Col: 1, Value: 10321.56
Row: 17, Col: 1, Value: 10249.53
Row: 18, Col: 1, Value: 10675.2
Row: 19, Col: 1, Value: 10602.15

Row: 20, Col: 1, Value: 10445.63
Row: 21, Col: 1, Value: 10582.76
Row: 22, Col: 1, Value: 10752.08
Row: 23, Col: 1, Value: 10593.34
Row: 24, Col: 1, Value: 10723.6
Row: 25, Col: 1, Value: 11181.78
Row: 26, Col: 1, Value: 11301.78
Row: 27, Col: 1, Value: 11630.81
Row: 28, Col: 1, Value: 12061.99
Row: 29, Col: 1, Value: 12338.38
Row: 30, Col: 1, Value: 12437.47
Row: 31, Col: 1, Value: 12997.21
Row: 32, Col: 1, Value: 13422.61
Row: 33, Col: 1, Value: 13433.81
Row: 34, Col: 1, Value: 13161.96
Row: 35, Col: 1, Value: 13377.18
Row: 36, Col: 1, Value: 13542.0
Row: 37, Col: 1, Value: 13040.01
Row: 38, Col: 1, Value: 13191.78
Row: 39, Col: 1, Value: 13450.8
Row: 40, Col: 1, Value: 13344.42
Row: 41, Col: 1, Value: 13876.3
Row: 42, Col: 1, Value: 14031.24
Row: 43, Col: 1, Value: 13935.54
Row: 44, Col: 1, Value: 13014.48
Row: 45, Col: 1, Value: 12372.24
Row: 46, Col: 1, Value: 12129.89
Row: 47, Col: 1, Value: 12760.01
Row: 48, Col: 1, Value: 13150.08
Row: 49, Col: 1, Value: 13965.01
Row: 50, Col: 1, Value: 14866.38
Row: 51, Col: 1, Value: 15261.64
Row: 52, Col: 1, Value: 15436.49
Row: 53, Col: 1, Value: 15961.03
Row: 54, Col: 1, Value: 15657.98
Row: 55, Col: 1, Value: 16289.35
Row: 56, Col: 1, Value: 16908.09
Row: 57, Col: 1, Value: 17190.33
Row: 58, Col: 1, Value: 17930.53
Row: 59, Col: 1, Value: 17164.81
Row: 60, Col: 1, Value: 18244.09
Row: 61, Col: 1, Value: 19164.97
Row: 62, Col: 1, Value: 19792.24
Row: 63, Col: 1, Value: 19458.45
Row: 64, Col: 1, Value: 19620.15
Row: 65, Col: 1, Value: 19997.46
Row: 66, Col: 1, Value: 19878.15
Row: 67, Col: 1, Value: 20422.38
Row: 68, Col: 1, Value: 20027.81
Row: 69, Col: 1, Value: 20504.91
Row: 70, Col: 1, Value: 20985.6
Row: 71, Col: 1, Value: 21658.57
Row: 72, Col: 1, Value: 22261.35
Row: 73, Col: 1, Value: 23005.78
Row: 74, Col: 1, Value: 22604.93
Row: 75, Col: 1, Value: 23729.83
Row: 76, Col: 1, Value: 23946.74
Row: 77, Col: 1, Value: 24539.62
Row: 78, Col: 1, Value: 24511.54
Row: 79, Col: 1, Value: 24759.72
Row: 80, Col: 1, Value: 25343.67
Row: 81, Col: 1, Value: 25638.1
Row: 82, Col: 1, Value: 26227.48
Row: 83, Col: 1, Value: 26704.0
$
$26,704

EXPLANATION OF TERMS

UNDERSTANDING PERFORMANCE

Because this fund invests in convertible securities, its performance is related to that of the overall stock market. Historically, stock market performance has been characterized by volatility in the short run and growth in the long run. You can see these two characteristics reflected in the fund's performance; the year-by-year total returns on page 7 show that short-term returns can vary widely, while the returns at left show long-term growth.

(checkmark)
TOTAL RETURN is the change in value of an investment in the 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.
YIE LD refers to the income generated by an investment in the fund over a given period of time, expressed as an annual percentage rate. Yields 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 MERRILL LYNCH CONVERTIBLE SECURITIES INDEX is an unmanaged index of over 450 securities, representing approximately 95% of the total amount of U.S. convertible securities outstanding. The figures assume reinvestment of all dividends paid by the securities included in the index. They do not, however, include any allowance for the brokerage commissions or other fees you would pay if you actually invested in those securities.
THE COMPETITIVE FUNDS AVERAGE is the Lipper Convertible Securities Funds Average, which currently reflects the performance of over 24 mutual funds with similar objectives. This average, which assumes reinvestment of distributions, is published by Lipper Analytical Services, Inc.
Other illustrations of fund performance may show moving averages over specified periods.
The fund's 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 ARE BASED ON PAST RESULTS AND ARE NOT AN INDICATION OF FUTURE PERFORMANCE.
YEAR-BY-YEAR TOTAL RETURNS
Calendar years 1988 1989 1990 1991 1992
Convertible Securities 15.89% 26.28% -2.89% 38.74%
22.02%
Competitive funds average 12.14 % 13.81 % -5.63 %
29.46 % 14.22 %
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
Row: 3, Col: 2, Value: nil
Row: 4, Col: 1, Value: nil
Row: 4, Col: 2, Value: nil
Row: 5, Col: 1, Value: 15.89
Row: 5, Col: 2, Value: 12.14
Row: 6, Col: 1, Value: 26.28
Row: 6, Col: 2, Value: 13.81
Row: 7, Col: 1, Value: -2.89
Row: 7, Col: 2, Value: -5.63
Row: 8, Col: 1, Value: 38.74
Row: 8, Col: 2, Value: 29.46
Row: 9, Col: 1, Value: 22.02
Row: 9, Col: 2, Value: 14.22
Row: 10, Col: 1, Value: nil
Row: 10, Col: 2, Value: nil
Convertible
Securities
Competitive
funds
average

<r>YOUR ACCOUNT</r>

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 75 walk-in Investor Centers across the country.

TYPES OF ACCOUNTS

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

The account guidelines that follow may not apply to certain retirement accounts. If your employer offers the fund through a retirement program, contact your employer for more information. Otherwise, call Fidelity directly.

FIDELITY FACTS

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

(bullet) Number of Fidelity mutual funds: over 200
(bullet) Assets in Fidelity mutual funds: over $200 billion
(bullet) Number of shareholder accounts: over 14 million
(bullet) Number of investment analysts and portfolio managers: over 200

(checkmark)

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).

RETIREMENT

TO SHELTER YOUR RETIREMENT SAVINGS FROM TAXES

Retirement plans allow individuals to shelter investment income and capital gains from current taxes. In addition, contributions to these accounts may be tax deductible. Retirement accounts require special applications and typically have lower minimums.

(bullet) INDIVIDUAL RETIREMENT ACCOUNTS (IRAS) allow anyone of legal age and under 70 with earned income to invest up to $2,000 per tax year. Individuals can also invest in a spouse's IRA if the spouse has earned income of less than $250.

(bullet) ROLLOVER IRAS retain special tax advantages for certain distributions from employer-sponsored retirement plans.

(bullet) KEOGH OR CORPORATE PROFIT SHARING AND MONEY PURCHASE PENSION PLANS allow self-employed individuals or small business owners (and their employees) to make tax-deductible contributions for themselves and any eligible employees up to $30,000 per year.

(bullet) SIMPLIFIED EMPLOYEE PENSION PLANS (SEP-IRAS) provide small business owners or those with self-employed income (and their eligible employees) with many of the same advantages as a Keogh, but with fewer administrative requirements.

(bullet) 403(B) CUSTODIAL ACCOUNTS are available to employees of most tax-exempt institutions, including schools, hospitals, and other charitable organizations.

(bullet) 401(K) PROGRAMS allow employees of corporations of all sizes to contribute a percentage of their wages on a tax-deferred basis. These accounts need to be established by the trustee of the plan.

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

THE FUND'S SHARE PRICE, called net asset value (NAV), is calculated every business day. The 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.

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 11. 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 ARE INVESTING THROUGH A TAX-SHELTERED RETIREMENT PLAN, such as an IRA, for the first time, you will need a special application. Retirement investing also involves its own investment procedures. Call 1-800-544-8888 for more information and a retirement application.

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

For Fidelity retirement accounts $500

TO ADD TO AN ACCOUNT $250

For Fidelity retirement accounts $250

Through automatic investment plans $100

MINIMUM BALANCE $1,000

For Fidelity retirement accounts $500

<TABLE>
<CAPTION>

<S>	<C> TO OPEN AN ACCOUNT	<C> TO ADD TO AN ACCOUNT
PHONE 1-800-544-7777	(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>	<C>	<C>
MAIL	(bullet) Complete and sign the application. Make your check payable to "Fidelity Convertible Securities Fund." Mail to the address indicated on the application.	(bullet) Make your check payable to "Fidelity Convertible Securities Fund." Indicate your fund account number on your check and mail to the address printed on your account statement. (bullet) Exchange by mail: call 1-800-544-6666 for instructions.

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>
IN PERSON	(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>

WIRE	(bullet) Call 1-800-544-7777 to set up your account and to arrange a wire transaction. Not available for retirement accounts. (bullet) Wire within 24 hours to: Bankers Trust Company, Bank Routing	(bullet) Not available for retirement accounts. (bullet) Wire to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify "Fidelity Convertible Securities

#021001033, Account #00163053. Specify "Fidelity Convertible Securities Fund" and include your new account number and your name.

Fund" and include your account number and your name.

<TABLE>
<CAPTION>

<S>	<C>	<C>
AUTOMATICALLY	(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.

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.

TO SELL SHARES IN A NON-RETIREMENT ACCOUNT, you may use any of the methods described on these two pages.

TO SELL SHARES IN A FIDELITY RETIREMENT ACCOUNT, your request must be made in writing, except for exchanges to other Fidelity funds, which can be requested by phone or in writing. Call 1-800-544-6666 for a retirement distribution form.

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 ($500 for retirement accounts) .

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

ACCOUNT TYPE SPECIAL REQUIREMENTS

<TABLE>
<CAPTION>

<S>	<C>	<C>
PHONE 1-800-544-7777	All account types except retirement	(bullet) Maximum check request: $100,000. (bullet) For Money Line transfers to your bank account; minimum: none ; maximum: $100,000.
	All account types	(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	Individual, Joint	(bullet) The letter of instruction must

	Tenant, Sole Proprietorship, UGMA, UTMA	be signed by all persons required to sign for transactions, exactly as their names appear on the account.
	Retirement account	(bullet) The account owner should complete a retirement distribution form. Call 1-800-544-6666 to request one.
	Trust	(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.
	Business or Organization	(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.
	Executor, Administrator, Conservator, Guardian	(bullet) Call 1-800-544-6666 for instructions.
WIRE	All account types except retirement	(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.

</TABLE>

<TABLE>
<CAPTION>
<S> <C> <C>
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.

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)

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)

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 the 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 20 .
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 retirement, a home, educational expenses, and other long-term financial goals. Certain restrictions apply for retirement accounts. Call 1-800-544-6666 for more information.
REGULAR INVESTMENT PLANS

<TABLE>
<CAPTION>
<S> <C> <C>

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.

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

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.

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

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>

<TABLE>
<CAPTION>
<S> <C> <C>
A BECAUSE ITS SHARE PRICE FLUCTUATES, THE FUND MAY NOT BE AN APPROPRIATE CHOICE FOR DIRECT DEPOS I T OF YOUR ENTIRE CHECK.

</TABLE>

DIVIDENDS, CAPITAL GAINS, AND TAXES
The fund distributes substantially all of its net income and capital gains to shareholders each year. Normally, dividends are distributed in March, June, September, and December. Capital gains are distributed in January 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. The fund offers four options:
1. REINVESTMENT OPTION. Your dividend and capital gain distributions 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 will be automatically reinvested, but you will be sent a check for each dividend distribution.
3. CASH OPTION. You will be sent a check for your dividend and capital gain distributions.
4. DIRECTED DIVIDENDS(Registered trademark) OPTION. Your dividend and capital gain distributions will be automatically invested in another identically registered Fidelity fund.

FOR RETIREMENT ACCOUNTS, all distributions are automatically reinvested. When you are over 59 years old, you can receive distributions in cash.

When the fund deducts a distribution from its NAV, the reinvestment price is the fund's NAV at the close of business that day. Cash distribution checks will be mailed 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.

The fund earns dividends from stocks and interest from bond, money market, and other investments. These are passed along as DIVIDEND DISTRIBUTIONS. The fund realizes capital gains whenever it sells securities for a higher price than it paid for them. These are passed along as CAPITAL GAIN DISTRIBUTIONS.

(checkmark)

TAXES

As with any investment, you should consider how your investment in the fund will be taxed. If your account is not a tax-deferred retirement account, you should be aware of these tax implications.

TAXES ON DISTRIBUTIONS. Distributions are subject to federal income tax, and may also be subject to state or local taxes. If you live outside the United States, your distributions could also be taxed by the country in which you reside. Your 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.

For federal tax purposes, the fund's income and short-term capital gain distributions are taxed as dividends; long-term capital gain distributions are taxed as long-term capital gains. Every January, Fidelity will send you and the IRS a statement showing the taxable distributions paid to you in the previous year.

TAXES ON TRANSACTIONS. Your 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 the 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 the 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.

There are tax requirements that all funds must follow in order to avoid federal taxation. In its effort to adhere to these requirements, the fund may have to limit its investment activity in some types of instruments.

<r>SHAREHOLDER AND ACCOUNT POLICIES</r>

TRANSACTION DETAILS

THE FUND IS OPEN FOR BUSINESS each day the New York Stock Exchange (NYSE) is open. Fidelity normally calculates the fund's net asset value as of the close of business of the NYSE, normally 4 p.m. Eastern time.

THE 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 fund's assets are valued primarily on the basis of market quotations. If quotations are not readily available, assets are valued by a method that the Board of Trustees believes accurately reflects fair value. Foreign securities are valued on the basis of quotations from the primary market in which they are traded, and are translated from the local currency into U.S. dollars using current exchange rates.

THE 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 the 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.

THE FUND RESERVES THE RIGHT TO SUSPEND THE OFFERING OF SHARES for a period of time. The fund also reserves the right to reject any specific purchase order, including certain purchases by exchange. See "Exchange Restrictions" on page 20. Purchase orders may be refused if, in FMR's opinion, they are of a size that would disrupt management of the 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) The 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 the fund or its transfer agent has incurred.

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 FUND 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 the 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 the fund, it may take up to seven days to pay you.

(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) The 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.

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 fund without reimbursement from the fund. 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 the 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, the 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) The exchange limit may be modified for accounts in certain institutional retirement plans to conform to plan exchange limits and Department of Labor regulations. See your plan materials for further information.

(bullet) The 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 the 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 the fund.

Although the fund will attempt to give you prior notice whenever it is reasonably able to do so, it may impose these restrictions at any time. The fund reserves 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 FUND IN DETAIL

CHARTER

CONVERTIBLE SECURITIES IS A MUTUAL FUND: an investment that pools shareholders' money and invests it toward a specified goal. In technical terms, the fund is currently a diversified fund of Fidelity Financial Trust, an open-end management investment company organized as a Massachusetts business trust on October 20, 1982.

THE 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 fund's activities, review contractual arrangements with companies that provide services to the fund, and review performance. The majority of trustees are not otherwise affiliated with Fidelity.

THE FUND 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

The fund is managed by FMR, which chooses the fund's investments and handles its business affairs. Fidelity Management & Research (U.K.) Inc. (FMR U.K.) and Fidelity Management & Research (Far East) Inc. (FMR Far East) assist FMR with foreign investments.

Andrew Offit is manager of Convertible Securities, which he has managed since March 1992. Previously, he managed Select Health Care and Select Biotechnology. Mr. Offit joined Fidelity in 1987 as an equity analyst.

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

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 trust), Johnson family members, and various trusts for the benefit of the Johnson family form a controlling group with respect to FMR Corp.

A broker-dealer may use a portion of the commissions paid by the fund to reduce custodian or transfer agent fees. FMR may use its broker-dealer affiliates and other firms that sell fund shares to carry out the fund's transactions , provided that the fund receives brokerage services and commission rates comparable to those of other broker-dealers.

BREAKDOWN OF EXPENSES

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

The fund pays a MANAGEMENT FEE to FMR for managing its investments and business affairs. FMR in turn pays fees to affiliates who provide assistance with these services. The fund also pays OTHER EXPENSES, which are explained on page 2 3 .

FMR may, from time to time, agree to reimburse the fund for management fees and other expenses above a specified limit. FMR retains the ability to be repaid by the 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 the fund's expenses and boost its performance.

MANAGEMENT FEE

The management fee is calculated and paid to FMR every month. On November 17, 1993, shareholders of the fund approved a new management contract that went into effect on December 1, 1993. The new management contract adds a performance adjustment component to the management fee.

Management fee	=	Basic fee	+/-	Performance adjustment

THE BASIC FEE RATE (calculated monthly) 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 .52%, and it drops as total assets under management increase.

For November 30, 1993, the group fee rate was .3250 %. The individual fund fee rate is .20%. The basic fee rate for fiscal 19 93 was .53 %.

UNDERSTANDING THE MANAGEMENT FEE

The basic fee FMR receives is designed to be responsive to changes in FMR's total assets under management. Building this variable into the fee calculation assures shareholders that they will pay a lower rate as FMR's assets under management increase.

A nother variable, the performance adjustment, rewards FMR when the fund outperforms the Merrill Lynch Convertible Securities Index (an established index of stock market performance) and reduces FMR's fee when the fund underperforms this index.

(checkmark)

THE PERFORMANCE ADJUSTMENT RATE is calculated monthly by comparing the fund's performance to that of the Merrill Lynch Convertible Securities Index. The performance period began on December 1, 1993 and will eventually span 36 months, but the performance adjustment will not take effect until November 1994. The difference is translated into a dollar amount that is added to or subtracted from the basic fee. The maximum annualized performance adjustment rate is ".15%.

The total management fee for fiscal 1993 was .53 %.

FMR HAS SUB-ADVISORY AGREEMENTS with FMR U.K. and FMR Far East. These sub-advisers provide FMR with investment research and advice on companies based outside the United States. Under the sub - advisory agreements, FMR pays FMR U.K. and FMR Far East fees equal to 110% and 105%, respectively, of the costs of providing these services.

The sub - advisers may also provide investment management services . In return, FMR pays FMR U.K. and FMR Far East 50% of its management fee rate with respect to the fund's investments that the sub - adviser manages on a discretionary basis.

OTHER EXPENSES

While the management fee is a significant component of the fund's annual operating costs, the fund has other expenses as well.

The fund contracts with FSC to perform many transaction and accounting functions. These services include processing shareholder transactions, valuing the fund's investments, and handling securities loans. In fiscal 1993, the fund paid FSC fees equal to .33 % of its average net assets.

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

The fund has adopted a Distribution and Service Plan. This plan recognizes 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 fund does not pay FMR any separate fees for this service.

The fund's portfolio turnover rate for fiscal 1993 was 312 %. This rate varies from year to year. High turnover rates increase transaction costs and may increase taxable capital gains. FMR considers these effects when evaluating the anticipated benefits of short-term investing.

INVESTMENT PRINCIPLES

THE FUND SEEKS HIGH TOTAL RETURN through a combination of current income and capital appreciation. FMR normally invests at least 65% of the fund's total assets in convertible securities. The balance, however, may be invested in other types of securities.

Convertible securities are bonds, preferred stocks, and other securities that pay a fixed rate of interest or dividend. As an additional feature, however, they offer the buyer the option of converting the security into common stock.

The value of convertible securities depends partially on interest rate changes and the credit quality of the issuer. Because the buyer is also exposed to the risk and reward potential of the underlying stock, convertible securities pay less income than similar non - convertible bonds. Many of the fund's investments may be in lower - quality securities.

The value of convertible securities is sensitive to company, market, and other economic news, and will change based on the price of the underlying common stock. For this reason, FMR considers the growth potential of the underlying stock when selecting the fund's investments. Convertible securities have less potential for gain than common stock, but also less potential for loss, since their income provides a cushion against the stock's price declines.

THE FUND WILL SPREAD INVESTMENT RISK by limiting its holdings in any one company or industry. FMR may use various investment techniques to hedge the fund's risks, but there is no guarantee that these strategies will work as FMR intends. When you sell your shares, they may be worth more or less than what you paid for them.

FMR normally invests the fund's assets according to its investment strategy. When FMR considers it appropriate, however, it may temporarily invest substantially in non-convertible bonds, money market instruments, or obligations of banks and the U.S. government.

SECURITIES AND INVESTMENT PRACTICES

The following pages contain more detailed information about types of instruments in which the fund may invest, and strategies FMR may employ in pursuit of the fund's investment objective. 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 fund achieve its goal. As a shareholder, you will receive financial reports every six months detailing fund holdings and describing recent investment activities.

EQUITY SECURITIES may include common stocks, preferred stocks, convertible securities, and warrants. Common stocks, the most familiar type, represent an equity (ownership) interest in a corporation. This ownership interest often gives the fund the right to vote on measures affecting the company's organization and operations. Although common stocks have a history of long-term growth in value, their prices tend to fluctuate in the short term, particularly those of smaller companies.

RESTRICTIONS: With respect to 75% of total assets, the fund may not own more than 10% of the outstanding voting securities of a single issuer.

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 (commonly called "junk bonds") are often considered to be speculative and involve greater risk of default or price changes due to changes in interest rates, economic conditions, and the issuer's creditworthiness. As a result, their market prices tend to fluctuate more than higher-quality securities. Lower-quality securities are those rated lower than BBB by Moody's or S&P, and unrated debt securities of equivalent quality.

The default rate of lower-quality debt securities is likely to be higher when issuers have difficulty meeting projected goals or obtaining additional financing. This could occur during economic recessions or periods of high interest rates. If an issuer defaults, the fund may try to protect its interests and those of other security holders if it determines this to be in the interest of its shareholders.

Lower-quality securities may be thinly traded, making them difficult to sell promptly at an acceptable price. If market quotations are unavailable, lower-quality securities are valued under guidelines established by the Board of Trustees, including the use of outside pricing services. Negative publicity or investor perceptions may make this difficult, and could hurt the fund's ability to dispose of these securities.

The table on page 26 provides a summary of ratings assigned to debt holdings (not including money market instruments) in the fund's portfolio. These figures are dollar-weighted averages of month-end portfolio holdings during fiscal 1993, 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.

FISCAL 1993 DEBT HOLDINGS, BY RATING

	MOODY'S INVESTORS SERVICE, INC.		STANDARD & POOR'S CORPORATION	
	Rating	Average A	Rating	Average A
INVESTMENT GRADE				
Highest quality	Aaa		AAA	
High quality	Aa	1.14 %	AA	3.16 %
Upper-medium grade	A		A	
Medium grade	Baa	7.93 %	BBB	7.42 %
LOWER QUALITY				
Moderately speculative	Ba	6.86 %	BB	4.54 %
Speculative	B	20.61 %	B	18.77 %
Highly speculative	Caa	2.76 %	CCC	5.46 %
Poor quality	Ca	0.08 %	CC	0.00 %
Lowest quality, no interest	C		C	
In default, in arrears	--	0.00%	D	0.00 %
		39.38 %		39.35 %

A THE DOLLAR-WEIGHTED AVERAGE OF DEBT SECURITIES NOT RATED BY MOODY'S OR S&P AMOUNTED TO 10.26 %. 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 APPENDIX FOR A MORE COMPLETE DISCUSSION OF THESE RATINGS.

FOREIGN SECURITIES and foreign currencies may involve additional risks. These include currency fluctuations, risks relating to political or economic conditions in the foreign country, and the potentially less stringent investor protection and disclosure standards of foreign markets. In addition to the political and economic factors that can affect foreign securities, a governmental issuer may be unwilling to repay principal and interest when due, and may require that the conditions for payment be renegotiated. These factors could make foreign investments, especially those in developing countries, more volatile.

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

FMR can use these practices to adjust the risk and return characteristics of the 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.

DIRECT DEBT. Loans and other direct debt instruments are interests in amounts owed to another party by a company, government, or other borrower. They have additional risks beyond conventional debt securities because they may entail less legal protection for the fund, or there may be a requirement that the fund supply additional cash to a borrower on demand.

REPURCHASE AGREEMENTS. In a repurchase agreement, the fund buys a security at one price and simultaneously agrees to sell it back at a higher price. Delays or losses could result if the other party to the agreement defaults or becomes insolvent.

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 the fund.

RESTRICTIONS: The 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.
RESTRICTIONS: With respect to 75% of total assets, the fund may not invest more than 5% of its total assets in any one issuer. The fund also may not invest more than 25% of its total assets in any one industry. These limitations do not apply to U.S. government securities.
BORROWING. The fund may borrow from banks or from other funds advised by FMR, or through reverse repurchase agreements. If the 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: The fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.
LENDING. Lending securities to broker-dealers and institutions, including FBSI, an affiliate of FMR, is a means of earning income. This practice could result in a loss or a delay in recovering the fund's securities. The fund may also lend money to other funds advised by FMR.
RESTRICTIONS: Loans, in the aggregate, may not exceed 33% of the fund's 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 paragraph restates all those that are fundamental. All policies stated throughout this prospectus, other than those identified in the following paragraph, can be changed without shareholder approval.
The fund seeks a high level of total return through a combination of current income and capital appreciation. The fund seeks to achieve this objective by investing primarily in convertible securities. With respect to 75% of total assets, the fund may not invest more than 5% of its total assets in any one issuer and may not own more than 10% of the outstanding voting securities of a single issuer. The fund may not invest more than 25% of its total assets in any one industry. The fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets. Loans, in the aggregate, may not exceed 33% of the fund's total assets.
APPENDIX
DESCRIPTION OF MOODY'S INVESTORS SERVICE, INC.'S CORPORATE 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 the 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 over the future. Uncertainty of position characterizes bonds in this class.
B - Bonds rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or maintenance of other terms of the contract over any long period of time may be small.
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 principal or interest.
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 issued so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.
Moody's applies numerical modifiers, 1, 2, and 3, in each generic rating classification from Aa through B in its corporate bond rating system. The

modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

DESCRIPTION OF STANDARD & POOR'S CORPORATION'S CORPORATE 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 higher-rated 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 rate 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- 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.

This prospectus is printed on recycled paper using soy-based inks.

1FIDELITY CONVERTIBLE SECURITIES FUND

2A FUND OF FIDELITY FINANCIAL TRUST

3STATEMENT OF ADDITIONAL INFORMATION

4JANUARY 19, 1994

5This Statement is not a prospectus but should be read in conjunction with the fund's current Prospectus (dated January 19, 1994). Please retain this document for future reference. The Annual Report for the fiscal year ended November 30, 1993 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.

6TABLE OF CONTENTS 7PAGE

6INVESTMENT ADVISER

7Fidelity Management & Research Company (FMR)

8INVESTMENT SUB-ADVISERS

9Fidelity Management & Research (U.K.) Inc. (FMR U.K.)

10Fidelity Management & Research (Far East) Inc. (FMR Far East)

11DISTRIBUTOR

12Fidelity Distributors Corporation (FDC)

13TRANSFER AGENT

14Fidelity Service Co. (FSC)

15 CVS-ptb-194

16

17INVESTMENT POLICIES AND LIMITATIONS

18The 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 the 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.

19The 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) of the 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. THE FOLLOWING ARE THE FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

20(1) purchase the securities of any issuer (other than obligations issued or guaranteed by the United States government or its agencies or instrumentalities) if, as a result thereof, more than 5% of the fund's total assets would be invested in the securities of such issuer, or it would hold more than 10% of the voting securities of such issuer, except that up to 25% of the value of the fund's total assets may be invested without regard to these limitations;

21(2) issue senior securities, except as permitted under the Investment Company Act of 1940;

22(3) 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;

23(4) underwrite securities issued by others, except to the extent that the sale of restricted securities or the purchase of 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;

24(5) purchase any security if, as a result, more than 25% of its total assets would be invested in the securities of companies having their principal business activities in the same industry (this limitation does not apply to securities issued or guaranteed by the United States government or its agencies or instrumentalities);

25(6) 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);

26(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

27(8) 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).

28THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.

29(i) 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.

30(ii) 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.

31(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 (3)). 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.

32(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.

33(v) The fund does not currently intend to invest in securities of real estate investment trusts that are not readily marketable, or to invest in securities of real estate limited partnerships that are not listed on the New York Stock Exchange or the American Stock Exchange or traded on the NASDAQ National Market System.

34(vi) The fund does not currently intend to lend assets other than securities to other parties, except by (a) lending money (up to 5% of the fund's net assets) to a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) acquiring loans, loan participations, or other forms of direct debt instruments and, in connection therewith, assuming any associated unfunded commitments of the sellers. (This limitation does not apply to purchases of debt securities or to repurchase agreements.)

35(vii) 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.

36(viii) The fund does not currently intend to purchase the securities of any issuer (other than securities issued or guaranteed by domestic or foreign governments or political subdivisions thereof) if, as a result, more than 5% of its total assets would be invested in the securities of business enterprises that, including predecessors, have a record of less than three years of continuous operation.

37(ix) The fund does not currently intend to purchase warrants, valued at the lower of cost or market, in excess of 5% of the fund's net assets. Included in that amount, but not to exceed 2% of the fund's net assets, may be warrants that are not listed on the New York Stock Exchange or the American Stock Exchange. Warrants acquired by the fund in units or attached to securities are not subject to these restrictions.

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

39For the fund's limitations on futures and options transactions, see the section entitled "Limitations on Futures and Options Transactions" beginning on page 7. For the fund's limitations on short sales, see the section entitled "Short Sales" on page 9.

40AFFILIATED BANK TRANSACTIONS. Pursuant to exemptive orders issued by the Securities and Exchange Commission (SEC), the fund may engage in transactions with banks that are, or may be considered to be, "affiliated persons" of the fund 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; and transactions in U.S. government securities with affiliated banks that are primary dealers in these securities.

41FUND'S RIGHTS AS A SHAREHOLDER. The fund does not intend to direct or administer the day-to-day operations of any company. The fund, however, may exercise its rights as a shareholder and may communicate its views on important matters of policy to management, the Board of Directors, and shareholders of a company when FMR determines that such matters could have a significant effect on the value of the fund's investment in the company. The activities that the fund may engage in, either individually or in conjunction with others, may include, among others, supporting or opposing proposed changes in a company's corporate structure or business activities; seeking changes in a company's directors or management; seeking changes in a company's direction or policies; seeking the sale or reorganization of the company or a portion of its assets; or supporting or opposing third party takeover efforts. This area of corporate activity is increasingly prone to litigation and it is possible that the fund could be involved in lawsuits related to such activities. FMR will monitor such activities with a view to mitigating, to the extent possible, the risk of litigation against the fund and the risk of actual liability if the fund is involved in litigation. No guarantee can be made, however, that litigation against the fund will not be undertaken or liabilities incurred.

42 CONVERTIBLE SECURITIES are bonds, debentures, notes, preferred stocks or other securities that may be converted or exchanged by the holder into shares of the underlying common stock at a stated exchange ratio. A convertible security may also be subject to redemption by the issuer, but only after a particular date and under certain circumstances (including a specified price) established upon issue. If a convertible security held by the fund is called for redemption, the fund could be required to tender it for redemption, convert it into the underlying common stock, or sell it to a third party.

43 Convertible securities generally provide yields higher than the underlying common stocks (but generally lower than comparable non-convertible securities). Because of this higher yield, convertible securities generally sell at prices above their "conversion value," which is the current market value of the stock to be received upon conversion. The difference between this conversion value and the price of convertible securities will vary over time depending on the value of the underlying common stocks and interest rates. When the underlying common stocks decline in value, convertible securities will tend not to decline to the same extent because the yield acts as a price support. When the underlying common stocks rise in value, the value of convertible securities may also be expected to increase. At the same time, however, the difference between the market value of convertible securities and their conversion value will narrow, which means that the convertible securities will generally not increase to the same extent as the underlying common stocks. Because convertible securities are also interest-rate sensitive, their value will tend to increase as interest rates fall and decrease as interest rates rise.

44ILLIQUID 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 the fund's investments and, through reports from FMR, the Board monitors investments in illiquid instruments. In determining the liquidity of the 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, (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 fund to be illiquid include repurchase agreements not entitling the holder to payment of principal and interest within seven days, over-the-counter options, and non-government stripped fixed-rate mortgage-backed securities. Also, FMR may determine some restricted securities, government-stripped fixed-rate mortgage-backed securities, loans and other direct debt instruments, and swap agreements to be illiquid. However, with respect to over-the-counter options the fund writes, 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 priced at fair value 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, the 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.

45RESTRICTED 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, the 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, the fund might obtain a less favorable price than prevailed when it decided to seek registration of the security.

46LOANS AND OTHER DIRECT DEBT INSTRUMENTS. Direct debt instruments are interests in amounts owed by a corporate, governmental, or other borrower to lenders or lending syndicates (loans and loan participations), to suppliers of goods or services (trade claims or other receivables), or to other parties. Direct debt instruments are subject to the fund's policies regarding the quality of debt securities.

47Purchasers of loans and other forms of direct indebtedness depend primarily upon the creditworthiness of the borrower for payment of principal and interest. Direct debt instruments may not be rated by any nationally recognized rating service. If the fund does not receive scheduled interest or principal payments on such indebtedness, the fund's share price and yield could be adversely affected. Loans that are fully secured offer the fund more protections than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the borrower's obligation, or that the collateral can be liquidated. Indebtedness of borrowers whose creditworthiness is poor involves substantially greater risks, and may be highly speculative. Borrowers that are in bankruptcy or restructuring may never pay off their indebtedness, or may pay only a small fraction of the amount owed. Direct indebtedness of developing countrie s also involves a risk that the governmental entities responsible for the repayment of the debt may be unable, or unwilling, to pay interest and repay principal when due.

48Investments in loans through direct assignment of a financial institution's interests with respect to a loan may involve additional risks to the fund. For example, if a loan is foreclosed, the fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that under emerging legal theories of lender liability, the fund could be held liable as a co-lender. Direct debt instruments may also involve a risk of insolvency of the lending bank or other intermediary. Direct debt instruments that are not in the form of securities may offer less legal protection to the fund in the event of fraud or misrepresentation. In the absence of definitive regulatory guidance, the fund relies on FMR's research in an attempt to avoid situations where fraud or misrepresentation could adversely affect the fund.

49A loan is often administered by a bank or other financial institution that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. Unless, under the terms of the loan or other indebtedness, the fund has direct recourse against the borrower, it may have to rely on the agent to apply appropriate credit remedies against a borrower. If assets held by the agent for the benefit of the fund were determined to be subject to the claims of the agent's general creditors, the fund might incur certain costs and delays in realizing payment on the loan or loan participation and could suffer a loss of principal or interest.

50Direct indebtedness purchased by the fund may include letters of credit, revolving credit facilities, or other standby financing commitments obligating the fund to pay additional cash on demand. These commitments may have the effect of requiring the fund to increase its investment in a borrower at a time when it would not otherwise have done so, even if the company's condition makes it unlikely that the amount will ever be repaid. The fund will set aside appropriate liquid assets in a segregated custodial account to cover its potential obligations under standby financing commitments.

51The fund limits the amount of total assets that it will invest in any one issuer or in issuers within the same industry (see limitations 1 and 5). For purposes of these limitations, the fund generally will treat the borrower as the "issuer" of indebtedness held by the fund. In the case of loan participations where a bank or other lending institution serves as financial intermediary between the fund and the borrower, if the participation does not shift to the fund the direct debtor-creditor relationship with the borrower, SEC interpretations require the fund, in appropriate circumstances, to treat both the lending bank or other lending institution and the borrower as "issuers" for these purposes. Treating a financial intermediary as an issuer of indebtedness may restrict the fund's ability to invest in indebtedness related to a single financial intermediary, or a group of intermediaries engaged in the same industry, even if the underlying borrowers represent many different companies and industries.

52SWAP AGREEMENTS. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the fund's exposure to long- or short-term interest rates (in the U.S. or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The fund is not limited to any particular form of swap agreement if FMR determines it is consistent with the fund's investment objective and policies.

53In a typical cap or floor agreement, one party agrees to make payments only under specified circumstances, usually in return for payment of a fee by the other party. For example, the buyer of an interest rate cap obtains the right to receive payments to the extent that a specified interest rate exceeds an agreed-upon level, while the seller of an interest rate floor is obligated to make payments to the extent that a specified interest rate falls below an agreed-upon level. An interest rate collar combines elements of buying a cap and selling a floor.

54Swap agreements will tend to shift the fund's investment exposure from one type of investment to another. For example, if the fund agreed to exchange payments in dollars for payments in foreign currency, the swap agreement would tend to decrease the fund's exposure to U.S. interest rates and increase its exposure to foreign currency and interest rates. Caps and floors have an effect similar to buying or writing options. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the fund's investments and its share price and yield.

55The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, or other factors that determine the amounts of payments due to and from the fund. If a swap agreement calls for payments by the fund, the fund must be prepared to make such payments when due. In addition, if the counterparty's creditworthiness declined, the value of a swap agreement would be likely to decline, potentially resulting in losses. The fund expects to be able to eliminate its exposure under swap agreements either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or a similarly creditworthy party.

56The fund will maintain appropriate liquid assets in a segregated custodial account to cover its current obligations under swap agreements. If the fund enters into a swap agreement on a net basis, it will segregate assets with a daily value at least equal to the excess, if any, of the fund's accrued obligations under the swap agreement over the accrued amount the fund is entitled to receive under the agreement. If the fund enters into a swap agreement on other than a net basis, it will segregate assets with a value equal to the full amount of the fund's accrued obligations under the agreement.

57INDEXED SECURITIES. The fund may purchase securities whose prices are indexed to the prices of other securities, securities indices, currencies, precious metals or other commodities, or other financial indicators. Indexed securities typically, but not always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to a specific instrument or statistic. Gold-indexed securities, for example, typically provide for a maturity value that depends on the price of gold, resulting in a security whose price tends to rise and fall together with gold prices. Currency-indexed securities typically are short-term to intermediate-term debt securities whose maturity values or interest rates are determined by reference to the values of one or more specified foreign currencies, and may offer higher yields than U.S. dollar-denominated securities of equivalent issuers. Currency-indexed securities may be positively or negatively indexed: that is, their maturity value may increase when the specified currency value increases, resulting in a security that performs similarly to a foreign-denominated instrument, or their maturity value may decline when foreign currencies increase, resulting in a security whose price characteristics are similar to a put on the underlying currency. Currency-indexed securities may also have prices that depend on the values of a number of different foreign currencies relative to each other.

58The performance of indexed securities depends to a great extent on the performance of the security, currency, or other instrument to which they are indexed, and may also be influenced by interest rate changes in the U.S. and abroad. At the same time, indexed securities are subject to the credit risks associated with the issuer of the security, and their values may decline substantially if the issuer's creditworthiness deteriorates. Recent issuers of indexed securities have included banks, corporations, and certain U.S. government agencies. Indexed securities may be more volatile than the underlying instruments.

59REPURCHASE AGREEMENTS. In a repurchase agreement, the 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 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. The fund may engage in a repurchase agreement with respect to any security in which it is authorized to invest. 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 the fund in connection with bankruptcy proceedings), it is the fund's current policy to limit repurchase agreement transactions to those parties whose creditworthiness has been reviewed and found satisfactory by FMR.

60REVERSE REPURCHASE AGREEMENTS. In a reverse repurchase agreement, the 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 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.

61INTERFUND BORROWING PROGRAM. The fund has received permission from the SEC to lend money to and borrow from other funds advised by FMR or its affiliates. Interfund loans and borrowings normally will extend overnight, but can have a maximum duration of seven days. Loans may be called on one day's notice. The fund will lend through the program only when the returns are higher than those available at the same time from other short-term instruments (such as repurchase agreements), and will borrow through the program only when the costs are equal to or lower than the cost of bank loans. The fund may have to borrow from a bank at a higher interest rate if an interfund loan is called or not renewed. Any delay in repayment to a lending fund could result in a lost investment opportunity or additional borrowing costs.

62SECURITIES LENDING. The fund may lend securities to parties such as broker-dealers or institutional investors, including Fidelity Brokerage Services, Inc. (FBSI). FBSI is a member of the New York Stock Exchange and

a subsidiary of FMR Corp.
63Securities lending allows the fund to retain ownership of the securities loaned and, at the same time, to earn additional income. Since there may be delays in the recovery of loaned securities, or even a loss of rights in collateral supplied should the borrower fail financially, loans will be made only to parties deemed by FMR to be of good standing. Furthermore, they will only be made if, in FMR's judgment, the consideration to be earned from such loans would justify the risk.
64FMR understands that it is the current view of the SEC Staff that the fund may engage in loan transactions only under the following conditions: (1) the fund must receive 100% collateral in the form of cash or cash equivalents (e.g., U.S. Treasury bills or notes) from the borrower; (2) the borrower must increase the collateral whenever the market value of the securities loaned (determined on a daily basis) rises above the value of the collateral; (3) after giving notice, the fund must be able to terminate the loan at any time; (4) the fund must receive reasonable interest on the loan or a flat fee from the borrower, as well as amounts equivalent to any dividends, interest, or other distributions on the securities loaned and to any increase in market value; (5) the fund may pay only reasonable custodian fees in connection with the loan; and (6) the Board of Trustees must be able to vote proxies on the securities loaned, either by terminating the loan or by entering into an alternative arrangement with the borrower.
65Cash received through loan transactions may be invested in any security in which the fund is authorized to invest. Investing this cash subjects that investment, as well as the security loaned, to market forces (i.e., capital appreciation or depreciation).
66FOREIGN INVESTMENTS. Foreign investments can involve significant risks in addition to the risks inherent in U.S. investments. The value of securities denominated in or indexed to foreign currencies, and of dividends and interest from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices on some foreign markets can be highly volatile. Many foreign countries lack uniform accounting and disclosure standards comparable to those applicable to U.S. companies, and it may be more difficult to obtain reliable information regarding an issuer's financial condition and operations. In addition, the costs of foreign investing, including withholding taxes, brokerage commissions, and custodial costs, are generally higher than for U.S. investments.
67Foreign markets may offer less protection to investors than U.S. markets. Foreign issuers, brokers, and securities markets may be subject to less government supervision. Foreign security trading practices, including those involving the release of assets in advance of payment, may involve increased risks in the event of a failed trade or the insolvency of a broker-dealer, and may involve substantial delays. It may also be difficult to enforce legal rights in foreign countries.
68Investing abroad also involves different political and economic risks. Foreign investments may be affected by actions of foreign governments adverse to the interests of U.S. investors, including the possibility of expropriation or nationalization of assets, confiscatory taxation, restrictions on U.S. investment or on the ability to repatriate assets or convert currency into U.S. dollars, or other government intervention. There may be a greater possibility of default by foreign governments or foreign government-sponsored enterprises. Investments in foreign countries also involve a risk of local political, economic or social instability, military action or unrest, or adverse diplomatic developments. There is no assurance that FMR will be able to anticipate these potential events or counter their effects.
69The considerations noted above generally are intensified for investments in developing countries. Developing countries may have relatively unstable governments, economies based on only a few industries, and securities markets that trade a small number of securities.
70The fund may invest in foreign securities that impose restrictions on transfer within the U.S. or to U.S. persons. Although securities subject to transfer restrictions may be marketable abroad, they may be less liquid than foreign securities of the same class that are not subject to such restrictions.
71American Depositary Receipts and European Depositary Receipts (ADRs and EDRs) are certificates evidencing ownership of shares of a foreign-based issuer held in trust by a bank or similar financial institution. Designed for use in U.S. and European securities markets, respectively, ADRs and EDRs are alternatives to the purchase of the underlying securities in their national markets and currencies.
72FOREIGN CURRENCY TRANSACTIONS. The fund may hold foreign currency deposits from time to time, and may convert dollars and foreign currencies in the foreign exchange markets. Currency conversion involves dealer spreads and other costs, although commissions usually are not charged. Currencies may be exchanged on a spot (i.e., cash) basis, or by entering into forward contracts to purchase or sell foreign currencies at a future date and price. Forward contracts generally are traded in an interbank market conducted directly between currency traders (usually large commercial banks) and their customers. The parties to a forward contract may agree to offset or terminate the contract before its maturity, or may hold the contract to maturity and complete the contemplated currency

exchange.
73The fund may use currency forward contracts to manage currency risks and to facilitate transactions in foreign securities. The following discussion summarizes the principal currency management strategies involving forward contracts that could be used by the fund.
74In connection with purchases and sales of securities denominated in foreign currencies, the fund may enter into currency forward contracts to fix a definite price for the purchase or sale in advance of the trade's settlement date. This technique is sometimes referred to as a "settlement hedge" or "transaction hedge." FMR expects to enter into settlement hedges in the normal course of managing the fund's foreign investments. The fund could also enter into forward contracts to purchase or sell a foreign currency in anticipation of future purchases or sales of securities denominated in foreign currency, even if the specific investments have not yet been selected by FMR.
75The fund may also use forward contracts to hedge against a decline in the value of existing investments denominated in foreign currency. For example, if the fund owned securities denominated in pounds sterling, it could enter into a forward contract to sell pounds sterling in return for U.S. dollars to hedge against possible declines in the pound's value. Such a hedge, sometimes referred to as a "position hedge," would tend to offset both positive and negative currency fluctuations, but would not offset changes in security values caused by other factors. The fund could also hedge the position by selling another currency expected to perform similarly to the pound sterling - for example, by entering into a forward contract to sell Deutschemarks or European Currency Units in return for U.S. dollars. This type of hedge, sometimes referred to as a "proxy hedge," could offer advantages in terms of cost, yield, or efficiency, but generally would not hedge currency exposure as effectively as a simple hedge into U.S. dollars. Proxy hedges may result in losses if the currency used to hedge does not perform similarly to the currency in which the hedged securities are denominated.
76Under certain conditions, SEC guidelines require mutual funds to set aside appropriate liquid assets in a segregated custodial account to cover currency forward contracts. As required by SEC guidelines, the fund will segregate assets to cover currency forward contracts, if any, whose purpose is essentially speculative. The fund will not segregate assets to cover forward contracts entered into for hedging purposes, including settlement hedges, position hedges, and proxy hedges.
77Successful use of forward currency contracts will depend on FMR's skill in analyzing and predicting currency values. Forward contracts may substantially change the fund's investment exposure to changes in currency exchange rates, and could result in losses to the fund if currencies do not perform as FMR anticipates. For example, if a currency's value rose at a time when FMR had hedged the fund by selling that currency in exchange for dollars, the fund would be unable to participate in the currency's appreciation. If FMR hedges currency exposure through proxy hedges, the fund could realize currency losses from the hedge and the security position at the same time if the two currencies do not move in tandem. Similarly, if FMR increases the fund's exposure to a foreign currency, and that currency's value declines, the fund will realize a loss. There is no assurance that FMR's use of forward currency contracts will be advantageous to the fund or that it will hedge at an appropriate time. The policies described in this section are non-fundamental policies of the fund.
78LIMITATIONS ON FUTURES AND OPTIONS TRANSACTIONS. The 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 fund intends 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.
79In addition, the 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.
80The above limitations on the fund's investments in futures contracts and options, and the fund's policies regarding futures contracts and options discussed elsewhere in this Statement of Additional Information may be changed as regulatory agencies permit.
81FUTURES CONTRACTS. When the 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 Standard & Poor's 500 Composite Stock Price Index (S&P 500). Futures can be held until their delivery dates, or can be closed out before then if a liquid secondary market is available.
82The 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.
83FUTURES 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 fund's 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.
84 PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the 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.
85 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).
86 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.
87 WRITING PUT AND CALL OPTIONS. When the 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.
88 If security prices rise, a put writer would generally 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.
89 Writing a call option obligates the 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.

90 COMBINED POSITIONS. The 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, the 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.

91 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 fund's current or anticipated investments exactly. The 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.

92 Options 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. The 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 the 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.

93 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.

94 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.

95 OPTIONS AND FUTURES RELATING TO FOREIGN CURRENCIES. Currency futures contracts are similar to forward currency exchange contracts, except that they are traded on exchanges (and have margin requirements) and are standardized as to contract size and delivery date. Most currency futures contracts call for payment or delivery in U.S. dollars. The underlying instrument of a currency option may be a foreign currency, which generally is purchased or delivered in exchange for U.S. dollars, or may be a futures contract. The purchaser of a currency call obtains the right to purchase the underlying currency, and the purchaser of a currency put obtains the right to sell the underlying currency.

96 The uses and risks of currency options and futures are similar to options and futures relating to securities or indices, as discussed above. The fund may purchase and sell currency futures and may purchase and write currency options to increase or decrease its exposure to different foreign currencies. The fund may also purchase and write currency options in conjunction with each other or with currency futures or forward contracts. Currency futures and options values can be expected to correlate with exchange rates, but may not reflect other factors that affect the value of the fund's investments. A currency hedge, for example, should protect a Yen-denominated security from a decline in the Yen, but will not protect the fund against a price decline resulting from deterioration in the issuer's creditworthiness. Because the value of the fund's

foreign-denominated investments changes in response to many factors other than exchange rates, it may not be possible to match the amount of currency options and futures to the value of the fund's investments exactly over time.

97ASSET COVERAGE FOR FUTURES AND OPTIONS POSITIONS. The fund will comply with guidelines established by the SEC 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 fund management or the fund's ability to meet redemption requests or other current obligations.

98SHORT SALES. The fund may enter into short sales with respect to stocks underlying its convertible security holdings. For example, if FMR anticipates a decline in the price of the stock underlying a convertible security the fund holds, it may sell the stock short. If the stock price subsequently declines, the proceeds of the short sale could be expected to offset all or a portion of the effect of the stock's decline on the value of the convertible security. The fund currently intends to hedge no more than 15% of its total assets with short sales on equity securities underlying its convertible security holdings under normal circumstances.

99When the fund enters into a short sale, it will be required to set aside securities equivalent in kind and amount to those sold short (or securities convertible or exchangeable into such securities) and will be required to continue to hold them aside while the short sale is outstanding. The fund will incur transaction costs, including interest expense, in connection with opening, maintaining, and closing short sales.

100PORTFOLIO TRANSACTIONS

101All orders for the purchase or sale of portfolio securities are placed on behalf of the fund by FMR pursuant to authority contained in the 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. 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; and arrangements for payment of fund expenses. Commissions for foreign investments traded on foreign exchanges will generally be higher than for U.S. investments and may not be subject to negotiation.

102The fund may execute portfolio transactions with broker-dealers who provide research and execution services to the fund 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). The selection of such broker-dealers is generally made by FMR (to the extent possible consistent with execution considerations) in accordance with a ranking of broker-dealers determined periodically by FMR's investment staff based upon the quality of research and execution services provided.

103The receipt of research from broker-dealers that execute transactions on behalf of the fund may be useful to FMR in rendering investment management services to the fund 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 fund. 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.

104Subject 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 fund 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 fund 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.

105FMR is authorized to use research services provided by and place portfolio transactions with brokerage firms that have provided assistance in the distribution of shares of the fund 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), and Fidelity Brokerage Services, Ltd. (FBSL), subsidiaries of FMR Corp., if the commissions are fair, reasonable, and comparable to commission charged by non-affiliated, qualified brokerage firms for similar services.

106 FMR may allocate brokerage transactions to broker-dealers who have entered into arrangements with FMR under which the broker-dealer allocates a portion of the commissions paid by the fund toward payment of the fund's expenses, such as transfer agent fees of FSC or custodian fees. The transaction quality must, however, be comparable to those of other qualified broker-dealers.

107Section 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 Securities and Exchange Commission. 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.

108The Trustees periodically review FMR's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the fund and review the commissions paid by the fund over representative periods of time to determine if they are reasonable in relation to the benefits to the fund.

109For the fiscal years ended November 30, 1993 and 1992, the fund's portfolio turnover rates were 312 % and 258%, respectively.

110For fiscal 1993, 1992, and 1991, the fund paid brokerage commissions of $ 1,938,000 , $625,0 00 , and $172, 000 , respectively. During fiscal 1993, approximately $ 1,517,000 or 78.3 % of these commissions were paid to brokerage firms that provided research services, although the provision of such services was not necessarily a factor in the placement of all of this business with such firms. The fund pays both commissions and spreads in connection with the placement of portfolio transactions; FBSI is paid on a commission basis. During fiscal 1993, 1992, and 1991, the fund paid brokerage commissions of $ 374,000 , $105, 000 , and $5 2,000 , respectively, to FBSI. During fiscal 1993, this amounted to approximately 19.3 % of the aggregate brokerage commissions paid by the fund for transactions involving approximately 18.7 % of the aggregate dollar amount of transactions in which the fund paid brokerage commissions. The difference in the percentage of brokerage commissions paid to and the percentage of the dollar amount of transactions effected through FBSI is a result of the low commission rates charged by FBSI.

111From time to time the Trustees will review whether the recapture for the benefit of the fund of some portion of the brokerage commissions or similar fees paid by the fund on portfolio transactions is legally permissible and advisable. The 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 fund to seek such recapture.

112Although the Trustees and officers of the fund are substantially the same as those of other funds managed by FMR, investment decisions for the 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.

113When 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 fund is concerned. In other cases, however, the ability of the fund to participate in volume transactions will produce better executions and prices for the fund. It is the current opinion of the Trustees that the desirability of retaining FMR as investment adviser to the fund outweighs any disadvantages that may be said to exist from exposure to simultaneous transactions.

114VALUATION OF PORTFOLIO SECURITIES

115Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Equity securities for which the primary market is the U.S. are valued at last sale price or, if no sale has occurred, at the closing bid price. Equity securities for which the primary market is outside the U.S. are valued using the official closing price or the last sale price in the principal market where they are traded. If the last sale price (on the local exchange) is unavailable, the last evaluated quote or last bid price is normally used. Short-term securities are valued either at amortized cost or at original cost plus accrued interest, both of which approximate current value. Fixed-income securities are valued primarily by a pricing service that uses a vendor security valuation matrix which incorporates both dealer-supplied valuations and electronic data processing techniques. This twofold approach is believed to more accurately reflect fair value because it takes into account appropriate factors such as institutional trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data, without exclusive reliance upon quoted, exchange, or over-the counter prices. Use of pricing services has been approved by the Board of Trustees.

116Securities and other assets for which there is no readily available market are valued in good faith by a committee appointed by the Board of Trustees. The procedures set forth above need not be used to determine the value of the securities owned by the fund if, in the opinion of a committee appointed by the Board of Trustees, some other method (e.g., closing over-the-counter bid prices in the case of debt instruments traded on an exchange) would more accurately reflect the fair market value of such securities.

117Generally, the valuation of foreign and domestic equity securities, as well as corporate bonds, U.S. government securities, money market instruments, and repurchase agreements, is substantially completed each day at the close of the NYSE. The values of any such securities held by the fund are determined as of such time for the purpose of computing the fund's net asset value. Foreign security prices are furnished by independent brokers or quotation services which express the value of securities in their local currency. FSC gathers all exchange rates daily at the close of the NYSE using the last quoted price on the local currency and then translates the value of foreign securities from their local currency into U.S. dollars. Any changes in the value of forward contracts due to exchange rate fluctuations and days to maturity are included in the calculation of net asset value. If an extraordinary event that is expected to materially affect the value of a portfolio security occurs after the close of an exchange on which that security is traded, then the security will be valued as determined in good faith by a committee appointed by the Board of Trustees.

118PERFORMANCE

119The fund may quote its performance in various ways. All performance information supplied by the fund in advertising is historical and is not intended to indicate future returns. The fund's share price, yield, and total returns fluctuate in response to market conditions and other factors, and the value of fund shares when redeemed may be more or less than their original cost.

120YIELD CALCULATIONS. Yields for the fund used in advertising are computed by dividing the fund's interest and dividend income for a given 30-day or one-month period, net of expenses, by the average number of shares entitled to receive distributions during the period, dividing this figure by the fund's net asset value per share (NAV) 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 yield quotations in accordance with standardized methods applicable to all stock and bond funds. Dividends from equity investments are treated as if they were accrued on a daily basis, solely for the purposes of yield calculations. 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.

121Income calculated for the purpose of determining the fund's yield differs from income as determined for other accounting purposes. Because of the different accounting methods used, and because of the compounding assumed in yield calculations, the fund's yield may not equal its distribution rate, the income paid to your account, or the rate of income reported in the fund's financial statements.

122In calculating the fund's yield, the fund may from time to time use a portfolio security's coupon rate instead of its yield to maturity in order to reflect the risk premium on that security. This practice will have the effect of reducing the fund's yield.

123TOTAL RETURN CALCULATIONS. Total returns quoted in advertising reflect all aspects of the fund's returns, including the effect of reinvesting dividends and capital gain distributions, and any change in the fund's NAV over the period. Average annual returns are calculated by determining the growth or decline in value of a hypothetical historical investment in the 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 return of 100% over ten years would produce an average annual 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 returns are a convenient means of comparing investment alternatives, investors should realize that the fund's performance is not constant over time, but changes from year to year, and that average annual returns represent averaged figures as opposed to the actual year-to-year performance of the fund.

124In addition to average annual returns, the 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 on page 12. Total returns, yields, and other performance information may be quoted numerically or in a table, graph, or similar illustration.

125NET ASSET VALUE. Charts and graphs using the 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.

126MOVING AVERAGES. The fund may illustrate performance using moving averages. A long-term moving average is the average of each week's adjusted closing NAV for a specified period. A short-term moving average is the average of each day's adjusted closing NAV for a specified period. Moving Average Activity Indicators combine adjusted closing NAVs from the last business day of each week with moving averages for a specified period to produce indicators showing when an NAV has crossed, stayed above, or stayed below its moving average. On November 26 , 1993, the 13-week and 39-week long-term moving averages were 17.55 and 16.82 , respectively.

127HISTORICAL FUND RESULTS. The table on page 12 shows the income and capital elements of the fund's total return for the period January 5, 1987 (commencement of operations) through November 30, 1993. The table compares the 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 the DJIA comparisons are provided to show how the fund's total return compared to the record of a broad average of common stock prices and a narrower set of stocks of major industrial companies, respectively, over the same period. The fund has the ability to invest in securities not included in these indices, and its investment portfolio may or may not be similar in composition to the indices. Figures for the indices are based on the prices of unmanaged groups of stocks and, unlike the fund's return, their returns do not include the effect of paying brokerage commissions and other costs of investing.

128During the period from January 5, 1987 through November 30, 1993, a hypothetical $10,000 investment in Fidelity Convertible Securities Fund would have grown to $ 26,704 , assuming all distributions were reinvested. This was a period of widely fluctuating stock prices and interest rates 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.

129FIDELITY CONVERTIBLE SECURITIES FUND INDICES

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
158	159Value of	160Value of	161Value of	162	163	164	165	
166 Period	167Initial	168Reinvested	169Reinvested	170	171	172	173	Cost
174 Ended	175$10,000	176Dividend	177Capital Gain	178Total	179 S&P	180	181	of
182November 30	183Investment	184Distributions	185Distributions	186Value	187 500	188 DJIA	189 Living**	

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1901987*	191$ 9,050	192$ 203	193$ 0	194$ 9,253	195$ 9,609	196$ 9,775	197$10,443
1981988	199 10,010	200 880	201 0	202 10,890	203 11,850	204 11,685	205 10,887
2061989	207 11,810	208 1,942	209 0	210 13,752	211 15,506	212 15,519	213 11,394
2141990	215 10,530	216 2,587	217 0	218 13,117	219 14,965	220 15,259	221 12,109

2221991	223	13,450	224	4,195	225	0	226	227	228	229
							17,645	18,012	17,848	12,471
2301992	231	15,770	232	5,901	233594		234	235	236	237
							22,265	21,344	20,98 8	12,851
2381993	239	17,630	240	7,761	241	1,313	242	243	244	245
							26,704	23,500	24,081	13,195

</TABLE>

130 * From commencement of operations, January 5, 1987.
131 ** From month-end closest to initial investment date.
132Explanatory Notes: With an initial investment of $10,000 made on January 5, 1987, 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 $16,366. 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 $4,320 for income dividends and $770 for capital gain distributions. Tax consequences of different investments have not been factored into the above figures.
133 The 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, the fund's performance may be compared to mutual fund performance indices prepared by Lipper.
134 From time to time, the 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.
135 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.
136 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.
137 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.
138 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.
139 The fund may present its fund number, Quotron(registered trademark)

number, and CUSIP number, and discuss or quote its current portfolio manager.
140 VOLATILITY. The fund may quote various measures of volatility and benchmark correlation in advertising. In addition, the fund may compare these measures to those of other funds. Measures of volatility seek to compare the fund's historical share price fluctuations or total returns to those of a benchmark. Measures of benchmark correlation indicate how valid a comparative benchmark may be. All measures of volatility and correlation are calculated using averages of historical data.
141 MOMENTUM INDICATORS indicate the fund's price movements over specific periods of time. Each point on the momentum indicator represents the fund's percentage change in price movements over that period.
142 The 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.
143 The fund may be available for purchase through retirement plans or other programs offering deferral of, or exemption from, income taxes, which may produce superior after-tax returns over time. For example, a $1,000 investment earning a taxable return of 10% annually would have an after-tax value of $1,949 after ten years, assuming tax was deducted from the return each year at a 31% rate. An equivalent tax-deferred investment would have an after-tax value of $2,100 after ten years, assuming tax was deducted at a 31% rate from the tax-deferred earnings at the end of the ten-year period.
144As of November 30, 1993, FMR managed approximately $ 125 billion in equity fund assets as defined and tracked by Lipper. This figure represents the largest amount of equity fund assets under management by a mutual fund investment adviser in the United States, making FMR America's leading equity (stock) fund manager. From time to time, the fund may use any of the above information in its advertising and sales literature.
145ADDITIONAL PURCHASE AND REDEMPTION INFORMATION
146The 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 (observed) , 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.
147FSC normally determines the fund's 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, the fund's NAV may be affected on days when investors do not have access to the fund to purchase or redeem shares.
148If 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 the 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.
149Pursuant to Rule 11a-3 under the Investment Company Act of 1940 (the 1940 Act), the 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) the fund suspends the redemption of the shares to be exchanged as permitted under the 1940 Act or the rules and regulations thereunder, 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.
150In the Prospectus, the 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, the fund would be unable to invest effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected.
151DISTRIBUTIONS AND TAXES
152DISTRIBUTIONS. 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.
153DIVIDENDS. A portion of the fund's income may qualify for the dividends-received deduction available to corporate shareholders to the extent that the fund's income is derived from qualifying dividends. Because the fund may earn other types of income, such as interest income from securities loans, non-qualifying dividends, and short-term capital gains, the percentage of dividends from the fund that qualifies for the

deduction generally will be less than 100%. The fund will notify corporate shareholders annually of the percentage of fund dividends that qualifies for the dividends-received deduction. A portion of the fund's dividends derived from certain U.S. government obligations may be exempt from state and local taxation. Gains (losses) attributable to foreign currency fluctuations are generally taxable as ordinary income and therefore will increase (decrease) dividend distributions. The fund will send each shareholder a notice in January describing the tax status of dividends and capital gains distributions for the prior year.

154CAPITAL GAIN DISTRIBUTIONS. Long-term capital gains earned by the fund on the sale of securities and distributed to shareholders are federally taxable as long-term capital gains regardless of the length of time shareholders have held their shares. If a shareholder receives a long-term capital gain distribution on shares of the 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.

155Short-term capital gains distributed by the fund are taxable to shareholders as dividends, not as capital gains. Distributions from short-term capital gains do not qualify for the dividends-received deduction.

156FOREIGN TAXES. Foreign governments may withhold taxes on dividends and interest paid with respect to foreign securities. Because the fund does not currently anticipate that securities of foreign issuers will constitute more than 50% of its total assets at the end of its fiscal year, shareholders should not expect to claim a foreign tax credit or deduction on their federal income tax returns with respect to foreign taxes withheld.

157TAX STATUS OF THE FUND. The 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, the fund intends to distribute substantially all of its net investment income and net realized capital gains within each calendar year as well as on a fiscal year basis. The 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 forward currency contracts, futures contracts, and options are included in this 30% calculation, which may limit the fund's investments in such instruments. The fund is treated as a separate entity from other funds of Fidelity Financial Trust for tax purposes.

158If the fund purchases shares in certain foreign investment entities, defined as passive foreign investment companies (PFICs) in the Internal Revenue Code, it may be subject to U.S. federal income tax on a portion of any excess distribution or gain from the disposition of such shares. Interest charges may also be imposed on the fund with respect to deferred taxes arising from such distributions or gains.

159The fund is treated as a separate entity from other funds of Fidelity Financial Trust for tax purposes.

160OTHER TAX INFORMATION. The information above is only a summary of some of the tax consequences generally affecting the fund and its shareholders, and no attempt has been made to discuss individual tax consequences. In addition to federal income taxes, shareholders may be subject to state and local taxes on distributions received from the fund. Investors should consult their tax advisers to determine whether the fund is suitable to their particular tax situation.

161FMR

162FMR 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.

163Several 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. FMR U.K. and 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 Inc., 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.

164TRUSTEES AND OFFICERS

165The 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 Investment Company Act of 1940) by virtue of their affiliation with either the trust or FMR are indicated by an asterisk (*).

166*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.

167*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.

168RALPH 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.

169PHYLLIS 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).

170RICHARD 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.

171E. 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.

172DONALD 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), the National Arts Stabilization Fund, Greenwich Hospital Association (1989), and Valuation Research Corp. (appraisals and valuations, 1993).

173*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).

174GERALD 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).

175EDWARD 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.
176
177MARVIN 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).
178THOMAS 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).
179GARY 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).
180ARTHUR 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.
181ROBERT H. MORRISON, Manager, Security Transactions, is an employee of FMR.
182Under 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 fund 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.
183 As of November 30, 1993, Charles Schwab & Co., Inc./Mutual Fund Department, San Francisco, CA and Julius Baer Securities, Inc., New York, NY were known by the fund to own of record or beneficially approximately 9.5% and 5.57%, respectively, of the fund's outstanding shares. Also as of that date, the Trustees and officers of the fund owned , in the aggregate , less than 1% of the outstanding shares of the fund.
184MANAGEMENT CONTRACT
185The fund employs FMR to furnish investment advisory and other services. Under its management contract with the fund, FMR acts as investment adviser and, subject to the supervision of the Board of Trustees, directs the investments of the fund in accordance with its investment objective, policies, and limitations. FMR also provides the fund with all necessary office facilities and personnel for servicing the fund's 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.
186In 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 fund. These services include providing facilities for maintaining the fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters, and other persons dealing with the fund; preparing all general shareholder communications and conducting shareholder relations; maintaining the fund's records and the registration of the fund's shares under federal and state law; developing management and shareholder services for the fund; and furnishing reports, evaluations, and analyses on a variety of subjects to the Board of Trustees.
187In addition to the management fee payable to FMR and the fees payable to FSC, the fund pays all of its expenses, without limitation, that are not assumed by those parties. The fund pays for typesetting, printing, and mailing proxy material to shareholders, legal expenses, and the fees of the custodian, auditor, and non-interested Trustees. Although the fund's management contract provides that the fund will pay for typesetting, printing, and mailing prospectuses, statements of additional information, notices, and reports to existing shareholders, the trust has entered into a revised transfer agent agreement with FSC, pursuant to which FSC bears the cost of providing these services to existing shareholders. Other expenses paid by the fund include interest, taxes, brokerage commissions, the fund's

proportionate share of insurance premiums and Investment Company Institute dues, and the costs of registering shares under federal and state securities laws. The fund is also liable for such nonrecurring expenses as may arise, including costs of any litigation to which the fund may be a party, and any obligation it may have to indemnify the trust's officers and Trustees with respect to litigation.

188FMR is the fund's manager pursuant to a management contract dated December 1, 1993, which was approved by shareholders on November 17, 1993. For the services of FMR under the contract, the fund pays FMR a monthly management fee composed of the sum of two elements: a basic fee and a performance adjustment based on a comparison of the fund's performance to that of the Merrill Lynch Convertible Securities Index (the Index).

189COMPUTING THE BASIC FEE. The fund's basic fee rate is composed of two elements: a group fee rate and individual fund fee rate.

190The 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 fee rate schedule shown below on the left. On the right, the effective fee rate schedule shows the results of cumulatively applying the annualized rates at varying asset levels. For example, the effective annual fee rate at $ 227 billion of group net assets - their approximate level for November 1993 - was . 3250 %, which is the weighted average of the respective fee rates for each level of group net assets up to $ 227 billion.

307GROUP FEE RATE SCHEDULE* 308EFFECTIVE ANNUAL FEE RATES

309 310AVERAGE 311 312GROUP 313EFFECTIVE

314 315GROUP 316ANNUALIZED 317NET 318 ANNUAL

319 320ASSETS 321 RATE 322ASSETS 323FEE RATE

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>
324	325 0	326-	327$ 3 billion	328.520%	329$ 0.5 billion	330.5200%
331	332 3	333-	334 6	335.490	336 25	337.4238
338	339 6	340-	341 9	342.460	343 50	344.3823
345	346 9	347-	348 12	349.430	350 75	351.3626
352	353 12	354-	355 15	356.400	357100	358.3512
359	360 15	361-	362 18	363.385	364125	365.3430
366	367 18	368-	369 21	370.370	371150	372.3371
373	374 21	375-	376 24	377.360	378175	379.3325
380	381 24	382-	383 30	384.350	385200	386.3284
387	388 30	389-	390 36	391.345	392225	393.3253
394	395 36	396-	397 42	398.340	399250	400.3223
401	402 42	403-	404 48	405.335	406275	407.3198
408	409 48	410-	411 66	412.325	413300	414.3175
415	416 66	417-	418 84	419.320	420325	421.3153
422	423 84	424-	425102	426.315	427350	428.3133
429	4301	431-	432138	433.310	434	435

	02					
436	4371 74	438-	439228	440.300	441	442
443	4442 28	445-	446282	447.295	448	449
450	4512 82	452-	453336	454.290	455	456
457	458O ver	4593 36	460	461.285	462	463

</TABLE>

* Prior to January 1, 1992, the group fee rate was based on a schedule with breakpoints ending at .310% for average group assets in excess of $102 billion. The group fee breakpoints shown for average group assets between $102 billion and $174 billion were voluntarily adopted by FMR on January 1, 1992. The fund's management contract dated December 1, 1993, which was approved by shareholders on November 17, 1993, includes these group fee rate breakpoints. Additional breakpoints for average group assets in excess of $174 billion were voluntarily added to the group fee rate schedule by FMR on November 1, 1993, pending shareholder approval of a new management contract reflecting the extended schedule. The extended schedule provides for lower management fees as FMR's total assets under management increase.

191The individual fund fee rate is .20%. Based on the average net assets of funds advised by FMR for November 1993, the annual basic fee rate would be calculated as follows:

465Group Fee Rate 466Individual Fund Fee Rate 467 Basic Fee Rate

468 . 3250 % 469+ 470.20% 471= 472 . 5250 %

192One twelfth (1/12) of this annual basic fee rate is then applied to the fund's average net assets for the current month, giving a dollar amount which is the fee for that month.

193COMPUTING THE PERFORMANCE ADJUSTMENT. The basic fee is subject to upward or downward adjustment, depending upon whether, and to what extent, the fund's investment performance for the performance period exceeds, or is exceeded by, the record of the Merrill Lynch Convertible Securities Index (the Index) over the same period. The fund's performance period commenced on December 1, 1993. Starting with the twelfth month, the performance adjustment will take effect. Each month subsequent to the twelfth month, a new month will be added to the performance period until the performance period equals 36 months. Thereafter, the performance period will consist of the most recent month plus the previous 35 months. Each percentage point of different (up to a maximum difference of + or -7.5%) is multiplied by a performance adjustment rate of .02%. Thus, the maximum annualized adjustment rate is + or -.15%. This performance comparison is made at the end of each month. One twelfth (1/12) of this rate is then applied to the fund's average net assets for the entire performance period, giving a dollar amount which will be added to (or subtracted from) the basic fee.

194The fund's performance is calculated based on change in net asset value. For purposes of calculating the performance adjustment, any dividends or capital gain distributions paid by the fund are treated as if reinvested in fund shares at the net asset value as of the record date for payment. The record of the Index is based on change in value and is adjusted for any cash distributions from the companies whose securities compose the Index.

195Because the adjustment to the basic fee is based on the fund's performance compared to the investment record of the Index, the controlling factor is not whether the fund's performance is up or down per se, but whether it is up or down more or less than the record of the Index. Moreover, the comparative investment performance of the fund is based solely on the relevant performance period without regard to the cumulative performance over a longer or shorter period of time.

196During the fiscal years ended November 30, 1993, 1992, and 1991, FMR received $4,131,000 , $1,3 60,000 , and $469,0 00 , respectively, for its services as investment adviser to the fund. These fees were equivalent to .53 %, .54%, and .54%, respectively, of the average net assets of the fund for each of these years.

197To comply with the California Code of Regulations, FMR will reimburse the fund if and to the extent that the fund's aggregate annual operating expenses exceed specified percentages of its average net assets. The applicable percentages are 2 1/2% of the first $30 million, 2% of the next $70 million, and 1 1/2% of average net assets in excess of $100 million. When calculating the fund's expenses for purposes of this regulation, the fund may exclude interest, taxes, brokerage commissions, and extraordinary expenses, as well as a portion of its distribution plan expenses and custodian fees attributable to investments in foreign securities.

198SUB-ADVISERS. On December 1, 1993, FMR entered into sub-advisory agreements with FMR U.K., and FMR Far East, wholly owned subsidiaries of FMR. Pursuant to the sub-advisory agreements, FMR may receive investment advice and research services with respect to companies based outside the U.S. from the sub-advisers and may grant the sub-advisers investment management authority as well as the authority to buy and sell securities if FMR believes it would be beneficial to the fund.

199The sub-advisory agreements provide that FMR will pay fees to FMR U.K. and FMR Far East equal to 110% and 105%, respectively, of FMR U.K.'s and FMR Far East's costs incurred in connection with providing investment advice and research services. FMR also will pay fees equal to 50% of its monthly management fee (including performance adjustment) with respect to the fund's average net assets managed by the sub-advisers on a discretionary basis.

200Prior to December 1, 1993, FMR had sub-advisory agreements with FMR U.K. and FMR Far East on behalf of the fund, pursuant to which each sub-adviser provided FMR with investment advice and research services. Under those agreements, FMR U.K. and FMR Far East were compensated for their services according to the same formulas as they are compensated currently for providing investment advice and research services.

201The fees paid by FMR to FMR U.K. and FMR Far East for fiscal 1993, 1992, and 1991 are shown in the following tables.

<TABLE>
<CAPTION>

<S>	<C>	<C>
FISCAL YEAR	FEES PAID TO FMR U.K.	FEES PAID TO FMR FAR EAST
1993	$4,347	$6,578
1992	1,515	1,450
1991	5	5

</TABLE>

202DISTRIBUTION AND SERVICE PLAN

203The fund has adopted a distribution and service plan (the plan) under Rule 12b-1 of the Investment Company Act of 1940 (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 fund's Board of Trustees has adopted the plan to allow the fund and FMR to incur certain expenses that might be considered to constitute indirect payment by the fund of distribution expenses. Under the plan, if the payment by the 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 plan.

204The plan specifically recognizes that FMR, either directly or through FDC, may use its management fee revenues, past profits, or other resources, without limitation, to pay promotional and administrative expenses in connection with the offer and sale of shares of the fund. In addition, the plan provides that FMR may use its resources, including its management fee revenues, to make payments to third parties that provide assistance in selling shares of the fund, or to third parties, including banks, that render shareholder support services. For the fiscal year ended November 30, 1993, payments to third parties amounted to $ 40,000 .

205As required by the Rule, the Trustees carefully considered all pertinent factors relating to the implementation of the plan prior to its approval, and have determined that there is a reasonable likelihood that the plan will benefit the fund and its shareholders. In particular, the Trustees noted that the plan does not authorize payments by the fund other than those made to FMR under its management contract with the fund. To the extent that the plan gives FMR and FDC greater flexibility in connection with the distribution of shares of the fund, additional sales of the fund's shares may result. Additionally, certain shareholder support services may be provided more effectively under the plan by local entities with whom shareholders have other relationships. The plan was approved by the fund's shareholders on August 25, 1987.

206The 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 fund 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 these occurrences. The fund may execute portfolio transactions with and purchase securities issued by depository institutions that receive payments under the plan. 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.

207CONTRACTS WITH COMPANIES AFFILIATED WITH FMR

208FSC is transfer, dividend disbursing, and shareholders' servicing agent for the fund. Under the trust's contract with FSC, the fund pays an annual fee of $25.50 per basic retail account with a balance of $5,000 or more, $15.00 per basic retail account with a balance of less than $5,000, and a supplemental activity charge of $5.61 for monetary transactions. 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, the fund pays FSC a per-account fee of $95 and monetary transaction charges of $20 or $17.50, depending on the nature of services provided. With respect to certain broker-dealer master accounts, the fund pays FSC a per-account fee of $30, and a charge of $6 for monetary transactions. Fees for certain institutional retirement plan accounts are based on the net assets of all such accounts in the fund.

209Under the contract, FSC pays out-of-pocket expenses associated with providing transfer agent services. In addition, FSC bears the expense of typesetting, printing, and mailing prospectuses, statements of additional information, and all other reports, notices, and statements to shareholders, with the exception of proxy statements. Transfer agent fees, including reimbursement for out-of-pocket expenses, paid to FSC for the fiscal years ended November 30, 1993, 1992, and 1991, were $ 2,171,000 , $68 5,000 , and $258, 000 , respectively. If a portion of the fund's brokerage commissions during fiscal 1993 had not resulted in payment of certain of these fees, the fund would have paid transfer agent fees of $2,183,000.

210The trust's contract with FSC also provides that FSC will perform the calculations necessary to determine the fund's net asset value per share and dividends, and maintain the fund's accounting records. Prior to July 1, 1991, the annual fee for these pricing and bookkeeping services was based on two schedules, one pertaining to the fund's average net assets, and one pertaining to the type and number of transactions the fund made. The fee rates in effect as of July 1, 1991 are based on the fund's average net assets, specifically, .06% for the first $500 million of average net assets and .03% for average net assets in excess of $500 million. The fee is limited to a minimum of $45,000 and a maximum of $750,000 per year. Pricing and bookkeeping fees, including related out-of-pocket expenses, paid to FSC for fiscal 1993, 1992, and 1991, were $388,000 , $156, 000 , and $75, 000 , respectively.

211FSC also receives fees for administering the fund's securities lending program. Securities lending fees are based on the number and duration of individual securities loans. Securities lending fees for fiscal 1993, 1992, and 1991 were $ 33,000 , $ 1 3,000 , and $0, respectively.

212The 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 the 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.

213DESCRIPTION OF THE TRUST

214TRUST ORGANIZATION. Fidelity Convertible Securities Fund is a fund of Fidelity Financial Trust (the trust), an open-end management investment company organized as a Massachusetts business trust on October 20, 1982. On December 17, 1982, the Declaration of Trust was amended to change the name of the trust from Fidelity Tax-Qualified Equity Fund to Fidelity Freedom Fund , and on January 1, 1987, the Declaration of Trust was further amended to change the name of the trust to Fidelity Financial Trust. Currently, there are three funds of the trust: Fidelity Convertible Securities Fund, Fidelity Retirement Growth Fund, and Fidelity Equity-Income II Fund. The Declaration of Trust permits the Trustees to create additional funds.

215In 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 name "Fidelity" may be withdrawn.

216The 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.
217SHAREHOLDER AND TRUSTEE LIABILITY. The trust is an entity of the type commonly known as a "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 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 shareholder 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 a 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.
218The 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 Trustee s against any liability to which they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.
219VOTING RIGHTS. Each fund's capital consists of shares of beneficial interest. As a shareholder, you receive one vote for each dollar value 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 trust or the fund , as determined by the current value of each shareholder's investment in the fund or trust. If not so terminated, the trust and its funds will continue indefinitely.
220CUSTODIAN. Brown Brothers Harriman & Co., 40 Water Street, Boston, Massachusetts, 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.
221FMR, 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. The Boston branch of the fund's custodian leases its office space from an affiliate of FMR at a lease payment which, when entered into, was consistent with prevailing market rates. 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.
222AUDITOR. Price Waterhouse, 160 Federal Street, Boston, Massachusetts serves as the trust's independent accountant. The auditor examines financial statements for the fund and provides other audit, tax, and related services.
223FINANCIAL STATEMENTS
224 The fund's Annual Report for the fiscal year ended November 30, 1993 is a separate report supplied with this Statement of Additional Information and is incorporated herein by reference.

FIDELITY RETIREMENT GROWTH FUND
CROSS REFERENCE SHEET
FORM N-1A
ITEM NUMBER PROSPECTUS SECTION

<TABLE>
<CAPTION>
<S> <C>
1.................................. Cover Page
...

2a................................. Expenses
..

b, c................................	Contents; The Fund at a Glance; Who May Want to Invest
3a..................................	Financial Highlights
b..................................	*
c....................................	Performance
4a i.................................	Charter
ii...............................	The Fund at a Glance; Investment Principles; Securities & Investment Practices, Fundamental Investment Policies and Restrictions.
b..................................	Securities & Investment Practices
c....................................	Who May Want to Invest; Investment Principles; Securities & Investment Practices
5a..................................	Charter
b(i)................................	Doing Business with Fidelity; Charter
(ii)..............................	Charter
..(iii)...........................	Expenses; Breakdown of Expenses
c, d................................	Charter; FMR and Its Affiliates; Breakdown of Expenses, Cover Page
e....................................	FMR and Its Affiliates
f....................................	Expenses
g(i)................................	FMR and its Affiliates
(ii)................................	*
5A.................................	Performance
6a i.................................	Charter
ii................................	How to Buy Shares; How to Sell Shares; Transaction Details; Exchange Restrictions
iii...............................	*
b..................................	*
c....................................	Exchange Restrictions
d..................................	*
e....................................	Doing Business with Fidelity; How to Buy Shares; How to Sell Shares; Investor Services
f,g................................	Dividends, Capital Gains, and Taxes
7a..................................	Cover Page; Charter
	How to Buy Shares; Transaction Details

b..................................
.

*
c...................................

How to Buy Shares
d..................................
.

e...................................   *

f, ...   *

8..................................   How to Sell Shares; Investor Services; Transaction
...   Details; Exchange Restrictions

9..................................   *
...

</TABLE>

* Not Applicable
FIDELITY RETIREMENT GROWTH FUND
CROSS REFERENCE SHEET
(continued)
FORM N-1A
ITEM NUMBER STATEMENT OF ADDITIONAL INFORMATION SECTION

<TABLE>
<CAPTION>
<S>   <C>
10,   11..........................   Cover Page

12.................................   *
..

13a -   Investment Policies and Limitations
c............................

*
d.................................

14a -   Trustees and Officers
c............................

15a,   *
b.............................

Trustees and Officers
c.................................

16a   FMR, Portfolio Transactions
i................................

Trustees and Officers
ii..............................

Management Contract
iii.............................

Management Contract
b................................

c,   Contracts with Companies Affiliated with FMR
d.............................

e -   *
g..........................

Description of the Trust
h................................

Contracts with Companies Affiliated with FMR
i................................

17a -   Portfolio Transactions
c............................

*
d,e.............................

18a...............................   Description of the Trust
..

b................................	*
19a................................ ..	Additional Purchase and Redemption Information
b.................................	Additional Purchase and Redemption Information; Valuation of Portfolio Securities
c.................................	*
20................................. ..	Distributions and Taxes
21a, b.............................	Contracts with Companies Affiliated with FMR
c................................	*
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 the fund invests and the services available to shareholders.

A Statement of Additional Information dated January 19, 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.

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.

Retirement Growth is a growth fund designed for retirement investors and non-profit organizations. It seeks to increase the value of your investment over the long term.

FIDELITY
RETIREMENT GROWTH
FUND

PROSPECTUS
JANUARY 19, 1994

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.

CVS-pro-194
(Registered trademark)
82 Devonshire Street, Boston, MA 02109

CONTENTS

KEY FACTS

THE FUND AT A GLANCE

GOAL: Capital appreciation (increase in the value of the fund's shares). As with any mutual fund, there is no assurance that the fund will achieve its goal.

STRATEGY: Invests mainly in common stocks, although the fund has broad flexibility to invest in any type of security.

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. Foreign affiliates of FMR help choose investments for the fund.

SIZE: As of November 30, 1993, the fund had over $ 2.6 billion in assets.

WHO MAY WANT TO INVEST

The fund may be appropriate for investors who are willing to ride out stock market fluctuations in pursuit of potentially high long-term returns. However, because the fund is designed for non-profit organizations and investors in tax-qualified retirement plans, it does not consider the effect of taxes when it buys and sells securities. The fund seeks capital appreciation. It does not pursue income, and is not in itself a balanced investment plan.

Over time, stocks have shown greater growth potential than other types of securities. In the short term, however, stock prices can fluctuate dramatically in response to company, market, or economic news. When you sell your fund shares, they may be worth more or less than what you paid for them.

THE SPECTRUM OF FIDELITY FUNDS

Broad categories of Fidelity funds are presented here in order of ascending risk.

Generally, investors seeking to maximize return must assume greater risk. Convertible Securities is in the GROWTH category .

(bullet) MONEY MARKET Seeks income and stability by investing in high-quality, short-term investments.

(bullet) INCOME Seeks income by investing in bonds.

(bullet) GROWTH AND INCOME Seeks long-term growth and income by investing in stocks and bonds.

(arrow) GROWTH Seeks long-term growth by investing mainly in stocks.

(checkmark)
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 the fund's assets. The fund pays a management fee that varies based on its performance. It also incurs other expenses for services such as maintaining shareholder records and furnishing shareholder statements and fund reports. The fund's expenses are factored into its share price or dividends and are not charged directly to shareholder accounts (see page 22).

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

Management fee . 76 %
12b-1 fee None
Other expenses . 29 %
Total fund operating expenses 1.05 %

EXAMPLES: Let's say, hypothetically, that the 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 year $ 11
After 3 years $ 33
After 5 years $ 58
After 10 years $ 128

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

UNDERSTANDING EXPENSES

Operating a mutual fund involves a variety of expenses for portfolio management, shareholder statements, tax reporting, and other services. These costs are paid from the fund's assets; their effect is already factored into any quoted share price or return.

(checkmark)
FINANCIAL HIGHLIGHTS

The table that follows has been audited by Price Waterhouse, independent accountants. Their unqualified report is included in the fund's Annual Report. The Annual Report is incorporated by reference into (is legally a part of) the Statement of Additional Information.

SELECTED PER-SHARE DATA

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
18.Years Ended November 30,	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	
19.Net asset value, beginning of period	$ 12.6	$ 12.1	$ 14.8	$ 16.9	$ 12.9	$ 12.5	$ 15.62	$ 13.1	$ 17.2	$ 19.7	
	8	5	8	3	4	5			3	1	7
20.Income from Investment Operations											
21. Net investment income	.24	.37	.16	.19	.22	.37	.34	.27	.14	.09	
22. Net realized and unrealized gain (loss) on investments	(.31)	2.75	3.22	(.54)	2.80	2.91	(1.88)	3.92	3.66	3.09	
23. Total from investment operations	(.07)	3.12	3.38	(.35)	3.02	3.28	(1.54)	4.19	3.80	3.18	
24.Less Distributions											
25. From net investment income	(.04)	(.24)	(.35)	(.14)	(.23)	(.21)	(.45)	(.11)	(.20)	(.16)	
26. From net realized gain	(.42)	(.15)	(.98)	(3.50)	(3.18	-	(.50)	-	(1.04	(3.53	
					)				)	)	
27. Total distributions	(.46)	(.39)	(1.33	(3.64)	(3.41	(.21)	(.95)	(.11)	(1.24	(3.69	
			)		)				)	)	
28.Net asset value, end of period	$ 12.1	$ 14.8	$ 16.9	$ 12.9	$ 12.5	$ 15.6	$ 13.13	$ 17.2	$ 19.7	$ 19.2	
	5	8	3	4	5	2		1	7	6	
29.Total ReturnA	(.65)	26.45	24.45	(3.95)	26.94	26.62	(10.59	32.15	23.39	19.47	
	%	%	%	%	%	%	)%	%	%	%	
30.RATIOS AND SUPPLEMENTAL DATA											
31.Net assets, end of period (in millions)	$ 388	$ 601	$ 916	$ 993	$ 1,24	$ 1,44	$ 1,292	$ 1,57	$ 2,16	$ 2,68	
					4	8		7	6	8	
32.Ratio of expenses to average net assets	1.13	1.14	1.07	.97%	1.09	.92%	.98%	.83%	1.02	1.05	
	%	%	%		%				%	%	
33.Ratio of net investment income to average net assets	3.08	2.86	1.11	1.25	1.79	2.51	2.34%	1.56	1.01	.80%	
	%	%	%	%	%	%		%	%		
34.Portfolio turnover rate	97%	100%	161%	171%	156%	139%	127%	119%	138%	101%	

</TABLE>

A THE TOTAL RETURNS WOULD HAVE BEEN LOWER HAD CERTAIN EXPENSES NOT BEEN REDUCED DURING THE PERIODS SHOWN.

PERFORMANCE

Mutual fund performance is commonly measured as TOTAL RETURN. The total returns that follow are based on historical fund results and do not reflect the effect of taxes.

The fund's fiscal year runs from December 1 through November 30. The tables below show the fund's performance over past fiscal years compared to two measures: investing in a broad selection of stocks (Merrill Lynch Convertible Securities), and not investing at all (inflation, or CPI). To help you compare this fund to other funds, the chart on page 7 displays calendar-year performance.

AVERAGE ANNUAL TOTAL RETURNS

Fiscal periods ended November 30, 1993	Past 1 year	Past 5 years	Past 10 years
Convertible Securities	19.47%	17.14%	15.44%
Merrill Lynch Convertible Securities	10.10%	14.67%	14.74%
Consumer Price Index	2.68%	3.92%	3.72%

CUMULATIVE TOTAL RETURNS

Fiscal periods ended Past 1 Past 5 Past 10
November 30, 199 3 year years years
Convertible Securities 19.47% 120.54% 320.40%
Merrill Lynch Convertible Securities 10.10% 98.31%
295.47%
Consumer Price
Index 2.68% 21.20% 44.07%
EXAMPLE: Let's say, hypothetically, that an investor put $10,000 in the fund on November 30, 1983. From that date through November 30, 1993, the fund's total return was 320.40 %. That $10,000 would have grown to $ 42,040 (the initial investment plus 320.40 % of $10,000).
$10,000 OVER TEN YEARS

Fiscal years 1983 1998 1993
Row: 1, Col: 1, Value: 10000.0
Row: 2, Col: 1, Value: 9913.26
Row: 3, Col: 1, Value: 9738.4
Row: 4, Col: 1, Value: 9190.57
Row: 5, Col: 1, Value: 9337.75
Row: 6, Col: 1, Value: 9370.449999999999
Row: 7, Col: 1, Value: 8789.91
Row: 8, Col: 1, Value: 9125.15
Row: 9, Col: 1, Value: 8961.620000000001
Row: 10, Col: 1, Value: 10106.35
Row: 11, Col: 1, Value: 9951.0
Row: 12, Col: 1, Value: 10024.59
Row: 13, Col: 1, Value: 9934.640000000001
Row: 14, Col: 1, Value: 10237.18
Row: 15, Col: 1, Value: 11237.13
Row: 16, Col: 1, Value: 11178.03
Row: 17, Col: 1, Value: 10975.41
Row: 18, Col: 1, Value: 10781.23
Row: 19, Col: 1, Value: 11254.01
Row: 20, Col: 1, Value: 11498.85
Row: 21, Col: 1, Value: 11684.59
Row: 22, Col: 1, Value: 11549.5
Row: 23, Col: 1, Value: 11051.39
Row: 24, Col: 1, Value: 11617.05
Row: 25, Col: 1, Value: 12562.62
Row: 26, Col: 1, Value: 13195.82
Row: 27, Col: 1, Value: 13777.86
Row: 28, Col: 1, Value: 15135.33
Row: 29, Col: 1, Value: 15975.67
Row: 30, Col: 1, Value: 15883.32
Row: 31, Col: 1, Value: 16363.52
Row: 32, Col: 1, Value: 16058.78
Row: 33, Col: 1, Value: 14793.65
Row: 34, Col: 1, Value: 15874.09
Row: 35, Col: 1, Value: 14738.25
Row: 36, Col: 1, Value: 15458.54
Row: 37, Col: 1, Value: 15633.99
Row: 38, Col: 1, Value: 15061.45
Row: 39, Col: 1, Value: 17175.37
Row: 40, Col: 1, Value: 18324.26
Row: 41, Col: 1, Value: 18985.75
Row: 42, Col: 1, Value: 18997.35
Row: 43, Col: 1, Value: 19368.71
Row: 44, Col: 1, Value: 20018.59
Row: 45, Col: 1, Value: 21562.05
Row: 46, Col: 1, Value: 22211.93
Row: 47, Col: 1, Value: 22037.86
Row: 48, Col: 1, Value: 16096.11
Row: 49, Col: 1, Value: 15016.84
Row: 50, Col: 1, Value: 16465.41
Row: 51, Col: 1, Value: 16754.01
Row: 52, Col: 1, Value: 18181.82
Row: 53, Col: 1, Value: 18166.63
Row: 54, Col: 1, Value: 18500.8
Row: 55, Col: 1, Value: 18409.66
Row: 56, Col: 1, Value: 19366.6
Row: 57, Col: 1, Value: 19138.76
Row: 58, Col: 1, Value: 18607.13
Row: 59, Col: 1, Value: 19169.14
Row: 60, Col: 1, Value: 19305.84
Row: 61, Col: 1, Value: 19062.81
Row: 62, Col: 1, Value: 19021.71
Row: 63, Col: 1, Value: 20489.67
Row: 64, Col: 1, Value: 20072.46
Row: 65, Col: 1, Value: 20597.84
Row: 66, Col: 1, Value: 21571.33
Row: 67, Col: 1, Value: 21988.54
Row: 68, Col: 1, Value: 21679.49
Row: 69, Col: 1, Value: 23719.19

Row: 70, Col: 1, Value: 23997.33
Row: 71, Col: 1, Value: 24352.73
Row: 72, Col: 1, Value: 23502.86
Row: 73, Col: 1, Value: 24136.4
Row: 74, Col: 1, Value: 24806.36
Row: 75, Col: 1, Value: 23584.23
Row: 76, Col: 1, Value: 23830.75
Row: 77, Col: 1, Value: 24027.97
Row: 78, Col: 1, Value: 23337.7
Row: 79, Col: 1, Value: 25523.56
Row: 80, Col: 1, Value: 26098.78
Row: 81, Col: 1, Value: 26000.17
Row: 82, Col: 1, Value: 23337.7
Row: 83, Col: 1, Value: 20856.02
Row: 84, Col: 1, Value: 20182.18
Row: 85, Col: 1, Value: 21579.16
Row: 86, Col: 1, Value: 22287.21
Row: 87, Col: 1, Value: 23314.58
Row: 88, Col: 1, Value: 25236.75
Row: 89, Col: 1, Value: 25899.57
Row: 90, Col: 1, Value: 26065.27
Row: 91, Col: 1, Value: 26926.93
Row: 92, Col: 1, Value: 25203.61
Row: 93, Col: 1, Value: 26844.08
Row: 94, Col: 1, Value: 27987.44
Row: 95, Col: 1, Value: 28335.42
Row: 96, Col: 1, Value: 29346.21
Row: 97, Col: 1, Value: 28517.69
Row: 98, Col: 1, Value: 32446.83
Row: 99, Col: 1, Value: 32518.02
Row: 100, Col: 1, Value: 32980.78999999999
Row: 101, Col: 1, Value: 31966.27
Row: 102, Col: 1, Value: 32322.24
Row: 103, Col: 1, Value: 32927.39
Row: 104, Col: 1, Value: 31717.09
Row: 105, Col: 1, Value: 32802.8
Row: 106, Col: 1, Value: 31912.87
Row: 107, Col: 1, Value: 32286.64
Row: 108, Col: 1, Value: 33301.16
Row: 109, Col: 1, Value: 35187.81
Row: 110, Col: 1, Value: 35884.97
Row: 111, Col: 1, Value: 36779.91
Row: 112, Col: 1, Value: 35623.03
Row: 113, Col: 1, Value: 36627.12
Row: 114, Col: 1, Value: 36343.35000000001
Row: 115, Col: 1, Value: 38264.2
Row: 116, Col: 1, Value: 38766.24
Row: 117, Col: 1, Value: 39028.18
Row: 118, Col: 1, Value: 41210.96
Row: 119, Col: 1, Value: 41363.75999999999
Row: 120, Col: 1, Value: 42586.12
Row: 121, Col: 1, Value: 42040.42
$
$42,040

UNDERSTANDING PERFORMANCE

Because this fund invests in stocks, its performance is related to that of the overall stock market. Historically, stock market performance has been characterized by volatility in the short run and growth in the long run. You can see these two characteristics reflected in the fund's performance; the year-by-year total returns on page 7 show that short-term returns can vary widely, while the returns at left show long-term growth.

(checkmark)

EXPLANATION OF TERMS

TOTAL RETURN is the change in value of an investment in the 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.

YEAR-BY-YEAR TOTAL RETURNS

Calendar years	1984	1985	1986	1987	1988	1989	1990	1991	1992
Convertible Securities	3.27%	28.90%	14.14%	9.32%	15.53%	30.41%	(10.16)%		

45.
58% 10.60%
Competitive funds average n/a n/a n/a 1.13% 13.84% 26.70% (7.76)%
40.35% 8.28 %
Percentage (%)
Row: 1, Col: 1, Value: nil
Row: 1, Col: 2, Value: nil
Row: 2, Col: 1, Value: 3.27
Row: 2, Col: 2, Value: nil
Row: 3, Col: 1, Value: 28.9
Row: 3, Col: 2, Value: nil
Row: 4, Col: 1, Value: 14.14
Row: 4, Col: 2, Value: nil
Row: 5, Col: 1, Value: 9.32
Row: 5, Col: 2, Value: 1.13
Row: 6, Col: 1, Value: 15.53
Row: 6, Col: 2, Value: 13.84
Row: 7, Col: 1, Value: 30.41
Row: 7, Col: 2, Value: 26.7
Row: 8, Col: 1, Value: -10.16
Row: 8, Col: 2, Value: -7.76
Row: 9, Col: 1, Value: 45.58
Row: 9, Col: 2, Value: 40.34999999999999
Row: 10, Col: 1, Value: 10.6
Row: 10, Col: 2, Value: 8.279999999999999
Convertible
Securities
Competitive
funds
average

THE S&P 500(Registered trademark) is the Standard & Poor's 500 Composite Stock Price Index, a widely recognized, unmanaged index of common stock prices. The S&P 500 figures assume reinvestment of all dividends paid by stocks included in the index. They do not, however, include any allowance for the brokerage commissions or other fees you would pay if you actually invested in those stocks.

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

THE COMPETITIVE FUNDS AVERAGE is the Lipper Capital Appreciation Funds Average , which currently reflects the performance of over 113 mutual funds with similar objectives. This average, which assumes reinvestment of distributions, is published by Lipper Analytical Services, Inc., and was created in 1987.

Other illustrations of fund performance may show moving averages over specified periods.

The fund's 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 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 75 walk-in Investor Centers across the country.

TYPES OF ACCOUNTS

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

The account guidelines that follow may not apply to certain retirement accounts. If your employer offers the fund through a retirement program, contact your employer for more information. Otherwise, call Fidelity directly.

FIDELITY FACTS
Fidelity offers the broadest selection of mutual funds in the world.
(bullet) Number of Fidelity mutual funds: over 200
(bullet) Assets in Fidelity mutual funds: over $ 200 billion
(bullet) Number of shareholder accounts: over 15 million
(bullet) Number of investment analysts and portfolio managers: over 200
(checkmark)
WAYS TO SET UP YOUR ACCOUNT
RETIREMENT
TO SHELTER YOUR RETIREMENT SAVINGS FROM TAXES
Retirement plans allow individuals to shelter investment income and capital gains from current taxes. In addition, contributions to these accounts may be tax deductible. Retirement accounts require special applications and typically have lower minimums.
(bullet) INDIVIDUAL RETIREMENT ACCOUNTS (IRAS) allow anyone of legal age and under 70 with earned income to invest up to $2,000 per tax year. Individuals can also invest in a spouse's IRA if the spouse has earned income of less than $250.
(bullet) ROLLOVER IRAS retain special tax advantages for certain distributions from employer-sponsored retirement plans.
(bullet) KEOGH OR CORPORATE PROFIT SHARING AND MONEY PURCHASE PENSION PLANS allow self-employed individuals or small business owners (and their employees) to make tax-deductible contributions for themselves and any eligible employees up to $30,000 per year.
(bullet) SIMPLIFIED EMPLOYEE PENSION PLANS (SEP-IRAS) provide small business owners or those with self-employed income (and their eligible employees) with many of the same advantages as a Keogh, but with fewer administrative requirements.
(bullet) 403(B) CUSTODIAL ACCOUNTS are available to employees of most tax-exempt institutions, including schools, hospitals, and other charitable organizations.
(bullet) 401(K) PROGRAMS allow employees of corporations of all sizes to contribute a percentage of their wages on a tax-deferred basis. These accounts need to be established by the trustee of the plan.
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
THE FUND'S SHARE PRICE, called net asset value (NAV), is calculated every business day. The 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.
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 11 . If there is no application accompanying this prospectus, call 1-800-544-8888.
IF YOU ARE INVESTING THROUGH A TAX-SHELTERED RETIREMENT PLAN, such as an IRA, for the first time, you will need a special application. Retirement investing also involves its own investment procedures. Call 1-800-544-8888 for more information and a retirement application.
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 $500
For Fidelity retirement accounts $500
TO ADD TO AN ACCOUNT $250
For Fidelity retirement accounts $250
Through automatic investment plans $100
MINIMUM BALANCE $250
For Fidelity retirement accounts $250

<TABLE>
<CAPTION>

<S>	<C>	<C>
	TO OPEN AN ACCOUNT	TO ADD TO AN ACCOUNT
PHONE 1-800-544-7777	(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>	<C>	<C>
MAIL	(bullet) Complete and sign the application. Make your check payable to "Fidelity Retirement Growth Fund." Mail to the address indicated on the application.	(bullet) Make your check payable to "Fidelity Retirement Growth Fund." Indicate your fund account number on your check and mail to the address printed on your account statement. (bullet) Exchange by mail: call 1-800-544-6666 for instructions.

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>
IN PERSON	(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>

WIRE	(bullet) Call 1-800-544-7777 to set up your account and to arrange a wire transaction. Not available for retirement accounts. (bullet) Wire within 24 hours to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify "Fidelity Retirement Growth Fund." and include your new account number and your name.	(bullet) Not available for retirement accounts. (bullet) Wire to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify "Fidelity Retirement Growth Fund." and include your account number and your name.

<TABLE>
<CAPTION>

<S>	<C>	<C>
AUTOMATICALLY	(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>

<TABLE>
<CAPTION>
<S> <C> <C>
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.

TO SELL SHARES IN A NON-RETIREMENT ACCOUNT, you may use any of the methods described on these two pages.

TO SELL SHARES IN A FIDELITY RETIREMENT ACCOUNT, your request must be made in writing, except for exchanges to other Fidelity funds, which can be requested by phone or in writing. Call 1-800-544-6666 for a retirement distribution form.

IF YOU ARE SELLING SOME BUT NOT ALL OF YOUR SHARES, leave at least $250 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

ACCOUNT TYPE SPECIAL REQUIREMENTS

<TABLE>
<CAPTION>

<S>	<C>	<C>
PHONE 1-800-544-7777	All account types except retirement	(bullet) Maximum check request: $100,000.
	All account types	(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	Individual, Joint Tenant, Sole Proprietorship , UGMA, UTMA	(bullet) The letter of instruction must be signed by all persons required to sign for transactions, exactly as their names appear on the account.
	Retirement account	(bullet) The account owner should complete a retirement distribution form. Call 1-800-544-6666 to request one.
	Trust	(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
	Business or Organization	

	Executor, Administrator, Conservator, Guardian	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	All account types except retirement	(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.

</TABLE>

<TABLE>
<CAPTION>
<S> <C> <C>
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.
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)

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)
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 the 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 20 .
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 retirement, a home, educational expenses, and other long-term financial goals. Certain restrictions apply for retirement accounts. Call 1-800-544-6666 for more information.

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.

<TABLE>
<CAPTION>
<S> <C> <C>
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.

<TABLE>
<CAPTION>
<S> <C> <C>
FIDELITY AUTOMATIC EXCHANGE SERVICE
TO MOVE MONEY FROM A FIDELITY MONEY MARKET FUND TO ANOTHER FIDELITY FUND

</TABLE>

<TABLE>
<CAPTION>

<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 ITS SHARE PRICE FLUCTUATES, THE FUND MAY NOT BE AN APPROPRIATE CHOICE FOR DIRECT DEPOSIT OF YOUR ENTIRE CHECK.

DIVIDENDS, CAPITAL GAINS, AND TAXES

The fund distributes substantially all of its net income and capital gains to shareholders each year. Normally, dividends and Capital gains are distributed in December and January.

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. The fund offers four options:

5. REINVESTMENT OPTION. Your dividend and capital gain distributions 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 will be automatically reinvested, but you will be sent a check for each dividend distribution.
7. CASH OPTION. You will be sent a check for your dividend and capital gain distributions.
8. DIRECTED DIVIDENDS(Registered trademark) OPTION. Your dividend and capital gain distributions will be automatically invested in another identically registered Fidelity fund.

FOR RETIREMENT ACCOUNTS, all distributions are automatically reinvested. When you are over 59 years old, you can receive distributions in cash.

When the fund deducts a distribution from its NAV, the reinvestment price is the fund's NAV at the close of business that day. Cash distribution checks will be mailed 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.

The fund earns dividends from stocks and interest from bond, money market, and other investments. These are passed along as DIVIDEND DISTRIBUTIONS. The fund realizes capital gains whenever it sells securities for a higher price than it paid for them. These are passed along as CAPITAL GAIN DISTRIBUTIONS.

(checkmark)

TAXES

As with any investment, you should consider how your investment in the fund will be taxed. If your account is not a tax-deferred retirement account, you should be aware of these tax implications.

TAXES ON DISTRIBUTIONS. Distributions are subject to federal income tax, and may also be subject to state or local taxes. If you live outside the United States, your distributions could also be taxed by the country in which you reside. Your 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.

For federal tax purposes, the fund's income and short-term capital gain distributions are taxed as dividends; long-term capital gain distributions are taxed as long-term capital gains. Every January, Fidelity will send you and the IRS a statement showing the taxable distributions paid to you in the previous year.

TAXES ON TRANSACTIONS. Your 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 the 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 the 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.

There are tax requirements that all funds must follow in order to avoid federal taxation. In its effort to adhere to these requirements, the fund may have to limit its investment activity in some types of instruments.

SHAREHOLDER AND ACCOUNT POLICIES

TRANSACTION DETAILS

THE FUND IS OPEN FOR BUSINESS each day the New York Stock Exchange (NYSE) is open. Fidelity normally calculates the fund's net asset value as of the close of business of the NYSE, normally 4 p.m. Eastern time.

THE 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 fund's assets are valued primarily on the basis of market quotations. If quotations are not readily available, assets are valued by a method that the Board of Trustees believes accurately reflects fair value. Foreign securities are valued on the basis of quotations from the primary market in which they are traded, and are translated from the local currency into U.S. dollars using current exchange rates.

THE 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 the 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.

THE FUND RESERVES THE RIGHT TO SUSPEND THE OFFERING OF SHARES for a period of time. The fund also reserves the right to reject any specific purchase order, including certain purchases by exchange. See "Exchange Restrictions" on page 20. Purchase orders may be refused if, in FMR's opinion, they are of a size that would disrupt management of the 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) The 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 the fund or its transfer agent has incurred.

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 FUND 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 the 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 the fund, it may take up to seven days to pay you.

(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) The 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.

IF YOUR ACCOUNT BALANCE FALLS BELOW $250, 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 fund without reimbursement from the fund. 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 the 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, the 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) The exchange limit may be modified for accounts in certain institutional retirement plans to conform to plan exchange limits and Department of Labor regulations. See your plan materials for further information.

(bullet) The 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 the 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 the fund.

Although the fund will attempt to give you prior notice whenever it is reasonably able to do so, it may impose these restrictions at any time. The fund reserves 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 FUND IN DETAIL

CHARTER

CONVERTIBLE SECURITIES IS A MUTUAL FUND: an investment that pools shareholders' money and invests it toward a specified goal. In technical terms, the fund is currently a diversified fund of Fidelity Financial Trust, an open-end management investment company organized as a Massachusetts business trust on October 20, 1982.

THE 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 fund's activities, review contractual arrangements with companies that provide services to the fund, and review performance. The majority of trustees are not otherwise affiliated with Fidelity.

THE FUND 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 on the dollar value of your investment.

FMR AND ITS AFFILIATES

The fund is managed by FMR, which chooses the fund's investments and handles its business affairs. Fidelity Management & Research (U.K.) Inc. (FMR U.K.) and Fidelity Management & Research (Far East) Inc. (FMR Far East) assist FMR with foreign investments.

Harris Leviton is vice president and manager of the fund, which he has managed since March 1992. Previously, he managed Fidelity Convertible Securities Fund, Select Electronics, Select Software and Select Computer Services. Mr. Leviton joined Fidelity in 1986 as an equity analyst.

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

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 trust), Johnson family members, and various trusts for the benefit of the Johnson family form a controlling group with respect to FMR Corp.

TO CARRY OUT THE FUND'S TRANSACTIONS, FMR may use its broker-dealer affiliates and other firms that sell fund shares, provided that the fund receives services and commission rates comparable to those of other broker-dealers. A broker-dealer may use a portion of the commissions paid to reduce custodian or transfer agent fees.

BREAKDOWN OF EXPENSES

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

The fund pays a MANAGEMENT FEE to FMR for managing its investments and business affairs. FMR in turn pays fees to affiliates who provide assistance with these services. The fund also pays OTHER EXPENSES, which are explained on page 23 .

FMR may, from time to time, agree to reimburse the fund for management fees and other expenses above a specified limit. FMR retains the ability to be repaid by the 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 the fund's expenses and boost its performance.

MANAGEMENT FEE

The management fee is calculated and paid to FMR every month. The amount of the fee is determined by taking a BASIC FEE and then applying a PERFORMANCE ADJUSTMENT. The performance adjustment either increases or decreases the management fee, depending on how well the fund has performed relative to the Merrill Lynch Convertible Securities.

Management fee	=	Basic fee	+/-	Performance adjustment

THE BASIC FEE RATE (calculated monthly) 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 .52%, and it drops as total assets under management increase.

For November 1993, the group fee rate was .3250 %. The individual fund fee rate is .20%. The basic fee rate for fiscal 1993 was .6250 %

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

UNDERSTANDING THE MANAGEMENT FEE

The basic fee FMR receives is designed to be responsive to changes in FMR's total assets under management. Building this variable into the fee calculation assures shareholders that they will pay a lower rate as FMR's assets under management increase.

Another variable, the performance adjustment, rewards FMR when the fund outperforms the Merrill Lynch Convertible Securities (an established index of stock market performance) and reduces FMR's fee when the fund underperforms this index.

(checkmark)

THE PERFORMANCE ADJUSTMENT RATE is calculated monthly by comparing the fund's performance to that of the Merrill Lynch Convertible Securities over the most recent 36-month period. The difference is translated into a dollar amount that is added to or subtracted from the basic fee. The maximum annualized performance adjustment rate is ".20%.

The total management fee for fiscal 1993 was .7 6 %.

FMR HAS SUB-ADVISORY AGREEMENTS with FMR U.K. and FMR Far East. These sub-advisers provide FMR with investment research and advice on companies based outside the United States. FMR pays FMR U.K. and FMR Far East fees equal to 110% and 105%, respectively, of the costs of providing these services.

The sub-advisers may also provide investment management services if FMR believes it would be beneficial to the fund. For these services, FMR pays 50% of its management fee rate, with respect to the fund's investments that the sub-adviser manages on a discretionary basis.

OTHER EXPENSES

While the management fee is a significant component of the fund's annual operating costs, the fund has other expenses as well.

The fund contracts with FSC to perform many transaction and accounting functions. These services include processing shareholder transactions, valuing the fund's investments, and handling securities loans. In fiscal 1993, the fund paid FSC fees equal to .27 % of its average net assets, on an annualized basis.

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

The fund has adopted a Distribution and Service Plan. This plan recognizes 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 fund does not pay FMR any separate fees for this service.

The fund's portfolio turnover rate for fiscal 1993 was 101 %. This rate varies from year to year. High turnover rates increase transaction costs and may increase taxable capital gains. FMR considers these effects when evaluating the anticipated benefits of short-term investing.

INVESTMENT PRINCIPLES

THE FUND SEEKS CAPITAL APPRECIATION by investing substantially in common stocks, although it may invest in other types of instruments as well. FMR considers economic, financial, and security trends when choosing the types of securities the fund will buy. In pursuit of its goal, the fund has the flexibility to invest in large or small domestic or foreign companies.

The fund may buy securities that provide income. However, it does not place any emphasis on the income, except when FMR believes this income will have a favorable influence on the securities' market value. Because the fund is designed for those in tax-qualified retirement plans and non-profit organizations, it may realize capital gains without regard to shareholders' current tax liability.

THE FUND WILL SPREAD INVESTMENT RISK by limiting its holdings in any one company or industry. FMR may use various investment techniques to hedge the fund's risks, but there is no guarantee that these strategies will work as FMR intends. When you sell your shares, they may be worth more or less than what you paid for them.

FMR normally invests the fund's assets according to its investment strategy. When FMR considers it appropriate, however, it may temporarily invest substantially in investment-grade, fixed-income securities of all types.

SECURITIES AND INVESTMENT PRACTICES

The following pages contain more detailed information about types of instruments in which the fund may invest, and strategies FMR may employ in pursuit of the fund's investment objective. 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 fund achieve its goal. As a shareholder, you will receive financial reports every six months detailing fund holdings and describing recent investment activities.

EQUITY SECURITIES may include common stocks, preferred stocks, convertible securities, and warrants. Common stocks, the most familiar type, represent an equity (ownership) interest in a corporation. This ownership interest often gives the fund the right to vote on measures affecting the company's organization and operations. Although common stocks have a history of long-term growth in value, their prices tend to fluctuate in the short term, particularly those of smaller companies.

RESTRICTIONS: With respect to 75% of total assets, the fund may not own more than 10% of the outstanding voting securities of a single issuer.

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, loans, and other direct debt 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.

RESTRICTIONS: The fund does not currently intend to invest more than 5% of its assets in lower-quality debt securities , commonly called "junk bonds" (those rated below Baa by Moody's or BBB by S&P, and unrated securities judged by FMR to be of equivalent quality).

FOREIGN SECURITIES and foreign currencies may involve additional risks. These include currency fluctuations, risks relating to political or economic conditions in the foreign country, and the potentially less stringent investor protection and disclosure standards of foreign markets.

In addition to the political and economic factors that can affect foreign securities, a governmental issuer may be unwilling to repay principal and interest when due, and may require that the conditions for payment be renegotiated. These factors could make foreign investments, especially those in developing countries, more volatile.

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

FMR can use these practices to adjust the risk and return characteristics of the 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.

REPURCHASE AGREEMENTS. In a repurchase agreement, the fund buys a security at one price and simultaneously agrees to sell it back at a higher price. Delays or losses could result if the other party to the agreement defaults or becomes insolvent.

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 the fund.

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

OTHER INSTRUMENTS may include closed-end investment companies and real estate investment trusts.

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.

RESTRICTIONS: With respect to 75% of total assets, the fund may not invest more than 5% of its total assets in any one issuer. The fund also may not invest more than 25% of its total assets in any one industry. These limitations do not apply to U.S. government securities.

BORROWING. The fund may borrow from banks or from other funds advised by FMR, or through reverse repurchase agreements. If the 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: The fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.

LENDING. Lending securities to broker-dealers and institutions, including FBSI, an affiliate of FMR, is a means of earning income. This practice could result in a loss or a delay in recovering the fund's securities. The fund may also lend money to other funds advised by FMR.

RESTRICTIONS: Loans, in the aggregate, may not exceed 33% of the fund's 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 paragraph restates all those that are fundamental. All policies stated throughout this prospectus, other than those identified in the following paragraph, can be changed without shareholder approval.

The fund seeks capital appreciation. FMR will usually invest the fund's assets substantially in common stock. However, investments are not restricted to any one type of securities. The fund does not place any emphasis on dividend or interest income, except when FMR believes this income will have a favorable influence on the market value of a security. It is the fund's policy to invest in the securities o f both well-known and established companies and in securities of smaller, less well-known and established companies. The emphasis placed on a particular type of security will depend on FMR's interpretation of underlying economic, financial, and security trends. When, in FMR's judgment, economic or market conditions warrant a more conservative approach to investment, the fund may be temporarily adjusted to favor more defensive securities, including investment-grade, fixed-income securities of all types. With respect to 75% of total assets, the fund may not invest more than 5% of its total assets in any one issuer and may not own more than 10% of the outstanding voting securities of a single issuer. The fund may not invest more than 25% of its total assets in any one industry. The fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets. Loans, in the aggregate, may not exceed 33% of the fund's total assets.

This prospectus is printed on recycled paper using soy-based inks.

225FIDELITY RETIREMENT GROWTH FUND
226A FUND OF FIDELITY FINANCIAL TRUST
227STATEMENT OF ADDITIONAL INFORMATION
228JANUARY 19, 1994
229This Statement is not a prospectus but should be read in conjunction with the fund's current Prospectus (dated January 19, 1994). Please retain this document for future reference. The Annual Report for the fiscal year ended November 30, 1993 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.
511TABLE OF CONTENTS 512PAGE

230Investment Adviser
231Fidelity Management & Research Company (FMR)
232Investment Sub-Advisers
233Fidelity Management & Research Company (U.K.) Inc. (FMR U.K.)
234Fidelity Management & Research Company (Far East) Inc. (FMR Far East)
235Distributor
236Fidelity Distributors Corporation (FDC)
237Transfer Agent
238Fidelity Service Co. (FSC)
239
240INVESTMENT POLICIES AND LIMITATIONS
241 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 the 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.
242 The 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) of the fund. THE FOLLOWING ARE THE FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:
243 (1) with respect to 75% of the fund's total assets, purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities) if, as a result, (a) more than 5% of the fund's total assets would be invested in the securities of that issuer, or (b) the fund would hold more than 10% of the outstanding voting securities of that issuer;
244 (2) issue senior securities, except as permitted under the Investment Company Act of 1940;
245 (3) 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;

246 (4) underwrite any issue of securities (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);
247 (5) purchase the securities of any issuer (other than obligations issued or guaranteed by the government of the United States or its agencies or instrumentalities) if, as a result thereof, more than 25% of the fund's total assets (taken at current value) would be invested in the securities of one or more issuers having their principal business activities in the same industry;
248 (6) 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);
249 (7) 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
250 (8) 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.
251THE FOLLOWING INVESTMENT LIMITATIONS ARE NOT FUNDAMENTAL AND MAY BE CHANGED WITHOUT SHAREHOLDER APPROVAL.
252 (i) 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.
253 (ii) 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.
254 (iii) The fund may borrow money only (a) from a bank or from a registered investment company or fund 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 (3)). 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.
255 (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.
256 (v) The fund does not currently intend to lend assets other than securities to other parties, except by (a) lending money (up to 5% of the fund's net assets) to a registered investment company or fund for which FMR or an affiliate serves as investment adviser or (b) acquiring loans, loan participations, or other forms of direct debt instruments and, in connection therewith, assuming any associated unfunded commitments of the sellers. (This limitation does not apply to purchases of debt securities or to repurchase agreements.)
257 (vi) 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.
258 (vii) The fund does not currently intend to purchase warrants, valued at the lower of cost or market, in excess of 5% of the fund's net assets. Included in that amount, but not to exceed 2% of the fund's net assets, may be warrants that are not listed on the New York Stock Exchange or the American Stock Exchange. Warrants acquired by the fund in units or attached to securities are not subject to these restrictions.
259 (viii) The fund does not currently intend to purchase the securities of any issuer (other than securities issued or guaranteed by domestic or foreign governments or political subdivisions thereof) if, as a result, more than 5% of its total assets would be invested in the securities of business enterprises that, including predecessors, have a record of less than three years of continuous operation.
260 (ix) The fund does not currently intend to invest in oil, gas, or other mineral exploration or development programs or leases.
261 (x) The fund does not currently intend to purchase the securities of any issuer if those officers and Trustees of the trust and those officers and directors of FMR who individually own more than 1/2 of 1% of the securities of such issuer together own more than 5% of such issuer's securities.
262 (xi) The fund does not currently intend to invest in securities of real estate investment trusts that are not readily marketable, or to invest

in securities of real estate limited partnerships that are not listed on the New York Stock Exchange or the American Stock Exchange or traded on the NASDAQ National Market System.

263 For the fund's limitations on futures and options transactions, see the section entitled "Limitations on Futures and Options Transactions" beginning on page 6 .

264 AFFILIATED BANK TRANSACTIONS. Pursuant to exemptive orders issued by the Securities and Exchange Commission (SEC), the fund may engage in certain transactions with banks that are, or may be considered to be, "affiliated persons" of the fund 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; and transactions in U.S. government securities with affiliated banks that are primary dealers in these securities.

265 FUND'S RIGHTS AS A SHAREHOLDER. The fund does not intend to direct or administer the day-to-day operations of any company. The fund, however, may exercise its rights as a shareholder and may communicate its views on important matters of policy to management, the Board of Directors, and shareholders of a company when FMR determines that such matters could have a significant effect on the value of the fund's investment in the company. The activities that the fund may engage in, either individually or in conjunction with others, may include, among others, supporting or opposing proposed changes in a company's corporate structure or business activities; seeking changes in a company's directors or management; seeking changes in a company's direction or policies; seeking the sale or reorganization of the company or a portion of its assets; or supporting or opposing third party takeover efforts. This area of corporate activity is increasingly prone to litigation and it is possible that the fund could be involved in lawsuits related to such activities. FMR will monitor such activities with a view to mitigating, to the extent possible, the risk of litigation against the fund and the risk of actual liability if the fund is involved in litigation. No guarantee can be made, however, that litigation against the fund will not be undertaken or liabilities incurred.

266 LOANS AND OTHER DIRECT DEBT INSTRUMENTS are interests in amounts owed by a corporate, governmental, or other borrower to another party. They may represent amounts owed to lenders or lending syndicates (loans and loan participations), to suppliers of goods or services (trade claims or other receivables), or to other parties. Direct debt instruments involve the risk of loss in case if default or insolvency of the borrower. Direct debt instruments may involve a risk of loss in case of default or insolvency of the borrower and may offer less legal protection to the fund in the event of fraud or misrepresentation. In addition, loan participations involve a risk of insolvency of the lending bank or other financial intermediary. Direct debt instruments may also include standby financing commitments that obligate the fund to supply additional cash to the borrower on demand.

267 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 the fund's investments and, through reports from FMR, the Board monitors investments in illiquid instruments. In determining the liquidity of the 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, (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 fund to be illiquid include repurchase agreements not entitling the holder to payment of principal and interest within seven days, over the counter options, and non-government stripped fixed-rate mortgage-backed securities. Also, FMR may determine some restricted securities, government-stripped fixed-rate mortgage-backed securities, loans and other direct debt instruments, and swap agreements to be illiquid. However, with respect to over-the-counter options the fund writes, 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 priced at fair value 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, the 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.

268 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, the 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, the fund might

obtain a less favorable price than prevailed when it decided to seek registration of the security.

269 REPURCHASE AGREEMENTS. In a repurchase agreement, the 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 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. The fund may engage in a repurchase agreement with respect to any security in which it is authorized to invest. 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 the fund in connection with bankruptcy proceedings), it is the fund's current policy to limit repurchase agreement transactions to those parties whose creditworthiness has been reviewed and found satisfactory by FMR.

270 REVERSE REPURCHASE AGREEMENTS. In a reverse repurchase agreement, the fund sells a fund 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 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.

271 INTERFUND BORROWING PROGRAM. The fund has received permission from the SEC to lend money to and borrow money from other funds advised by FMR or its affiliates. Interfund loans and borrowings normally will extend overnight, but can have a maximum duration of seven days. Loans may be called on one day's notice. The fund will lend through the program only when the returns are higher than those available at the same time from other short-term instruments (such as repurchase agreements), and will borrow through the program only when the costs are equal to or lower than the cost of bank loans. The fund may have to borrow from a bank at a higher interest rate if an interfund loan is called or not renewed. Any delay in repayment to a lending fund could result in a lost investment opportunity or additional borrowing costs.

272 SECURITIES LENDING. The fund may lend securities to parties such as broker-dealers or institutional investors, including Fidelity Brokerage Services, Inc. (FBSI). FBSI is a member of the New York Stock Exchange (NYSE) and a subsidiary of FMR Corp.

273 Securities lending allows the fund to retain ownership of the securities loaned and, at the same time, to earn additional income. Since there may be delays in the recovery of loaned securities, or even a loss of rights in collateral supplied should the borrower fail financially, loans will be made only to parties deemed by FMR to be of good standing. Furthermore, they will only be made if, in FMR's judgment, the consideration to be earned from such loans would justify the risk.

274 FMR understands that it is the current view of the SEC Staff that the fund may engage in loan transactions only under the following conditions: (1) the fund must receive 100% collateral in the form of cash or cash equivalents (e.g., U.S. Treasury bills or notes) from the borrower; (2) the borrower must increase the collateral whenever the market value of the securities loaned (determined on a daily basis) rises above the value of the collateral; (3) after giving notice, the fund must be able to terminate the loan at any time; (4) the fund must receive reasonable interest on the loan or a flat fee from the borrower, as well as amounts equivalent to any dividends, interest, or other distributions on the securities loaned and to any increase in market value; (5) the fund may pay only reasonable custodian fees in connection with the loan; and (6) the Board of Trustees must be able to vote proxies on the securities loaned, either by terminating the loan or by entering into an alternative arrangement with the borrower.

275 Cash received through loan transactions may be invested in any security in which the fund is authorized to invest. Investing this cash subjects that investment, as well as the security loaned, to market forces (i.e., capital appreciation or depreciation).

276 FOREIGN INVESTMENTS. Foreign investments can involve significant risks in addition to the risks inherent in U.S. investments. The value of securities denominated in or indexed to foreign currencies, and of dividends and interest from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices on some foreign markets can be highly volatile. Many foreign countries lack uniform accounting and disclosure standards comparable to those applicable to U.S. companies, and it may be more difficult to obtain reliable information regarding an issuer's financial condition and operations. In addition, the costs of foreign investing, including withholding taxes, brokerage commissions, and custodial costs, are generally higher than for U.S. investments.

277 Foreign markets may offer less protection to investors than U.S.

markets. Foreign issuers, brokers, and securities markets may be subject to less governmental supervision. Foreign security trading practices, including those involving the release of assets in advance of payment, may involve increased risks in the event of a failed trade or the insolvency of a broker-dealer, and may involve substantial delays. It may also be difficult to enforce legal rights in foreign countries.

278 Investing abroad also involves different political and economic risks. Foreign investments may be affected by actions of foreign governments adverse to the interests of U.S. investors, including the possibility of expropriation or nationalization of assets, confiscatory taxation, restrictions on U.S. investment or on the ability to repatriate assets or convert currency into U.S. dollars, or other government intervention. There may be a greater possibility of default by foreign governments or foreign government-sponsored enterprises. Investments in foreign countries also involve a risk of local political, economic, or social instability, military action or unrest, or adverse diplomatic developments. There is no assurance that FMR will be able to anticipate these potential events or counter their effects.

279 The considerations noted above generally are intensified for investments in developing countries. Developing countries may have relatively unstable governments, economies based on only a few industries, and securities markets that trade a small number of securities.

280 The fund may invest in foreign securities that impose restrictions on transfer within the U.S. or to U.S. persons. Although securities subject to transfer restrictions may be marketable abroad, they may be less liquid than foreign securities of the same class that are not subject to such restrictions.

281 American Depositary Receipts and European Depositary Receipts (ADRs and EDRs) are certificates evidencing ownership of shares of a foreign-based issuer held in trust by a bank or similar financial institution. Designed for use in U.S. and European securities markets, respectively, ADRs and EDRs are alternatives to the purchase of the underlying securities in their national markets and currencies.

282 FOREIGN CURRENCY TRANSACTIONS. The fund may hold foreign currency deposits from time to time, and may convert dollars and foreign currencies in the foreign exchange markets. Currency conversion involves dealer spreads and other costs, although commissions usually are not charged. Currencies may be exchanged on a spot (i.e., cash) basis, or by entering into forward contracts to purchase or sell foreign currencies at a future date and price. Forward contracts generally are traded in an interbank market conducted directly between currency traders (usually large commercial banks) and their customers. The parties to a forward contract may agree to offset or terminate the contract before its maturity, or may hold the contract to maturity and complete the contemplated currency exchange.

283 The fund may use currency forward contracts to manage currency risks and to facilitate transactions in foreign securities. The following discussion summarizes the principal currency management strategies involving forward contracts that could be used by the fund.

284 In connection with purchases and sales of securities denominated in foreign currencies, the fund may enter into currency forward contracts to fix a definite price for the purchase or sale in advance of the trade's settlement date. This technique is sometimes referred to as a "settlement hedge" or "transaction hedge." FMR expects to enter into settlement hedges in the normal course of managing the fund's foreign investments. The fund could also enter into forward contracts to purchase or sell a foreign currency in anticipation of future purchases or sales of securities denominated in foreign currency, even if the specific investments have not yet been selected by FMR.

285 The fund may also use forward contracts to hedge against a decline in the value of existing investments denominated in foreign currency. For example, if the fund owned securities denominated in pounds sterling, it could enter into a forward contract to sell pounds sterling in return for U.S. dollars to hedge against possible declines in the pound's value. Such a hedge, sometimes referred to as a "position hedge," would tend to offset both positive and negative currency fluctuations, but would not offset changes in security values caused by other factors. The fund could also hedge the position by selling another currency expected to perform similarly to the pound sterling - for example, by entering into a forward contract to sell Deutschemarks or European Currency Units in return for U.S. dollars. This type of hedge, sometimes referred to as a "proxy hedge," could offer advantages in terms of cost, yield, or efficiency, but generally would not hedge currency exposure as effectively as a simple hedge into U.S. dollars. Proxy hedges may result in losses if the currency used to hedge does not perform similarly to the currency in which the hedged securities are denominated.

286 Under certain conditions, SEC guidelines require mutual funds to set aside appropriate liquid assets in a segregated custodial account to cover currency forward contracts. As required by SEC guidelines, the fund will segregate assets to cover currency forward contracts, if any, whose purpose is essentially speculative. The fund will not segregate assets to cover forward contracts entered into for hedging purposes, including settlement hedges, position hedges, and proxy hedges.

287 Successful use of forward currency contracts will depend on FMR's skill in analyzing and predicting currency values. Forward contracts may

substantially change the fund's investment exposure to changes in currency exchange rates, and could result in losses to the fund if currencies do not perform as FMR anticipates. For example, if a currency's value rose at a time when FMR had hedged the fund by selling that currency in exchange for dollars, the fund would be unable to participate in the currency's appreciation. If FMR hedges currency exposure through proxy hedges, the fund could realize currency losses from the hedge and the security position at the same time if the two currencies do not move in tandem. Similarly, if FMR increases the fund's exposure to a foreign currency, and that currency's value declines, the fund will realize a loss. There is no assurance that FMR's use of forward currency contracts will be advantageous to the fund or that it will hedge at an appropriate time. The policies described in this section are non-fundamental policies of the fund.

288 SWAP AGREEMENTS. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the fund's exposure to long- or short-term interest rates (in the U.S. or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The fund is not limited to any particular form of swap agreement if FMR determines it is consistent with the fund's investment objective and policies.

289 In a typical cap or floor agreement, one party agrees to make payments only under specified circumstances, usually in return for payment of a fee by the other party. For example, the buyer of an interest rate cap obtains the right to receive payments to the extent that a specified interest rate exceeds an agreed-upon level, while the seller of an interest rate floor is obligated to make payments to the extent that a specified interest rate falls below an agreed-upon level. An interest rate collar combines elements of buying a cap and selling a floor.

290 Swap agreements will tend to shift the fund's investment exposure from one type of investment to another. For example, if the fund agreed to exchange payments in dollars for payments in foreign currency, the swap agreement would tend to decrease the fund's exposure to U.S. interest rates and increase its exposure to foreign currency and interest rates. Caps and floors have an effect similar to buying or writing options. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the fund's investments and its share price.

291 The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, or other factors that determine the amounts of payments due to and from the fund. If a swap agreement calls for payments by the fund, the fund must be prepared to make such payments when due. In addition, if the counterparty's creditworthiness declined, the value of a swap agreement would be likely to decline, potentially resulting in losses. The fund expects to be able to eliminate its exposure under swap agreements either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or a similarly creditworthy party.

292 The fund will maintain appropriate liquid assets in a segregated custodial account to cover its current obligations under swap agreements. If the fund enters into a swap agreement on a net basis, it will segregate assets with a daily value at least equal to the excess, if any, of the fund's accrued obligations under the swap agreement over the accrued amount the fund is entitled to receive under the agreement. If the fund enters into a swap agreement on other than a net basis, it will segregate assets with a value equal to the full amount of the fund's accrued obligations under the agreement.

293 INDEXED SECURITIES. The fund may purchase securities whose prices are indexed to the prices of other securities, securities indices, currencies, precious metals or other commodities, or other financial indicators. Indexed securities typically, but not always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to a specific instrument or statistic. Gold-indexed securities, for example, typically provide for a maturity value that depends on the price of gold, resulting in a security whose price tends to rise and fall together with gold prices. Currency-indexed securities typically are short-term to intermediate-term debt securities whose maturity values or interest rates are determined by reference to the values of one or more specified foreign currencies, and may offer higher yields than U.S. dollar-denominated securities of equivalent issuers. Currency-indexed securities may be positively or negatively indexed; that is, their maturity value may increase when the specified currency value increases, resulting in a security that performs similarly to a foreign-denominated instrument, or their maturity value may decline when foreign currencies increase, resulting in a security whose price characteristics are similar to a put on the underlying currency. Currency-indexed securities may also have prices that depend on the values of a number of different foreign currencies relative to each other.

294 The performance of indexed securities depends to a great extent on the performance of the security, currency, or other instrument to which they are indexed, and may also be influenced by interest rate changes in the U.S. and abroad. At the same time, indexed securities are subject to the credit risks associated with the issuer of the security, and their values may decline substantially if the issuer's creditworthiness deteriorates.

Recent issuers of indexed securities have included banks, corporations, and certain U.S. government agencies. Indexed securities may be more volatile than the underlying instruments.

295 LOWER-RATED DEBT SECURITIES. The fund may purchase lower-rated debt securities (those rated Ba or lower by Moody's Investors Service, Inc. (Moody's) or BB or lower by Standard & Poor's Corporation (S&P)) that have poor protection with respect to the payment of interest and repayment of principal. These securities are often considered to be speculative and involve greater risk of loss or price changes due to changes in the issuer's capacity to pay. The market prices of lower-rated debt securities may fluctuate more than those of higher-rated debt securities and may decline significantly in periods of general economic difficulty, which may follow periods of rising interest rates.

296 While the market for high-yield corporate debt securities has been in existence for many years and has weathered previous economic downturns, the 1980s brought a dramatic increase in the use of such securities to fund highly leveraged corporate acquisitions and restructurings. Past experience may not provide an accurate indication of the future performance of the high-yield bond market, especially during periods of economic recession. In fact, from 1989 to 1991, the percentage of lower-rated securities that defaulted rose significantly above prior levels.

297 The market for lower-rated debt securities may be thinner and less active than that for higher-rated debt securities, which can adversely affect the prices at which the former are sold. If market quotations are not available, lower-rated debt securities will be valued in accordance with procedures established by the Board of Trustees, including the use of outside pricing services. Judgment plays a greater role in valuing high-yield corporate debt securities than is the case for securities for which more external sources for quotations and last-sale information are available. Adverse publicity and changing investor perceptions may affect the ability of outside pricing services to value lower-rated debt securities and the fund's ability to dispose of these securities.

298 Since the risk of default is higher for lower-rated debt securities, FMR's research and credit analysis are an especially important part of managing securities of this type held by the fund. In considering investments for the fund, FMR will attempt to identify those issuers of high-yielding securities whose financial condition is adequate to meet future obligations, has improved, or is expected to improve in the future. FMR's analysis focuses on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects, and the experience and managerial strength of the issuer.

299 The fund may choose, at its expense or in conjunction with others, to pursue litigation or otherwise to 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.

300 SHORT SALES "AGAINST THE BOX". If the fund enters into a short sale against the box, it will be required to set aside securities equivalent in kind and amount to the securities sold short (or securities convertible or exchangeable into such securities) and will be required to continue to hold such securities while the short sale is outstanding. The fund will incur transaction costs, including interest expense, in connection with opening, maintaining, and closing short sales against the box.

301 LIMITATIONS ON FUTURES AND OPTIONS TRANSACTIONS. The fund intends to file 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, before engaging in any purchases or sales of futures contracts or options on futures contracts. The fund intends 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.

302 In addition, the 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.

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

304 FUTURES CONTRACTS. When the 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 S&P 500 Composite Stock Price

Index (S&P 500). Futures can be held until their delivery dates, or can be closed out before then if a liquid secondary market is available.

305 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.

306 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 fund's 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.

307 PURCHASING PUT AND CALL OPTIONS. By purchasing a put option, the 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.

308 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).

309 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.

310 WRITING PUT AND CALL OPTIONS. When the 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.

311 If security prices rise, a put writer would generally 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.

312 Writing a call option obligates the 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.

313 COMBINED POSITIONS. The 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, the 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.

314 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 fund's current or anticipated investments exactly. The 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 with futures contracts on a broad-based stock index such as the S&P 500, which involves a risk that the options or futures position will not track the performance of the fund's other investments.

315 Options 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. The 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 the 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.

316 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.

317 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.

318 OPTIONS AND FUTURES RELATING TO FOREIGN CURRENCIES. Currency futures contracts are similar to forward currency exchange contracts, except that they are traded on exchanges (and have margin requirements) and are standardized as to contract size and delivery date. Most currency futures contracts call for payment or delivery in U.S. dollars. The underlying instrument of a currency option may be a foreign currency, which generally is purchased or delivered in exchange for U.S. dollars, or may be a futures contract. The purchaser of a currency call obtains the right to purchase the underlying currency, and the purchaser of a currency put obtains the right to sell the underlying currency.

319 The uses and risks of currency options and futures are similar to options and futures relating to securities or indices, as discussed above. The fund may purchase and sell currency futures and may purchase and write currency options to increase or decrease its exposure to different foreign currencies. The fund may also purchase and write currency options in conjunction with each other or with currency futures or forward contracts. Currency futures and options values can be expected to correlate with exchange rates, but may not reflect other factors that affect the value of the fund's investments. A currency hedge, for example, should protect a Yen-denominated security from a decline in the Yen, but will not protect the fund against a price decline resulting from deterioration in the issuer's creditworthiness. Because the value of the fund's

foreign-denominated investments changes in response to many factors other than exchange rates, it may not be possible to match the amount of currency options and futures to the value of the fund's investments exactly over time.

320 ASSET COVERAGE FOR FUTURES AND OPTIONS POSITIONS. The fund 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 portfolio's assets could impede fund management or the fund's ability to meet redemption requests or other current obligations.

321PORTFOLIO TRANSACTIONS

322 All orders for the purchase or sale of portfolio securities are placed on behalf of the fund by FMR pursuant to authority contained in the 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. In selecting broker-dealers, subject to applicable limitations of the federal securities laws, FMR considers 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; and arrangements for payment of fund expenses. Commissions for foreign investments traded on foreign exchanges generally will be higher than for U.S. investments and may not be subject to negotiation.

323 The fund may execute portfolio transactions with broker-dealers who provide research and execution services to the fund 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). The selection of such broker-dealers generally is made by FMR (to the extent possible consistent with execution considerations) in accordance with a ranking of broker-dealers determined periodically by FMR's investment staff based upon the quality of research and execution services provided.

324 The receipt of research from broker-dealers that execute transactions on behalf of the fund may be useful to FMR in rendering investment management services to the fund or its other clients, and conversely, such information 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 fund. 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.

325 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 fund 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 fund 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.

326 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 fund 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. (FSBI), and Fidelity Brokerage Services, Ltd. (FBSL), subsidiaries of FMR Corp., if the commissions are fair, reasonable, and comparable to commissions charged by non-affiliated, qualified brokerage firms for similar services. Prior to September 4, 1992, FBSL operated under the name Fidelity Portfolio Services, Ltd. (FPSL), as a wholly owned subsidiary of Fidelity International Limited (FIL). Edward C. Johnson 3d is Chairman of FIL. Mr. Johnson 3d, Johnson family members, and various trusts for the benefit of the Johnson family own, directly or indirectly, more than 25% of the voting common stock of FIL.

327 FMR may allocate brokerage transactions to broker-dealers who have entered into arrangements with FMR under which the broker-dealer allocates a portion of the commissions paid by the fund toward payment of the fund's expenses, such as transfer agent fees of FSC or custodian fees. The transaction quality must, however, be comparable to those of other qualified broker-dealers. 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.

328 The Trustees periodically review FMR's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the fund and review the commissions paid by the fund over representative periods of time to determine if they are reasonable in relation to the benefits to the fund.

329 For the fiscal years ended November 30, 1993 and 1992, the portfolio turnover rates were 101 % and 138%, respectively.

330 For the fiscal years ended November 30, 1993, 1992, and 1991, the fund paid brokerage commissions of $4,779,000, $4,123,000, and $3,444,000 , respectively. During fiscal 1993, $3,255,000 , or 68.1 %, of these commissions were paid to brokerage firms that provided research services, although the provision of such services was not necessarily a factor in the placement of all of this business with such firms. The fund pays both commissions and spreads in connection with the placement of portfolio transactions; FBSI is paid on a commission basis. During fiscal 1993, 1992, and 1991, the fund paid brokerage commissions of $1,179,000, $1,142,000, and $751,000 , respectively, to FBSI. During fiscal 1993, this amounted to 24.7 % of the aggregate brokerage commissions paid by the fund for transactions involving 45.4 % of the aggregate dollar amount of transactions in which the fund paid brokerage commissions. The difference between the percentage of brokerage commissions paid to and the percentage of the dollar amount of transactions effected through FBSI is a result of the low commission rates charged by FBSI.

331 During fiscal 1993, 1992, and 1991, the fund paid $ 0 , $1,000, and $15,000 , respectively, in brokerage commissions to FBSL.

332 From time to time the Trustees will review whether the recapture for the benefit of the fund of some portion of the brokerage commissions or similar fees paid by the fund on portfolio transactions is legally permissible and advisable. The fund seeks to recapture soliciting broker-dealer fees on the tender of fund 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 fund to seek such recapture.

333 Although the Trustees and officers of the fund are substantially the same as those of other funds managed by FMR, investment decisions for the 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.

334 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 a security as far as the fund is concerned. In other cases, however, the ability of the fund to participate in volume transactions will produce better executions and prices for the fund. It is the current opinion of the Trustees that the desirability of retaining FMR as investment adviser to the fund outweighs any disadvantages that may be said to exist from exposure to simultaneous transactions.

335VALUATION OF PORTFOLIO SECURITIES

336 Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Equity securities for which the primary market is the U.S. are valued at last sale price or, if no sale has occurred, at the closing bid price. Equity securities for which the primary market is outside the U.S. are valued using the official closing price or the last sale price in the principal market where they are traded. If the last sale price (on the local exchange) is unavailable, the last evaluated quote or last bid price is normally used. Short-term securities valued either at amortized cost or at original cost plus accrued interest, both of which approximate current value. Fixed-income securities are valued primarily by a pricing service that uses a vendor security valuation matrix which incorporated both dealer-supplied valuations and electronic data processing techniques. This twofold approach is believed to more accurately reflect fair value because it takes into account appropriate factors such as institutional trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data, without exclusive reliance upon quoted, exchange, or over-the-counter prices. Use of pricing services has been approved by the Board of Trustees.

337 Securities and other assets for which there is no readily available market are valued in good faith by a committee appointed by the Board of Trustees. The procedures set forth above need not be used to determine the value of the securities owned by the fund if, in the opinion of a committee

appointed by the Board of Trustees, some other method (e.g., closing over-the-counter bid prices in the case of debt instruments traded on an exchange) would more accurately reflect the fair market value of such securities.

338 Generally, the valuation of foreign and domestic equity securities, as well as corporate bonds, U.S. government securities, money market instruments, and repurchase agreements, is substantially completed each day at the close of the NYSE. The values of any such securities held by the fund are determined as of such time for the purpose of computing the fund's net asset value. Foreign security prices are furnished by independent brokers or quotation services which express the value of securities in their local currency. FSC gathers all exchange rates daily at the close of the NYSE using the last quoted price on the local currency and then translates the value of foreign securities from their local currency into U.S. dollars. Any changes in the value of forward contracts due to exchange rate fluctuations and days to maturity are included in the calculation of net asset value. If an extraordinary event that is expected to materially affect the value of a portfolio security occurs after the close of an exchange on which that security is traded, then the security will be valued as determined in good faith by a committee appointed by the Board of Trustees.

339PERFORMANCE

340 The fund may quote its performance in various ways. All performance information supplied by the fund in advertising is historical and is not intended to indicate future returns. The fund's share price and total returns fluctuate in response to market conditions and other factors, and the value of fund shares when redeemed may be more or less than their original cost.

341 TOTAL RETURN CALCULATIONS. Total returns quoted in advertising reflect all aspects of the fund's returns, including the effect of reinvesting dividends and capital gain distributions, and any change in the fund's NAV over the period. Average annual total returns are calculated by determining the growth or decline in value of a hypothetical historical investment in the 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 return of 100% over ten years would produce an average annual 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 returns are a convenient means of comparing investment alternatives, investors should realize that the fund's performance is not constant over time, but changes from year to year, and that average annual returns represent averaged figures as opposed to the actual year-to-year performance of the fund.

342 In addition to average annual returns, the 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 and other performance information may be quoted numerically or in a table, graph, or similar illustration. Total returns also may be quoted on a before-tax or after-tax basis.

343 NET ASSET VALUE. Charts and graphs using the 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.

344 MOVING AVERAGES. The fund may illustrate performance using moving averages. A long-term moving average is the average of each week's adjusted closing NAV for a specified period. A short-term moving average is the average of each day's adjusted closing NAV for a specified period. Moving Average Activity Indicators combine adjusted closing NAVs from the last business day of each week with moving averages for a specified period to produce indicators showing when an NAV has crossed,stayed above, or stayed below its moving average. On November 26 , 1993, the 13-week and 39-week moving averages were 19.14 and 17.93 , respectively.

345 HISTORICAL FUND RESULTS. The table below shows the income and capital elements of the fund's total return for the period November 30, 1 984 through November 30 , 1993. The table compares the fund's return to the record of the S&P 500, the Dow Jones Industrial Average (DJIA), and the cost of living (as measured by the Consumer Price Index, or CPI) over the same period. The S&P 500 and DJIA comparisons are provided to show how the fund's total return compared to the record of a broad average of common stock prices and a narrower set of stocks of major industrial companies, respectively, over the same period. The fund has the ability to invest in securities not included in either index, and its investment portfolio may or may not be similar in composition to the indices. Figures for the S&P 500 and DJIA are based on the prices of unmanaged groups of stocks and, unlike the fund's returns, their returns do not include the

effect of paying brokerage commissions and other costs of investing.
346 During the period from November 30 , 1984 through November 30, 1993, a hypothetical $10,000 investment in Fidelity Retirement Growth Fund would have grown to $ 42,040 , assuming all distributions were reinvested. This was a period of widely fluctuating stock prices and the following table 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.
643FIDELITY RETIREMENT GROWTH FUND 644INDICES

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
645	646Value of	647Value of	648Value of	649	650	651	652
653 Fiscal	654Initial	655Reinvested	656Reinvested	657	658	659	660
661 Year Ended	662$10,000	663Income	664Capital Gain	665Total	666S&P	667	668Cost of
669November 30	670Investment	671Distributions	672Distributions	673Value	674500	675DJIA	676 Living*

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
198 4	9,582	31	322	9,935	9,786	$10, 405	10,300
198 5	11,735	281	546	12, 563	1 2,688	$10, 771	13,286
198 6	1 3,352	673	1,610	15, 634	1 7,103	1 6,963	10,909
198 7	10,205	632	4,180	1 5,017	1 6,888	1 6,170	11,403
198 8	9,897	916	8,249	1 9,063	20,186	1 9,942	11,887
198 9	12,319	1, 551	10,267	24,136	2 6,811	26,094	12,441
19 90	10,355	1, 814	9,411	21,579	26,362	25,185	13,221
199 1	1 3,573	2, 610	12,335	2 8,518	30,834	30,311	13,617
199 2	1 5,591	3,3 90	1 6,206	3 5,188	36,260	3 5,919	14,032
199 3	15,189	3,639	2 3,212	42,040	41,602	39,547	14,407

</TABLE>

347* From month-end closest to initial investment date.
348 Explanatory Notes: With an initial investment of $10,000 made on November 30, 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 $ 29,735 . 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 $ 1,625 for income dividends and $ 10,544 for capital gain distributions. Tax consequences of different investments have not been factored into the above figures.
349 The 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. In addition to the mutual fund rankings, the fund's performance may be compared to mutual fund performance indices prepared by Lipper.
350 From time to time, the 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.
351 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 Portfolio Advisory Services.
352 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 Consumer Price Index), and combinations of various capital markets. The performance of these capital markets is based on the returns of different indices.
353 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.
354 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
355 The fund may present its fund number, Quotron(registered trademark) number, and CUSIP number, and discuss or quote its current portfolio manager.
356 VOLATILITY. The fund may quote various measures of volatility and benchmark correlation in advertising. In addition, the fund may compare these measures to those of other funds. Measures of volatility seek to compare the fund's historical share price fluctuations or total returns to those of a benchmark. Measures of benchmark correlation indicate how valid a comparative benchmark may be. All measures of volatility and correlation are calculated using averages of historical data.
357 MOMENTUM INDICATORS indicate the fund's price movements over specific periods of time. Each point on the momentum indicator represents the fund's percentage change in price movements over that period.
358 The 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.
359 The fund may be available for purchase through retirement plans or other programs offering deferral of, or exemption from, income taxes, which may produce superior after-tax returns over time. For example, a $1,000 investment earning a taxable return of 10% annually would have an after-tax value of $1,949 after ten years, assuming tax was deducted from the return each year at a 31% rate. An equivalent tax-deferred investment would have an after-tax value of $2,100 after ten years, assuming tax was deducted at a 31% rate from the tax-deferred earnings at the end of the ten-year period.
360 As of November 30, 1993, FMR managed approximately $125 billion in equity fund assets as defined and tracked by Lipper. This figure represents the largest amount of equity fund assets under management by a mutual fund investment adviser in the United States, making FMR America's leading equity (stock) fund manager.
361ADDITIONAL PURCHASE AND REDEMPTION INFORMATION
362 The 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.

363 FSC normally determines the fund's 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, the fund's NAV may be affected on days when investors do not have access to the fund to purchase or redeem shares.

364 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 the 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.

365 Pursuant to Rule 11a-3 under the 1940 Act, the 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) the fund suspends the redemption of the shares to be exchanged as permitted under the 1940 Act or the rules and regulations thereunder, 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.

366 In the Prospectus, the 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, the fund would be unable to invest effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected.

367DISTRIBUTIONS AND TAXES

368 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.

369 DIVIDENDS. A portion of the fund's income may qualify for the dividends-received deduction available to corporate shareholders to the extent that the fund's income is derived from qualifying dividends. Because the fund may earn other types of income, such as interest income from securities loans, non-qualifying dividends, and short-term capital gains, the percentage of dividends from the fund that qualify for the deduction generally will be less than 100%. The fund will notify corporate shareholders annually of the percentage of Fund dividends that qualify for the dividends-received deduction. A portion of the fund's dividends derived from certain U.S. government obligations may be exempt from state and local taxation. Gains (losses) attributable to foreign currency fluctuations are generally taxable as ordinary income, and therefore will increase (decrease) dividend distributions. The fund will send each shareholder a notice in January describing the tax status of dividends and capital gain distributions for the prior year. If the fund purchases shares in certain foreign entities, defined as passive foreign investment companies (PFIC's) in the Internal Revenue Code, it may be subject to U.S. federal income tax on a portion of any excess distribution or gain from the disposition of such shares. Interest charges may also be imposed on the fund with respect to deferred taxes arising from such distributions or gains.

370 CAPITAL GAIN DISTRIBUTIONS. Long-term capital gains earned by the fund on the sale of securities and distributed to shareholders are federally taxable as long-term capital gains, regardless of the length of time shareholders have held their shares. If a shareholder receives a long-term capital gain distribution on shares of the 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.

371 Short-term capital gains distributed by the fund are taxable to shareholders as dividends, not as capital gains. Distributions from short-term capital gains do not qualify for the dividends-received deduction.

372 FOREIGN TAXES. Foreign governments may withhold taxes on dividends and interest paid with respect to foreign securities. Because the fund does not currently anticipate that securities of foreign issuers will constitute more than 50% of its total assets at the end of its fiscal year, shareholders should not expect to claim a foreign tax credit or deduction on their federal income tax returns with respect to foreign taxes withheld.

373 TAX STATUS OF THE FUND. The 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 at the fund level 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, the fund intends to distribute substantially all of its net investment income and net realized capital gains within each calendar year as well as on a fiscal year basis. The 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 forward currency contracts, futures contracts, and options are included in this 30% calculation, which may limit the fund's investments in such instruments. The fund is treated as a separate entity from the other funds of Fidelity Financial Trust for tax purposes.
374 OTHER TAX INFORMATION. The information above is only a summary of some of the tax consequences generally affecting the fund and its shareholders; no attempt has been made to discuss individual tax consequences. In addition to federal income taxes, shareholders may be subject to state and local taxes on distributions received from the fund. Investors should consult their tax advisers to determine whether the fund is suitable to their particular tax situation.
375FMR
376 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.
377 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. FMR U.K. and 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 Inc., 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.
378TRUSTEES AND OFFICERS
379 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 (*).
380*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.
381*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.
382RALPH 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.
383PHYLLIS 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).
384RICHARD 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.
385E. BRADLEY JONES, 3 881-2 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.

386DONALD 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), the National Arts Stabilization Fund, Greenwich Hospital Association (1989), and Valuation Research Corp. (appraisals and valuations, 1993).

387*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).

388GERALD 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), and Commercial Intertech Corp. (water treatment equipment, 1992) , and Associated Estates Realty Corporation (a real estate investment trust, 1993).

389EDWARD 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.

390MARVIN 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).

391THOMAS 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).

392GARY 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).

393HARRIS LEVITON, is Vice President of Fidelity Retirement Growth Fund (1992) and is an employee of FMR.

394ARTHUR S. LORING, Secretary, is Senior Vice President and General Counsel of FMR, Vice President-Legal of FMR Corp., and Clerk of FDC.

395ROBERT H. MORRISON, Manager, Security Transactions, is an employee of FMR.

396Under 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 fund 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.

397 As of November 30, 1993, the Trustees and officers of the fund owned in the aggregate less than 1% of the fund's outstanding shares.

398MANAGEMENT CONTRACT

399 The fund employs FMR to furnish investment advisory and other services. Under its management contract with the fund, FMR acts as investment adviser and, subject to the supervision of the Board of Trustees, directs the investments of the fund in accordance with its investment objective, policies, and limitations. FMR also provides the fund with all necessary office facilities and personnel for servicing the fund's 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.

400 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 fund. These services include providing facilities for maintaining the fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters, and other persons dealing with the fund; preparing all general shareholder communications and conducting shareholder relations; maintaining the fund's records and the registration of the fund's shares under federal and state law; developing management and shareholder services for the fund; and furnishing reports, evaluations, and analyses on a variety of subjects to the Board of Trustees.

401 In addition to the management fee payable to FMR and the fees payable to FSC, the fund pays all of its expenses, without limitation, that are not assumed by those parties. The fund pays for typesetting, printing, and mailing proxy material to shareholders, legal expenses, and the fees of the custodian, auditor, and non-interested Trustees. Although the fund's management contract provides that the fund will pay for typesetting, printing, and mailing prospectuses, statements of additional information, notices, and reports to existing shareholders, the trust has entered into a revised transfer agent agreement with FSC, pursuant to which FSC bears the cost of providing these services to existing shareholders. Other expenses paid by the fund include interest, taxes, brokerage commissions, the fund's proportionate share of insurance premiums and Investment Company Institute dues, and the costs of registering shares under federal and state securities laws. The fund is also liable for such nonrecurring expenses as may arise, including costs of any litigation to which the fund may be a party and any obligation it may have to indemnify the trust's officers and Trustees with respect to litigation.

402FMR is the fund's manager pursuant to a management contract dated December 1, 1993, which was approved by shareholders on November 17, 1993. For the services of FMR under the contract, the fund pays FMR a monthly management fee composed of the sum of two elements: a basic fee and a performance adjustment based on a comparison of the fund's performance to that of the S&P 500.

403COMPUTING THE BASIC FEE. The fund's basic fee rate is composed of two elements: a group fee rate and individual fund fee rate.

404The 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 fee rate schedule shown on the left. On the right, the effective fee rate schedule shows the results of cumulatively applying the annualized rates at varying asset levels. Also shown is the effective annual group fee rate at various levels of group net assets. For example, the effective annual fee rate at $ 226 billion of group net assets - their approximate level for November 1993 - was . 3250 % .

GROUP FEE RATE SCHEDULE*			EFFECTIVE ANNUAL FEE RATES	
0 -	$ 3 billion	.520%	$ 0.5 billion	.5200%
3 -	6	.490	25	.4238
6 -	9	.460	50	.3823
9 -	12	.430	75	.3626
12 -	15	.400	100	.3512
15 -	18	.385	125	.3430
18 -	21	.370	150	.3371
21 -	24	.360	175	.3325
24 -	30	.350	200	.3284
30 -	36	.345	225	.3253
36 -	42	.340	250	.3223
42 -	48	.335	275	.3198

48 - 66	.325	300	.3175
66 - 84	.320	325	.3153
84 - 102	.315	350	.3133
102 - 138	.310		
138 - 174	.305		
174 - 228	.300		
228 - 282	.295		
282 - 336	.290		
Over 336	.285		

405* The rates shown for average group assets in excess of $174 billion were adopted by FMR on a voluntary basis on November 1, 1993 pending shareholder approval of a new management contract reflecting the extended schedule. The extended schedule provides for lower management fees as total assets under management increase.
406The individual fund fee rate is .30%. Based on the average net assets of funds advised by FMR for November 1993, the annual basic fee rate would be calculated as follows:

817Group Fee Rate		818Individual Fund Fee Rate		819Basic Fee Rate
820 .3250 %	821+	822.30%	823=	824. 6250 %

407One twelfth (1/12) of this annual management fee rate is then applied to the fund's average net assets for the current month, giving a dollar amount which is the fee for that month.
408COMPUTING THE PERFORMANCE ADJUSTMENT. The basic fee is subject to upward or downward adjustment, depending upon whether, and to what extent, the fund's investment performance for the performance periods exceeds, or is exceeded by, the record of the S & P 500 over the same period. The performance period consists of the most recent month plus the previous 35 months. Each percentage point difference (up t o a maximum difference of (+ 10) is multiplied by a performance adjustment rate of .02%. Thus, the maximum annualized adjustment rate is + .20%. This performance comparison is made at the end of each month. One twelfth (1/12) of this rate is then applied to the fund's average net assets for the entire performance period, giving a dollar amount which is added to (or subtracted from) the basic fee.
409The fund's performance is calculated based on change in net asset value. For purposes of calculating the performance adjustment, any dividends or capital gain distributions paid by the fund are treated as if reinvested in fund shares at the net asset value as of the record date for payment. The record of the S&P 500 is based on change in value and is adjusted for any cash distributions from the companies whose securities compose the S&P 500.
410Because the adjustment to the basic fee is based on the fund's performance compared to the investment record of the S&P 500, the controlling factor is not whether the fund's performance is up or down per se, but whether it is up or down more or less than the record of the S & P 500. Moreover, the comparative investment performance of the fund is based solely on the relevant performance period without regard to the cumulative performance over a longer or shorter period of time.
411During the fiscal years ended November 30, 1993, 1992, and 1991, FMR received $18,206,000, $13,566,000, and $7,176,000 , respectively, for its services as investment adviser to the fund. These fees which include both the basic fee and the performance adjustment, were equivalent to .76 %, .71%, and .48%, respectively, of the fund's average net assets for each of these years. For fiscal 1993, 1992, and 1991, the upward performance adjustments were $3,094,000, $1,372,000, and $2,465,000 .
412To comply with the California Code of Regulations, FMR will reimburse the fund if and to the extent that the fund's aggregate annual operating expenses exceed specified percentages of its average net assets. The applicable percentages are 2 1/2% of the first $30 million, 2% of the next $70 million, and 1 1/2% of average net assets in excess of $100 million. When calculating the fund's expenses for purposes of this regulation, the fund may exclude interest, taxes, brokerage commissions, and extraordinary expenses, as well as a portion of its distribution plan expenses and custodian fees attributable to investments in foreign securities.
413SUB-ADVISERS. FMR has entered into sub-advisory agreements with FMR U.K., and FMR Far East, wholly owned subsidiaries of FMR. Pursuant to the sub-advisory agreements, FMR may receive investment advice and research services with respect to companies based outside the U.S. from the sub-advisers and may grant the sub-advisers investment management authority as well as the authority to buy and sell securities if FMR believes it would be beneficial to the fund.
414The sub-advisory agreements provide that FMR will pay fees to FMR U.K. and FMR Far East equal to 110% and 105%, respectively, of FMR U.K.'s and

FMR Far East's costs incurred in connection with providing investment advice and research services. FMR also will pay fees equal to 50% of its monthly management fee (including performance adjustment) with respect to the fund's average net assets managed by the sub-advisers on a discretionary basis.

415Prior to December 1, 1993, FMR had sub-advisory agreements with FMR U.K. and FMR Far East on behalf of the fund, pursuant to which each sub-adviser provided FMR with investment advice and research services. Under those agreements, FMR U.K. and FMR Far East were compensated for their services according to the same formulas as they are compensated currently for providing investment advice and research services.

416The fees paid to FMR U.K. and FMR Far East for fiscal 1993, 1992, and 1991 are shown in the following tables.

417Fiscal Year Ended

	83611/30/93	83711/30/92	83811/30/91
839FMR U.K.	840$ 57,421	841$37,657	842$191,000
843FMR Far East	844$ 89,095	845$34,514	846$178,000

418DISTRIBUTION AND SERVICE PLAN

419 The fund has adopted a distribution and service plan (the Plan) 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 Plan to allow the fund and FMR to incur certain expenses that might be considered to constitute indirect payment by the fund of distribution expenses. Under the Plan, if the payment by the 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 Plan.

420 The Plan specifically recognizes 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 fund. In addition, the Plan provides that FMR may use its resources, including its management fee revenues, to make payments to third parties that provide assistance in selling shares of the fund, or to third parties, including banks, that render shareholder support services. For the fiscal year ended November 30, 1993, payments to third parties amounted to $ 31,000 .

421 As required by the Rule, the Trustees carefully considered all pertinent factors relating to the implementation of the Plan prior to its approval, and have determined that there is a reasonable likelihood that the Plan will benefit the fund and its shareholders. In particular, the Trustees noted that the Plan does not authorize payments by the fund other than those made to FMR under its management contract with the fund. To the extent that the Plan gives FMR and FDC greater flexibility in connection with the distribution of shares of the fund, additional sales of the fund's shares may result. Additionally, certain shareholder support services may be provided more effectively under the Plan by local entities with whom shareholders have other relationships. The fund's Plan was approved by shareholders on September 24, 1986.

422 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 fund 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 fund may execute fund transactions with and purchase securities issued by depository institutions that receive payments under the Plan. 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.

423CONTRACTS WITH COMPANIES AFFILIATED WITH FMR

424 Fidelity Service Co. (FSC) is transfer, dividend disbursing, and shareholders' servicing agent for the funds. Under each fund's contract with FSC, the fund pays an annual fee of $25.50 per basic retail account with a balance of $5,000 or more, $15.00 per basic retail account with a balance of less than $5,000, and a supplemental activity charge of $5.61

for monetary transactions. 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 certain institutional client master accounts, each fund pays FSC a per-account fee of $95.00 and monetary transaction charges of $20.00 and $17.50, depending on the nature of services provided. Fees for certain institutional retirement plan accounts are based on the net assets of all such accounts in the fund.

425 Under the funds contract, FSC pays out-of-pocket expenses associated with providing transfer agent services. In addition, FSC bears the expense of typesetting, printing, and mailing prospectuses, statements of additional information, and all other reports, notices, and statements to shareholders, with the exception of proxy statements.

426 The transfer agent fees paid to FSC by the fund for the fiscal periods ended November 30, 1993, 1992, and 1991 were $ 5,655,000 , $4,748,000, and $4,059,000, respectively. If a portion of the fund's brokerage commissions had not resulted in payment of certain of these fees, the fund would have paid transfer agent fees of $5,706,000, $4,748,000, and $4,059,000, respectively.

427 The trust's contract with FSC also provides that FSC will perform the calculations necessary to determine each fund's net asset value per share and dividends and maintain each fund's accounting records. Prior to July 1, 1991, the annual fee for these pricing and bookkeeping services was based on two schedules: one pertaining to the fund's average net assets, and one pertaining to the type and number of transactions the fund made. The fee rates in effect as of July 1, 1991 are based on each fund's average net assets, specifically, .06% for the first $500 million of average net assets and .03% for average net assets in excess of $500 million. The fee is limited to a minimum of $45,000 and a maximum of $750,000 per year. For fiscal 1993, 1992, and 1991, the fees paid by each fund to FSC for pricing and bookkeeping services (including related out-of-pocket expenses) were $620,000, $655,000, and $345,000.

428 FSC also receives fees for administering the fund's securities lending program. Securities lending fees are based on the number and duration of individual securities loans. The brokerage securities lending fees paid by the fund for fiscal years ended November 30, 1993, 1992, and 1991 were $159,000, $94,000, and $89,000.

429 The fund has a distribution agreement with Fidelity Distributors Corporation (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 the 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.

430DESCRIPTION OF THE TRUST

431 TRUST ORGANIZATION. Fidelity Retirement Growth Fund is a fund of Fidelity Financial Trust (the trust), an open-end management investment company organized as a Massachusetts business trust on October 20, 1982. On December 17, 1982, the Declaration of Trust was amended to change the name of the trust from Fidelity Tax-Qualified Equity Fund to Fidelity Freedom Fund and on January 1, 1987, the Declaration of Trust was further amended to change the name of the trust to Fidelity Financial Trust. Currently, there are three funds of the trust: Fidelity Convertible Securities Fund, Fidelity Retirement Growth Fund, and Fidelity Equity-Income II Fund. The Declaration of Trust permits the Trustees to create additional funds.

432 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 name "Fidelity" may be withdrawn.

433 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.

434 SHAREHOLDER AND TRUSTEE LIABILITY. The trust is an entity of the type commonly known as a "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 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 shareholder 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 a 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.

435 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 they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

436 VOTING RIGHTS. The 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 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. If not so terminated, the trust and its funds will continue indefinitely.

437 CUSTODIAN. Brown Brothers Harriman & Co., 40 Water Street, Boston, Massachusetts, 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.

438 FMR, its officers and directors, its affiliated companies, and the trust's Trustees from time to time have transactions with various banks, including banks serving as custodians for certain of the funds advised by FMR. The Boston branch of the fund's custodian leases its office space from an affiliate of FMR at a lease payment which, when entered into, was consistent with prevailing market rates. 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.

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

440FINANCIAL STATEMENTS

441 The fund's Annual Report for the fiscal year ended November 30, 1993 is a separate report supplied with this Statement of Additional Information and is incorporated herein by reference.

FIDELITY EQUITY-INCOME II FUND
CROSS REFERENCE SHEET
FORM N-1A
ITEM NUMBER PROSPECTUS SECTION

<TABLE>
<CAPTION>

<S>	<C>
1.....................................	Cover Page
2a....................................	Expenses
b, c................................	Contents; The Fund at a Glance; Who May Want to Invest
3a....................................	Financial Highlights
b......................................	*
c......................................	Performance
4a i................................	Charter

ii	The Fund at a Glance; Investment Principles; Securities & Investment Practices, Fundamental Investment Policies and Restrictions.
b	Securities & Investment Practices
c	Who May Want to Invest; Investment Principles; Securities & Investment Practices
5a	Charter
b(i)	Doing Business with Fidelity; Charter
(ii)	Charter
(iii)	Expenses; Breakdown of Expenses
c, d	Charter; FMR and Its Affiliates; Breakdown of Expenses, Cover Page
e	FMR and Its Affiliates
f	Expenses
g(i)	FMR and its Affiliates
(ii)	*
5A	Performance
6a i	Charter
ii	How to Buy Shares; How to Sell Shares; Transaction Details; Exchange Restrictions
iii	*
b	*
c	Exchange Restrictions
d	*
e	Doing Business with Fidelity; How to Buy Shares; How to Sell Shares; Investor Services
f,g	Dividends, Capital Gains, and Taxes
7a	Cover Page; Charter
b	How to Buy Shares; Transaction Details
c	*
d	How to Buy Shares
e	*
f,	*
8	How to Sell Shares; Investor Services; Transaction Details; Exchange Restrictions

9.................................. *
...

</TABLE>

* Not Applicable
FIDELITY EQUITY-INCOME II FUND
CROSS REFERENCE SHEET
(continued)
FORM N-1A
ITEM NUMBER STATEMENT OF ADDITIONAL INFORMATION SECTION

<TABLE>
<CAPTION>

<S>	<C>
10, 11..........................	Cover Page
12.................................. ..	*
13a - c............................	Investment Policies and Limitations
d..................................	*
14a - c............................	Trustees and Officers
15a, b..............................	*
c..................................	Trustees and Officers
16a i................................	FMR, Portfolio Transactions
ii..............................	Trustees and Officers
iii.............................	Management Contract
b.................................	Management Contract
c, d.............................	Contracts with Companies Affiliated with FMR
e - g...........................	*
h.................................	Description of the Trust
i.................................	Contracts with Companies Affiliated with FMR
17a - c............................	Portfolio Transactions
d,e..............................	*
18a................................ ..	Description of the Trust
b.................................	*
19a................................ ..	Additional Purchase and Redemption Information
b.................................	Additional Purchase and Redemption Information; Valuation of Portfolio Securities
c..................................	*
20.................................. ..	Distributions and Taxes
21a,	Contracts with Companies Affiliated with FMR

b..............................

*

c.................................

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 the fund invests and the services available to shareholders.
A Statement of Additional Information dated January 19, 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.
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.
Equity-Income II seeks reasonable income by investing primarily in income-producing equity securities. In selecting investments, the fund also considers the potential for capital appreciation.
FIDELITY
EQUITY-INCOME II
FUND
PROSPECTUS
JANUARY 19, 1994
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.
CVS-pro-194
(Registered trademark)
82 Devonshire Street, Boston, MA 02109
CONTENTS

<r>KEY FACTS</r>

THE FUND AT A GLANCE
GOAL: Reasonable income and the potential for capital appreciation. As with any mutual fund, there is no assurance that the fund will achieve its goal.
STRATEGY: Invests mainly in income-producing equity securities.
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. Foreign affiliates of FMR help choose investments for the fund.
SIZE: As of November 30, 1993, the fund had over $ 5 billion in assets.
WHO MAY WANT TO INVEST
The fund may be appropriate for investors who are willing to ride out stock market fluctuations in pursuit of potentially high long-term returns. The fund is designed for those who want some income from equity and bond investments, but also want to be invested in the stock market for its long-term growth potential. The fund is not in itself a balanced investment plan.
Over time, stocks have shown greater growth potential than other types of securities. In the short term, however, stock prices can fluctuate dramatically in response to company, market, or economic news. The value of the fund's investments and the income they generate will vary. When you sell your fund shares, they may be worth more or less than what you paid for them.

THE SPECTRUM OF FIDELITY FUNDS
Broad categories of Fidelity funds are presented here in order of ascending risk. Generally, investors seeking to maximize return must assume greater risk. Convertible Securities is in the GROWTH AND INCOME category.
(bullet) MONEY MARKET Seeks income and stability by investing in high-quality, short-term investments.
(bullet) INCOME Seeks income by investing in bonds.
(arrow) GROWTH AND INCOME Seeks long-term growth and income by investing in stocks and bonds.
(bullet) GROWTH Seeks long-term growth by investing mainly in stocks.
(checkmark)
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 the fund's assets. The 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. The fund's expenses are factored into its share price or dividends and are not charged directly to shareholder accounts (see page 21).

The following are projections based on historical expenses and are calculated as a percentage of average net assets. A portion of the brokerage commissions that the fund paid were used to reduce fund expenses. Without this reduction, the total fund operating expenses would have been .89%.

Management fee .53 %
12b-1 fee None
Other expenses .35 %
Total fund operating expenses .88 %

EXAMPLES: Let's say, hypothetically, that the 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 year $ 9
After 3 years $ 28
After 5 years $ 49
After 10 years $ 108

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

UNDERSTANDING
EXPENSES
Operating a mutual fund involves a variety of expenses for portfolio management, shareholder statements, tax reporting, and other services. These costs are paid from the fund's assets; their effect is already factored into any quoted share price or return.
(checkmark)

FINANCIAL HIGHLIGHTS

The table that follows has been audited by Price Waterhouse, independent accountants. Their unqualified report is included in the fund's Annual Report. The Annual Report is incorporated by reference into (is legally a part of) the Statement of Additional Information.

SELECTED PER-SHARE DATA

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>
35.Years ended November 30,	1990E	1991	1992	1993
36.Net asset value, beginning of period	$ 10.00	$ 10.18	$ 13.87	$ 16.57
37.Income from Investment Operations				
38. Net investment income	.03	.45C	.40	.44
39. Net realized and unrealized gain (loss) on investments	.15	3.76	2.75	2.62
40. Total from investment operations	.18	4.21	3.15	3.06
41.Less Distributions				
42. From net investment income	-	(.44)	(.32)	(.41)
43. From net realized gain	-	(.08)	(.13)	(.37)
44. Total distributions	-	(.52)	(.45)	(.78)
45.Net asset value, end of period	$ 10.18	$ 13.87	$ 16.57	$ 18.85

46.Total return B	1.80% D	42.01 %	23.18 %	19.08%
47.RATIOS AND SUPPLEMENTAL DATA				
48.Net assets, end of period (in millions)	$ 3	$ 292	$ 1,942	$ 4,815
49.Ratio of expenses to average net assets	2.50%A , D	1.52 %	1.01 %	.88% F
50.Ratio of expenses to average net assets before expense reductions	2.50%A ,D	1.52 %	1.01 %	.89% F
51.Ratio of net investment income to average net assets	3.89%A	3.83 %	3.09 %	2.69%
52.Portfolio turnover rate	167%A	206 %	89 %	55%

</TABLE>

A ANNUALIZED
B TOTAL RETURNS FOR PERIODS OF LESS THAN ONE YEAR ARE NOT ANNUALIZED.
C NET INVESTMENT INCOME PER SHARE REFLECTS $.12 PER SHARE RELATING TO A NONRECURRING INITIATIVE TO INVEST IN DIVIDEND INCOME PRODUCING SECURITIES WHICH WAS IN EFFECT FOR A PORTION OF 1991.
D DURING THE PERIOD AUGUST 21, 1990 (COMMENCEMENT OF OPERATIONS) TO NOVEMBER 30, 1990, EXPENSES WERE LIMITED IN ACCORDANCE WITH A STATE EXPENSE LIMITATION. TOTAL RETURN WOULD HAVE BEEN LOWER HAD THIS LIMITATION NOT BEEN IN EFFECT.
E FROM AUGUST 21, 1990 (COMMENCEMENT OF OPERATIONS) TO NOVEMBER 30, 1990
F FMR HAS DIRECTED CERTAIN PORTFOLIO TRADES TO BROKERS WHO PAID A PORTION OF THE FUND'S EXPENSES.

PERFORMANCE

Mutual fund performance is commonly measured as TOTAL RETURN. The total returns that follow are based on historical fund results and do not reflect the effect of taxes.

The fund's fiscal year runs from December 1 through November 30. The tables below show the fund's performance over past fiscal years compared to two measures: investing in a broad selection of stocks (S&P 500), and not investing at all (inflation, or CPI). To help you compare this fund to other funds, the chart on page 7 displays calendar-year performance.

AVERAGE ANNUAL TOTAL RETURNS
Fiscal periods ended Past 1 Life of
November 30, 1993 year fundA
Convertible Securities 19.08% 25.74%
Merrill Lynch Convertible Securities S&P 500 10.10% 14.45%
Consumer Price
Index 2.68% 3.20%

CUMULATIVE TOTAL RETURNS
Fiscal periods ended Past 1 Life of
November 30, 1993 year fundA
Convertible Securities 19.08% 112.04%
Merrill Lynch Convertible Securities S&P 500 10.10% 55.72%
Consumer Price
Index 2.68% 10.79%
A FROM JANUARY 5, 1987

EXAMPLE: Let's say, hypothetically, that an investor put $10,000 in the fund on January 5, 1987. From that date through November 30, 199 3 , the fund's total return was 112.04 %. That $10,000 would have grown to $ 21,204 (the initial investment plus 112.04 % of $10,000).

$10,000 OVER LIFE OF FUND

Fiscal years 19 90 1991 1992 1993
Row: 1, Col: 1, Value: 10000.0
Row: 2, Col: 1, Value: 10090.0
Row: 3, Col: 1, Value: 9790.0
Row: 4, Col: 1, Value: 9790.0
Row: 5, Col: 1, Value: 10180.0
Row: 6, Col: 1, Value: 10451.06
Row: 7, Col: 1, Value: 10954.0
Row: 8, Col: 1, Value: 11929.7
Row: 9, Col: 1, Value: 12425.0
Row: 10, Col: 1, Value: 12770.42
Row: 11, Col: 1, Value: 13420.62
Row: 12, Col: 1, Value: 13105.68
Row: 13, Col: 1, Value: 13833.74
Row: 14, Col: 1, Value: 14361.43
Row: 15, Col: 1, Value: 14456.52
Row: 16, Col: 1, Value: 14904.7
Row: 17, Col: 1, Value: 14456.52
Row: 18, Col: 1, Value: 15320.98
Row: 19, Col: 1, Value: 15754.68

Row: 20, Col: 1, Value: 16262.55
Row: 21, Col: 1, Value: 16199.85
Row: 22, Col: 1, Value: 16550.86
Row: 23, Col: 1, Value: 16731.69
Row: 24, Col: 1, Value: 16626.26
Row: 25, Col: 1, Value: 17139.48
Row: 26, Col: 1, Value: 16786.64
Row: 27, Col: 1, Value: 17001.03
Row: 28, Col: 1, Value: 17140.73
Row: 29, Col: 1, Value: 17807.02
Row: 30, Col: 1, Value: 18240.5
Row: 31, Col: 1, Value: 18739.34
Row: 32, Col: 1, Value: 19071.8
Row: 33, Col: 1, Value: 19793.83
Row: 34, Col: 1, Value: 19849.52
Row: 35, Col: 1, Value: 20150.27
Row: 36, Col: 1, Value: 20341.48
Row: 37, Col: 1, Value: 20542.99
Row: 38, Col: 1, Value: 21214.7
Row: 39, Col: 1, Value: 21136.44
Row: 40, Col: 1, Value: 21530.15
Row: 41, Col: 1, Value: 21203.93
$
$21,204
UNDERSTANDING
PERFORMANCE
Because this fund invests in stocks, its performance is related to that of the overall stock market. Historically, stock market performance has been characterized by volatility in the short run and growth in the long run. You can see these two characteristics reflected in the fund's performance; the year-by-year total returns on page 7 show that short-term returns can vary widely, while the returns at left show long-term growth.
(checkmark)
EXPLANATION OF TERMS
TOTAL RETURN is the change in value of an investment in the 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 the fund over a given period of time, expressed as an annual percentage rate. Yields 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 S&P 500(Registered trademark) is the Standard & Poor's 500 Composite Stock Price Index, a widely recognized, unmanaged index of common stock prices. The S&P 500 figures assume reinvestment of all dividends paid by stocks included in the index. They do not, however, include any allowance for the brokerage commissions or other fees you would pay if you actually invested in those stocks.
THE CONSUMER PRICE INDEX is a widely recognized measure of inflation calculated by the U.S. government.
THE COMPETITIVE FUNDS AVERAGE is the Lipper Equity Income Funds Average, which currently reflects the performance of over 88 mutual funds with similar objectives. This average, which assumes reinvestment of distributions, is published by Lipper Analytical Services, Inc.
Other illustrations of fund performance may show moving averages over specified periods.
The fund's 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.
YEAR-BY-YEAR TOTAL RETURNS
Calendar years 1991 1992
Convertible Securities 46.60% 19.0
6%
Competitive funds average 28.42
% 9.66%
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
Row: 3, Col: 2, Value: nil
Row: 4, Col: 1, Value: nil
Row: 4, Col: 2, Value: nil
Row: 5, Col: 1, Value: nil
Row: 5, Col: 2, Value: nil
Row: 6, Col: 1, Value: nil
Row: 6, Col: 2, Value: nil
Row: 7, Col: 1, Value: nil
Row: 7, Col: 2, Value: nil
Row: 8, Col: 1, Value: nil
Row: 8, Col: 2, Value: nil
Row: 9, Col: 1, Value: 46.6
Row: 9, Col: 2, Value: 28.42
Row: 10, Col: 1, Value: 19.06
Row: 10, Col: 2, Value: 9.66
Convertible
Securities
Competitive
funds
average
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 75 walk-in Investor Centers across the country.

TYPES OF ACCOUNTS

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

The account guidelines that follow may not apply to certain retirement accounts. If your employer offers the fund through a retirement program, contact your employer for more information. Otherwise, call Fidelity directly.

FIDELITY FACTS

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

(bullet) Number of Fidelity mutual funds: over 200

(bullet) Assets in Fidelity mutual funds: over $ 200 billion

(bullet) Number of shareholder accounts: over 15 million

(bullet) Number of investment analysts and portfolio managers: over 200

(checkmark)

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).

RETIREMENT

TO SHELTER YOUR RETIREMENT SAVINGS FROM TAXES

Retirement plans allow individuals to shelter investment income and capital gains from current taxes. In addition, contributions to these accounts may be tax deductible. Retirement accounts require special applications and typically have lower minimums.

(bullet) INDIVIDUAL RETIREMENT ACCOUNTS (IRAS) allow anyone of legal age and under 70 with earned income to invest up to $2,000 per tax year. Individuals can also invest in a spouse's IRA if the spouse has earned income of less than $250.
(bullet) ROLLOVER IRAS retain special tax advantages for certain distributions from employer-sponsored retirement plans.
(bullet) KEOGH OR CORPORATE PROFIT SHARING AND MONEY PURCHASE PENSION PLANS allow self-employed individuals or small business owners (and their employees) to make tax-deductible contributions for themselves and any eligible employees up to $30,000 per year.
(bullet) SIMPLIFIED EMPLOYEE PENSION PLANS (SEP-IRAS) provide small business owners or those with self-employed income (and their eligible employees) with many of the same advantages as a Keogh, but with fewer administrative requirements.
(bullet) 403(B) CUSTODIAL ACCOUNTS are available to employees of most tax-exempt institutions, including schools, hospitals, and other charitable organizations.
(bullet) 401(K) PROGRAMS allow employees of corporations of all sizes to contribute a percentage of their wages on a tax-deferred basis. These accounts need to be established by the trustee of the plan.

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
THE FUND'S SHARE PRICE, called net asset value (NAV), is calculated every business day. The 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.
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 11 . 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 ARE INVESTING THROUGH A TAX-SHELTERED RETIREMENT PLAN, such as an IRA, for the first time, you will need a special application. Retirement investing also involves its own investment procedures. Call 1-800-544-8888 for more information and a retirement application.
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
For Fidelity retirement accounts $500
TO ADD TO AN ACCOUNT $250
For Fidelity retirement accounts $250
Through automatic investment plans $100
MINIMUM BALANCE $1,000
For Fidelity retirement accounts $500

<TABLE>
<CAPTION>

<S>	<C> TO OPEN AN ACCOUNT	<C> TO ADD TO AN ACCOUNT
PHONE 1-800-544-7777	(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>

MAIL	(bullet) Complete and sign the application. Make your check payable to "Fidelity Equity-Income II Fund." Mail to the address indicated on the application.	(bullet) Make your check payable to "Fidelity Equity-Income II Fund." Indicate your fund account number on your check and mail to the address printed on your account statement. (bullet) Exchange by mail: call 1-800-544-6666 for instructions.
IN PERSON	(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.
WIRE	(bullet) Call 1-800-544-7777 to set up your account and to arrange a wire transaction. Not available for retirement accounts. (bullet) Wire within 24 hours to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify "Fidelity Equity-Income II Fund" and include your new account number and your name.	(bullet) Not available for retirement accounts. (bullet) Wire to: Bankers Trust Company, Bank Routing #021001033, Account #00163053. Specify "Fidelity Equity-Income II Fund" and include your account number and your name.
AUTOMATICALLY	(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.

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.

TO SELL SHARES IN A NON-RETIREMENT ACCOUNT, you may use any of the methods described on these two pages.

TO SELL SHARES IN A FIDELITY RETIREMENT ACCOUNT, your request must be made in writing, except for exchanges to other Fidelity funds, which can be requested by phone or in writing. Call 1-800-544-6666 for a retirement distribution form.

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 ($500 for retirement accounts).

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

ACCOUNT TYPE SPECIAL REQUIREMENTS

<TABLE>
<CAPTION>

<S>	<C>	<C>
PHONE	All account types	(bullet) Maximum check request:
1-800-544-7777	except retirement	$100,000.
		(bullet) For Money Line transfers to
	All account types	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	Individual, Joint	(bullet) The letter of instruction must
	Tenant,	be signed by all persons
	Sole Proprietorship	required to sign for
	, UGMA, UTMA	transactions, exactly as their
	Retirement account	names appear on the
		account.
		(bullet) The account owner should
	Trust	complete a retirement
		distribution form. Call
		1-800-544-6666 to request
		one.
	Business or	(bullet) The trustee must sign the
	Organization	letter indicating capacity as
		trustee. If the trustee's name
		is not in the account
		registration, provide a copy of
		the trust document certified
	Executor,	within the last 60 days.
	Administrator,	(bullet) At least one person
	Conservator,	authorized by corporate
	Guardian	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	All account types	(bullet) You must sign up for the wire
	except retirement	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.

</TABLE>

<TABLE>
<CAPTION>
<S> <C> <C>
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.

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)

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)

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 the 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 20.

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 retirement, a home, educational expenses, and other long-term financial goals. Certain restrictions apply for retirement accounts. Call 1-800-544-6666 for more information.

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.

<TABLE>
<CAPTION>
<S> <C> <C>
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.

<TABLE>
<CAPTION>
<S> <C> <C>
FIDELITY AUTOMATIC EXCHANGE SERVICE
TO MOVE MONEY FROM A FIDELITY MONEY MARKET FUND TO ANOTHER FIDELITY FUND

</TABLE>

<TABLE>
<CAPTION>

<S> MINIMUM	<C> FREQUENCY	<C> 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>

<TABLE>
<CAPTION>
<S> <C> <C>
A BECAUSE ITS SHARE PRICE FLUCTUATES, THE FUND MAY NOT BE AN APPROPRIATE CHOICE FOR DIRECT DEPOSIT OF YOUR ENTIRE CHECK.

</TABLE>

DIVIDENDS, CAPITAL GAINS, AND TAXES

The fund distributes substantially all of its net income and capital gains to shareholders each year. Normally, dividends are distributed in March, June, September, and December. Capital gains are distributed in January 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. The fund offers four options:

9. REINVESTMENT OPTION. Your dividend and capital gain distributions 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.
10. INCOME-EARNED OPTION. Your capital gain distributions will be automatically reinvested, but you will be sent a check for each dividend distribution.
11. CASH OPTION. You will be sent a check for your dividend and capital gain distributions.
12. DIRECTED DIVIDENDS(Registered trademark) OPTION. Your dividend and capital gain distributions will be automatically invested in another identically registered Fidelity fund.

FOR RETIREMENT ACCOUNTS, all distributions are automatically reinvested. When you are over 59 years old, you can receive distributions in cash.

When the fund deducts a distribution from its share price, the reinvestment price is the fund's NAV at the close of business that day. Cash distribution checks will be mailed 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.

The fund earns dividends from stocks and interest from bond, money market, and other investments. These are passed along as DIVIDEND

DISTRIBUTIONS. The fund realizes capital gains whenever it sells securities for a higher price than it paid for them. These are passed along as CAPITAL GAIN DISTRIBUTIONS.

(checkmark)

TAXES

As with any investment, you should consider how your investment in the fund will be taxed. If your account is not a tax-deferred retirement account, you should be aware of these tax implications.

TAXES ON DISTRIBUTIONS. Distributions are subject to federal income tax, and may also be subject to state or local taxes. If you live outside the United States, your distributions could also be taxed by the country in which you reside. Your 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.

For federal tax purposes, the fund's income and short-term capital gain distributions are taxed as dividends; long-term capital gain distributions are taxed as long-term capital gains. Every January, Fidelity will send you and the IRS a statement showing the taxable distributions paid to you in the previous year.

TAXES ON TRANSACTIONS. Your 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 the 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 the 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.

There are tax requirements that all funds must follow in order to avoid federal taxation. In its effort to adhere to these requirements, the fund may have to limit its investment activity in some types of instruments.

<r>SHAREHOLDER AND ACCOUNT POLICIES</r>

TRANSACTION DETAILS

THE FUND IS OPEN FOR BUSINESS each day the New York Stock Exchange (NYSE) is open. Fidelity normally calculates the fund's NAV as of the close of the NYSE, normally 4 p.m. Eastern time.

THE 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 fund's assets are valued primarily on the basis of market quotations. If quotations are not readily available, assets are valued by a method that the Board of Trustees believes accurately reflects fair value. Foreign securities are valued on the basis of quotations from the primary market in which they are traded, and are translated from the local currency into U.S. dollars using current exchange rates.

THE 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 the 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.

THE FUND RESERVES THE RIGHT TO SUSPEND THE OFFERING OF SHARES for a period of time. The fund also reserves the right to reject any specific purchase order, including certain purchases by exchange. See "Exchange Restrictions" on page 20. Purchase orders may be refused if, in FMR's opinion, they are of a size that would disrupt management of the 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) The 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 the fund or its transfer agent has incurred.
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 FUND 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 the 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 the fund, it may take up to seven days to pay you.
(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) The 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.
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 fund without reimbursement from the fund. 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 the 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, the 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) The exchange limit may be modified for accounts in certain institutional retirement plans to conform to plan exchange limits and Department of Labor regulations. See your plan materials for further information.
(bullet) The 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 the 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 the fund.

Although the fund will attempt to give you prior notice whenever it is reasonably able to do so, it may impose these restrictions at any time. The fund reserves 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.

<
r>THE FUND IN DETAIL</r>

CHARTER

CONVERTIBLE SECURITIES IS A MUTUAL FUND: an investment that pools shareholders' money and invests it toward a specified goal. In technical terms, the fund is currently a diversified fund of Fidelity Financial Trust, an open-end management investment company organized as a Massachusetts business trust on October 20, 1982.

THE 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 fund's activities, review contractual arrangements with companies that provide services to the fund, and review performance. The majority of trustees are not otherwise affiliated with Fidelity.

THE FUND 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

The fund is managed by FMR, which chooses the fund's investments and handles its business affairs. Fidelity Management & Research (U.K.) Inc. (FMR U.K.) and Fidelity Management & Research (Far East) Inc. (FMR Far East) assist FMR with foreign investments.

Brian Posner is vice president and manager of Equity-Income II, which he has managed since April 1992. Previously, he managed Value as well as Select Energy, Life Insurance, and Property-Casualty Insurance. He joined Fidelity in 1987 as an equity analyst.

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

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 trust), Johnson family members, and various trusts for the benefit of the Johnson family form a controlling group with respect to FMR Corp.

A broker-dealer may use a portion of the commissions paid by the fund to reduce the fund's custodian or transfer agent fees. FMR may use its broker-dealer affiliates and other firms that sell fund shares to carry out the fund's transactions, provided that the fund receives brokerage services and commission rates comparable to those of other broker-dealers.

BREAKDOWN OF EXPENSES

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

The fund pays a MANAGEMENT FEE to FMR for managing its investments and business affairs. FMR in turn pays fees to affiliates who provide assistance with these services. The fund also pays OTHER EXPENSES, which are explained at right .

FMR may, from time to time, agree to reimburse the fund for management fees and other expenses above a specified limit. FMR retains the ability to be repaid by the 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 the 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 .52%, and it drops as total assets under management increase.

For November 1993, the group fee rate was .33 %. The individual fund fee rate is .20 %. The total management fee rate for fiscal 1993 was .53 %.

FMR HAS SUB-ADVISORY AGREEMENTS with FMR U.K. and FMR Far East. These sub-advisers provide FMR with investment research and advice on companies based outside the United States. Under the sub-advisory agreements, FMR pays FMR U.K. and FMR Far East fees equal to 110% and 105%, respectively, of the costs of providing these services .

The sub-advisers may also provide investment management services . In return , FMR pays 50% of its management fee rate with respect to the fund's investments that the sub-adviser manages on a discretionary basis.

UNDERSTANDING THE MANAGEMENT FEE

The management fee FMR receives is designed to be responsive to changes in FMR's total assets under management. Building this variable into the fee calculation assures shareholders that they will pay a lower rate as FMR's assets under management increase.

(checkmark)

OTHER EXPENSES

While the management fee is a significant component of the fund's annual operating costs, the fund has other expenses as well.

The fund contracts with FSC to perform many transaction and accounting functions. These services include processing shareholder transactions, valuing the fund's investments, and handling securities loans. In fiscal 1993, the fund paid FSC fees equal to .31 % of its average net assets .

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

The fund has adopted a Distribution and Service Plan. This plan recognizes 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 fund does not pay FMR any separate fees for this service.

The fund's portfolio turnover rate for fiscal 1993 was 55 %. This rate varies from year to year .

INVESTMENT PRINCIPLES

THE FUND SEEKS REASONABLE INCOME by investing primarily in income-producing equity securities. FMR normally invests at least 65% of the fund's total assets in these securities , but has broad flexibility to invest in all types of domestic and foreign instruments, including bonds and convertible securities. The fund tries to achieve a yield that beats that of the S&P 500. When choosing the fund's investments, FMR also considers the potential for capital appreciation.

THE FUND WILL SPREAD INVESTMENT RISK by limiting its holdings in any one company or industry. FMR may use various investment techniques to hedge the fund's risks, but there is no guarantee that these strategies will work as FMR intends. When you sell your shares, they may be worth more or less than what you paid for them.

FMR normally invests the fund's assets according to its investment strategy. When FMR considers it appropriate, however, it may temporarily invest substantially in investment-grade bonds, short-term money market instruments, and obligations of banks and the U.S. government.

SECURITIES AND INVESTMENT PRACTICES

The following pages contain more detailed information about types of instruments in which the fund may invest, and strategies FMR may employ in pursuit of the fund's investment objective. 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 fund achieve its goal. As a shareholder, you will receive financial reports every six months detailing fund holdings and describing recent investment activities.

EQUITY SECURITIES may include common stocks, preferred stocks, convertible securities, and warrants. Common stocks, the most familiar type, represent an equity (ownership) interest in a corporation. This ownership interest often gives the fund the right to vote on measures affecting the company's organization and operations. Although common stocks have a history of long-term growth in value, their prices tend to fluctuate in the short term, particularly those of smaller companies.

RESTRICTIONS: With respect to 75% of total assets, the fund may not own more than 10% of the outstanding voting securities of a single issuer.

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 (commonly called "junk bonds") are often considered to be speculative 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 economic difficulty.

The table on page 2 5 provides a summary of ratings assigned to debt holdings (not including money market instruments) in the fund's portfolio. These figures are dollar-weighted averages of month-end portfolio holdings during fiscal 1993, 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.

FISCAL 1993 DEBT HOLDINGS, BY RATING

	MOODY'S INVESTORS SERVICE, INC.		STANDARD & POOR'S CORPORATION	
	Rating	Average A	Rating	Average A
INVESTMENT GRADE				
Highest quality	Aaa		AAA	
High quality	Aa	1.8 %	AA	2.0 %
Upper-medium grade	A		A	
Medium grade	Baa	1.2 %	BBB	0.7 %
LOWER QUALITY				
Moderately speculative	Ba	1.1 %	BB	0.9 %
Speculative	B	0.6 %	B	1.0 %
Highly speculative	Caa	0.0 %	CCC	0.0 %
Poor quality	Ca	0.0 %	CC	0.0 %
Lowest quality, no interest	C		C	
In default, in arrears	---		D	0.0 %
		4.7 %		4.6 %

A THE DOLLAR-WEIGHTED AVERAGE OF DEBT SECURITIES NOT RATED BY MOODY'S OR S&P AMOUNTED TO 0.5 %. 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: The fund does not currently intend to invest more than 35% of its assets in lower-quality debt securities (those rated below Baa by Moody's or BBB by S&P, and unrated securities judged by FMR to be of equivalent quality).

FOREIGN SECURITIES and foreign currencies may involve additional risks. These include currency fluctuations, risks relating to political or economic conditions in the foreign country, and the potentially less stringent investor protection and disclosure standards of foreign markets.

In addition to the political and economic factors that can affect foreign securities, a governmental issuer may be unwilling to repay principal and interest when due, and may require that the conditions for payment be renegotiated. These factors could make foreign investments, especially those in developing countries, more volatile.

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

FMR can use these practices to adjust the risk and return characteristics of the 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.

DIRECT DEBT. Loans and other direct debt instruments are interests in amounts owed to another party by a company, government, or other borrower. They have additional risks beyond conventional debt securities because they may entail less legal protection for the fund, or there may be a requirement that the fund supply additional cash to a borrower on demand.

REPURCHASE AGREEMENTS. In a repurchase agreement, the fund buys a security at one price and simultaneously agrees to sell it back at a higher price. Delays or losses could result if the other party to the agreement defaults or becomes insolvent.

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 the fund.

RESTRICTIONS: The 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.
RESTRICTIONS: With respect to 75% of total assets, the fund may not invest more than 5% of its total assets in any one issuer. The fund may not invest more than 25% of its total assets in any one industry. These limitations do not apply to U.S. government securities.
BORROWING. The fund may borrow from banks or from other funds advised by FMR, or through reverse repurchase agreements. If the 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: The fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets.
LENDING. Lending securities to broker-dealers and institutions, including FBSI, an affiliate of FMR, is a means of earning income. This practice could result in a loss or a delay in recovering the fund's securities. The fund may also lend money to other funds advised by FMR.
RESTRICTIONS: Loans, in the aggregate, may not exceed 33% of the fund's 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 paragraph restates all those that are fundamental. All policies stated throughout this prospectus, other than those identified in the following paragraph, can be changed without shareholder approval.
The fund seeks reasonable income by investing primarily in income-producing equity securities. In choosing these securities, the fund also considers the potential for capital appreciation. The fund looks for a yield that exceeds the composite yield of the securities comprising the S&P 500. With respect to 75% of total assets, the fund may not invest more than 5% of its total assets in any one issuer and may not own more than 10% of the outstanding voting securities of a single issuer. The fund may not invest more than 25% of its total assets in any one industry. The fund may borrow only for temporary or emergency purposes, but not in an amount exceeding 33% of its total assets. Loans, in the aggregate, may not exceed 33% of the fund's total assets.

This prospectus is printed on recycled paper using soy-based inks.

FIDELITY EQUITY-INCOME II FUND
A FUND OF FIDELITY FINANCIAL TRUST
STATEMENT OF ADDITIONAL INFORMATION
JANUARY 19, 1994

This Statement is not a prospectus but should be read in conjunction with the fund's current Prospectus (dated January 19, 1994). Please retain this document for future reference. The Annual Report for the fiscal year ended November 30, 1993 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.

TABLE OF CONTENTS PAGE

INVESTMENT ADVISER
Fidelity Management & Research Company (FMR)
INVESTMENT SUB-ADVISERS
Fidelity Management & Research (U.K.) Inc. (FMR U.K.)
Fidelity Management & Research (Far East) Inc. (FMR Far East)
DISTRIBUTOR
Fidelity Distributors Corporation (FDC)
TRANSFER AGENT
Fidelity Service Co. (FSC)

EII-ptb-194

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 the 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.

The 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) of the 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. THE FOLLOWING ARE THE FUND'S FUNDAMENTAL INVESTMENT LIMITATIONS SET FORTH IN THEIR ENTIRETY. THE FUND MAY NOT:

(1) with respect to 75% of the fund's total assets, purchase the securities of any issuer (other than obligations issued or guaranteed by the government of the United States, or any of its agencies or instrumentalities) if, as a result thereof, (a) more than 5% of the fund's total assets would be invested in the securities of such issuer, or (b) the fund would hold more than 10% of the voting securities of such issuer;

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

(3) 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 value of the fund's total assets by reason of a decline in net assets will be reduced within three days (exclusive of Sundays and holidays) to the extent necessary to comply with the 33 1/3% limitation;

(4) 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);

(5) purchase the securities of any issuer (other than obligations issued or guaranteed by the government of the United States or any of its agencies or instrumentalities) if, as a result, more than 25% of the fund's total assets (taken at current value) would be invested in the securities of issuers having their principal business activities in the same industry;

(6) 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);

(7) 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);

(8) 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 (for this purpose, purchasing debt securities and engaging in repurchase agreements do not constitute lending).

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

(i) 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.

(ii) 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 (3)). 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 in securities of real estate investment trusts that are not readily marketable, or to invest in securities of real estate limited partnerships that are not listed on the New York Stock Exchange or the American Stock Exchange or traded on the NASDAQ National Market System.

(vi) The fund does not currently intend to lend assets other than securities to other parties, except by (a) lending money (up to 5% of the fund's net assets) to a registered investment company or portfolio for which FMR or an affiliate serves as investment adviser or (b) acquiring loans, loan participations, or other forms of direct debt instruments and, in connection therewith, assuming any associated unfunded commitments of the sellers. (This limitation does not apply to purchases of debt securities or to repurchase agreements.)

(vii) 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.

(viii) The fund does not currently intend to purchase the securities of any issuer (other than securities issued or guaranteed by domestic or foreign governments or political subdivisions thereof) if, as a result, more than 5% of its total assets would be invested in the securities of business enterprises that, including predecessors, have a record of less than three years of continuous operation.

(ix) The fund does not currently intend to purchase warrants, valued at the lower of cost or market, in excess of 5% of the fund's net assets. Included in that amount, but not to exceed 2% of the fund's net assets, may be warrants that are not listed on the New York Stock Exchange or the American Stock Exchange. Warrants acquired by the fund in units or attached to securities are not subject to these restrictions.

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

For the fund's limitations on futures and options transactions, see the section entitled "Limitations on Futures and Options Transactions" beginning on page 7. For the fund's limitations on short sales, see the section entitled "Short Sales" on page 9 .

AFFILIATED BANK TRANSACTIONS. Pursuant to exemptive orders issued by the Securities and Exchange Commission (SEC), the fund may engage in transactions with banks that are, or may be considered to be, "affiliated persons" of the fund 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; and transactions in U.S. government securities with affiliated banks that are primary dealers in these securities.

FUND'S RIGHTS AS A SHAREHOLDER. The fund does not intend to direct or administer the day-to-day operations of any company. The fund, however, may exercise its rights as a shareholder and may communicate its views on important matters of policy to management, the Board of Directors, and shareholders of a company when FMR determines that such matters could have a significant effect on the value of the fund's investment in the company. The activities that the fund may engage in, either individually or in conjunction with others, may include, among others, supporting or opposing proposed changes in a company's corporate structure or business activities; seeking changes in a company's directors or management; seeking changes in company's direction or policies; seeking the sale or reorganization of the company or a portion of its assets; or supporting or opposing third party takeover efforts. This area of corporate activity is increasingly prone to litigation and it is possible that the fund could be involved in lawsuits related to such activities. FMR will monitor such activities with a view to mitigating, to the extent possible, the risk of litigation against the fund and the risk of actual liability if the fund is involved in litigation. No guarantee can be made, however, that litigation against the fund will not be undertaken or liabilities incurred.

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 the fund's investments and, through reports from FMR, the Board monitors investments in illiquid instruments. In determining the liquidity of the 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, (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 fund to be illiquid include repurchase agreements not entitling the holder to payment of principal and interest within seven days, over-the-counter options, and non-government stripped fixed-rate mortgage backed securities. Also, FMR may determine some restricted securities, government stripped fixed-rate mortgage-backed securities, loans and other direct debt instruments, and swap agreements to be illiquid. However, with respect to over-the-counter options the fund writes, 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 priced at fair value 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, the 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 an exemption from registration under the Securities Act of 1933, or in a registered public offering. Where registration is required, the 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, the fund might obtain a less favorable price than prevailed when it decided to seek registration of the security.

REPURCHASE AGREEMENTS. In a repurchase agreement, the 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 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. The fund may engage in a repurchase agreement with respect to any security in which it is authorized to invest. 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 the fund in connection with bankruptcy proceedings), it is the fund's current policy to limit repurchase agreement transactions to 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 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.

INTERFUND BORROWING PROGRAM. The fund has received permission f r om the SEC to lend money to and borrow money fr o m other funds advised by FMR or its affiliates. Interfund loans and borrowings normally will extend overnight, but can have a maximum duration of seven days. Loans may be called on one day's notice. The fund will lend through the program only when the returns are higher than those available at the same time from other short-term instruments (such as repurchase agreements), and will borrow through the program only when the costs are equal to or lower than the cost of bank loans. The fund may have to borrow from a bank at a higher interest rate if an interfund loan is called or not renewed. Any delay in repayment to a lending fund could result in a lost investment opportunity or additional borrowing costs.

SECURITIES LENDING. The fund may lend securities to parties such as broker-dealers or institutional investors, including Fidelity Brokerage Services, Inc. (FBSI). FBSI is a member of the New York Stock Exchange and a subsidiary of FMR Corp.

Securities lending allows the fund to retain ownership of the securities loaned and, at the same time, to earn additional income. Since there may be delays in the recovery of loaned securities, or even a loss of rights in collateral supplied should the borrower fail financially, loans will be made only to parties deemed by FMR to be of good standing. Furthermore, they will only be made if, in FMR's judgment, the consideration to be earned from such loans would justify the risk.

FMR understands that it is the current view of the SEC Staff that the fund may engage in loan transactions only under the following conditions: (1) the fund must receive 100% collateral in the form of cash or cash equivalents (e.g., U.S. Treasury bills or notes) from the borrower; (2) the borrower must increase the collateral whenever the market value of the securities loaned (determined on a daily basis) rises above the value of the collateral; (3) after giving notice, the fund must be able to terminate the loan at any time; (4) the fund must receive reasonable interest on the loan or a flat fee from the borrower, as well as amounts equivalent to any dividends, interest, or other distributions on the securities loaned and to any increase in market value; (5) the fund may pay only reasonable custodian fees in connection with the loan; and (6) the Board of Trustees must be able to vote proxies on the securities loaned, either by terminating the loan or by entering into an alternative arrangement with the borrower.

Cash received through loan transactions may be invested in any security in which the fund is authorized to invest. Investing this cash subjects that investment, as well as the security loaned, to market forces (i.e., capital appreciation or depreciation).

LOWER-RATED DEBT SECURITIES. While the market for high-yield corporate debt securities has been in existence for many years and has weathered previous economic downturns, the 1980s brought a dramatic increase in the use of such securities to fund highly leveraged corporate acquisitions and restructurings. Past experience may not provide an accurate indication of future performance of the high-yield bond market, especially during periods of economic recession. In fact, from 1989 to 1991, the percentage of lower-rated debt securities that defaulted rose significantly above prior levels , although the default rate decreased in 1992 .

The market for lower-rated debt securities may be thinner and less active than that for higher-rated debt securities, which can adversely affect the prices at which the former are sold. If market quotations are not available, lower-rated debt securities will be valued in accordance with procedures established by the Board of Trustees, including the use of outside pricing services. Judgment plays a greater role in valuing high - yield corporate debt securities than is the case for securities for which more external sources for quotations and last-sale information are available. Adverse publicity and changing investor perceptions may affect the ability of outside pricing services to value lower-rated debt securities and the fund's ability to dispose of these securities.

Since the risk of default is higher for lower-rated debt securities, FMR's research and credit analysis are an especially important part of managing securities of this type held by the fund. In considering investments for the fund, FMR will attempt to identify those issuers of high-yielding debt securities whose financial condition is adequate to meet future obligations, has improved, or is expected to improve in the future. FMR's analysis focuses on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects, and the experience and managerial strength of the issuer.

The 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.

LOANS AND OTHER DIRECT DEBT INSTRUMENTS. Direct debt instruments are interests in amounts owed by a corporate, governmenta l, or other borrower to lenders or lending syndicates (loans and loan participations), to suppliers of goods or services (trade claims or other receivables), or to other parties. Direct debt instruments are subject to the fund's policies regarding the quality of debt securities.

Purchasers of loans and other forms of direct indebtedness depend primarily upon the creditworthiness of the borrower for payment of principal and interest. Direct debt instruments may not be rated by any nationally recognized rating service. If the fund does not receive scheduled interest or principal payments on such indebtedness, the fund's share price and yield could be adversely affected. Loans that are fully secured offer the fund more protections than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the borrower's obligation, or that the collateral can be liquidated. Indebtedness of borrowers whose creditworthiness is poor involves substantially greater risks, and may be highly speculative. Borrowers that are in bankruptcy or restructuring may never pay off their indebtedness, or may pay only a small fraction of the amount owed. Direct indebtedness of developing countries also involve s a risk that the governmental entities responsible for the repayment of the debt may be unable, or unwilling, to pay interest and principal when due.

Investments in loans through direct assignment of a financial institution's interests with respect to a loan may involve additional risks to the fund. For example, if a loan is foreclosed, the fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that under emerging legal theories of lender liability, the fund could be held liable as a co-lender. Direct debt instruments may also involve a risk of insolvency of the lending bank or other intermediary. Direct debt instruments that are not in the form of securities may offer less legal protection to the fund in the event of fraud or misrepresentation. In the absence of definitive regulatory guidance, the fund relies on FMR's research in an attempt to avoid situations where fraud or misrepresentation could adversely affect the fund.

A loan is often administered by a bank or other financial institution that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. Unless, under the terms of the loan or other indebtedness, the fund has direct recourse against the borrower, it may have to rely on the agent to apply appropriate credit remedies against a borrower. If assets held by the agent for the benefit of the fund were determined to be subject to the claims of the agent's general creditors, the fund might incur certain costs and delays in realizing payment on the loan or loan participation and could suffer a loss of principal or interest.

Direct indebtedness purchased by the fund may include letters of credit, revolving credit facilities, or other standby financing commitments obligating the fund to pay additional cash on demand. These commitments may have the effect of requiring the fund to increase its investment in a borrower at a time when it would not otherwise have done so, even if the borrower 's condition makes it unlikely that the amount will ever be repaid. The fund will set aside appropriate liquid assets in a segregated custodial account to cover its potential obligations under standby

financing commitments.
The fund limits the amount of total assets that it will invest in any one issuer or in issuers within the same industry (see limitations 1 and 5). For purposes of these limitations, the fund generally will treat the borrower as the "issuer" of indebtedness held by the fund. In the case of loan participations where a bank or other lending institution serves as financial intermediary between the fund and the borrower, if the participation does not shift to the fund the direct debtor-creditor relationship with the borrower, SEC interpretations require the fund, in appropriate circumstances, to treat both the lending bank or other lending institution and the borrower as "issuers" for these purposes. Treating a financial intermediary as an issuer of indebtedness may restrict the fund's ability to invest in indebtedness related to a single financial intermediary or a group of intermediaries engaged in the same industry, even if the underlying borrowers represent many different companies and industries.
SWAP AGREEMENTS. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the fund's exposure to long- or short-term interest rates (in the U.S. or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The fund is not limited to any particular form of swap agreement if FMR determines it is consistent with the fund's investment objective and policies.
In a typical cap or floor agreement, one party agrees to make payments only under specified circumstances, usually in return for payment of a fee by the other party. For example, the buyer of an interest rate cap obtains the right to receive payments to the extent that a specified interest rate exceeds an agreed-upon level, while the seller of an interest rate floor is obligated to make payments to the extent that a specified interest rate falls below an agreed-upon level. An interest rate collar combines elements of buying a cap and selling a floor.
Swap agreements will tend to shift the fund's investment exposure from one type of investment to another. For example, if the fund agreed to exchange payments in dollars for payments in foreign currency, the swap agreement would tend to decrease the fund's exposure to U.S. interest rates and increase its exposure to foreign currency and interest rates. Caps and floors have an effect similar to buying or writing options. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the fund's investments and its share price and yield .
The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, or other factors that determine the amounts of payments due to and from the fund. If a swap agreement calls for payments by the fund, the fund must be prepared to make such payments when due. In addition, if the counterparty's creditworthiness declined, the value of a swap agreement would be likely to decline, potentially resulting in losses. The fund expects to be able to eliminate its exposure under swap agreements either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or a similarly creditworthy party.
The fund will maintain appropriate liquid assets in a segregated custodial account to cover its current obligations under swap agreements. If the fund enters into a swap agreement on a net basis, it will segregate assets with a daily value at least equal to the excess, if any, of the fund's accrued obligations under the swap agreement over the accrued amount the fund is entitled to receive under the agreement. If the fund enters into a swap agreement on other than a net basis, it will segregate assets with a value equal to the full amount of the fund's accrued obligations under the agreement.
INDEXED SECURITIES. The fund may purchase securities whose prices are indexed to the prices of other securities, securities indices, currencies, precious metals or other commodities, or other financial indicators. Indexed securities typically, but not always, are debt securities or deposits whose value at maturity or coupon rate is determined by reference to a specific instrument or statistic. Gold-indexed securities, for example, typically provide for a maturity value that depends on the price of gold, resulting in a security whose price tends to rise and fall together with gold prices. Currency-indexed securities typically are short-term to intermediate-term debt securities whose maturity values or interest rates are determined by reference to the values of one or more specified foreign currencies, and may offer higher yields than U.S. dollar-denominated securities of equivalent issuers. Currency-indexed securities may be positively or negatively indexed; that is, their maturity value may increase when the specified currency value increases, resulting in a security that performs similarly to a foreign-denominated instrument, or their maturity value may decline when foreign currencies increase, resulting in a security whose price characteristics are similar to a put on the underlying currency. Currency-indexed securities may also have prices that depend on the values of a number of different foreign currencies relative to each other.
The performance of indexed securities depends to a great extent on the performance of the security, currency, or other instrument to which they are indexed, and may also be influenced by interest rate changes in the

U.S. and abroad. At the same time, indexed securities are subject to the credit risks associated with the issuer of the security, and their values may decline substantially if the issuer's creditworthiness deteriorates. Recent issuers of indexed securities have included banks, corporations, and certain U.S. government agencies. Indexed securities may be more volatile than the underlying instruments.

FOREIGN INVESTMENTS. Foreign investments can involve significant risks in addition to the risks inherent in U.S. investments. The value of securities denominated in or indexed to foreign currencies, and of dividends and interest from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices on some foreign markets can be highly volatile. Many foreign countries lack uniform accounting and disclosure standards comparable to those applicable to U.S. companies, and it may be more difficult to obtain reliable information regarding an issuer's financial condition and operations. In addition, the costs of foreign investing, including withholding taxes, brokerage commissions, and custodial costs, are generally higher than for U.S. investments.

Foreign markets may offer less protection to investors than U.S. markets. Foreign issuers, brokers, and securities markets may be subject to less government supervision. Foreign security trading practices, including those involving the release of assets in advance of payment, may involve increased risks in the event of a failed trade or the insolvency of a broker-dealer, and may involve substantial delays. It may also be difficult to enforce legal rights in foreign countries.

Investing abroad also involves different political and economic risks. Foreign investments may be affected by actions of foreign governments adverse to the interests of U.S. investors, including the possibility of expropriation or nationalization of assets, confiscatory taxation, restrictions on U.S. investment or on the ability to repatriate assets or convert currency into U.S. dollars, or other government intervention. There may be a greater possibility of default by foreign governments or foreign government-sponsored enterprises. Investments in foreign countries also involve a risk of local political, economic, or social instability, military action or unrest, or adverse diplomatic developments. There is no assurance that FMR will be able to anticipate these potential events or counter their effects.

The considerations noted above generally are intensified for investments in developing countries. Developing countries may have relatively unstable governments, economies based on only a few industries, and securities markets that trade a small number of securities.

The fund may invest in foreign securities that impose restrictions on transfer within the U.S. or to U.S. persons. Although securities subject to such transfer restrictions may be marketable abroad, they may be less liquid than foreign securities of the same class that are not subject to such restrictions.

American Depositary Receipts and European Depositary Receipts (ADRs and EDRs), are certificates evidencing ownership of shares of a foreign-based issuer held in trust by a bank or similar financial institution. Designed for use in the U.S. and European securities markets, respectively, ADRs and EDRs are alternatives to the purchase of the underlying securities in their national markets and currencies.

FOREIGN CURRENCY TRANSACTIONS. The fund may hold foreign currency deposits from time to time, and may convert dollars and foreign currencies in the foreign exchange markets. Currency conversion involves dealer spreads and other costs, although commissions usually are not charged. Currencies may be exchanged on a spot (i.e., cash) basis, or by entering into forward contracts to purchase or sell foreign currencies at a future date and price. Forward contracts generally are traded in an interbank market conducted directly between currency traders (usually large commercial banks) and their customers. The parties to a forward contract may agree to offset or terminate the contract before its maturity, or may hold the contract to maturity and complete the contemplated currency exchange.

The fund may use currency forward contracts to manage currency risks and to facilitate transactions in foreign securities. The following discussion summarizes the principal currency management strategies involving forward contracts that could be used by the fund.

In connection with purchases and sales of securities denominated in foreign currencies, the fund may enter into currency forward contracts to fix a definite price for the purchase or sale in advance of the trade's settlement date. This technique is sometimes referred to as a "settlement hedge" or "transaction hedge." FMR expects to enter into settlement hedges in the normal course of managing the fund's foreign investments. The fund could also enter into forward contracts to purchase or sell a foreign currency in anticipation of future purchases or sales of securities denominated in foreign currency, even if the specific investments have not yet been selected by FMR.

The fund may also use forward contracts to hedge against a decline in the value of existing investments denominated in foreign currency. For example, if the fund owned securities denominated in pounds sterling, it could enter into a forward contract to sell pounds sterling in return for U.S. dollars to hedge against possible declines in the pound's value. Such a hedge, sometimes referred to as a "position hedge," would tend to offset both positive and negative currency fluctuations, but would not offset changes in security values caused by other factors. The fund could also hedge the position by selling another currency expected to perform similarly to the pound sterling - for example, by entering into a forward contract to sell Deutschemarks or European Currency Units in return for U.S. dollars. This type of hedge, sometimes referred to as a "proxy hedge," could offer advantages in terms of cost, yield, or efficiency, but generally would not hedge currency exposure as effectively as a simple hedge into U.S. dollars. Proxy hedges may result in losses if the currency used to hedge does not perform similarly to the currency in which the hedged securities are denominated.

Under certain conditions, SEC guidelines require mutual funds to set aside appropriate liquid assets in a segregated custodial account to cover currency forward contracts. As required by SEC guidelines, the fund will segregate assets to cover currency forward contracts, if any, whose purpose is essentially speculative. The fund will not segregate assets to cover forward contracts entered into for hedging purposes, including settlement hedges, position hedges, and proxy hedges.

Successful use of forward currency contracts will depend on FMR's skill in analyzing and predicting currency values. Forward contracts may substantially change the fund's investment exposure to changes in currency exchange rates, and could result in losses to the fund if currencies do not perform as FMR anticipates. For example, if a currency's value rose at a time when FMR had hedged the fund by selling that currency in exchange for dollars, the fund would be unable to participate in the currency's appreciation. If FMR hedges currency exposure through proxy hedges, the fund could realize currency losses from the hedge and the security position at the same time if the two currencies do not move in tandem. Similarly, if FMR increases the fund's exposure to a foreign currency, and that currency's value declines, the fund will realize a loss. There is no assurance that FMR's use of forward currency contracts will be advantageous to the fund or that it will hedge at an appropriate time. The policies described in this section are non-fundamental policies of the fund.

LIMITATIONS ON FUTURES AND OPTIONS TRANSACTIONS. The fund intends to file 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, before engaging in any purchases or sales of futures contracts or options on futures contracts. The fund intends 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, the 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 fund's investments in futures contracts and options, and the fund's policies regarding futures contracts and options discussed elsewhere in this Statement of Additional Information, may be changed as regulatory agencies permit.

FUTURES CONTRACTS. When the 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 Standard & Poor's 500 Composite Stock Price Index (S&P 500). 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 fund's 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, the 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 the 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 would generally 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 the 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. The 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, the 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 fund's current or anticipated investments exactly. The 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.

Options 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. The 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 the 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 option 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.

OPTIONS AND FUTURES RELATING TO FOREIGN CURRENCIES. Currency futures contracts are similar to forward currency exchange contracts, except that they are traded on exchanges (and have margin requirements) and are standardized as to contract size and delivery date. Most currency futures contracts call for payment or delivery in U.S. dollars. The underlying instrument of a currency option may be a foreign currency, which generally is purchased or delivered in exchange for U.S. dollars, or may be a futures contract. The purchaser of a currency call obtains the right to purchase the underlying currency, and the purchaser of a currency put obtains the right to sell the underlying currency.

The uses and risks of currency options and futures are similar to options and futures relating to securities or indices, as discussed above. The fund may purchase and sell currency futures and may purchase and write currency options to increase or decrease its exposure to different foreign currencies. The fund may also purchase and write currency options in conjunction with each other or with currency futures or forward contracts. Currency futures and options values can be expected to correlate with exchange rates, but may not reflect other factors that affect the value of the fund's investments. A currency hedge, for example, should protect a Yen-denominated security from a decline in the Yen, but will not protect the fund against a price decline resulting from deterioration in the issuer's creditworthiness. Because the value of the fund's foreign-denominated investments changes in response to many factors other than exchange rates, it may not be possible to match the amount of currency options and futures to the value of the fund's investments exactly over time.

ASSET COVERAGE FOR FUTURES AND OPTIONS POSITIONS. The fund 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.

SHORT SALES. The fund may enter into short sales with respect to stocks underlying its convertible security holdings. For example, if FMR anticipates a decline in the price of the stock underlying a convertible security the fund holds, it may sell the stock short. If the stock price subsequently declines, the proceeds of the short sale could be expected to offset all or a portion of the effect of the stock's decline on the value of the convertible security. The fund currently intends to hedge no more than 15% of its total assets with short sales on equity securities underlying its convertible security holdings under normal circumstances. When the fund enters into a short sale, it will be required to set aside securities equivalent in kind and amount to those sold short (or securities convertible or exchangeable into such securities) and will be required to hold them aside while the short sale is outstanding. The fund will incur transaction costs, including interest expense, in connection with opening, maintaining, and closing short sales.

PORTFOLIO TRANSACTIONS

All orders for the purchase or sale of portfolio securities are placed on behalf of the fund by FMR pursuant to authority contained in the 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. In selecting broker-dealers, subject to applicable limitations of the federal securities laws, FMR considers 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; the reasonableness of any commissions ; and arrangements for payment of fund expenses. Commissions for foreign investments traded on foreign exchanges generally will be higher than for U.S. investments and may not be subject to negotiation.

The fund may execute portfolio transactions with broker-dealers who provide research and execution services to the fund 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). The selection of such broker-dealers generally is made by FMR (to the extent possible consistent with execution considerations) in accordance with a ranking of broker-dealers determined periodically by FMR's investment staff based upon the quality of research and execution services provided.

The receipt of research from broker-dealers that execute transactions on behalf of the fund may be useful to FMR in rendering investment management services to the fund 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 fund. 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 fund 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 fund 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 fund 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) and Fidelity Brokerage Services, Ltd. (FBSL), subsidiaries of FMR Corp., if the commissions are fair, reasonable, and comparable to commissions charged by non-affiliated, qualified brokerage firms for similar services. Prior to September 4, 1992, FBSL operated under the name Fidelity Portfolio Services, Ltd. (FPSL) as a wholly owned subsidiary of Fidelity International Limited (FIL). Edward C. Johnson 3d is Chairman of FIL. Mr. Johnson 3d, Johnson family members, and various trusts for the benefit of the Johnson family own , directly or indirectly , more than 25% of the voting common stock of FIL.

FMR may allocate brokerage transactions to broker-dealers who have entered into arrangements with FMR under which the broker-dealer allocates a portion of the commissions paid by the fund toward payment of the fund's expenses, such as transfer agent fees of FSC or custodian fees. The transaction quality must, however, be comparable to those of other qualified broker-dealers.

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.
The Trustees periodically review FMR's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the fund and review the commissions paid by the fund over representative periods of time to determine if they are reasonable in relation to the benefits to the fund. For the fiscal years ended November 30, 1993 and 1992, the fund's portfolio turnover rates were 55%, and 89%, respectively.
For the fiscal years ended November 30, 1993, 1992 and 1991, the fund paid brokerage commissions of $ 5,114,988 , $2,851,164, and $509,578, respectively. During fiscal 1993, approximately $ 2,955,994 or 57.8 % of these commissions were paid to brokerage firms that provided research services, although the provision of such services was not necessarily a factor in the placement of all of this business with such firms. The fund pays both commissions and spreads in connection with the placement of portfolio transactions; FBSI is paid on a commission basis. During the 1993, 1992 and 1991 fiscal years, the fund paid brokerage commissions of $ 1,811,635 , $693,521, and $143,153, respectively, to FBSI. During fiscal 1993, this amounted to 35.4 % of the aggregate brokerage commissions paid by the fund for transactions involving 47.5 % of the aggregate dollar amount of transactions in which the fund paid brokerage commissions. The difference in the percentage of the brokerage commissions paid to and the percentage of the dollar amount of transactions effected through FBSI is a result of the low commission rates charged by FBSI.
During fiscal 1993, 1992 and 1991, the fund paid FBSL brokerage commissions of $ 0 , $6,715, and $201, respectively.
From time to time the Trustees will review whether the recapture for the benefit of the fund of some portion of the brokerage commissions or similar fees paid by the fund on portfolio transactions is legally permissible and advisable. The 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 fund to seek such recapture.
Although the Trustees and officers of the fund are substantially the same as those of other funds managed by FMR, investment decisions for the 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 fund is concerned. In other cases, however, the ability of the fund to participate in volume transactions will produce better executions and prices for the fund. It is the current opinion of the Trustees that the desirability of retaining FMR as investment adviser to the fund outweighs any disadvantages that may be said to exist from exposure to simultaneous transactions.
VALUATION OF PORTFOLIO SECURITIES
Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Equity securities for which the primary market is the U.S. are valued at last sale price or, if no sale has occurred, at the closing bid price. Equity securities for which the primary market is outside the U.S. are valued using the official closing price or the last sale price in the principal market where they are traded. If the last sale price (on the local exchange) is unavailable, the last evaluated quote or last bid price is normally used. Short-term securities are valued either at amortized cost or at original cost plus accrued interest, both of which approximate current value. F ixed-income securities are valued primarily by a pricing service that uses a vendor security valuation matrix which incorporates both dealer-supplied valuations and electronic data processing techniques. This twofold approach is believed to more accurately reflect fair value because it takes into account appropriate factors such as institutional trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data, without exclusive reliance upon quoted, exchange, or over-the counter prices. Use of pricing services has been approved by the Board of Trustees.
Securities and other assets for which there is no readily available market are valued in good faith by a committee appointed by the Board of Trustees. The procedures set forth above need not be used to determine the value of the securities owned by the fund if, in the opinion of a committee appointed by the Board of Trustees, some other method (e.g., closing over-the-counter bid prices in the case of debt instruments traded on an exchange) would more accurately reflect the fair market value of such securities.
Generally, the valuation of foreign and domestic equity securities, as well as corporate bonds, U.S. government securities, money market instruments, and repurchase agreements, is substantially completed each day at the close

of the NYSE. The values of any such securities held by the fund are determined as of such time for the purpose of computing the fund's net asset value. Foreign security prices are furnished by independent brokers or quotation services which express the value of securities in their local currency. FSC gathers all exchange rates daily at the close of the NYSE using the last quoted price on the local currency and then translates the value of foreign securities from their local currency into U.S. dollars. Any changes in the value of forward contracts due to exchange rate fluctuations and days to maturity are included in the calculation of net asset value. If an extraordinary event that is expected to materially affect the value of a portfolio security occurs after the close of an exchange on which that security is traded, then the security will be valued as determined in good faith by a committee appointed by the Board of Trustees.

PERFORMANCE

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

YIELD CALCULATIONS. Yields for the fund used in advertising are computed by dividing the fund's interest and dividend income for a given 30-day or one month period, net of expenses, by the average number of shares entitled to receive distributions during the period, dividing this figure by the fund's NAV 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 yield quotations in accordance with standardized methods applicable to all stock and bond funds. Dividends from equity investments are treated as if they were accrued on a daily basis, solely for the purposes of yield calculations. 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 the purposes of calculating the fund's yield 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 yield quoted for the fund may differ from the rate of distributions the fund paid over the same period or the rate of income reported in the fund's financial statements.

TOTAL RETURN CALCULATIONS. Total returns quoted in advertising reflect all aspects of the fund's return, including the effect of reinvesting dividends and capital gain distributions, and any change in the fund's NAV over the period. Average annual returns are calculated by determining the growth or decline in value of a hypothetical historical investment in the 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 return of 100% over ten years would produce an average annual 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 returns are a convenient means of comparing investment alternatives, investors should realize that the fund's performance is not constant over time, but changes from year to year, and that average annual returns represent averaged figures as opposed to the actual year-to-year performance of the fund.

In addition to average annual returns, the 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 on page 12 . 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 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.

MOVING AVERAGES. The fund may illustrate performance using moving averages. A long-term moving average is the average of each week's adjusted closing NAV for a specified period. A short-term moving average is the average of each day's adjusted closing NAV for a specified period. Moving Average Activity Indicators combine adjusted closing NAVs from the last business day of each week with moving averages for a specified period to produce indicators showing when an NAV has crossed, stayed above, or stayed below its moving average. On November 26, 1993 , the 13-week and 39-week long-term moving averages were 18.92 and 18.22 , respectively.

HISTORICAL FUND RESULTS. The table on page 12 shows the income and capital elements of the fund's total return for the period August 21, 1990 (commencement of operations) to November 30, 1993. The table compares the fund's return to the record of the 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 the fund's total return compared to the record of a broad average of common stock prices and a narrower set of stocks of major industrial companies, respectively, over the same period. The fund has the ability to invest in securities not included in either index, and its investment portfolio may or may not be similar in composition to the indices. The S&P 500 and DJIA are based on the prices of unmanaged groups of stocks, and unlike the fund's returns, their returns do not include the effect of paying brokerage commissions and other costs of investing.

During the period from August 21, 1990 (commencement of operations) through November 30, 1993, a hypothetical $10,000 investment in Fidelity Equity-Income II Fund would have grown to $ 21,204 , assuming all distributions were reinvested. This was a period of widely fluctuating stock 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.

FIDELITY EQUITY-INCOME II FUND

INDICES

Years Ended November 30	Value of Initial $10,000 Investment	Value of Reinvested Income Distributions	Value of Reinvested Capital Gain Distributions	Total Value	S&P	DJIA	Cost of Living**
1990*	$10,180	$ 0	$ 0	$10,180	$ 9,917	$ 9,744	$10,167
1991	13,870	500	87	14,457	11,935	11,397	10,471
1992	16,570	972	265	17,807	14,143	13,40 3	10,790
1993	18,850	1,594	760	21,204	15,572	15,377	11,079

* From August 21, 1990 (commencement of operations).

** From month-end closest to initial investment date.

Explanatory Notes: With an initial investment of $10,000 made on August 21, 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 and capital gain distributions for the period covered (their cash value at the time they were reinvested), amounted to $ 11,853 . If distributions had not been reinvested, the amount of distributions earned from the fund over time would have been smaller, and the cash payments for the period would have amounted to $ 1,170 for income dividends and $ 580 for capital gain distributions. Tax consequences of different investments have not been factored into the above figures.

The yield of the S&P 500 for the year ended November 30, 1993 was 2.7 %, calculated by dividing the dollar value of dividends paid by the S&P 500 stocks during the period by the average value of the S&P 500 on November 30, 1993. The S&P 500 yield is calculated differently from the fund's yield; among other things, the fund's yield calculation treats dividends as accrued in anticipation of payment, rather than recording them when paid.

The 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. In addition to the mutual fund rankings, the fund's performance may be compared to mutual fund performance indices prepared by Lipper.

From time to time, the 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.

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.

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

VOLATILITY. The fund may quote various measures of volatility and benchmark correlation in advertising. In addition, the fund may compare these measures to those of other funds. Measures of volatility seek to compare the fund's historical share price fluctuations or total returns to those of a benchmark. Measures of benchmark correlation indicate how valid a comparative benchmark may be. All measures of volatility and correlation are calculated using averages of historical data.

MOMENTUM INDICATORS indicate the fund's price movements over specific periods of time. Each point on the momentum indicator represents the fund's percentage change in price movements over that period.

The 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.

The fund may be available for purchase through retirement plans or other programs offering deferral of, or exemption from, income taxes, which may produce superior after-tax returns over time. For example, a $1,000 investment earning a taxable return of 10% annually would have an after-tax value of $1,949 after ten years, assuming tax was deducted from the return each year at a 31% rate. An equivalent tax-deferred investment would have an after-tax value of $2,100 after ten years, assuming tax was deducted at a 31% rate from the tax-deferred earnings at the end of the ten-year period.

Fidelity is a pioneer in the equity-income or income-driven investment discipline. This strategy seeks to modify stock market risk by seeking stocks that have above average dividends, are undervalued, and have been steadily increasing their dividends. Weisenberger Financial Services (Weisenberger) annually publishes a survey of information about mutual funds. According to Weisenberger's 1992 edition of Weisenberger Investment Companies Services, in 1947, there were only two funds which employed the equity-income discipline, one of which was Fidelity Puritan Fund. In 1958, when Lipper began recording equity-income fund performance, it recorded five funds employing the equity-income discipline, one of which was Fidelity Puritan Fund. In 1966, when Fidelity Equity-Income Fund was launched, Lipper recorded twelve funds utilizing this approach.

As of November 30, 1993, FMR managed approximately $125 billion in equity fund assets as defined and tracked by Lipper. This figure represents the largest amount of equity fund assets under management by a mutual fund investment adviser in the United States, making FMR America's leading equity (stock) fund manager. From time to time, the fund may use any of the above information in its advertising and sales literature.

ADDITIONAL PURCHASE AND REDEMPTION INFORMATION

The 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 (observed), 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.

FSC normally determines the fund's 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, the 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 the 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 Investment Company Act of 1940 (the 1940 Act), the 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) the fund suspends the redemption of the shares to be exchanged as permitted under the 1940 Act or the rules and regulations thereunder, 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, the 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, the 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. A portion of the fund's income may qualify for the dividends-received deduction available to corporate shareholders to the extent that the fund's income is derived from qualifying dividends. Because the fund may earn other types of income, such as interest, income from securities loans, non-qualifying dividends, and short-term capital gains, the percentage of dividends from the fund that qualifies for the deduction generally will be less than 100%. The fund will notify corporate shareholders annually of the percentage of fund dividends that qualifies for the dividends-received deduction. A portion of the fund's dividends derived from certain U.S. government obligations may be exempt from state and local taxation. Gains (losses) attributable to foreign currency fluctuations are generally taxable as ordinary income, and therefore will increase (decrease) dividend distributions. The fund will send each shareholder a notice in January describing the tax status of dividends and capital gain distributions for the prior year.

CAPITAL GAIN DISTRIBUTIONS. Long-term capital gains earned by the fund on the sale of securities and distributed to shareholders are federally taxable as long-term capital gains regardless of the length of time shareholders have held their shares. If a shareholder receives a long-term capital gain distribution on shares of the 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.

Short-term capital gains distributed by the fund are taxable to shareholders as dividends, not as capital gains. Distributions from short-term capital gains do not qualify for the dividends-received deduction.

FOREIGN TAXES. Foreign governments may withhold taxes on dividends and interest paid with respect to foreign securities. Because the fund does not currently anticipate that securities of foreign issuers will constitute more than 50% of its total assets at the end of its fiscal year, shareholders should not expect to claim a foreign tax credit or deduction on their federal income tax returns with respect to foreign taxes withheld.

TAX STATUS OF THE FUND. The 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, the fund intends to distribute substantially all of its net investment income and net realized capital gains within each calendar year as well as on a fiscal year basis. The 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 forward currency contracts, futures contracts, and options are included in this 30% calculation, which may limit the fund's investments in such instruments. The fund is treated as a separate entity from the other funds of Fidelity Financial Trust for tax purposes.

If the fund purchases shares in certain foreign investment entities, defined as passive foreign investment companies (PFICs) in the Internal Revenue Code, it may be subject to U.S. federal income tax on a portion of any excess distribution or gain from the disposition of such shares. Interest charges may also be imposed on the fund with respect to deferred taxes arising from such distributions or gains.

OTHER TAX INFORMATION. The information above is only a summary of some of the tax consequences generally affecting the fund and its shareholders, and no attempt has been made to discuss individual tax consequences. In addition to federal income taxes, shareholders may be subject to state and local taxes on distributions received from the fund. Investors should consult their tax advisers to determine whether the fund is suitable to their particular tax situation.

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. FMR U.K. and 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 Inc., 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 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 Greenwhich 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.

ROBERT H. MORRISON, Manager, Security Transactions, is an employee 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 fund 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 November 30, 1993 the Trustees and officers of the fund owned, in the aggregate, less than 1% of the outstanding shares of the fund.

MANAGEMENT CONTRACT

The fund employs FMR to furnish investment advisory and other services. Under its management contract with the fund, FMR acts as investment adviser and, subject to the supervision of the Board of Trustees, directs the investments of the fund in accordance with its investment objective, policies, and limitations. FMR also provides the fund with all necessary office facilities and personnel for servicing the fund's 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 fund. These services include providing facilities for maintaining the fund's organization; supervising relations with custodians, transfer and pricing agents, accountants, underwriters, and other persons dealing with the fund; preparing all general shareholder communications and conducting shareholder relations; maintaining the fund's records and the registration of the fund's shares under federal and state law; developing management and shareholder services for the fund; 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 FSC, the fund pays all of its expenses, without limitation, that are not assumed by those parties. The fund pays for typesetting, printing, and mailing proxy material to shareholders, legal expenses, and the fees of the custodian, auditor, and non-interested Trustees. Although the fund's management contract provides that the fund will pay for typesetting, printing, and mailing of prospectuses, statements of additional information, notices, and reports to existing shareholders, the trust has entered into a revised transfer agent agreement with FSC, pursuant to which FSC bears the cost of providing these services to existing shareholders. Other expenses paid by the fund include interest, taxes, brokerage commissions, the fund's proportionate share of insurance premiums and Investment Company Institute dues, and the costs of registering shares under federal and state securities laws. The fund is also liable for such nonrecurring expenses as may arise, including costs of any litigation to which the fund may be a party and any obligation it may have to indemnify the trust's officers and Trustees with respect to litigation.

FMR is the fund's manager pursuant to an amended management contract dated December 1, 1993 which was approved by shareholders on November 17, 1993. For the services of FMR under the contract, the 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 fee rate schedule shown on page 17 . Also shown on page 17 , the effective rate schedule shows the results of cumulatively applying the annualized rates at varying asset levels. For example, the effective annual fee rate at $ 227 billion of group assets--their approximate level for November 1993--was .3250 %, which is the weighted average of the respective fee rates for each level of group net assets up to $227 billion.

GROUP FEE RATE SCHEDULE* EFFECTIVE ANNUAL FEE RATES

Average Group Assets	Annualized Rate	Group Net Assets	Effective Annual Fee Rate
0 - $ 3 billion	.520%	$ 0.5 billion	.5200%
3 - 6	.490	25	.4238
6 - 9	.460	50	.3823
9 - 12	.430	75	.3626
12 - 15	.400	100	.3512
15 - 18	.385	125	.3430
18 - 21	.370	150	.3371
21 - 24	.360	175	.3325
24 - 30	.350	200	.3284
30 - 36	.345	225	.3253

36 - 42	.340	250	.3223
42 - 48	.335	275	.3198
48 - 66	.325	300	.3175
66 - 84	.320	325	.3153
84 - 102	.315	350	.3133
102 - 138	.310		
138 - 174	.305		
174 - 228	.300		
228 - 282	.295		
282 - 336	.290		
Over 336	.285		

</TABLE>

* Prior to January 1, 1992, the group fee rate was based on a schedule with breakpoints ending at .310% for average group assets in excess of $102 billion. The group fee breakpoints shown for average group assets between $102 billion and $228 billion were voluntarily adopted by FMR on January 1, 1992. The fund's management contract dated December 1, 1993 includes these group fee rate breakpoints. Additional breakpoints for average group assets in excess of $228 billion were voluntarily added to the group fee rate schedule by FMR on November 1, 1993, pending shareholder approval of a new management contract reflecting the extended schedule. The extended schedule provides for lower management fees as FMR's total assets under management increase.

The individual fund fee rate is .20%. Based on the average net assets of funds advised by FMR for November 1993, the annual management fee rate would be calculated as follows:

Group Fee Rate Individual Fund Fee Rate Management Fee Rate

.3250% + .20% = .5250%

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

During the fiscal years ended November 30, 1993, 1992, and 1991, FMR received $18,696,389, $5,588,255, and $449,903, respectively, for its services as investment adviser to the fund. These fees were equivalent to .53%, .53%, and .54%, respectively, of the average net assets of the fund for each of these periods.

To comply with the California Code of Regulations, FMR will reimburse the fund if and to the extent that the fund's aggregate annual operating expenses exceed specified percentages of its average net assets. The applicable percentages are 2 1/2% of the first $30 million, 2% of the next $70 million, and 1 1/2% of average net assets in excess of $100 million. When calculating the fund's expenses for purposes of this regulation, the fund may exclude interest, taxes, brokerage commissions, and extraordinary expenses, as well as a portion of its distribution plan expenses and custodian fees attributable to investments in foreign securities.

SUB-ADVISERS. FMR has entered into sub-advisory agreements with FMR U.K. and FMR Far East. Pursuant to the sub-advisory agreements, FMR may receive investment advice and research services with respect to companies based outside the U.S. from the sub-advisers and may grant them investment management authority as well as the authority to b   u   y and sell securities if FMR believed it would be beneficial to the fund.

Currently, FMR U.K. focuses primarily on companies based in Europe; FMR Far East focuses primarily on companies based in Asia and the Pacific Basin. FMR U.K. and FMR Far East are wholly owned subsidiaries of FMR.

Under the sub-advisory agreements FMR, and not the fund, pays the fees of FMR U.K. and FMR Far East. For providing investment advice and research services, FMR pays FMR U.K. and FMR Far East fees equal to 110% and 105%, respectively, of FMR U.K.'s and FMR Far East's cost incurred in connection with providing such services.

For providing investment management and portfolio execution services,

FMR pays FMR U.K. and FMR Far East 50% of its monthly management fee with respect to the average net assets managed by the sub-adviser on a discretionary basis.

FMR entered into the sub-advisory agreements described above with respect to the fund on December 1, 1993 following shareholder approval of the agreements on November 17, 1993.

Prior to December 1, 1993, FMR had sub-advisory agreements with FMR U.K. and FMR Far East on behalf of the fund, pursuant to which, FMR U.K. and FMR Far East provided FMR with investment advice and research services. Under those agreements, FMR U.K. and FMR Far East were compensated for their services according to the same formulas as they are compensated currently for providing investment advice and research services. The following table shows the fees paid by FMR to FMR U.K. and FMR Far East on behalf of the fund over the periods indicated.

Fiscal Year Ended November 30	FMR U.K.	FMR Far East
1993	$96,016	$156,327
1992	$37,763	$41,591
1991	$4,900	$5,000

DISTRIBUTION AND SERVICE PLAN

The fund has adopted a distribution and service plan (the Plan) 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 Plan to allow the fund and FMR to incur certain expenses that might be considered to constitute indirect payment by the fund of distribution expenses. Under the Plan, if the payment by the 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 Plan.

The Plan specifically recognizes 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 fund. In addition, the Plan provides that FMR may use its resources, including management fee revenues, to make payments to third parties that provide assistance in selling shares of the fund or to third parties, including banks, that render shareholder support services.

As required by the Rule, the Trustees carefully considered all pertinent factors relating to the implementation of the Plan prior to its approval, and have determined that there is a reasonable likelihood that the Plan will benefit the fund and its shareholders. In particular, the Trustees noted that the Plan does not authorize payments by the fund other than those made to FMR under its management contract with the fund. To the extent that the Plan gives FMR and FDC greater flexibility in connection with the distribution of shares of the fund, additional sales of the fund's shares may result. Additionally, certain shareholder support services may be provided more effectively under the Plan by local entities with whom shareholders have other relationships. The fund's Plan was approved by the fund's Trustees on July 19, 1990 and by shareholders on September 18, 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 fund might occur, including possible termination of any automatic investment or redemption or any 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 fund may execute portfolio transactions with and purchase securities issued by depository institutions that receive payments under the Plan. 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.

CONTRACTS WITH COMPANIES AFFILIATED WITH FMR

FSC is transfer, dividend disbursing, and shareholders' servicing agent for the fund. Under the Trust's contract with FSC, the fund pays an annual fee of $25.50 per basic retail account with a balance of $5,000 or more, $15.00 per basic retail account with a balance of less than $5,000 and a supplemental activity charge of $5.61 for monetary transactions. These fees and charges are subject to annual cost escalation based on changes in postal rates and changes in wage and price levels as measured by the National Consumer Price Index for Urban Areas. With respect to certain institutional client master accounts, the fund pays FSC a per account fee of $95, and monetary transaction charges of $20 and $17.50 depending on the nature of services provided. With respect to certain broker-dealer master accounts, the fund pays FSC a per-account fee of $30, and a charge of $6 for monetary transactions. Fees for certain institutional retirement plan accounts are based on the net asset of all such accounts in the fund. Under the contract, FSC pays out-of-pocket expenses associated with providing transfer agent services. In addition, FSC bears the expense of typesetting, printing, and mailing prospectuses, statements of additional information, and all other reports, notices, and statements to shareholders, with the exception of proxy statements.

Transfer agent fees, including reimbursement for out-of-pocket expenses, paid FSC for the fiscal years ended November 30, 1993, 1992 and 1991, were $ 10,021,790 , $3,591,126, and $348,639, respectively. During fiscal 1993, if a portion of the fund's brokerage commissions had not resulted in payment of certain of these fees, the fund would have paid transfer agent fees of $10,129,363.

The trust's contract with FSC also provides that FSC will perform the calculations necessary to determine the fund's net asset value per share and dividends, and maintain the fund's accounting records. Prior to July 1, 1991, the annual fee for these pricing and bookkeeping services was based on two schedules, one pertaining to the fund's average net assets, and one pertaining to the type and number of transactions the fund made. The fee rates in effect as of July 1, 1991 are based on the fund's average net assets, specifically, .06% for the first $500 million of average net assets and .03% for average net assets in excess of $500 million. The fee is limited to a minimum of $45,000 and a maximum of $750,000 per year. Pricing and bookkeeping fees, including related out-of-pocket expenses, paid to FSC for fiscal 1993, 1992, and 1991 were $ 761,673 , $462,383, and $122,037, respectively.

The 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 the 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 TRUST

TRUST ORGANIZATION. Fidelity Equity-Income II Fund is a fund of Fidelity Financial Trust (the trust), an open-end management investment company organized as a Massachusetts business trust on October 20, 1982. On December 17, 1982, the Declaration of Trust was amended to change the name of the trust from Fidelity Tax-Qualified Equity Fund to Fidelity Freedom Fund and on January 1, 1987, the Declaration of Trust was further amended to change the name of the trust to Fidelity Financial Trust. Currently, there are three funds of the trust: Fidelity Convertible Securities Fund, Fidelity Retirement Growth Fund, and Fidelity Equity-Income II Fund. The Declaration of Trust 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 name "Fidelity" may be withdrawn.

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 a "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 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 shareholder 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 a 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 they would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of their office.

VOTING RIGHTS. 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 trust or the fund, as determined by the value of each shareholder's investment in the fund or trust. If not so terminated, the trust and its funds will continue indefinitely.

CUSTODIAN. Chase Manhattan Bank N.A., 1211 Avenue of the Americas, New York, New York, is custodian of the fund's assets. The custodian is responsible for the safekeeping of the fund's assets and the appointment of sub-custodian banks and clearin g agencies. Prior to May, 1992 the fund's custodian was Brown Brothers Harriman & Co., 40 Water Street, Boston, Massachusetts. The custodian takes no part in determining the fund's investment policies, or in deciding which securities are purchased or sold by the fund. The fund, however, may 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 from time to time have transactions with various banks, including custodian and sub-custodian banks for certain of the funds advised by FMR. The Boston branch of Brown Brothers Harriman & Co. leases its office space from an affiliate of FMR at a lease payment which, when entered into, was consistent with prevailing market rates. Other 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 fund and provides other audit, tax, and related services.

FINANCIAL STATEMENTS

The fund's Annual Report for the fiscal year ended November 30, 1993 is a separate report supplied with this Statement of Additional Information and is incorporated herein by reference.

APPENDIX

DESCRIPTION OF MOODY'S INVESTORS SERVICE, INC.'S CORPORATE 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 the 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 over the future. Uncertainty of position characterizes bonds in this class.

B - Bonds rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or maintenance of other terms of the contract over any long period of time may be small.

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 principal or interest.

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 issued so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Moody's applies numerical modifiers, 1, 2, and 3, in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

DESCRIPTION OF STANDARD & POOR'S CORPORATION'S CORPORATE 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 higher-rated 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 rate 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- 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) Financial Statements

(i) The financial statements for Fidelity Convertible Securities Fund for the fiscal year ended November 30, 1993, are incorporated by reference into the fund's Statement of Additional Information and are filed herein as Exhibit 24(a)(i).

(ii) The financial statements for Fidelity Retirement Growth Fund for the fiscal year ended November 30, 1993, are incorporated by reference into the fund's Statement of Additional Information and are filed herein as Exhibit 24(a)(ii).

(iii) The financial statements for Fidelity Equity-Income II Fund for the fiscal year ended November 30, 1993, are incorporated by reference into the fund's Statement of Additional Information and are filed herein as Exhibit 24(a)(iii).

(b) Exhibits

1. (a) Declaration of Trust dated October 20, 1982 is incorporated herein by reference to Exhibit 1 to Registration Statement No. 2-52772.

(b) Supplement to Declaration of Trust dated December 17, 1982 is incorporated herein by reference to Exhibit 1(b) to Pre-Effective Amendment No. 2.

(c) Amended and restated Declaration of Trust dated April 27, 1987, is incorporated herein by reference to Exhibit 1(c) to Post-Effective Amendment No. 8.

(d) Supplement to the Declaration of Trust dated January 16, 1987 is incorporated herein by reference to Exhibit 1(d) to Post-Effective Amendment No. 8.

(e) Supplement to the Declaration of Trust dated December 19, 1989 is incorporated herein by reference to Exhibit 1(e) to Post-Effective Amendment No. 15.

2. (a) By-laws of the Trust are incorporated herein by reference to Exhibit 2 to Registration Statement No. 2-52772.

(b) Supplement to the Bylaws of the Trust dated November 15, 1989 is incorporated herein by reference to Exhibit 2(b) to Post-Effective Amendment No. 15.

3. Not Applicable.

4. Not Applicable.

5. (a) Management Contract between Fidelity Freedom Fund and Fidelity Management & Research Company dated January 29, 1990 is incorporated herein by reference to Exhibit 5(a) to Post-Effective Amendment No. 15.

(b) Management Contract between Fidelity Convertible Securities Fund and Fidelity Management & Research Company dated January 29, 1990 is incorporated herein by reference to Exhibit 5(b) to Post-Effective Amendment No. 15.

(c) Sub-Advisory Agreement for Fidelity Freedom Fund between Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research Company dated December 1, 1989 is incorporated herein by reference to Exhibit 5(c) to Post-Effective Amendment No. 15.

(d) Sub-Advisory Agreement for Fidelity Freedom Fund between Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research Company dated December 1, 1989 is incorporated herein by reference to Exhibit 5(d) to Post-Effective Amendment No. 15.

(e) Sub-Advisory Agreement for Fidelity Convertible Securities Fund between Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research Company dated December 1, 1989 is incorporated herein by reference to Exhibit 5(e) to Post-Effective Amendment No. 15.

(f) Sub-Advisory Agreement for Fidelity Convertible Securities Fund between Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research Company dated December 1, 1989 is incorporated herein by reference to Exhibit 5(f) to Post-Effective Amendment No. 15.

(g) Management Contract between Fidelity Equity-Income II Fund and Fidelity Management & Research Company dated August 20, 1990 is incorporated herein by reference to Exhibit 5(g) to Post-Effective Amendment No. 18.

(h) Sub-Advisory Agreement for Fidelity Equity-Income II Fund between Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research Company dated August 20, 1990 is incorporated herein by reference to Exhibit 5(h) to Post-Effective Amendment No. 18.

(i) Sub-Advisory Agreement for Fidelity Equity-Income II Fund between Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research Company, dated August 20, 1990 is incorporated herein by reference to Exhibit 5(i) to Post-Effective Amendment No. 18

(j) Form of Management Contract between Fidelity Equity-Income II Fund and Fidelity Management & Research Company dated December 1, 1993 is filed herein as Exhibit 5(j).

(k) Form of Management Contract between Fidelity Convertible Securities Fund and Fidelity Management & Research Company dated December 1, 1993 is filed herein as Exhibit 5(k).

(l) Form of Management Contract between Fidelity Retirement Growth Fund and Fidelity Management & Research Company dated December 1, 1993 is filed herein as Exhibit 5(l).

(m) Form of Sub-Advisory Agreement for Fidelity Equity-Income II Fund between Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research Company dated December 1, 1993 is filed herein as Exhibit 5(m).

(n) Form of Sub-Advisory Agreement for Fidelity Equity-Income II Fund between Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research Company, dated December 1, 1993 is filed herein as Exhibit 5(n).

(o) Form of Sub-Advisory Agreement for Fidelity Convertible Securities Fund between Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research Company dated December 1, 1993 is filed herein as Exhibit 5(o).

(p) Form of Sub-Advisory Agreement for Fidelity Convertible Securities Fund between Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research Company, dated December 1, 1993 is filed herein as Exhibit 5(p).

(q) Form of Sub-Advisory Agreement for Fidelity Retirement Growth Fund between Fidelity Management & Research (Far East) Inc. and Fidelity Management & Research Company dated December 1, 1993 is filed herein as Exhibit 5(q).

(r) Form of Sub-Advisory Agreement for Fidelity Retirement Growth Fund between Fidelity Management & Research (U.K.) Inc. and Fidelity Management & Research Company, dated December 1, 1993 is filed herein as Exhibit 5(r).

6. (a) General Distribution Agreement between Fidelity Freedom Fund and Fidelity Distributors Corporation, dated April 1, 1987 is incorporated herein by reference to Exhibit 6(a) to Post-Effective Amendment No. 10.

(b) General Distribution Agreement between Fidelity Convertible Securities Fund and Fidelity Distributors Corporation dated December 29, 1986 is incorporated herein by reference to Exhibit 6(b) to Post-Effective Amendment No. 9.

(c) Amendment to the General Distribution Agreement between Fidelity Freedom Fund and Fidelity Distributors Corporation dated January 1, 1988 is incorporated herein by reference to Exhibit 6(c) to Post-Effective Amendment No. 11.

(d) Amendment to the General Distribution Agreement between Fidelity Convertible Securities Fund and Fidelity Distributors Corporation dated January 1, 1988 is incorporated herein by reference to Exhibit 6(d) to Post-Effective Amendment No. 11.

(e) General Distribution Agreement between Fidelity Equity-Income II Fund and Fidelity Distributors Corporation dated August 20, 1990 is incorporated herein by reference to Exhibit 6(e) to Post-Effective Amendment No. 18.

7. Retirement Plan for Non-Interested Trustees, Directors or General Partners, effective November 1, 1989 is incorporated herein by reference to Exhibit 7 to Post-Effective Amendment No. 21.

8. (a) Custodian Agreement between Registrant and Brown Brothers Harriman & Co. dated July 23, 1987 is incorporated herein by reference to Exhibit 8 to Post-Effective Amendment No. 11.

(b) Appendix to Custodian Agreement between Registrant and Brown Brothers Harriman & Co. dated August 17, 1990 is incorporated herein by reference to Exhibit 8(b) to Post-Effective Amendment No. 18.

9. (a) Amended Master Service Agreement between Fidelity Financial Trust, FMR Corp., and Fidelity Service Co. dated June 1, 1989 is incorporated herein by reference to Exhibit 9(a) to Post-Effective Amendment No. 15.

(b) Schedules A (transfer, dividend disbursing, and shareholders' service); B (pricing and bookkeeping); and C (securities lending transactions) dated June 1, 1989, pertaining to Fidelity Freedom Fund, are incorporated herein by reference to Exhibit 9(b) to Post-Effective Amendment No. 15.

(c) Schedules A (transfer, dividend disbursing, and shareholders' service); B (pricing and bookkeeping); and C (securities lending transactions) dated June 1, 1989, pertaining to Fidelity Convertible Securities Fund, are incorporated herein by reference to Exhibit 9(c) to Post-Effective Amendment No. 15.

(d) Schedules A (transfer, dividend disbursing, and shareholders' service); B (pricing and bookkeeping); and C (securities lending transactions) dated August 20, 1990, pertaining to Fidelity Equity-Income II Fund, are incorporated herein by reference to Exhibit 9(d) to Post-Effective Amendment No. 18.

10. Not applicable.

11. Consent of Price Waterhouse is filed herein as Exhibit 11.

12. Not applicable.

13. Not applicable.

14. (a) Fidelity Individual Retirement Account Custodial Agreement and Disclosure Statement, as currently in effect, is incorporated herein by reference to Exhibit 14(a) to Post-Effective Amendment No. 18.

(b) Fidelity 403(b)(7) Custodial Account Agreement, as currently in effect, is incorporated herein by reference to Exhibit 14(b) to Post-Effective Amendment No. 20.

(c) Fidelity Defined Contribution Retirement Plan and Trust Agreement, as currently in effect, is incorporated herein by reference to Exhibit 14(c) to Post-Effective Amendment No. 18.

(d) Fidelity Defined Benefit Pension Plan and Trust, as currently in effect, is incorporated herein by reference to Exhibit 14(d) to Post-Effective Amendment No. 20.

(e) Fidelity 401(a) Prototype Plan for Tax-Exempt Employers, as currently in effect, is incorporated herein by reference to Exhibit 14(e) to Post-Effective Amendment No. 18.

(f) Fidelity Master Plan for Savings and Investments, as currently in effect, is incorporated herein by reference to Exhibit 14(f) to Post-Effective Amendment No. 20.

(g) Fidelity Group Individual Retirement Account Custodial Agreement and Disclosure Statement, as currently in effect, is incorporated herein by reference to Exhibit 14(g) to Post-Effective Amendment No. 18.

15. (a) Distribution and Service Plan between Fidelity Freedom Fund and Fidelity Distributors Corporation is incorporated herein by reference to Exhibit 15(a) to Post-Effective Amendment No. 8.

(b) Distribution and Service Plan between Fidelity Convertible Securities Fund and Fidelity Distributors Corporation is incorporated herein by reference to Exhibit 15(b) to Post-Effective Amendment No. 9.

(c) Distribution and Service Plan pursuant to Rule 12b-1 for Fidelity Equity-Income II Fund is incorporated herein by reference to Exhibit 15(c) to Post-Effective Amendment No. 17.

16. (a) A schedule for computation of performance quotations for Fidelity Freedom Fund is incorporated herein by reference to Exhibit 16(a) to Post-Effective Amendment No. 12.

(b) A schedule for computation of performance quotations for Fidelity Convertible Securities Fund is incorporated herein by reference to Exhibit 16(b) to Post-Effective Amendment No. 12.

(c) A schedule for computation of performance quotations for Fidelity Equity-Income II Fund is incorporated herein by reference to Exhibit 16(c) to Post-Effective Amendment No. 17.

(d) A schedule for computation of long-term moving averages for Fidelity Convertible Securities Fund is filed herein as Exhibit 16(d).

Item 25. Persons Controlled By or Under Common Control With Registrant

The Board of Trustees of Fidelity Financial Trust 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, the 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 Convertible Securities Fund   79,529
Fidelity Equity-Income II Fund   384,548
Fidelity Retirement Growth Fund   212,729

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 Harmetz	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>

(2) FIDELITY MANAGEMENT & RESEARCH (U.K.) INC. (FMR U.K.)
FMR U.K. provides investment advisory services to Fidelity Management & Research Company and Fidelity Management Trust 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>	<C>
Edward C. Johnson 3d	Chairman and Director of FMR U.K.; Chairman of the Executive Committee of FMR; Chief Executive Officer of FMR Corp.; Chairman of the Board and a Director of FMR, FMR Corp., FMR Texas Inc., and Fidelity Management & Research (Far East) Inc.; President and Trustee of funds advised by FMR.
J. Gary Burkhead	President and Director of FMR U.K.; President of FMR; Managing Director of FMR Corp.; President and a Director of FMR Texas Inc. and Fidelity Management & Research (Far East) Inc.; Senior Vice President and Trustee of funds advised by FMR.
Richard C. Habermann	Senior Vice President of FMR U.K. (1991); Senior Vice President of Fidelity Management & Research (Far East) Inc. (1991); Director of Worldwide Research of FMR.
Charles F. Dornbush	Treasurer of FMR U.K.; Treasurer of Fidelity Management & Research (Far East) Inc.; Treasurer of FMR Texas Inc., Senior Vice President and Chief Financial Officer of the Fidelity funds.
David Weinstein	Clerk of FMR U.K.; Clerk of Fidelity Management & Research (Far East) Inc.; Secretary of FMR Texas Inc.

</TABLE>

(3) FIDELITY MANAGEMENT & RESEARCH (FAR EAST) INC. (FMR Far East)
FMR Far East provides investment advisory services to Fidelity Management & Research Company and Fidelity Management Trust 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>	<C>
Edward C. Johnson 3d	Chairman and Director of FMR Far East; Chairman of the Executive Committee of FMR; Chief Executive Officer of FMR Corp.; Chairman of the Board and a Director of

	FMR, FMR Corp., FMR Texas Inc. and Fidelity Management & Research (U.K.) Inc.; President and Trustee of funds advised by FMR.
J. Gary Burkhead	President and Director of FMR Far East; President of FMR; Managing Director of FMR Corp.; President and a Director of FMR Texas Inc. and Fidelity Management & Research (U.K.) Inc.; Senior Vice President and Trustee of funds advised by FMR.
Richard C. Habermann	Senior Vice President of FMR Far East (1991); Senior Vice President of Fidelity Management & Research (U.K.) Inc. (1991); Director of Worldwide Research of FMR.
William R. Ebsworth	Vice President of FMR Far East.
Bill Wilder	Vice President of FMR Far East (1993).
Charles F. Dornbush	Treasurer of FMR Far East; Treasurer of Fidelity Management & Research (U.K.) Inc.; Treasurer of FMR Texas Inc.; Senior Vice President and Chief Financial Officer of the Fidelity funds.

</TABLE>

David C. Weinstein	Clerk of FMR Far East; Clerk of Fidelity Management & Research (U.K.) Inc.; Secretary of FMR Texas Inc. .

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 31a of the 1940 Act and the Rules promulgated thereunder are maintained by Fidelity Management & Research Company or Fidelity Service Co., 82 Devonshire Street, Boston, MA 02109, or the funds' custodian: The Chase Manhattan Bank, 1211 Avenue of the Americas, New York, N.Y.

Item 31. Management Services
Not applicable.

Item 32. Undertakings
The Registrant on behalf of Fidelity Convertible Securities Fund, Fidelity Equity-Income II Fund, and Fidelity Retirement Growth Fund 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirements for the effectiveness of this Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Post-Effective Amendment No. 26 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 13th day of January 1994.

FIDELITY FINANCIAL 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>	<C>	<C>
/s/Edward C. Johnson 3d(dagger)	President and Trustee	January 13, 1994
Edward C. Johnson 3d	(Principal Executive Officer)	

</TABLE>

/s/Gary L. French	Treasurer	January 13, 1994
Gary L. French		
/s/J. Gary Burkhead	Trustee	January 13, 1994
J. Gary Burkhead		
/s/Ralph F. Cox *	Trustee	January 13, 1994
Ralph F. Cox		
/s/Phyllis Burke Davis *	Trustee	January 13, 1994
Phyllis Burke Davis		
/s/Richard J. Flynn *	Trustee	January 13, 1994
Richard J. Flynn		
/s/E. Bradley Jones *	Trustee	January 13, 1994
E. Bradley Jones		
/s/Donald J. Kirk *	Trustee	January 13, 1994
Donald J. Kirk		
/s/Peter S. Lynch *	Trustee	January 13, 1994
Peter S. Lynch		
/s/Edward H. Malone *	Trustee	January 13, 1994
Edward H. Malone		
/s/Marvin L. Mann *	Trustee	January 13, 1994
Marvin L. Mann		
/s/Gerald C. McDonough*	Trustee	January 13, 1994
Gerald C. McDonough		
/s/Thomas R. Williams *	Trustee	January 13, 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

We, the undersigned Directors, Trustees or General Partners, as the case may be, of the following investment companies:

<TABLE>
<CAPTION>

<S>	<C>
Daily Money Fund	Fidelity Institutional Cash Portfolios
Fidelity Advisor Series I	Fidelity Institutional Trust
Fidelity Advisor Series II	Fidelity Investment Series
Fidelity Advisor Series III	Fidelity Investment Trust
Fidelity Advisor Series IV	Fidelity Magellan Fund
Fidelity Advisor Series V	Fidelity Massachusetts Municipal Trust
Fidelity Advisor Series VI	Fidelity Money Market Trust
Fidelity Advisor Series VII	Fidelity Mt. Vernon Street Trust
Fidelity Advisor Series VIII	Fidelity Municipal Trust
Fidelity Beacon Street Trust	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 Special Situations Fund
Fidelity Contrafund	Fidelity Sterling Performance Portfolio, L.P.
Fidelity Corporate Trust	Fidelity Summer Street Trust
Fidelity Court Street Trust	Fidelity Trend Fund
Fidelity Destiny Portfolios	Fidelity Triad Fund, Inc.
Fidelity Deutsche Mark Performance Portfolio, L.P.	Fidelity U.S. Investments-Bond Fund, L.P.
Fidelity Devonshire Trust	Fidelity U.S. Investments-Government Securities Fund, L.P.
Fidelity Exchange Fund	Fidelity Union Street Trust
Fidelity Financial Trust	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 Income Fund	
Fidelity Income Trust	

</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

E. Bradley Jones Thomas R. Williams

/s/Donald J. Kirk

Donald J. Kirk

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>	<C>
Daily Money Fund	Fidelity Institutional Cash Portfolios
Fidelity Advisor Series I	Fidelity Institutional Trust
Fidelity Advisor Series II	Fidelity Investment Series
Fidelity Advisor Series III	Fidelity Investment Trust
Fidelity Advisor Series IV	Fidelity Magellan Fund
Fidelity Advisor Series V	Fidelity Massachusetts Municipal Trust
Fidelity Advisor Series VI	Fidelity Money Market Trust
Fidelity Advisor Series VII	Fidelity Mt. Vernon Street Trust
Fidelity Advisor Series VIII	Fidelity Municipal Trust
Fidelity Beacon Street Trust	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 Special Situations Fund
Fidelity Contrafund	Fidelity Sterling Performance Portfolio, L.P.
Fidelity Corporate Trust	Fidelity Summer Street Trust
Fidelity Court Street Trust	Fidelity Trend Fund
Fidelity Destiny Portfolios	Fidelity Triad Fund, Inc.
Fidelity Deutsche Mark Performance Portfolio, L.P.	Fidelity U.S. Investments - Bond Fund, L.P.
Fidelity Devonshire Trust	Fidelity U.S. Investments - Government Securities Fund, L.P.
Fidelity Exchange Fund	
Fidelity Financial Trust	Fidelity Union Street Trust
Fidelity Fixed-Income Trust	Fidelity Yen Performance Portfolio, L.P.
Fidelity Government Securities Fund	Spartan U.S. Treasury Money Market Fund
Fidelity Hastings Street Trust	Variable Insurance Products Fund
Fidelity Income Fund	Variable Insurance Products Fund II
Fidelity Income 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 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

Edward C. Johnson 3d

POWER OF ATTORNEY

I, the undersigned Director, Trustee or General Partner, as the case may be, of the following investment cmpanies:

<TABLE>
<CAPTION>

<S>	<C>
Daily Money Fund	Fidelity Investment Trust

Fidelity Advisor Series I	Fidelity Magellan Fund
Fidelity Advisor Series III	Fidelity Massachusetts Municipal Trust
Fidelity Advisor Series IV	Fidelity Money Market Trust
Fidelity Advisor Series VI	Fidelity Mt. Vernon Street Trust
Fidelity Advisor Series VIII	Fidelity New York Municipal Trust
Fidelity Beacon Street Trust	Fidelity Puritan Trust
Fidelity California Municipal Trust	Fidelity School Street Trust
Fidelity Capital Trust	Fidelity Select Portfolios
Fidelity Charles Street Trust	Fidelity Special Situations Fund
Fidelity Commonwealth Trust	Fidelity Sterling Performance Portfolio, L.P.
Fidelity Congress Street Fund	Fidelity Summer Street Trust
Fidelity Contrafund	Fidelity Trend Fund
Fidelity Deutsche Mark Performance	Fidelity Triad Fund, Inc.
Portfolio, L.P.	Fidelity Union Street Trust
Fidelity Devonshire Trust	Fidelity U.S. Investments-Bond Fund, L.P.
Fidelity Financial Trust	Fidelity U.S. Investments-Government Securities
Fidelity Fixed-Income Trust	Fund, L.P.
Fidelity Government Securities Fund	Fidelity Yen Performance Portfolio, L.P.
Fidelity Hastings Street Trust	Spartan U.S. Treasury Money Market
Fidelity Income Fund	Fund
Fidelity Income Trust	Variable Insurance Products Fund
Fidelity Institutional Cash Portfolios	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/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 cmpanies:

<TABLE>
<CAPTION>

<S>	<C>
Daily Money Fund	Fidelity Institutional Cash Portfolios
Fidelity Advisor Series I	Fidelity Institutional Trust
Fidelity Advisor Series III	Fidelity Mt. Vernon Street Trust
Fidelity Advisor Series IV	Fidelity School Street Trust
Fidelity Advisor Series VI	Fidelity Select Portfolios
Fidelity Advisor Series VIII	Fidelity Special Situations Fund
Fidelity Beacon Street Trust	Fidelity Sterling Performance Portfolio, L.P.
Fidelity Capital Trust	Fidelity Trend Fund
Fidelity Commonwealth Trust	Fidelity Triad Fund, Inc.
Fidelity Contrafund	Fidelity Union Street Trust
Fidelity Deutsche Mark Performance	Fidelity U.S. Investments-Bond Fund, L.P.
Portfolio, L.P.	Fidelity U.S. Investments-Government Securities
Fidelity Devonshire Trust	Fund, L.P.
Fidelity Financial Trust	Fidelity Yen Performance Portfolio, L.P.
Fidelity Fixed-Income Trust	Spartan U.S. Treasury Money Market
Fidelity Government Securities Fund	Fund
Fidelity Hastings Street Trust	Variable Insurance Products Fund
Fidelity Income Trust	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/Phyllis Burke Davis   October 20, 1993

Phyllis Burke Davis

EXHIBIT 24(A)(1)
(2_FIDELITY_LOGOS)FIDELITY

CONVERTIBLE SECURITIES
FUND
ANNUAL REPORT
NOVEMBER 30, 1993
CONTENTS

PRESIDENT'S MESSAGE

DEAR SHAREHOLDER:

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

Whether or not you're someone whose tax bill will increase as a result of these changes, it may make sense to consider ways to keep more of what you earn.

First, if your employer offers a 401(k) or 403(b) retirement savings plan, consider enrolling. These plans are set up so you can make regular contributions -
before taxes - to a retirement savings plan. They offer a disciplined savings strategy, the ability to accumulate earnings tax-deferred, and immediate tax savings. For example, if you earn $40,000 a year and contribute 7% of your salary to your 401(k) plan, your annual contribution is $2,800. That reduces your taxable income to $37,200 and, if you're in the
28% tax bracket, saves you $784 in Federal taxes. In addition, you pay no taxes on any earnings until withdrawal.

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

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

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

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

Wishing you a prosperous new year,

Edward C. Johnson 3d, Chairman

PERFORMANCE: THE BOTTOM LINE

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

CUMULATIVE TOTAL RETURNS

PERIODS ENDED NOVEMBER 30, 1993	PAST 1 YEAR	PAST 5 YEARS	LIFE OF FUND
Convertible Securities	19.94%	145.22%	167.04%
Merrill Lynch Convertible Securities Index	20.82%	101.24%	n/a
Average Convertible Securities Fund	16.14%	86.32%	n/a

CUMULATIVE TOTAL RETURNS show the fund's performance in percentage terms over a set period - one year, five years, or since the fund started on January 5, 1987. For comparison, you can look at the performance of the Merrill Lynch Convertible Securities Index - a broad measure of the performance of convertible securities. You can also look at the average convertible securities fund, which reflects the performance of 23 convertible securities funds tracked by Lipper Analytical Services. These benchmarks include reinvested dividends and capital gains, if any, and exclude the effects of sales charges.

AVERAGE ANNUAL TOTAL RETURNS

PERIODS ENDED NOVEMBER 30, 1993	PAST 1 YEAR	PAST 5 YEARS	LIFE OF FUND
Convertible Securities	19.94%	19.65%	15.27%
Merrill Lynch Convertible Securities Index	20.82%	15.01%	n/a

Average Convertible Securities Fund 16.14% 13.05% n/a

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

$10,000 OVER LIFE OF FUND

	Convertible Securities (308)	First Boston Convert. Sec (FB002)
01/31/87	10,000.00	10,000.00
02/28/87	10,350.20	10,414.00
03/31/87	10,437.75	10,521.26
04/30/87	10,282.10	10,523.37
05/31/87	10,252.92	10,554.94
06/30/87	10,429.22	10,775.54
07/31/87	10,949.70	11,215.18
08/31/87	11,195.21	11,439.48
09/30/87	11,119.15	11,271.32
10/31/87	9,020.63	9,151.19
11/30/87	9,000.74	8,857.43
12/31/87	9,253.19	9,308.28
01/31/88	9,598.15	9,567.05
02/29/88	9,993.85	10,007.13
03/31/88	10,126.04	9,973.11
04/30/88	10,321.56	10,179.55
05/31/88	10,249.53	10,078.77
06/30/88	10,675.20	10,466.80
07/31/88	10,602.15	10,357.95
08/31/88	10,445.63	10,174.61
09/30/88	10,582.76	10,356.74
10/31/88	10,752.08	10,488.27
11/30/88	10,593.34	10,317.31
12/31/88	10,723.60	10,556.67
01/31/89	11,181.78	11,030.67
02/28/89	11,301.78	11,028.46
03/31/89	11,630.81	11,171.83
04/30/89	12,061.99	11,547.21
05/31/89	12,338.38	11,781.61
06/30/89	12,437.47	11,695.61
07/31/89	12,997.21	12,031.27
08/31/89	13,422.61	12,295.96
09/30/89	13,433.81	12,188.99
10/31/89	13,161.96	11,803.81
11/30/89	13,377.18	11,996.22
12/31/89	13,542.00	12,009.41
01/31/90	13,040.01	11,531.44
02/28/90	13,191.78	11,683.65
03/31/90	13,450.80	11,862.41
04/30/90	13,344.42	11,597.88
05/31/90	13,876.30	12,160.38
06/30/90	14,031.24	12,145.78
07/31/90	13,935.54	12,037.69
08/31/90	13,014.48	11,344.32
09/30/90	12,372.24	10,848.57
10/31/90	12,129.89	10,442.83
11/30/90	12,760.01	10,953.49
12/31/90	13,150.08	11,182.42
01/31/91	13,965.01	11,684.51
02/28/91	14,866.38	12,382.07
03/31/91	15,261.64	12,685.43
04/30/91	15,436.49	12,813.55

05/31/91	15,961.03	13,192.84
06/30/91	15,657.98	12,824.76
07/31/91	16,289.35	13,312.10
08/31/91	16,908.09	13,808.64
09/30/91	17,190.33	13,783.78
10/31/91	17,930.53	13,982.27
11/30/91	17,164.81	13,645.30
12/31/91	18,244.09	14,438.09
01/31/92	19,164.97	14,838.02
02/29/92	19,792.24	15,222.33
03/31/92	19,458.45	15,095.98
04/30/92	19,620.15	15,268.08
05/31/92	19,997.46	15,545.96
06/30/92	19,878.15	15,472.89
07/31/92	20,422.38	15,898.39
08/31/92	20,027.81	15,798.23
09/30/92	20,504.91	16,114.20
10/31/92	20,985.60	16,152.87
11/30/92	21,658.57	16,619.69
12/31/92	22,261.35	16,988.65
01/31/93	23,005.78	17,518.69
02/28/93	22,604.93	17,587.02
03/31/93	23,729.83	18,230.70
04/30/93	23,946.74	18,227.05
05/31/93	24,539.62	18,546.03
06/30/93	24,511.54	18,722.22
07/31/93	24,759.72	18,915.05
08/31/93	25,343.67	19,433.33
09/30/93	25,638.10	19,652.92
10/31/93	26,227.48	20,116.73
11/30/93	25,976.99	19,812.97

$10,000 OVER LIFE OF FUND: Let's say you invested $10,000 in Fidelity Convertible Securities Fund on January 31, 1987, shortly after the fund started. As the chart shows, by November 30, 1993, the value of your investment would have grown to $25,977 - a 159.77% increase on your initial investment. For comparison, look at how the First Boston Convertible Securities Index did over the same period. (The Merrill Lynch Convertible Securities Index does not extend as far back as the fund's start date, and therefore is not appropriate for this comparison.) With dividends reinvested, the same $10,000 investment in the First Boston Convertible Securities Index would have grown to $19,813 - a 98.13% increase.

UNDERSTANDING
PERFORMANCE

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

(checkmark)

FUND TALK: THE MANAGER'S OVERVIEW

MARKET RECAP

Low inflation, falling interest rates

and a gradually improving economy boosted U.S. stocks during the 12 months ended November 30, 1993. The Standard & Poor's 500 Composite Stock Price Index - a broad measure of U.S. stock performance - rose 10.10%, in line with the market's long-term average annual return. Continued poor performance by tobacco, drug and brand-name consumer products stocks was offset by impressive results in other sectors, including technology, although semiconductors gave back part of their gains in October and November. Other market leaders were finance, notably securities brokers; autos; entertainment; and precious metals. Communications stocks soared as traditional telephone utilities, cellular communications companies and entertainment companies scrambled to form strategic alliances. Mergers and acquisitions activity resumed at a pace reminiscent of the 1980s. The NASDAQ Composite Index, which tracks over-the counter stocks, rose 15.57% for the year, compared to 14.73% for the Dow Jones Industrial Average, an index of 30 blue-chip stocks. Both trailed the Morgan Stanley EAFE (Europe, Australia, Far East) index, which rose 24.27%. Two widely watched benchmarks broke records during the period: Slow growth and the prospect of higher taxes helped push the yield on the 30-year Treasury below 6% in early September; meanwhile, the Dow closed above 3700 for the first time in mid-November, and finished the month at 3684.

An interview with Andrew Offit, Portfolio Manager of Fidelity Convertible Securities Fund

Q. HOW HAS THE FUND DONE?

A. Pretty well. It had a total return of 19.94% during the year ended November 30, 1993. According to Lipper Analytical Services, the average convertible securities fund had a return of 16.14% during the period. By comparison, the Merrill Lynch Convertible Securities Index, which largely reflects the performance of larger convertibles such as Ford and Chrysler, returned 20.82%.

Q. SO WHAT HELPED THE FUND BEAT THE AVERAGE DURING THE PAST 12 MONTHS?

A. Overall the fund was helped most by successful individual stock picking. I don't spend much time identifying economic trends or making specific asset-allocation decisions. Instead, I look for individual securities that offer the prospect of good returns. Once I find them, I make fairly big bets - and this year, many of them paid off. For example, during the past 12 months I invested as much as 14% of the fund in convertibles issued by the corporate parents of domestic airlines such as United, American and Delta, which have been extremely strong performers. The airlines have come through a period of losses, but they're starting to cut costs and boost prices. That has pushed up their share prices, and helped the underlying convertibles.

Q. SINCE TAKING OVER THE FUND IN MARCH 1992 YOU'VE REDUCED COMMON STOCK FROM AROUND 25% OF THE FUND'S INVESTMENTS TO AROUND 11%. WHY?

A. I try to manage the fund so that it's somewhat less exposed to stock market risk than it was in the recent past. By buying more convertibles I try to boost the fund's yield, which helps reduce the fund's overall risk. That allows me to take on other risks within the convertibles sector. For example, I can make big bets on convertible issues that I like, and I can buy potentially volatile convertibles whose prices closely reflect the performance of their underlying stocks.

Q. MANY OF THE FUND'S CONVERTIBLES WERE ISSUED BY COMPANIES WHOSE STOCKS WERE TRADING AT DEPRESSED LEVELS. DID THEY HELP PERFORMANCE?

A. Yes, considerably. About 5%-10% of the fund's investments were "busted convertibles," which means that their underlying stocks had plummeted so far in price that the convertibles traded almost like ordinary bonds. Busted convertibles typically pay high yields, so they can boost the fund's average yield. And if the underlying stock recovers strongly, the bonds can deliver significant price gains. For example, I bought busted convertibles of Centocor, the biotech firm, after its shares had declined from around $19 to $6 per share. The bond was paying a very attractive current yield of 12.9%. The stock has since recovered, and the convertibles have climbed from around $50 to $85.

Q. WHAT ABOUT THE DANGER THAT A FIRM'S DEPRESSED STOCK WILL CONTINUE TO DECLINE, BRINGING THE PRICE OF THE CONVERTIBLE DOWN?

A. It happens. But usually I'll stick with the issue if I'm confident that there have been no serious changes in the firm's prospects. Advanced Medical is a good example and is one of several issues that make up the fund's 14% stake in health care. I bought the convertibles at $70. They've since declined sharply. But the firm is restructuring its debt, and its core business continues to generate plenty of cash. Meanwhile, we're currently earning a 15% or so yield on that investment.

Q. NONE OF THE FUND'S TOP 10 HOLDINGS FROM LAST YEAR MADE THE LIST THIS YEAR. WHY NOT?

A. I sold most of them - for example, Maxicare and Greyhound - because their prices rose to levels that met my expectations. I sold CBS convertible preferreds because I underestimated the underlying stock's potential. Since I sold the preferreds, the stock has gone from $200 to $317. That was my biggest mistake during the period.

Q. WHAT'S YOUR OUTLOOK FOR THE FUND DURING THE COMING 12 MONTHS?

A. Convertibles have outperformed common stocks during the past five years. As a result, it's getting more difficult to find bargains. But there are still good opportunities among busted and other convertibles issued by out-of-favor companies. I like the convertibles of firms like IBM, Kodak and Bank of Boston that have had heavily publicized problems and are working to correct them. As they address those problems, the stocks could stage solid advances and boost the convertibles' prices. The major risk for shareholders in the fund is the possibility of a sharp rise in interest rates. I don't expect that to occur, but if it does, convertibles and other high-yield investments will probably suffer greater losses than stocks.

FUND FACTS

GOAL: a high total return (income plus changes in share price) by investing at least 65% of assets in convertible securities

START DATE: January 5, 1987

SIZE: as of November 30, 1993, over $1 billion

MANAGER: Andrew Offit, since March 1992; manager, Select Health Care, May 1990 - March 1992, Select Biotechnology, May 1989 -

May 1990; analyst, 1987 - 1989

(checkmark)

ANDREW OFFIT ON CHOOSING CONVERTIBLE SECURITIES:

"Most of the convertibles in the fund's portfolio carry no credit ratings, or are rated below investment grade by agencies such as Standard & Poor's. There are risks associated with investing in these securities, but also opportunities. Many money managers are forced to buy only investment-grade convertibles. As a result, I find a lot of neglected issues among the lower-rated bonds that they can't touch. I also believe that credit rating agencies often misunderstand a company's financial position. For example, I invested over 3% of the fund's assets in Stone Container convertibles earlier this year at $85, when many observers were convinced the firm was headed for bankruptcy. The bonds recently traded at $120."

(bullet) Roughly 14% of the fund's investments were in health-related securities as of November 30, 1993.

(bullet) The fund has about 25% of its investments in small and medium-size companies.

DISTRIBUTIONS

The Board of Trustees of Convertible Securities Fund voted to pay on December 13, 1993, to shareholders of record at the opening of business on December 10, 1993, a distribution of $1.09 derived from capital gains realized from sales of portfolio securities and a dividend of $.25 from net investment income.

INVESTMENT CHANGES

TOP TEN INVESTMENTS AS OF NOVEMBER 30, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS 6 MONTHS AGO
Time Warner, Inc. 8 3/4%, 1/10/15	5.1	0.0
UAL, Inc. (cumulative) 6 1/4%	3.6	4.2
Stone Container Corp. 8 7/8%,		

7/15/00	3.4	0.0
AMR Corp. $3.00	2.3	2.9
Mentor Corp. euro 6 3/4%, 7/22/02	1.9	1.3
Centocor, Inc. 7 1/4%, 2/1/01	1.5	1.4
Bank of Boston Corp. 7 3/4%, 6/15/11	1.4	0.6
Price Co. 6 3/4%, 3/1/01	1.4	0.7
Dell Computer Corp. $7.00	1.4	0.0
Texas Instruments, Inc. euro 2 3/4%, 9/29/02	1.4	0.0

TOP FIVE INDUSTRIES AS OF NOVEMBER 30, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS 6 MONTHS AGO
Health	13.8	8.3
Media & Leisure	11.9	5.8
Technology	11.0	9.4
Transportation	9.0	16.5
Finance	8.9	11.9

ASSET ALLOCATION
AS OF NOVEMBER 30, 1993* AS OF MAY 31, 1993*
Row: 1, Col: 1, Value: 11.6
Row: 1, Col: 2, Value: 76.40000000000001
Row: 1, Col: 3, Value: 1.5
Row: 1, Col: 4, Value: 11.1
Row: 1, Col: 1, Value: 10.1
Row: 1, Col: 2, Value: 84.5
Row: 1, Col: 3, Value: 1.5
Row: 1, Col: 4, Value: 4.7
Common Stocks 11.1%
Nonconvertible
Bonds 0.9%
Convertible
Securities 76.4%
Short-term
investments 11.6%
FOREIGN
INVESTMENTS 5.3%
Common Stocks 4.7%
Nonconvertible
Bonds 0.7%
Convertible
Securities 84.5%
Short-term
investments 10.1%
FOREIGN
INVESTMENTS 2.2%
*
*
INVESTMENTS NOVEMBER 30, 1993

Showing Percentage of Total Value of Investment in Securities

COMMON STOCKS - 11.1%
SHARES VALUE (NOTE 1)
(000S)
CONGLOMERATES - 1.0%
Canadian Pacific Ltd. Ord. 300,000 $ 4,913 13644030
Litton Industries, Inc. (a) 80,000 5,220 53802110
10,133
CONSTRUCTION & REAL ESTATE - 0.0%
BUILDING MATERIALS - 0.0%
Bird Corp. 45,000 405 09076310
ENERGY - 0.6%
OIL & GAS - 0.6%
British Petroleum PLC ADR 100,000 5,925 11088940
FINANCE - 0.7%
INSURANCE - 0.3%
Life USA Holding, Inc. 160,000 2,680 53191820
SAVINGS & LOANS - 0.4%
Baltimore Bancorp (a) 329,600 4,614 05902910
TOTAL FINANCE 7,294
HEALTH - 2.4%
DRUGS & PHARMACEUTICALS - 1.7%
Barr Laboratories, Inc. (a) 245,100 5,086 06830610
Pfizer, Inc. 56,200 3,737 71708110
Schering-Plough Corp. 130,000 8,694 80660510
17,517
MEDICAL EQUIPMENT & SUPPLIES - 0.3%
Laserscope, Inc. (a) 220,000 1,320 51808110
Moore Medical Corp. (a) 116,100 1,568 61579910
Scherer Healthcare, Inc. (a) 10,700 219 80653010
3,107
MEDICAL FACILITIES MANAGEMENT - 0.4%
Charter Medical Corp. (a) 190,000 4,560 16124170
TOTAL HEALTH 25,184
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
INDUSTRIAL MACHINERY & EQUIPMENT - 0.3%
Indresco, Inc. (a) 212,300 $ 2,946 45590510
MEDIA & LEISURE - 1.7%
BROADCASTING - 0.9%
Home Shopping Network, Inc. (a) 584,000 8,760 43735110
PUBLISHING - 0.8%
Dow Jones & Co Inc. 150,000 5,381 26056110
Tribune Co. 60,000 3,345 89604710
8,726
TOTAL MEDIA & LEISURE 17,486
PRECIOUS METALS - 1.0%
Agnico Eagle Mines Ltd. 227,000 3,038 00847410
Homestake Mining Co. 230,000 4,312 43761410
Placer Dome Inc. 140,000 3,223 72590610
10,573
RETAIL & WHOLESALE - 1.1%
GENERAL MERCHANDISE STORES - 0.9%
Sears, Roebuck & Co. 170,000 9,244 81238710
RETAIL & WHOLESALE, MISCELLANEOUS - 0.2%
Intertan, Inc. (warrants) (a) (d) 3,000 2,044 46112092
TOTAL RETAIL & WHOLESALE 11,288
TECHNOLOGY - 1.2%
COMPUTERS & OFFICE EQUIPMENT - 1.2%
Apple Computer, Inc. 140,000 4,410 03783310
Sun Microsystems, Inc. (a) 270,000 7,189 86681010
Electro Brain International Corp. (a) 280,000 560 28506220
12,159

TRANSPORTATION - 0.6%
RAILROADS - 0.6%
Santa Fe Pacific Corp.   300,000 6,150 80218310
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
UTILITIES - 0.5%
CELLULAR - 0.5%
Paging Network, Inc. (a) 180,000 $ 5,175 69554210
TOTAL COMMON STOCKS
(Cost $111,545)   114,718
PREFERRED STOCKS - 17.4%

CONVERTIBLE PREFERRED STOCKS - 17.4%
CONSTRUCTION & REAL ESTATE - 0.5%
BUILDING MATERIALS - 0.5%
Bird Corp. $1.85   105,800 1,852 09076330
Southdown, Inc. $.70 (a)   295,000 3,134 84129794
  4,986
DURABLES - 1.3%
AUTOS, TIRES, & ACCESSORIES - 0.5%
Navistar International Corp., Series G, $6.00 (a) 100,000 5,500 63890140
TEXTILES & APPAREL - 0.8%
Fieldcrest Cannon, Inc., Series A, $3.00 (e)   150,000 8,100 31654920
TOTAL DURABLES   13,600
ENERGY - 3.2%
ENERGY SERVICES - 1.3%
Energy Service, Inc. $1.50 176,400 4,741 29271930
Noble Drilling Corp. $2.25 exchangeable 39,300 1,778 65504220
Offshore Pipeline 178,500 7,006 67626920
  13,525
OIL & GAS - 1.9%
Diamond Shamrock, Inc. 5% (e) 220,000 12,210 25274730
Tosco Corp., Series F, $4.375   100,600 6,891 89149040
  19,101
TOTAL ENERGY   32,626
PREFERRED STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
CONVERTIBLE PREFERRED STOCKS - CONTINUED
FINANCE - 1.9%
BANKS - 1.2%
Citicorp $5.375 (e) 120,000 $ 12,780 17303451
CREDIT & OTHER FINANCE - 0.7%
American Express Co. 0% (a) 180,000 7,065 02581613
TOTAL FINANCE   19,845
HEALTH - 0.3%
MEDICAL FACILITIES MANAGEMENT - 0.3%
Beverly Enterprises, Inc. $2.75 31,300 1,772 08785120
IVF America, Inc., Series A, $.80 260,500 945 45070620
  2,717
INDUSTRIAL MACHINERY & EQUIPMENT - 0.4%
POLLUTION CONTROL - 0.4%
Environmental Systems Co., Series A, $1.75 206,370 4,076 29408720
MEDIA & LEISURE - 0.6%
BROADCASTING - 0.6%
Evergreen Media Corp. $3.00 exchangeable   123,000 6,181 30024820
PRECIOUS METALS - 0.8%
Newmont Mining Corp. $1.375 depositary shares
representing 1/2 pfd. (e) 130,000 8,385 65163930
TECHNOLOGY - 1.8%
COMPUTERS & OFFICE EQUIPMENT - 1.4%
Dell Computer Corp. $7.00 (e) 120,000 14,520 24702550
ELECTRONICS - 0.4%
Advanced Micro Devices, Inc. $3.00 80,000 3,880 00790330
TOTAL TECHNOLOGY   18,400

PREFERRED STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
CONVERTIBLE PREFERRED STOCKS - CONTINUED
TRANSPORTATION - 6.2%
AIR TRANSPORTATION - 5.8%
AMR Corp. $3.00 (a) (e) 450,000 $ 23,288 00176588
UAL, Inc. (cumulative) 6 1/4% (e) 316,000 37,091 90254930
60,379
TRUCKING & FREIGHT - 0.4%
TNT Ltd. 8% 3,025,000 3,788 93599293
TOTAL TRANSPORTATION 64,167
UTILITIES - 0.4%
GAS - 0.4%
Tejas Gas Corp. Delaware $2.625 91,000 4,527 87907550
TOTAL CONVERTIBLE PREFERRED STOCKS 179,510
NONCONVERTIBLE PREFERRED STOCKS - 0.0%
ENERGY - 0.0%
OIL & GAS - 0.0%
Gulf Canada Resources Ltd. (a) (d) 2,566 7 40218L92
Gulf Canada Resources Ltd. Series 1, adj. rate 89,434 235 40218L40
TOTAL NONCONVERTIBLE PREFERRED STOCKS 242
TOTAL PREFERRED STOCKS
(Cost $176,010) 179,752
CORPORATE BONDS - 59.9%
MOODY'S RATINGS (C) PRINCIPAL
(UNAUDITED) AMOUNTS (B) (000S)
CONVERTIBLE BONDS - 59.0%
BASIC INDUSTRIES - 7.1%
CHEMICALS & PLASTICS - 1.0%
Hercules, Inc. 8%, 8/15/10 A3 $ 1,500 $ 3,423 427056AK
Park Electrochemical Corp. sinking fund
7 1/4%, 6/15/06 B2 6,883 7,038 700416AA
10,461
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
BASIC INDUSTRIES - CONTINUED
IRON & STEEL - 1.5%
Allegheny Ludlum Corp. 5 7/8%, 3/15/02 Baa2 $ 8,000 $ 10,000 016900AA
Trimas Corp. 5%, 8/1/03 Ba3 5,000 5,750 896215AA
15,750
PAPER & FOREST PRODUCTS - 4.6%
International Paper Co. euro
5 3/4% 9/23/02 Baa1 5,000 5,400 460146AH
Mead Corp. 6 3/4%, 9/15/12 Baa1 5,500 5,706 582834AJ
Noranda Forest, Inc. 7 1/4%, 10/30/02 BBB- CAD 538 574 65542LAD
Stone Container Corp. 8 7/8%,
7/15/00 (e) B2 30,000 35,250 861589AL
46,930
TOTAL BASIC INDUSTRIES 73,141
CONSTRUCTION & REAL ESTATE - 1.8%
BUILDING MATERIALS - 0.4%
Lafarge Corp. 7%, 7/1/13 Baa2 2,850 3,000 505862AA
Nortek, Inc. sinking fund 7 1/2%, 5/1/06 Caa 2,000 1,440 656559AM
4,440
CONSTRUCTION - 1.4%
Continental Homes Holding Corp.
6 7/8%, 3/15/02 B3 6,150 6,626 21148CAB
Schuler Homes, Inc. 6 1/2%, 1/15/03 B2 4,000 5,240 808188AA
U.S. Home Corp. 4 7/8%, 11/1/05 B2 2,000 1,940 911920AC
13,806
TOTAL CONSTRUCTION & REAL ESTATE 18,246
DURABLES - 0.4%
CONSUMER ELECTRONICS - 0.4%

Whirlpool Corp. liquid yield option notes
0%, 5/14/11   Baa1 10,000 4,300 963320AJ
ENERGY - 1.9%
INDEPENDENT POWER - 0.4%
California Energy, Inc. 5%, 7/31/00 (e) Ba3 4,000 4,200 130190AB
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
ENERGY - CONTINUED
OIL & GAS - 1.5%
Alaska Intermediate 8 1/4%, 12/1/95   - $ 1,217 $ 1,214 9047889B
Box Energy Corp. 8 1/4%, 12/1/02   B3 5,100 6,553 103168AA
Presidio Oil Co. 9%, 3/15/15   Ca 9,735 7,885 741016AB
15,652
TOTAL ENERGY   19,852
FINANCE - 6.3%
BANKS - 3.6%
Bank of Boston Corp. 7 3/4%, 6/15/11   Baa2 13,500 14,749 060716AF
Bank of New York Co., Inc.
7 1/2%, 8/15/01   Baa1 7,000 10,867 064057AK
C.S. Holdings euro 4 7/8%, 11/19/02   A2 2,000 2,970 175997AC
Midlantic Banks, Inc. 8 1/4%, 7/1/01   B1 6,550 6,616 597806AK
Societe Generale 3 1/2%, 1/1/00   Aa1 FRF 9,900 2,036 833991SG
37,238
CREDIT & OTHER FINANCE - 0.9%
Elan International Finance, Ltd.
liquid yield option notes 0%, 10/16/12 Ba2 18,000 8,685 283903AA
INSURANCE - 1.5%
Axa SA 6%, 1/1/01   - FRF 7 2,042 052997AA
Pioneer Financial Services 8%, 7/15/00 - 4,000 4,460 723672AB
Travelers Co. 8.32%, 3/10/15   Baa2 9,100 9,236 894180AD
15,738
SECURITIES INDUSTRY - 0.3%
American Capital Bond Fund 8 1/2%, 1/1/95 AAA   3,000 3,165 024902AA
TOTAL FINANCE   64,826
HEALTH - 11.1%
DRUGS & PHARMACEUTICALS - 3.0%
Centocor, Inc. 7 1/4%, 2/1/01   Caa 18,000 15,570 152342AA
IVAX Corp. 6 1/2%, 11/15/01 (e)   - 10,000 10,200 465823AA
Roche Holdings, Inc. 0%, 9/23/08 (e) - 10,000 5,213 771196AA
30,983
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
HEALTH - CONTINUED
MEDICAL EQUIPMENT & SUPPLIES - 4.7%
Advanced Medical, Inc. 7 1/4%, 1/15/02   CCC- $ 19,977 $ 9,789 00754CAA
Cabot Medical Corp. 7 1/2%, 3/1/99   - 4,490 3,973 127095AA
MEDIQ Inc. 7 1/4%, 6/1/06   B3 4,145 3,710 584906AD
Medco Containment Services, Inc. 6%, 9/1/01 AAA 8,000 11,160 583905AC
Mentor Corp. euro 6 3/4%, 7/22/02 - 18,500 19,980 587188AA
48,612
MEDICAL FACILITIES MANAGEMENT - 3.4%
Abbey Healthcare Group, Inc.:
euro 6 1/2%, 12/1/02   - 2,000 2,650 0027869A
6 1/2%, 12/1/02 (e) B2 5,570 7,380 002786AA
Greenery Rehabilitation Group, Inc.
6 1/2%, 6/15/11 - 10,630 7,016 394797AA
Hillhaven Corp. 7 3/4%, 11/1/02 B3 5,000 6,775 431576AA
Horizon Healthcare Corp. 6 3/7%, 2/1/02   B3 3,475 4,830 44042HAA
Physicians Clinical Lab, Inc.
7 1/2%, 8/15/00 (e) - 6,000 6,780 71940RAA
35,431
TOTAL HEALTH   115,026

INDUSTRIAL MACHINERY & EQUIPMENT - 2.0%
ELECTRICAL EQUIPMENT - 1.0%
Willcox & Gibbs, Inc. 7%, 8/1/14   B2 6,500 6,370 969207AC
Zenith Electronics Corp. 8 1/2%, 11/19/00 (e) - 4,000 4,000
10,370
INDUSTRIAL MACHINERY & EQUIPMENT - 0.3%
SKF AB euro 0%, 7/26/02 Baa3 XEU 6,000 3,496 7843759B
POLLUTION CONTROL - 0.7%
OHM Corp. 8%, 10/1/06   B2 4,993 4,843 670839AA
Sanifill, Inc. 7 1/2%, 6/1/06   B2 2,300 2,266 801018AA
7,109
TOTAL INDUSTRIAL MACHINERY & EQUIPMENT   20,975
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
MEDIA & LEISURE - 9.6%
BROADCASTING - 5.1%
Time Warner, Inc. 8 3/4%, 1/10/15 Ba3 $ 50,000 $ 53,000 887315AQ
ENTERTAINMENT - 1.6%
All American Communications, Inc.
6 1/2%, 10/1/03 (e)   - 6,200 6,014 016480AA
Carnival Cruise Lines, Inc. 4 1/2%, 7/1/97 Baa2 3,000 4,500 143658AB
Savoy Pictures Entertainment 7%, 7/1/03 B2 5,000 6,125 805375AA
16,639
LODGING & GAMING - 1.3%
WMS Industries, Inc. 5 3/4%, 12/1/02 B1 10,000 13,000 929297AB
PUBLISHING - 1.6%
Nelson Thomas, Inc. 5 3/4%,
11/30/99 (e)   - 3,000 3,660 640376AA
Score Board, Inc.:
9%, 9/1/02 (e) - 3,500 7,551
9%, 2/1/03   - 3,000 5,438 8091739B
16,649
TOTAL MEDIA & LEISURE   99,288
NONDURABLES - 0.8%
FOODS - 0.8%
Chock Full-O-Nuts Corporation
7%, 4/1/12   B2 8,020 8,501 170268AC
PRECIOUS METALS - 0.4%
Canyon Resources Corp. 6%, 6/1/98 (e)   - 1,300 1,495 138869AA
Coeur D'Alene Mines Corp. Idaho
7%, 11/30/02   B2 2,000 2,660 192108AC
4,155
RETAIL & WHOLESALE - 5.4%
APPAREL STORES - 1.3%
Baker (J.), Inc. 7%, 6/1/02   B2 7,075 9,622 057232AA
Petrie Stores Corp. sinking fund
8%, 12/15/10   Ba2 3,250 4,290 716434AC
13,912
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
RETAIL & WHOLESALE - CONTINUED
GROCERY STORES - 1.0%
American Stores Co. 7 1/4%, 9/15/01 Ba1 $ 1,500 $ 1,658 030096AC
Kroger Co. 8 1/4%, 4/15/11   B3 6,000 5,880 501044AV
Promodes 5 1/2%, 1/1/00 - FRF 15,800 3,106 74699693
10,644
RETAIL & WHOLESALE, MISCELLANEOUS - 3.1%
Ben Franklin Retail Stores, Inc.
7 1/2%, 6/1/03   B- 3,750 3,675 081499AA
Lowe's Companies, Inc. 3%, 7/22/03 Baa1 12,000 13,230 548661AC
Price Co. 6 3/4%, 3/1/01 Baa1 14,000 14,630 741440AC
31,535

TOTAL RETAIL & WHOLESALE 56,091
SERVICES - 1.3%
ADVERTISING - 0.6%
Regal Communications Corp.
10%, 6/15/08 - 5,475 5,694 758756AA
SERVICES - 0.7%
ADT Ltd. euro 6%, 10/3/02 - 5,500 7,370 001999AD
TOTAL SERVICES 13,064
TECHNOLOGY - 8.0%
COMMUNICATIONS EQUIPMENT - 1.0%
M/A-Com, Inc. 9 1/4%, 5/15/06 B2 7,150 7,257 552618AA
Porta Systems Corp. euro 6%, 7/1/02 - 3,910 2,913 7356479A
10,170
COMPUTERS & OFFICE EQUIPMENT - 1.3%
IBM France 5 3/4%, 1/1/98 - FRF 193,000 13,875 45499D22
COMPUTER SERVICES & SOFTWARE - 0.7%
Ceridian Corp. 8 1/2%, 6/15/11 - 6,774 6,909 15677TAA
ELECTRONIC INSTRUMENTS - 0.7%
Fisher Scientific International, Inc.
4 3/4%, 3/1/03 Ba2 6,500 7,573 338032AA
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
TECHNOLOGY - CONTINUED
ELECTRONICS - 2.9%
Computer Products, Inc. 9 1/2%, 5/15/07 B3 $ 7,594 $ 7,784 205300AA
Storage Technology Corp. 8%, 5/31/15 B2 8,000 8,600 862111AG
Texas Instruments, Inc. euro
2 3/4%, 9/29/02 Baa1 14,000 14,070 8825089A
30,454
PHOTOGRAPHIC EQUIPMENT - 1.4%
Eastman Kodak Co. liquid yield option notes
0%, 10/15/11 Baa1 40,000 14,050 277461BA
TOTAL TECHNOLOGY 83,031
TRANSPORTATION - 2.2%
AIR TRANSPORTATION - 1.7%
Air Wisconsin Services, Inc.
7 3/4%, 6/15/10 B3 4,530 4,100 009236AA
Delta Air Lines, Inc. 3.23%, 6/15/03 Ba3 16,000 13,720 247361YA
17,820
SHIPPING - 0.5%
Seacor Holdings, Inc. 6%, 7/15/03 (e) B3 4,000 4,400 811904AA
TOTAL TRANSPORTATION 22,220
UTILITIES - 0.7%
CELLULAR - 0.5%
Cellular Puerto Rico 8 1/4%, 8/1/00 Caa 3,500 5,250 150919AA
TELEPHONE SERVICES - 0.2%
CAM-NET Communications Network
10%, 8/15/97 - 1,750 1,751 13173M9A
TOTAL UTILITIES 7,001
TOTAL CONVERTIBLE BONDS 609,717
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
NONCONVERTIBLE BONDS - 0.9%
BASIC INDUSTRIES - 0.7%
PAPER & FOREST PRODUCTS - 0.7%
Stone Container Corp.:
10 3/4%, 6/15/97 B2 $ 4,000 $ 3,600 861589AG
11 1/2%, 9/1/99 B2 4,000 3,600 861589AC
7,200
TRANSPORTATION - 0.0%
AIR TRANSPORTATION - 0.0%
NWA Inc., 8 5/8%, 8/1/96 Caa 375 311 62945JAB
UTILITIES - 0.2%

GAS - 0.2%
SFP Pipeline Holdings, Inc. exchangeable
0%, 8/15/10 (f) Baa3 1,000 1,290 784163AA
TOTAL NONCONVERTIBLE BONDS   8,801
TOTAL CORPORATE BONDS
(Cost $578,327)   618,518
REPURCHASE AGREEMENTS - 11.6%
 MATURITY
 AMOUNT
 (000S)
Investments in repurchase agreements
(U.S. Treasury obligations), in a
joint trading account at 3.24%
dated 11/30/93 due 12/1/93 $ 119,854 119,843
TOTAL INVESTMENT IN SECURITIES - 100%
(Cost $985,725) $ 1,032,831
CURRENCY ABBREVIATIONS
CAD - Canadian dollar
XEU - European currency unit
FRF - French franc
LEGEND
1. Non-income producing
2. Principal amount is stated in United States dollars unless otherwise
noted.
3. Standard & Poor's Corporation credit ratings are used in the absence
of a rating by Moody's Investors Service, Inc.
4. Restricted securities - investment in securities not registered under
the Securities Act of 1933 (see Note 2 of Notes to Financial Statements).
Additional information on each holding is as follows:
 ACQUISITION ACQUISITION
SECURITY DATE COST
Gulf Canada
  Resources Ltd. 10/15/93 $ 6,000
Intertan, Inc.
  (warrants) 9/17/93 $ 2,272,000
5. Security exempt from registration under Rule 144A of the Securities Act
of 1933. These securities may be resold in transactions exempt from
registration, normally to qualified institutional buyers. At the period
end, the value of these securities amounted to $212,517,000 or 20.1% of net
assets.
6. The coupon rate shown on floating or adjustable rate securities
represents the rate at period end.
OTHER INFORMATION
The composition of long-term debt holdings as a percentage of total value
of investment in securities is as follows (ratings are unaudited):
 MOODY'S RATINGS S&P RATINGS
Aaa, Aa, A .8% AAA, AA, A 6.4%
Baa 12.4% BBB 9.0%
Ba 9.5% BB 6.5%
B 18.5% B 17.3%
Caa 2.2% CCC 4.7%
Ca, C 0.8% CC, C 0.0%
  D 0.0%
The percentage not rated by either S&P or Moody's amounted to 11.3%
INCOME TAX INFORMATION
At November 30, 1993, the aggregate cost of investment securities for
income tax purposes was $989,415,000. Net unrealized appreciation
aggregated $43,416,000, of which $58,145,000 related to appreciated
investment securities and $14,729,000 related to depreciated investment
securities.
The fund hereby designates $11,423,000 as a capital gain dividend for the
purpose of the dividend paid deduction.
FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

<TABLE>
<CAPTION>

<S>	<C>	<C>
AMOUNTS IN THOUSANDS (EXCEPT PER-SHARE AMOUNTS) NOVEMBER 30, 1993		
ASSETS	7.	8.
9.Investment in securities, at value (including repurchase agreements of $119,843) (cost $985,725) (Notes 1 and 2) - See accompanying schedule	10.	$ 1,032,831
11.Cash	12.	2,588
13.Receivable for investments sold	14.	106,951
15.Receivable for fund shares sold	16.	4,037
17.Dividends receivable	18.	1,205
19.Interest receivable	20.	11,483
21.Other receivables	22.	36
23. TOTAL ASSETS	24.	1,159,131
LIABILITIES	25.	26.
27.Payable for investments purchased	$ 99,122	28.
29.Payable for fund shares redeemed	2,417	30.
31.Accrued management fee	461	32.
33.Other payables and accrued expenses	506	34.
35.Collateral on securities loaned, at value (Note 5)	343	36.
37. TOTAL LIABILITIES	38.	102,849
39.NET ASSETS	40.	$ 1,056,282
41.Net Assets consist of:	42.	43.
44.Paid in capital	45.	$ 916,138
46.Undistributed net investment income	47.	9,921
48.Accumulated undistributed net realized gain (loss) on investments	49.	83,117
50.Net unrealized appreciation (depreciation) on investment securities	51.	47,106
52.NET ASSETS, for 59,906 shares outstanding	53.	$ 1,056,282
54.NET ASSET VALUE, offering price and redemption price per share ($1,056,282 (divided by) 59,906 shares)	55.	$17.63

</TABLE>

STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

<S> <C> <C>

AMOUNTS IN THOUSANDS YEAR ENDED NOVEMBER 30, 1993		
INVESTMENT INCOME 56.Dividends	57.	$ 13,608
58.Interest (including security lending fees of $33) (Note 5)	59.	29,744
60. TOTAL INCOME	61.	43,352
EXPENSES	62.	63.
64.Management fee (Note 4)	$ 4,131	65.
66.Transfer agent fees (Note 4)	2,183	67.
68.Accounting and security lending fees (Note 4)	388	69.
70.Non-interested trustees' compensation	5	71.
72.Custodian fees and expenses	77	73.
74.Registration fees	257	75.
76.Audit	53	77.
78.Legal	7	79.
80.Reports to shareholders	96	81.
82.Miscellaneous	7	83.
84. Total expenses before reductions	7,204	85.
86. Expense reductions (Note 6)	(12)	7,192
87.NET INVESTMENT INCOME	88.	36,160
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTES 1, 2 AND 3) 89.Net realized gain (loss) on:	90.	
91. Investment securities	80,620	92.
93. Short sales	(3,865)	76,755
94.Change in net unrealized appreciation (depreciation) on investment securities	95.	16,159
96.NET GAIN (LOSS)	97.	92,914
98.NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	99.	$ 129,074

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>
<S> <C> <C>
AMOUNTS IN THOUSANDS YEARS ENDED NOVEMBER 30,

	1993	1992
INCREASE (DECREASE) IN NET ASSETS		
100.Operations Net investment income	$ 36,160	$ 12,242
101. Net realized gain (loss) on investments	76,755	14,298
102. Change in net unrealized appreciation (depreciation) on investments	16,159	25,215
103. NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	129,074	51,755
104.Distributions to shareholders from: Net investment income	(30,010)	(9,558)
105. Net realized gain	(10,919)	(3,348)
106.Share transactions Net proceeds from sales of shares	999,266	457,959
107. Reinvestment of distributions from: Net investment income	27,360	8,938
108. Net realized gain	10,468	3,195
109. Cost of shares redeemed	(481,320)	(222,808)
110. Net increase (decrease) in net assets resulting from share transactions	555,774	247,284
111. TOTAL INCREASE (DECREASE) IN NET ASSETS	643,919	286,133
NET ASSETS	112.	113.
114. Beginning of period	412,363	126,230
115. End of period (including undistributed net investment income of $9,921 and $3,771, respectively)	$ 1,056,282	$ 412,363
OTHER INFORMATION 116.Shares	117.	118.
119. Sold	60,275	31,078
120. Issued in reinvestment of distributions from: Net investment income	1,677	629
121. Net realized gain	682	248
122. Redeemed	(28,876)	(15,192)
123. Net increase (decrease)	33,758	16,763

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
124.	YEARS ENDED NOVEMBER 30,				
125.	1993	1992	1991	1990	1989
126.		127.	128.	129.	130.
131.SELECTED PER-SHARE DATA					
132.Net asset value, beginning of period	$ 15.77	$ 13.45	$ 10.53	$ 11.81	$ 10.01
133.Income from Investment Operations					
134. Net investment income	.75	.67	.60	.64	.80
135. Net realized and unrealized gain (loss) on investments	2.24	2.66	2.94	(1.15)	1.72
136. Total from investment operations	2.99	3.33	3.54	(.51)	2.52
137.Less Distributions					
138. From net investment income	(.73)	(.64)	(.62)	(.77)	(.72)
139. From net realized gain	(.40)	(.37)	-	-	-
140. Total distributions	(1.13)	(1.01)	(.62)	(.77)	(.72)
141.Net asset value, end of period	$ 17.63	$ 15.77	$ 13.45	$ 10.53	$ 11.81
142.TOTAL RETURN	19.94 %	26.18%	34.52%	(4.61)%	26.28%
143.RATIOS AND SUPPLEMENTAL DATA					
144.Net assets, end of period (in millions)	$ 1,056	$ 412	$ 126	$ 57	$ 60
145.Ratio of expenses to average net assets*	.92 %	.96%	1.17%	1.31%	1.38%
146.Ratio of net investment income to average net assets	4.62 %	4.82%	4.99%	5.63%	7.48%
147.Portfolio turnover rate	312 %	258%	152%	223%	207%

</TABLE>

* SEE NOTE 6 OF NOTES TO FINANCIAL STATEMENTS.
NOTES TO FINANCIAL STATEMENTS
For the period ended November 30, 1993

1. SIGNIFICANT ACCOUNTING
POLICIES.
Fidelity Convertible Securities Fund (the fund) is a fund of Fidelity Financial Trust (the trust) and is authorized to issue an unlimited number of shares. The trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. The following summarizes the significant accounting policies of the fund:
SECURITY VALUATION. Securities for which exchange quotations are readily available are valued at the last sale price, or if no sale price, at the closing bid price. Securities (including restricted securities) for which exchange quotations are not readily available (and in certain cases debt securities which trade on an exchange), are valued primarily using dealer-supplied valuations or at their fair value as determined in good faith under consistently applied procedures under the general supervision of the Board of Trustees. Short-term securities maturing within sixty days are valued at amortized cost or original cost plus accrued interest, both of which approximate current value.
FOREIGN CURRENCY TRANSLATION. The accounting records of the fund are maintained in U.S. dollars. Investment securities, other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the current exchange rate. Purchases and sales of securities, income receipts and expense payments are translated into U.S. dollars at the exchange rate on the dates of the transactions.
It is not practical to identify the portion of each amount shown in the fund's Statement of Operations under the caption "Realized and Unrealized Gain (Loss) on Investments" that arises from changes in foreign currency exchange rates. Investment income includes net realized and unrealized currency gains and losses recognized between accrual and payment dates.
INCOME TAXES. As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the fund is not subject to income taxes to the extent that it distributes all of its taxable income for its fiscal year. The schedule of investments includes information regarding income taxes under the caption "Income Tax Information."
INVESTMENT INCOME. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, are recorded as soon as the fund is informed of the ex-dividend date. Interest income, which includes accretion of original issue discount, is accrued as earned. Dividend and interest income is recorded net of foreign taxes where recovery of such taxes is not assured.
EXPENSES. Most expenses of the trust can be directly attributed to a fund. Expenses which cannot be directly attributed are apportioned between the funds in the trust.
1. SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED
DISTRIBUTIONS TO SHAREHOLDERS. Distributions are recorded on the ex-dividend date.
SECURITY TRANSACTIONS. Security transactions are accounted for as of trade date. Gains and losses on securities sold are determined on the basis of identified cost.
2. OPERATING POLICIES.
FORWARD FOREIGN CURRENCY CONTRACTS. The fund may enter into forward foreign currency contracts. These contracts involve market risk in excess of the amount reflected in the fund's Statement of Assets and Liabilities. The face or contract amount in U.S. dollars reflects the total exposure the fund has in that particular currency contract. The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.
Purchases and sales of forward foreign currency contracts having the same settlement date and broker are offset and presented net on the Statement of Assets and Liabilities. Gain (loss) on the purchase or sale of forward foreign currency contracts having the same settlement date and broker is recognized on the date of offset, otherwise gain (loss) is recognized on

settlement date.
REPURCHASE AGREEMENTS. The fund, through its custodian, receives delivery of the underlying securities, whose market value is required to be at least 102% of the resale price at the time of purchase. The fund's investment adviser, Fidelity Management & Research Company (FMR), is responsible for determining that the value of these underlying securities remains at least equal to the resale price.
JOINT TRADING ACCOUNT. Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), the fund, along with other registered investment companies having management contracts with FMR, may transfer uninvested cash balances into a joint trading account. These balances are invested in one or more repurchase agreements that are collateralized by U.S. Treasury or Federal Agency obligations.
SHORT SALES AGAINST THE BOX. The fund may hedge its investments against changes in value by engaging in short sales against the box. In a short sale against the box, the fund sells a borrowed security, while at the same time either owning an identical security or having the right to obtain such a security. By selling short against the box the equity underlying one of its convertible holdings, the fund would seek to offset the effect that a decline in the underlying equity might have on the value of the convertible security. While the short sale is outstanding, the fund will not dispose of the security hedged by the short sale.
2. OPERATING POLICIES -
CONTINUED.
RESTRICTED SECURITIES. The fund is permitted to invest in privately placed restricted securities. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-
consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. At the end of the period, restricted securities (excluding 144A issues) amounted to $2,051,000 or .2% of net assets.
3. PURCHASES AND SALES OF INVESTMENTS
Purchases and sales of securities, other than short-term securities, aggregated $2,606,858,000 and $2,148,735,000, respectively.
4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES.
MANAGEMENT FEE. As the fund's investment adviser, FMR receives a monthly basic fee that is calculated on the basis of a group fee rate plus a fixed individual fund fee rate applied to the
average net assets of the fund. The group fee rate is the weighted average of a series of rates ranging from .30% to .52% and is based on the monthly average net assets of all the mutual funds advised by FMR. The annual individual fund fee rate is .20%. Effective November 1, 1994, the basic fee will be subject to a performance adjustment (up to a maximum of + or - .15%) based on the fund's investment performance as compared to the appropriate index over a specified period of time. For the period, the management fee was equivalent to an annual rate of .53% of average net assets.
The Board of Trustees approved a new group fee rate schedule with rates ranging from .2850% to .5200%. Effective November 1, 1993, FMR has voluntarily agreed to implement this new group fee rate schedule as it results in the same or a lower management fee.
DISTRIBUTION AND SERVICE PLAN. Pursuant to the Distribution and Service Plan (the Plan), and in accordance with Rule 12b-1 of the 1940 Act, FMR or the fund's distributor, Fidelity Distributors Corporation (FDC), an affiliate of FMR, may use their resources to pay administrative and promotional expenses related to the sale of the fund's shares. Subject to the approval of the Board of Trustees, the Plan also authorizes payments to third parties that assist in the sale of the fund's shares or render shareholder support services. FMR or FDC has informed the fund that payments made to third parties under the Plan amounted to $40,000 for the period.
TRANSFER AGENT FEE. Fidelity Service Co. (FSC), an affiliate of FMR, is the fund's transfer, dividend disbursing and shareholder servicing agent. FSC receives fees based on the type, size, number of accounts and the number of transactions made by shareholders. FSC pays for typesetting, printing and mailing of all shareholder reports, except proxy statements.

4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES - CONTINUED

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

BROKERAGE COMMISSIONS. The fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of FMR. The commissions paid to these affiliated firms were $374,000 for the period.

5. SECURITY LENDING.

The fund loaned securities to certain brokers who paid the fund negotiated lenders' fees. These fees are included in interest income. The fund receives U.S. Treasury obligations and/or cash as collateral against the loaned securities, in an amount at least equal to 102% of the market value of the loaned securities at the inception of each loan. This collateral must be maintained at not less than 100% of the market value of the loaned securities during the period of the loan. At period end, the value of the securities loaned and the value of collateral amounted to $332,000 and $343,000, respectively.

6. EXPENSE REDUCTIONS.

FMR has directed certain portfolio trades to brokers who paid a portion of the fund's expenses. For the period, the fund's expenses were reduced by $12,000 under this arrangement.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees of Fidelity Financial Trust and the Shareholders of Fidelity Convertible Securities Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments except for Moody's and Standard & Poor's ratings, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Fidelity Convertible Securities Fund (a fund of Fidelity Financial Trust) at November 30, 1993, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the periods indicated in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fidelity Convertible Securities Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities owned at November 30, 1993 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE
Boston, Massachusetts
January 6, 1994

INVESTMENT ADVISER
Fidelity Management & Research Company
Boston, MA

OFFICERS
Edward C. Johnson 3d, President
J. Gary Burkhead, Senior Vice President
Gary L. French, Treasurer
John H. Costello, Assistant Treasurer
Arthur S. Loring, Secretary
Robert H. Morrison, Manager,
Security Transactions

GENERAL DISTRIBUTOR
Fidelity Distributors Corporation
Boston, MA
TRANSFER AND SHAREHOLDER
SERVICING AGENT
Fidelity Service Co.
Boston, MA
CUSTODIAN
Brown Brothers Harriman & Co.
Boston, MA
FIDELITY'S GROWTH AND INCOME FUNDS
Balanced Fund
Convertible Securities Fund
Equity-Income Fund
Equity-Income II Fund
Fidelity Fund
Global Balanced Fund
Growth & Income Portfolio
Market Index Fund
Puritan Fund
Real Estate Portfolio
Utilities Income Fund
THE FIDELITY
TELEPHONE CONNECTION
MUTUAL FUND 24-HOUR SERVICE
Account Balances 1-800-544-7544
Exchanges/Redemptions 1-800-544-7777
Mutual Fund Quotes 1-800-544-8544
Account Assistance 1-800-544-6666
Product Information 1-800-544-8888
Retirement Accounts 1-800-544-4774
(8 a.m. - 9 p.m.)
TDD Service 1-800-544-0118
for the deaf and hearing impaired
(9 a.m. - 9 p.m. Eastern time)

AUTOMATED LINES FOR QUICKEST SERVICE
FIDELITY CONVERTIBLE SECURITIES FUND
82 DEVONSHIRE STREET
BOSTON, MASSACHUSETTS 02109

TO THE SHAREHOLDERS:

The Board of Trustees of Fidelity Convertible Securities Fund voted to pay on January 10, 1994, to shareholders of record at the opening of business on January 7, 1994, a distribution of $____ derived from capital gains realized from sales of portfolio securities and $____ derived from net investment income.

In the opinion of management, regardless of whether you took payments in cash or in additional shares, the distribution will be reportable for tax purposes for the year 1994. You will be notified at a later date as to the tax treatment of this distribution.

If your account is a Fidelity prototype retirement plan such as an Individual Retirement Account (IRA), a Keogh Plan, a 403(b), or a qualified pension or profit sharing plan, the above information is provided for informational purposes only and is not reportable for tax purposes in 1994.

FIDELITY CONVERTIBLE SECURITIES FUND
January 7, 1994

FIDELITY

(REGISTERED TRADEMARK)
RETIREMENT GROWTH
FUND
ANNUAL REPORT
NOVEMBER 30, 1993
CONTENTS

PRESIDENT'S MESSAGE

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

new tax laws were retroactive to January 1993.
Whether or not you're someone whose tax bill will increase as a result of these changes, it may make sense to consider ways to keep more of what you earn.
First, if your employer offers a 401(k) or 403(b) retirement savings plan, consider enrolling. These plans are set up so you can make regular contributions -
before taxes - to a retirement savings plan. They offer a disciplined savings strategy, the ability to accumulate earnings tax-deferred, and immediate tax savings. For example, if you earn $40,000 a year and contribute 7% of your salary to your 401(k) plan, your annual contribution is $2,800. That reduces your taxable income to $37,200 and, if you're in the
28% tax bracket, saves you $784 in Federal taxes. In addition, you pay no taxes on any earnings until withdrawal.
It may be a good idea to contact your benefits office as soon as possible to find out when you can enroll or increase your contribution. Most employers allow employees to make changes only a few times each year.
Second, consider an IRA. Many people are eligible to make an IRA contribution (up to $2,000) that is fully tax deductible. That includes people who are not covered by company pension plans, or those within certain income brackets. Even if you don't qualify for a fully deductible contribution, any IRA earnings will grow tax-deferred until withdrawal.
Third, consider tax-free investments like municipal bonds and municipal bond funds. Often these can provide higher after-tax yields than comparable taxable investments. For example, if you're in the new 36% Federal income tax bracket and invest $10,000 in a taxable investment yielding 7%, you'll pay $252 in Federal taxes and receive $448 in income. That same $10,000 invested in a tax-free bond fund yielding 5.5% would allow you to keep $550 in income.
These are three investment strategies that could help lower your tax bill in 1994. If you're interested in learning more, please call us at 1-800-544-8888 or visit a Fidelity Investor Center.
Wishing you a prosperous new year,
Edward C. Johnson 3d, Chairman
PERFORMANCE: THE BOTTOM LINE

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

PERIODS ENDED NOVEMBER 30, 1993	PAST 1 YEAR	PAST 5 YEARS	PAST 10 YEARS
Retirement Growth	19.47%	120.54%	320.40%
S&P 500(Registered trademark)	10.10%	98.31%	295.47%
Average Capital Appreciation Fund	14.36%	108.75%	205.12%

CUMULATIVE TOTAL RETURNS show the fund's performance in percentage terms over a set period - in this case, one, five, or 10 years. You can compare these figures to the performance of the Standard & Poor's 500 Composite Price Index - a common proxy for the U.S. stock market. You can also compare them to the average capital appreciation fund, which reflects the performance of 159 capital appreciation funds tracked by Lipper Analytical Services. Both benchmarks include reinvested dividends and capital gains, if any, and exclude the effects of sales charges.
AVERAGE ANNUAL TOTAL RETURNS

PERIODS ENDED NOVEMBER 30, 1993	PAST 1 YEAR	PAST 5 YEARS	PAST 10 YEARS

Retirement Growth	19.47%	17.14%	15.44%
S&P 500(Registered trademark)	10.10%	14.67%	14.74%
Average Capital Appreciation Fund	14.36%	15.33%	11.06%

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

$10,000 OVER 10 YEARS

	Retirement Growth (073)	S&P 500
11/30/83	10000.00	10000.00
12/31/83	9913.26	9948.00
01/31/84	9738.40	9892.29
02/29/84	9190.57	9544.08
03/31/84	9337.75	9709.20
04/30/84	9370.45	9801.43
05/31/84	8789.91	9258.43
06/30/84	9125.15	9459.34
07/31/84	8961.62	9342.05
08/31/84	10106.35	10374.34
09/30/84	9951.00	10376.42
10/31/84	10024.59	10416.88
11/30/84	9934.64	10300.22
12/31/84	10237.18	10572.14
01/31/85	11237.13	11395.71
02/28/85	11178.03	11535.88
03/31/85	10975.41	11543.95
04/30/85	10781.23	11533.56
05/31/85	11254.01	12200.20
06/30/85	11498.85	12391.75
07/31/85	11684.59	12373.16
08/31/85	11549.50	12267.99
09/30/85	11051.39	11884.00
10/31/85	11617.05	12433.04
11/30/85	12562.62	13285.95
12/31/85	13195.82	13928.99
01/31/86	13777.86	14006.99
02/28/86	15135.33	15054.71
03/31/86	15975.67	15894.76
04/30/86	15883.32	15715.15
05/31/86	16363.52	16551.20
06/30/86	16058.78	16830.91
07/31/86	14793.65	15890.07
08/31/86	15874.09	17069.11
09/30/86	14738.25	15657.49
10/31/86	15458.54	16560.93
11/30/86	15633.99	16963.36
12/31/86	15061.45	16530.80
01/31/87	17175.37	18757.49
02/28/87	18324.26	19498.42
03/31/87	18985.75	20061.92
04/30/87	18997.35	19883.37
05/31/87	19368.71	20056.35
06/30/87	20018.59	21069.20
07/31/87	21562.05	22137.41
08/31/87	22211.93	22963.13
09/30/87	22037.86	22460.24
10/31/87	16096.11	17622.31
11/30/87	15016.84	16170.23
12/31/87	16465.41	17400.78
01/31/88	16754.01	18133.35
02/29/88	18181.82	18978.37
03/31/88	18166.63	18391.94
04/30/88	18500.80	18596.09

05/31/88	18409.66	18757.87
06/30/88	19366.60	19618.86
07/31/88	19138.76	19544.31
08/31/88	18607.13	18879.80
09/30/88	19169.14	19684.08
10/31/88	19305.84	20231.30
11/30/88	19062.81	19941.99
12/31/88	19021.71	20290.98
01/31/89	20489.67	21776.28
02/28/89	20072.46	21234.05
03/31/89	20597.84	21728.80
04/30/89	21571.33	22856.52
05/31/89	21988.54	23782.21
06/30/89	21679.49	23646.66
07/31/89	23719.19	25781.95
08/31/89	23997.33	26287.27
09/30/89	24352.73	26179.50
10/31/89	23502.86	25572.13
11/30/89	24136.40	26093.80
12/31/89	24806.36	26720.05
01/31/90	23584.23	24927.14
02/28/90	23830.75	25248.70
03/31/90	24027.97	25917.79
04/30/90	23337.70	25269.85
05/31/90	25523.56	27733.65
06/30/90	26098.78	27545.07
07/31/90	26000.17	27456.92
08/31/90	23337.70	24974.82
09/30/90	20856.02	23758.54
10/31/90	20182.18	23656.38
11/30/90	21579.16	25184.58
12/31/90	22287.21	25887.23
01/31/91	23314.58	27015.92
02/28/91	25236.75	28947.55
03/31/91	25899.57	29648.09
04/30/91	26065.27	29719.24
05/31/91	26926.93	31003.11
06/30/91	25203.61	29583.17
07/31/91	26844.08	30961.74
08/31/91	27987.44	31695.54
09/30/91	28335.42	31166.22
10/31/91	29346.21	31583.85
11/30/91	28517.69	30311.02
12/31/91	32446.83	33778.60
01/31/92	32518.02	33150.32
02/29/92	32980.79	33581.27
03/31/92	31966.27	32926.44
04/30/92	32322.24	33894.48
05/31/92	32927.39	34060.56
06/30/92	31717.09	33553.06
07/31/92	32802.80	34925.38
08/31/92	31912.87	34209.41
09/30/92	32286.64	34613.08
10/31/92	33301.16	34734.22
11/30/92	35187.81	35918.66
12/31/92	35884.97	36360.46
01/31/93	36779.91	36665.89
02/28/93	35623.03	37164.54
03/31/93	36627.12	37948.72
04/30/93	36343.35	37030.36
05/31/93	38264.20	38022.77
06/30/93	38766.24	38133.04
07/31/93	39028.18	37980.50
08/31/93	41210.96	39419.97
09/30/93	41363.76	39116.43
10/31/93	42586.12	39926.14

11/30/93 42040.42 39546.84

$10,000 OVER 10 YEARS: Let's say you invested $10,000 in Fidelity Retirement Growth Fund on November 30, 1983. As the chart shows, by November 30, 1993, the value of your investment would have grown to $42,040 - - a 320.40% increase on your initial investment. For comparison, look at how the S&P 500 did over the same period. With dividends reinvested, the same $10,000 investment would have grown to $39,547 - a 295.47% increase.

UNDERSTANDING
PERFORMANCE

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

(checkmark)

FUND TALK: THE MANAGER'S OVERVIEW

MARKET RECAP

Low inflation, falling interest rates and a gradually improving economy boosted U.S. stocks during the 12 months ended November 30, 1993. The Standard & Poor's 500 index - a broad measure of U.S. stock performance - rose 10.10%, in line with the market's long-term average annual return. Continued poor performance by tobacco, drug and brand-name consumer products stocks was offset by impressive results in other sectors, including technology, although semiconductors gave back part of their gains in October and November. Other market leaders were finance, notably securities brokers; autos; entertainment; and precious metals. Communications stocks soared as traditional telephone utilities, cellular communications companies and entertainment companies scrambled to form strategic alliances. Mergers and acquisitions activity resumed at a pace reminiscent of the 1980s. The NASDAQ Composite Index, which tracks over-the-counter stocks, rose 15.57% for the year, compared to 14.73% for the Dow Jones Industrial Average, an index of 30 blue-chip stocks. Both trailed the Morgan Stanley EAFE (Europe, Australia, Far East) index, which rose 24.27%. Two widely watched benchmarks broke records during the period: slow growth and the prospect of higher taxes helped push the yield on the 30-year Treasury below 6% in early September; meanwhile, the Dow closed above 3700 for the first time in mid-November, and finished the month at 3684.

An interview with Harris Leviton, Portfolio Manager of Fidelity Retirement Growth Fund

Q. HARRIS, HOW DID THE FUND PERFORM?

A. Better than its peers. The total return for the 12 months ended November 30, 1993 was 19.47%, compared to 14.36% for the average capital appreciation fund, according to Lipper Analytical Services. Meanwhile, the Standard & Poor's 500 index, a broad measure of the U.S. stock market's performance, rose 10.10%.

Q. HOW DO YOU EXPLAIN THE RESULTS?

A. I'm always searching for inexpensive stocks in companies that are increasing their earnings. They've been hard to find lately in the United States so I've looked overseas and I've had good luck, especially in Hong Kong and Malaysia. Hong Kong stocks were 3.4% of investments at the end of November. Among the winners were Hutchison Whampoa, which has interests in shipping and cellular communications; and Innovative International, a maker of car antennas. The percentage of foreign stocks in the fund has risen steadily over the past year, from roughly 5% a year ago to about 10% in May and more than 25% at the end of November. Total foreign stocks may decline slightly in the months ahead, if only because I've begun taking profits.

Q. WHAT ABOUT EUROPEAN STOCKS?

A. I own very few. Europe has gotten expensive compared to the rest of the world. And in my view, the outlook for many aging industries in Europe is dim, even with an economic recovery. My focus instead has been on fast-growing developing countries - the so-called emerging markets. Among the more attractive have been Hong Kong; Malaysia; Brazil, where my largest investment is Telebras, the telephone monopoly; and lately India, which has the largest middle class in the world and over 6,000 publicly traded stocks.

Q. WHAT WERE YOUR FAVORITE U.S. SECTORS?

A. The U.S. economy grew very little in 1993, so you had to be picky about which companies and sectors to invest in. Technology was the largest sector in the fund at the end of November - 8.9% of total investments. That was down from 16.3% six months ago, mainly because last fall I began selling the fund's semiconductor stocks, including Intel and Texas Instruments. They'd had a good run and it seemed prudent to take profits. After technology came utilities, mainly telephone companies with exciting growth prospects like Bell Atlantic.

Q. IBM SHOWED UP RECENTLY ON YOUR TOP-10 LIST. WHAT'S THE STORY THERE?

A. The stock is cheap, management is aggressively cutting costs, and IBM's core business, mainframe computers, seems to be improving. Many questions remain. But whenever a company is cutting costs and business is better than expected, it begins to look attractive. If IBM has indeed started to turn itself around, we could see hard evidence of that as early as the fourth-quarter earnings report, due out in early 1994. The other thing I like about IBM is that even if I'm wrong, the risk of further steep declines is slim.

Q. HAS YOUR STAKE IN WARNER-LAMBERT PAID OFF?

A. Not as much as some other stocks the fund owns. It's still my largest investment, although I've scaled back over the last six months. Warner-Lambert has a lot of businesses beyond brand-name drugs that may be worth more money than the market realizes, including generic drugs, and candy and gum. They also have a new Alzheimer's drug, which has no competition. My hope is that soon the market will recognize the stock's value and its price will rise accordingly. Again, if I'm wrong, I shouldn't

have to pay a big price.
Q. WERE THERE ANY DISAPPOINTMENTS?
A. Some of the cyclical stocks in the fund - those that tend to move in tandem with the economy - lost ground unexpectedly, namely Reynolds Metals, but the damage was slight. I also expected more from Halliburton, an energy services company, than I got last year; that whole sector failed to produce expected gains. But overall, it was a year when the disappointments, thankfully, were few and far between.
Q. WHAT'S YOUR OUTLOOK?
A. So far in the 1990s, economic growth has been minimal. And yet stock prices keep spiraling ever higher. We're seeing more and more money chasing fewer good ideas. Speculation is rising, and the market has gotten more volatile. While no one can predict what will happen, these are all signs that in the past have presaged market declines. That's why I'm more cautious now than I was six months ago. The percentage of cash in the fund - - 14.7% at the end of November - was recently as high as 20%. I'm not deliberately raising cash. But when stocks get expensive, I sell them; and if I can't find enough cheap stocks to replace them, the cash piles up. Investors have grown accustomed lately to double-digit returns. It would probably be a good idea to lower those expectations going forward.
FUND FACTS
GOAL: to increase the value of the fund's shares over the long term by investing in stocks with growth potential
START DATE: March 25, 1983
SIZE: as of November 30, 1993, over $2.6 billion
MANAGER: Harris Leviton, since March 1992; manager, Fidelity Convertible Securities Fund, 1990-1992; Fidelity Select Electronics Portfolio, 1987-1990; securities analyst 1986-1987
(checkmark)
HARRIS LEVITON'S INVESTMENT STYLE:
"I like to buy growth stocks at a discount. Then if the company can come through with improved earnings, there's a good chance the market will reward it with a higher price-to-earnings ratio.
"A good example of that recently was IHOP - International House of Pancakes - which went public last year at $10 a share, or 12 times projected earnings. At the time, not many people thought it was a growth company. But management took the money from the offering and put it into renovating the restaurants, and earnings improved. As the market took notice, the stock rose to $28 a share, while the price-to-earnings ratio expanded to 28. Basically, what I'm trying to do is get a little more reward for a little less risk, by buying

inexpensive stocks."
DISTRIBUTIONS:
The Board of Trustees of
Retirement Growth Fund
voted to pay on December 20,
1993, to shareholders of
record at the opening of
business on December 17,
1993, a distribution of $1.75
derived from capital gains
realized from sales of portfolio
securities and a dividend of
$.14 from net investment
income.
INVESTMENT CHANGES

TOP TEN STOCKS AS OF NOVEMBER 30, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE STOCKS 6 MONTHS AGO
Warner-Lambert Co.	2.2	3.5
Cellular Communications, Inc. Class P	1.7	1.9
International Business Machines Corp.	1.6	0.0
Chrysler Corp., Series A, $4.625	1.2	2.0
Hutchison Whampoa Ltd. Ord.	1.0	0.0
Reynolds Metals Co.	1.0	0.0
Comstat Corp., Series1	1.0	0.0
Telebras "PN" (Pfd. Reg.)	0.9	0.8
American Bankers Insurance Group, Inc.	0.9	1.1
British Petroleum PLC ADR	0.8	1.0

TOP FIVE INDUSTRIES AS OF NOVEMBER 30, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE STOCKS 6 MONTHS AGO
Technology	8.9	16.3
Utilities	8.9	7.3
Finance	8.6	12.4
Media and Leisure	7.5	7.7
Durables	7.4	8.4

ASSET ALLOCATION
AS OF NOVEMBER 30, 1993* AS OF MAY 31, 1993**
Row: 1, Col: 1, Value: 24.7
Row: 1, Col: 2, Value: 1.6

Row: 1, Col: 3, Value: 73.7
Stocks 90.5%
Bonds 0.9%
Short-term and other
Investments 8.6%

FOREIGN
INVESTMENTS 9.4%
Stocks 73.7%
Bonds 1.6%
Short-term and other
investments 24.7%

FOREIGN
INVESTMENTS 27.9%
Row: 1, Col: 1, Value: 8.5
Row: 1, Col: 2, Value: 1.0
Row: 1, Col: 3, Value: 90.5
*
*
*
INVESTMENTS NOVEMBER 30, 1993

Showing Percentage of Total Value of Investments

COMMON STOCKS - 71.0%
SHARES VALUE (NOTE 1)
(000S)
AEROSPACE & DEFENSE - 0.6%
AEROSPACE & DEFENSE - 0.4%
BE Aerospace, Inc. (a) 195,000 $ 2,169 07330210
McDonnell Douglas Corp. 84,800 9,254 58016910
11,423
DEFENSE ELECTRONICS - 0.2%
Standard Telecommunications, Inc. 22,500 489 85440210
Watkins-Johnson Co. 257,900 5,481 94248610
5,970
TOTAL AEROSPACE & DEFENSE 17,393
BASIC INDUSTRIES - 4.6%
CHEMICALS & PLASTICS - 0.5%
Airgas, Inc. (a) 16,400 344 00936310
Grace (W.R.) & Co. 138,000 5,382 38388310
Reliance Industries Ltd. GDS (e) 50,000 1,075 75947010
Southern Petrochemical Industries GDS (a) 528,000 7,260 84361310
14,061
IRON & STEEL - 0.7%
Acesita (Acos Espec Itabira) (a)
PN 10,500,000 2,893 00499L22
ON 6,500,000 1,873 00499L22
British Steel PLC Ord. 2,684,700 4,867 11101510
Compania Siderurgica Nacional (a) 143,600,000 3,103 24499523
Insteel Industries, Inc. 261,119 2,611 45774W10
Kentucky Electric Steel, Inc. (a) (d) 307,000 3,761 49127B10
LTV Corp. (a) 91,800 1,331 50192110
20,439
METALS & MINING - 3.0%
Alcan Aluminium Ltd. 400,000 8,310 01371610
Alumax, Inc. 713,050 13,815 02219710
Belden, Inc. (a) 1,200,000 21,900 07745910
Cable Design Technology Corp. (a) (d) 640,000 6,240 12692410
Cyprus Amax Minerals Co. 379,850 8,452 23280910
Inco Ltd. 50,000 1,198 45325840
Reynolds Metals Co. 634,900 28,491 76176310
88,406
COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)
(000S)
BASIC INDUSTRIES - CONTINUED
PACKAGING & CONTAINERS - 0.0%
U.S. Can Corp. (a) 45,000 $ 686 90328W10
PAPER & FOREST PRODUCTS - 0.4%
Repola OY 679,200 10,512 75999A92
TOTAL BASIC INDUSTRIES 134,104
CONGLOMERATES - 0.8%
Brierley Investments Ltd. 4,000,000 2,558 10901410
Grupo Carso SA DE CV:
Class A-1 (a) 801,000 7,074 40099594
sponsored ADR 800,000 13,200 40048510
Hanson PLC Ord. 11,620 49 41135210
Tomkins PLC Ord. 102,276 354 89003010
23,235
CONSTRUCTION & REAL ESTATE - 1.0%
BUILDING MATERIALS - 0.3%
China Southern Class B (a) 2,282,000 3,693 21699522
Holnam, Inc. (a) 1,583 10 43642910
Lafarge Corp. 237,400 4,748 50586210
8,451
CONSTRUCTION - 0.6%
Ekran Berhad Ord. (a) 893,000 4,713 28299792
Hopewell Holdings Ltd. 3,670,000 4,204 44099999
Pulte Corp. 99,300 3,674 74586710
Redman Industries (a) 9,000 142 75764210
Renong BHD 3,000,000 3,894 75999H22
Sundance Homes, Inc. (a) 167,000 1,503 86724Q10
18,130
REAL ESTATE INVESTMENT TRUSTS - 0.1%
Chateau Properties, Inc. (a) 21,000 404 16173910
McArthur/Glen Realty Corp. (a) 12,800 304 57918810
Taubman Centers, Inc. 70,500 890 87666410
1,598
TOTAL CONSTRUCTION & REAL ESTATE 28,179
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
DURABLES - 6.2%
AUTOS, TIRES, & ACCESSORIES - 1.9%
Danaher Corp. 429,800 $ 15,903 23585110
Discount Auto Parts, Inc. (a) 129,100 3,211 25464210
Ford Motor Co. 80,000 4,860 34537010
Grupo Dina (Consorcio G) ADR (a) 37,600 827 21030610
Innovative International Holdings 31,339,000 14,301 46199B92
NACCO Industries, Inc. Class A 113,500 5,108 62957910
Purolator Products Co. (a) 191,200 3,442 74638110
Shenzhen China Bicycles Co. Holdings (a) 2,002,000 2,358 82399A92
UMW Holdings BHD (a) 2,200,000 6,450 90302599
56,460
CONSUMER DURABLES - 0.6%
Libbey, Inc. (d) 1,041,700 16,928 52989810
Syratech Corp. (a) 114,900 1,924 87182410
18,852
CONSUMER ELECTRONICS - 0.6%
Aktiebolaget Electrolux (a) 142,700 4,889 01019810
Fossil, Inc. 575,700 11,082 34988210
North Americans Watch Corp. (a) 160,000 2,160 65720920
18,131
HOME FURNISHINGS - 0.4%
Craftmade International, Inc. (a) 10,000 101 22413E10
Knape & Vogt Mfg. Co. 2,500 51 49878210
LADD Furniture, Inc. 506,800 4,941 50573910
Loewenstein Furniture Group, Inc. (a) (d) 248,000 3,038 54042210
Pulaski Furniture Corp. 2,500 58 74555310

Rhodes, Inc. (a) 290,000 4,060 76235P10
Winston Furniture, Inc. (Del.) (a) 28,000 336 97562910
12,585
TEXTILES & APPAREL - 2.7%
Burlington Industries Equity, Inc. (a) 743,000 10,773 12169010
Donnkenny, Inc. (Del.) (a) 110,000 2,104 25800610
Dyersburg Corp. (d)   306,400 2,528 26757510
Fieldcrest Cannon, Inc. (a) 230,800 5,799 31654910
Galey & Lord, Inc. (a) 222,100 2,665 36352K10
High Fashion International 4,310,000 1,911 42999392
Image Industries, Inc. (a) (d) 500,000 5,125 45244B10
Interface, Inc. Class A 538,400 7,605 45866510
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
DURABLES - CONTINUED
TEXTILES & APPAREL - CONTINUED
K Swiss, Inc. Class A (a) 308,900 $ 6,410 48268610
Nine West Group, Inc. (a) 349,800 11,500 65440D10
Pillowtex Corp. (a) (d) 962,400 18,165 72150110
Quaker Fabric Corp. (a)   115,000 1,380 74739910
Springs Industries, Inc. Class A 6,100 254 85178310
Texfi Industries, Inc. (a) 187,000 865 88289510
Unifi, Inc.   93,900 2,336 90467710
Valley Fashions Corp. Class A (a) 14,500 240 91961010
79,660
TOTAL DURABLES   185,688
ENERGY - 3.4%
COAL - 0.0%
Pittston Co. Minerals Group 38,000 845 72570120
ENERGY SERVICES - 0.8%
Halliburton Co.   733,300 22,641 40621610
OIL & GAS - 2.6%
Amerada Hess Corp.   504,800 23,536 02355110
British Petroleum PLC:
ADR 416,100 24,654 11088940
Ord.   813,251 4,012 11088910
Louis Dreyfus Natural Gas Corp. (a)   50,000 869 54601110
Newfield Exploration Co. (a) 13,000 213 65129010
Northstar Energy Corp. (a) 78,800 1,593 66703R10
Repsol SA sponsored ADR 124,400 3,561 76026T20
Summit Resources Ltd.   40,000 262 86624610
Tarragon Oil & Gas Ltd. (a) 100,000 1,170 87629E20
Tosco Corp.   32,700 1,030 89149030
Ulster Petroleums Ltd. (a) 50,000 159 90384010
Unocal Corp.   230,000 6,239 91528910
YPF Sociedad Anonima sponsored ADR representing
Class D shares 453,400 11,221 98424510
78,519
TOTAL ENERGY   102,005
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
FINANCE - 8.2%
BANKS - 2.2%
Bancfirst Corp.   52,100 $ 794 05945F10
Banco Frances Del Rio PL (Reg.) 337,500 3,331 21199692
Bank of Boston Corp.   52,444 1,141 06071610
Bank of New York Co., Inc.   230,000 12,765 06405710
Cho Hing Bank Co. Ltd.   17,000 210 17099E22
Citicorp (a) 301,300 10,696 17303410
First Fidelity Bancorporation 105,518 4,419 32019510
First Union Corp.   193,700 7,869 33735810
HSBC Holdings PLC 23,870 264 42199192
Mellon Bank Corp.   157,192 8,724 58550910
Shawmut National Corp.   50,000 1,044 82048410

Signet Banking Corp.   26,435 855 82668110
Westpac Banking Corp.   4,804,022 13,458 96121410
  65,570
CLOSED END INVESTMENT COMPANY - 0.0%
Orange Free State Investments Ltd. ADR 40,200 1,467 68486520
CREDIT & OTHER FINANCE - 2.0%
Argentaria Corp. Bancaria de Espana (a) 446,400 19,075 21991392
Beneficial Corp.   279,700 20,628 08172110
Corporacion Bancaria de Espana SA sponsored ADR (a) 128,900 2,771
21991310
Equicredit Corp. (a) 12,500 237 29442210
GFC Financial Corp.   125,400 3,386 36160910
Industrial Finance Corp. Thailand (Loc. Reg.) (a) 50,000 111 45799893
Man AG Ord. 27,000 5,778 56154210
Primerica Corp.   216,566 8,663 74158910
  60,649
FEDERAL SPONSORED CREDIT - 0.6%
Federal National Mortgage Association 219,000 16,534 31358610
INSURANCE - 2.1%
Allstate Corp. (a) 41,000 1,210 02000210
American Bankers Insurance Group, Inc. (d) 1,113,435 26,722 02445610
American General Corp.   172,000 4,622 02635110
American Income Holding, Inc.   57,500 1,423 02672810
GAN (Groupe Des Assur Natl) 20,000 1,823 36599792
Heath (CE) International Holdings 4,076,273 4,568 42299992
Mid Ocean Ltd. (a) 534,100 15,222 59599D23
Penncorp. Financial Group, Inc.   213,500 4,057 70809410
St. Paul Companies, Inc. (The) 46,200 4,100 79286010
  63,747
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
FINANCE - CONTINUED
SAVINGS & LOANS - 0.6%
Ahmanson (H.F.) & Co.   460,400 $ 8,690 00867710
Coast Savings Financial, Inc. (a)   70,900 939 19039M10
Cragin Financial Corp. (a) 175,235 6,484 22413810
FirstFed Michigan Corp.   18,300 423 33761R10
  16,536
SECURITIES INDUSTRY - 0.7%
Aokam Perdana BHD 1,000,000 9,773 01899792
John Nuveen Co. Class A 60,000 1,628 47803510
Paine Webber Group, Inc.   234,400 6,241 69562910
Shanghai International Growth Investments 300,000 3,120
  20,762
TOTAL FINANCE   245,265
HEALTH - 6.9%
DRUGS & PHARMACEUTICALS - 5.6%
Alkermes, Inc. (a) 93,200 850 01642T10
Alpha 1 Biomedicals, Inc. (a) 117,500 2,130 02091010
Cocensys, Inc. (a) 225,800 1,101 19126310
Cortech, Inc. (a) 270,000 3,577 22051J10
Creative Biomolecules, Inc. (a)   564,900 5,649 22527010
Cygnus Therapeutics Systems (a) 265,000 2,319 23256410
IMCERA Group, Inc.   505,400 17,436 45245410
Liposome Co, Inc. (a)   553,000 6,774 53631110
Magainin Pharmaceuticals, Inc. (g) 200,000 2,650 55903692
Magainin Pharmaceuticals, Inc. (a) 314,000 4,161 55903610
Mylan Laboratories, Inc.   418,700 11,305 62853010
Pfizer, Inc.   50,000 3,325 71708110
Protein Design Labs, Inc. (a) 236,500 5,646 74369L10
Schering-Plough Corp.   150,000 10,031 80660510
SciClone Pharmaceuticals, Inc. (a)   645,600 15,979 80862K10
T Cell Sciences, Inc. (a) (g) 250,000 1,594 87234292
Upjohn Co.   184,600 5,769 91530210
Warner-Lambert Co.   987,700 65,559 93448810

165,855
MEDICAL EQUIPMENT & SUPPLIES - 1.0%
Boston Scientific Corp. (a) 120,000 1,485 10113710
Cyberonics Inc. (a) 12,000 126 23251P10
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
HEALTH - CONTINUED
MEDICAL EQUIPMENT & SUPPLIES - CONTINUED
Maxxim Medical, Inc. (a) 189,500 $ 3,624 57777G10
Millipore Corp. 113,700 3,922 60107310
Sofamor/Danek Group, Inc. (a) 321,600 10,854 83400510
Spacelabs Medical, Inc. (a) 135,500 3,049 84624710
Steris Corporation (a) 195,700 3,376 85915210
Utah Medical Products, Inc. 254,000 2,191 91748810
28,627
MEDICAL FACILITIES MANAGEMENT - 0.3%
HCA - Hospital Corporation of America Class A (a) 174,100 5,136 40412010
U.S. Healthcare, Inc. 51,550 2,983 91191010
8,119
TOTAL HEALTH 202,601
INDUSTRIAL MACHINERY & EQUIPMENT - 3.5%
ELECTRICAL EQUIPMENT - 2.0%
Holophane Corp. (a) 168,000 2,436 43645B10
Hutchison Whampoa Ltd. Ord. 7,100,000 28,493 44841510
Johnson Electric Industrial Manufacturing, Ltd. (e) 250,000 582
47899999
Kemet Corp. (a) 238,000 3,451 48836010
Philips Electronics 856,100 16,642 71833799
Philips NV (NY shs.) (a) 301,000 5,870 71833750
Westinghouse Electric Corp. 244,100 3,417 96040210
60,891
INDUSTRIAL MACHINERY & EQUIPMENT - 1.5%
Bearings, Inc. 9,400 262 07400520
Caterpillar, Inc. 198,400 16,914 14912310
Cincinnati Milacron, Inc. 523,200 10,464 17217210
Granite Industries BHD 2,369,000 13,614 38799522
SKF AB Ord. (a) 296,700 4,241 78437530
45,495
TOTAL INDUSTRIAL MACHINERY & EQUIPMENT 106,386
MEDIA & LEISURE - 7.3%
BROADCASTING - 1.7%
Cablemaxx, Inc. (a) 37,000 425 12685910
Home Shopping Network, Inc. (a) 209,300 3,139 43735110
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
MEDIA & LEISURE - CONTINUED
BROADCASTING - CONTINUED
NTN Communications, Inc. (a) 61,900 $ 596 62941030
Peoples Choice TV Corp. (a) (d) 353,600 9,194 71084710
Preferred Entertainment, Inc. (a) 180,500 3,881 74036T10
Scandinavian Broadcasting Corp. (a) 161,500 3,169 80699E92
Television Broadcast Limited Ord. (a) 2,840,000 9,890 87953110
United International Holdings, Inc. Class A (a) 5,000 158 91073410
Viacom, Inc. (non-vtg.) (a) 468,200 20,659 92552430
51,111
ENTERTAINMENT - 2.2%
Multi-Purpose Holding BHD (a) 2,400,000 6,098 00099292
New Line Cinema Corp. (a) 811,100 18,757 64646510
PolyGram N.V. Ord. 270,000 10,455 73173392
RHI Entertainment, Inc. (a) (d) 764,900 17,593 74955910
Royal Carribean Cruises Ltd. 364,700 9,391 78015392
Shaw Bros Hong Kong Ltd. 1,900,000 3,222 82028710
65,516
LEISURE DURABLES & TOYS - 0.2%

Coachmen Industries, Inc. 6,700 94 18987310
Just Toys, Inc. (a) (d) 405,000 4,050 48213310
Playmates International Holdings 3,000,000 1,126 72799292
Varsity Spirit Corp. (a) 81,000 1,195 92229410
Vermont Teddy Bear (a) 1,100 17 92427X10
6,482
LODGING & GAMING - 1.4%
Aztar Corp. (a) 278,800 1,952 05480210
Caesars World, Inc. (a) 249,600 12,199 12769510
Circus Circus Enterprises, Inc. (a) 389,850 13,498 17290910
Hospitality Franchise Systems, Inc. (a) 56,000 2,394 44091210
Mandarin Oriental International Ltd. Ord. 6,374,000 7,261 56259499
Mirage Resorts, Inc. (a) 19,500 429 60462E10
Shangri-La Asia Ltd. (a) 3,224,000 3,840 84599M22
41,573
PUBLISHING - 0.5%
Big Entertainment, Inc. (a) 120,000 795 08914410
Harvey Comics Entertainment, Inc. (a) 70,000 656 41764710
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
MEDIA & LEISURE - CONTINUED
PUBLISHING - CONTINUED
MaClean Hunter Ltd. 1,328,800 $ 11,813 55474980
Times Mirror Co., Series A 44,800 1,400 88736010
14,664
RESTAURANTS - 1.3%
Cafe De Coral Holdings Ltd. 5,487,900 4,014 12799092
F&M Distributors, Inc. (a) (d) 460,600 3,570 30272310
Fairwood Holdings Ltd. (a) (e) 7,089,000 3,304 30699392
IHOP Corp. (a) (d) 809,600 22,770 44962310
Quantum Restaurant Group, Inc. 325,400 3,417 74763T10
37,075
TOTAL MEDIA & LEISURE 216,421
NONDURABLES - 2.1%
BEVERAGES - 1.0%
Dr. Pepper/Seven-Up Companies, Inc. (a) 440,500 10,021 25613130
Emvasa Del Valle de Enah Ord. (a) 835,000 3,364 29299E22
Grupo Embot. Mex. Class B ADS (e) 540,000 16,200 40048J10
29,585
FOODS - 0.3%
Hormel (George A) & Co. 366,500 8,063 44045210
Mavesa SA sponsored ADR (a) (e) 240,000 2,220 57771720
10,283
HOUSEHOLD PRODUCTS - 0.7%
Luxottica Group S.P.A. sponsored ADR (a) 11,500 293 55068R20
Premark International, Inc. 240,500 18,819 74045910
Safeskin Corp. (a) 12,000 186 78645410
19,298
TOBACCO - 0.1%
ITC Ltd.:
warrants (a) (e) 20,000 160 45031811
GDR (e) 60,000 1,395 45031810
RJR Nabisco Holdings Corp. (a) 427,800 2,781 74960K10
4,336
TOTAL NONDURABLES 63,502
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
PRECIOUS METALS - 0.7%
Amax Gold, Inc. 239,779 $ 1,529 02312010
Anglo American Corp. of South Africa Ltd.:
ADR 16,000 562 03486130
(Reg.) (a) 94,200 3,311 03486110
Driefontein Consolidated Ltd.:
ADR 155,000 1,724 26202640

Ord.   183,200 2,048 26202630
Free State Consolidated Gold Mines Ltd.:
ADR 74,400 1,023 35614220
Ord . 83,700 1,209
Kloof Gold Mining Ltd.:
ADR 219,300 2,056 49874650
Ord.   145,200 1,359 49874640
Vaal Reefs Exploration & Mining Co. Ltd.:
ADR 283,800 2,341 91850640
(Reg.) 14,000 1,186 91850610
Western Deep Levels Ltd.:
ADR 59,100 2,327 95807720
Ord.   33,900 1,339 95807710
22,014
RETAIL & WHOLESALE - 4.8%
APPAREL STORES - 0.7%
Catherines Stores Corp. (a)   139,000 2,676 14916F10
Designs, Inc. (a)   141,400 2,298 25057L10
Giordano Holdings Ltd. Ord.   5,000,000 2,702 37599592
Shoe Carnival, Inc. (a) (d) 774,000 12,964 82488910
Sportstown, Inc. (a) 16,900 106 84919810
20,746
GENERAL MERCHANDISE STORES - 1.5%
Bradlees, Inc.   468,800 7,149 10449910
Dayton Hudson Corp.   70,700 5,046 23975310
Freds, Inc. Class A (d) 839,700 12,595 35610810
Hudsons Bay Co. Ord.   500,000 14,365 44420410
Sears, Roebuck & Co.   100,000 5,438 81238710
44,593
GROCERY STORES - 1.6%
Bruno's, Inc.   134,000 1,223 11688110
Giant Food, Inc. Class A 389,700 9,060 37447810
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
RETAIL & WHOLESALE - CONTINUED
GROCERY STORES - CONTINUED
Great Atlantic & Pacific Tea Co., Inc.   43,400 $ 1,204 39006410
Safeway, Inc. (a) 707,500 13,443 78651420
Whole Foods Market, Inc. (a) (d) 1,129,500 23,155 96683710
48,085
RETAIL & WHOLESALE, MISC - 0.9%
Barnes & Noble, Inc.   169,200 4,907 06777410
Best Buy Co., Inc. (a) 94,800 4,716 08651610
Good Guys, Inc. (a) 103,300 1,614 38209110
Lillian Vernon Corp.   82,100 1,498 53243010
Natural Wonders, Inc. (a)   220,000 2,145 63901410
Orchard Supply Hardware Corp. (a) 160,400 2,246 68569110
Redoute (LA) 30,000 4,683 75799492
Toys "R" Us, Inc. (a) 100,000 4,075 89233510
25,884
TRADING COMPANIES - 0.1%
Linkful International Holding (a) 15,000,000 4,369 53599522
TOTAL RETAIL & WHOLESALE   143,677
SERVICES - 0.3%
ADVERTISING - 0.0%
HA-LO Industries, Inc. (a) 105,000 551 40442910
SERVICES - 0.3%
Oroamerica, Inc. (a) (d) 314,000 4,396 68702710
TRO Learning, Inc. (a) 289,300 2,821 87263R10
7,217
TOTAL SERVICES   7,768
TECHNOLOGY - 8.8%
COMMUNICATIONS EQUIPMENT - 0.5%
Champion Technology Holdings Ltd. (a) 2,000,000 1,812 15899922
DSC Communications Corp. (a) 100,000 5,413 23331110

Ericsson (L.M.) Telephone Co. Class B ADR 63,200 2,496 29482140
General Instrument Corp. (a) 104,200 5,562 37012110
  15,283
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
TECHNOLOGY - CONTINUED
COMPUTER SERVICES & SOFTWARE - 2.3%
America Online, Inc. (a) 69,200 $ 4,532 02364J10
BancTec, Inc. (a) 218,850 4,596 05978410
Ceridian Corp. (a) 227,300 4,262 15677T10
Compuware Corp. (a) 57,200 1,416 20563810
Integrated Systems, Inc. (a) (d) 672,000 6,888 45812M10
Microsoft Corp. (a) 200,000 16,000 59491810
SPSS, Inc.   79,000 790 78462K10
Sierra On-Line, Inc. (a) (d) 700,900 16,121 82640910
Sterling Software, Inc. (a) 92,300 2,573 85954710
SunGard Data Systems, Inc. (a) 333,300 11,832 86736310
Viewlogic Systems, Inc. (a) 30,000 690 92672110
  69,700
COMPUTERS & OFFICE EQUIPMENT - 3.6%
Amdahl Corp.   216,000 1,188 02390510
Compaq Computer Corp. (a) 279,000 20,193 20449310
International Business Machines Corp.   857,700 46,209 45920010
Merisel, Inc. (a) 556,200 8,134 58984910
Netframe Systems, Inc. (a)   547,900 9,040 64110610
Norand Corp. (a) 3,500 87 65542110
Seagate Technology (a) 432,700 10,493 81180410
Xerox Corp.   145,600 12,012 98412110
  107,356
ELECTRONIC INSTRUMENTS - 0.3%
ASECO Corp. (a) 75,000 656 04365910
Fisher Scientific International, Inc.   170,900 5,811 33803210
Megatest Corp. (a) 65,100 879 58495810
  7,346
ELECTRONICS - 1.9%
Advanced Micro Devices, Inc. (a) 979,800 18,616 00790310
Integrated Device Technology, Inc. (a) 1,114,400 15,462 45811810
Methode Electronics, Inc. Class A 298,300 3,729 59152020
Micron Technology, Inc.   253,300 11,715 59511210
Recoton Corp. (a) 20,000 495 75626810
Samsung Electronics Co. Ltd. GDR (a) (e) 9,001 265 79605030
Texas Instruments, Inc.   103,000 6,618 88250810
  56,900
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
TECHNOLOGY - CONTINUED
PHOTOGRAPHIC EQUIPMENT - 0.2%
Eastman Kodak Co.   100,000 $ 6,087 27746110
TOTAL TECHNOLOGY   262,672
TRANSPORTATION - 3.5%
AIR TRANSPORTATION - 1.5%
AMR Corp. (a) 210,000 13,834 00176510
East Asiatic Co. Hong Kong Ltd.   2,447,000 950 27099892
Technology Resources (a) 2,000,000 8,210 93699692
UAL Corp.   142,500 21,161 90254910
  44,155
RAILROADS - 0.4%
Chicago & North Western Holdings Corp. (a) 532,900 12,656 16715510
SHIPPING - 0.2%
Shun Tak Holdings Ltd.   6,284,000 7,240 82799192
TRUCKING & FREIGHT - 1.4%
Airborne Freight Corp.   540,300 17,830 00926610
Federal Express Corp. (a) 338,200 24,181 31330910
Landair Services, Inc. (a) 17,000 315 51475910

42,326
TOTAL TRANSPORTATION 106,377
UTILITIES - 8.3%
CELLULAR - 1.7%
Cellular Communications, Inc. Class P (a) 1,094,300 49,856 15091793
Nationwide Cellular Service, Inc. (a) 46,000 656 63859510
50,512
ELECTRIC UTILITY - 0.6%
Consolidated Electric Power Asia Ltd. sponsored ADR 64,100 1,039
20855210
Korea Electric Power Corp. 400,000 9,652 50099B92
Meralco Class B (a) 495,000 5,912 58799A92
16,603
GAS - 0.4%
Sonat, Inc. 194,000 5,990 83541510
Trident Holdings (a) 400,000 4,500 89592610
10,490
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
UTILITIES - CONTINUED
TELEPHONE SERVICES - 5.6%
Ameritech Corp. 150,000 $ 11,475 03095410
Bell Atlantic Corp. 372,400 22,344 07785310
BellSouth Corp. 188,700 10,779 07986010
Comsat Corp., Series 1 896,600 28,355 20564D10
Davel Communications GRP, Inc. (a) 54,400 830 23833810
GTE Corp. 320,000 11,880 36232010
MCI Communications Corp. 339,400 8,273 55267310
NYNEX Corp. 120,000 5,115 67076810
Southwestern Bell Corp. 432,400 18,377 84533310
Sprint Corporation 638,100 20,898 85206110
Telebras "PN" (Pfd. Reg.) 795,857,000 27,959 95499792
Telecomasia Corp. Public Ltd. 400,000 864 87928D92
167,149
TOTAL UTILITIES 244,754
TOTAL COMMON STOCKS
(Cost $1,754,584) 2,112,041
PREFERRED STOCKS - 2.7%

CONVERTIBLE PREFERRED STOCKS - 2.1%
BASIC INDUSTRIES - 0.1%
METALS & MINING - 0.1%
Alumex, Inc., Series A, $4.00 22,000 2,046 02219720
Cyprus Amax Minerals Co., Series A, $4.00 (e) 24,000 1,410 23280920
3,456
DURABLES - 1.2%
AUTOS, TIRES, & ACCESSORIES - 1.2%
Chrysler Corp., Series A, $4.625 (e) 247,400 36,739 17119670
ENERGY - 0.4%
OIL & GAS - 0.4%
Unocal Corp. $3.50 (e) 200,000 11,600 91528920
PREFERRED STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
CONVERTIBLE PREFERRED STOCKS - CONTINUED
TRANSPORTATION - 0.4%
AIR TRANSPORTATION - 0.4%
AMR Corp. $3.00 (e) 139,000 $ 7,193 00176588
UAL, Inc. 6 1/4% cumulative (e) 45,200 5,305 90254930
12,498
TOTAL CONVERTIBLE PREFERRED STOCKS 64,293
NONCONVERTIBLE PREFERRED STOCKS - 0.6%
UTILITIES - 0.6%
TELEPHONE SERVICES - 0.6%
Stet Societa Finanziaria Telefonica SPA 9,530,000 15,758 85982592

SIP (Societa Ital Per L'Eser) Spa Di Risp N/C Ord.   670,000 1,032
78401796
16,790
TOTAL PREFERRED STOCKS
(Cost $57,789)   81,083
CONVERTIBLE BONDS - 1.6%
MOODY'S RATINGS (C) PRINCIPAL
(UNAUDITED) AMOUNT (F) (000S)
BASIC INDUSTRIES - 0.9%
CHEMICALS & PLASTICS - 0.4%
Reliance Industries Ltd.:
3 1/2%, 11/3/93 (e) - $ 10,000 11,450 759470AA
3 1/2%, 11/3/99   - 1,000 1,152 7594709A
12,602
IRON & STEEL - 0.1%
Essar Gujarat, Ltd. 5 1/2%, 8/5/98   - 250 339 296994AC
Jindal Strip 4 1/4%, 3/31/99 (e) - 1,240 1,392 642994AA
1,731
CONVERTIBLE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
BASIC INDUSTRIES - CONTINUED
PAPER & FOREST PRODUCTS - 0.4%
Repap Enterprises, Inc. 8 1/2%,
8/1/97 - $ 15,880 $ 12,704 76026M9B
TOTAL BASIC INDUSTRIES   27,037
CONGLOMERATES - 0.0%
Polly Peck International PLC
7 1/4%, 1/4/05 (b) - 6,500 1,235 731991AA
CONSTRUCTION & REAL ESTATE - 0.0%
REAL ESTATE - 0.0%
New World Development Ltd. 4 3/8%,
12/11/00 (e) - 1,000 978 649272AA
BUILDING MATERIALS - 0.0%
Gujar Ambuja 3 1/2%, 6/30/99 - 880 880
TOTAL CONSTRUCTION & REAL ESTATE   1,858
FINANCE - 0.4%
CREDIT & OTHER FINANCE - 0.3%
Asia Credit 3 3/4%, 11/17/03 (e) - 1,355 1,477 044909AA
Benpress Holdings Corp. 4.2%,
12/31/94 (e) - 113 254 082300AA
Scici Ltd. 3 1/2%, 4/1/04 (e) - 4,900 5,978 79599KAA
7,709
SECURITIES INDUSTRY - 0.1%
Phatra TH 3 1/2%, 12/13/03 - 2,500 2,500
TOTAL FINANCE   10,209
MEDIA & LEISURE - 0.2%
ENTERTAINMENT - 0.2%
New Line Cinema Corp. 6 1/2%,
11/15/06 (e)   - 3,000 4,110 646465AA
RHI Entertainment 6 1/2%, 6/1/03 (e) - 710 916 749559AA
5,026
CONVERTIBLE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNTS (B) (000S) (000S)
TECHNOLOGY- 0.1%
COMPUTER SERVICES & SOFTWARE - 0.0%
Sterling Software, Inc. 5 3/4%, 2/1/03 B1 $ 910 $ 1,083 859547AD
ELECTRONICS - 0.1%
Microsemi Corp. 5 7/8%, 3/1/12 Caa 596 226 595137AA
Richardson Electronics, Ltd. 7 1/4%,
12/15/06 B3 2,382 1,906 763165AB
2,132
TOTAL TECHNOLOGY   3,215
TOTAL CONVERTIBLE BONDS
(Cost $51,440)   48,580

U.S. TREASURY OBLIGATIONS - 10.0%

Bills, yields at date of purchase 3.13% to 3.15%
2/24/94 to 3/3/94 (Cost $297,713) Aaa 300,000 297,658
REPURCHASE AGREEMENTS - 14.7%
MATURITY
AMOUNT
(000S)
Investments in repurchase agreements
(U.S. Treasury obligations), in a joint
trading account at 3.24% dated
11/30/93 due 12/1/93 $ 438,780 438,741
TOTAL INVESTMENTS - 100%
(Cost $2,600,267) $ 2,978,103
LEGEND
1. Non-income producing
2. Non-income producing - the company moved to seek a court appointed administrator under British bankruptcy law.
3. Standard & Poor's Corporation credit ratings are used in the absence of a rating by Moody's Investors Service, Inc.
4. Affiliated company (see Note 6 of Notes to Financial Statements).
5. Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the period end, the value of these securities amounted to $114,003,000 or 4.2% of net assets.
6. Principal amount is stated in United States dollars unless otherwise noted.
7. Restricted securities - investment in securities not registered under the Securities Act of 1933 (see Note 2 of Notes to Financial Statements). Additional information on each holding is as follows:

SECURITY	ACQUISITION DATE	ACQUISITION COST
Magainin Pharmaceuticals, Inc.	9/24/93	$ 1,750,000
T Cell Sciences, Inc.	11/23/93	$ 1,587,500

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

United States	81.9%
Hong Kong	3.4
Malaysia	1.8
Canada	1.7
Brazil	1.2
United Kingdom	1.2
Netherlands	1.1
India	1.0
Others (individually less than 1%)	6.7
TOTAL	100.0%

INCOME TAX INFORMATION
At November 30, 1993, the aggregate cost of investment securities for income tax purposes was $2,601,018,000. Net unrealized appreciation aggregated $377,085,000, of which $429,097,000 related to appreciated investment securities and $52,012,000 related to depreciated investment securities.
FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

<TABLE>
<CAPTION>

<S>	<C>	<C>
AMOUNTS IN THOUSANDS (EXCEPT PER-SHARE AMOUNTS) NOVEMBER 30, 1993		
ASSETS	8.	9.

10.Investment in securities, at value (including repurchase agreements of $438,741) (cost $2,600,267) (Notes 1 and 2) - See accompanying schedule	11.	$ 2,978,103
12.Receivable for investments sold	13.	23,357
14.Receivable for fund shares sold	15.	4,942
16.Dividends receivable	17.	3,723
18.Interest receivable	19.	926
20.Other receivables	21.	5,190
22. TOTAL ASSETS	23.	3,016,241
LIABILITIES	24.	25.
26.Payable to custodian bank	$ 626	27.
28.Payable for investments purchased	278,292	29.
30.Payable for fund shares redeemed	2,582	31.
32.Accrued management fee	1,727	33.
34.Other payables and accrued expenses	691	35.
36.Collateral on securities loaned, at value (Note 5)	44,055	37.
38. TOTAL LIABILITIES	39.	327,973
40.NET ASSETS	41.	$ 2,688,268
42.Net Assets consist of:	43.	44.
45.Paid in capital	46.	$ 2,025,390
47.Undistributed net investment income	48.	42,699
49.Accumulated undistributed net realized gain (loss) on investments	50.	242,343
51.Net unrealized appreciation (depreciation) on investment securities	52.	377,836
53.NET ASSETS, for 139,581 shares outstanding	54.	$ 2,688,268
55.NET ASSET VALUE, offering price and redemption price per share ($2,688,268 (divided by) 139,581 shares)	56.	$19.26

</TABLE>

STATEMENT OF OPERATIONS
AMOUNTS IN THOUSANDS YEAR ENDED NOVEMBER 30, 1993

<TABLE>
<CAPTION>

<S>	<C>	<C>
INVESTMENT INCOME 57.Dividends (including $417 received from affiliated issuers) (Note 6)	58.	$ 33,578

59.Interest (including security lending fees of $192) (Note 5)	60.	10,767
61. TOTAL INCOME	62.	44,345
EXPENSES	63.	64.
65.Management fee (Note 4) Basic fee	$ 15,111	66.
67. Performance adjustment	3,094	68.
69.Transfer agent fees (Note 4)	5,706	70.
71.Accounting and security lending fees (Note 4)	779	72.
73.Non-interested trustees' compensation	16	74.
75.Custodian fees and expenses	227	76.
77.Registration fees	51	78.
79.Audit	61	80.
81.Legal	29	82.
83.Miscellaneous	170	84.
85. Total expenses before reductions	25,244	86.
87. Expense reductions (Note 7)	(51)	25,193
88.NET INVESTMENT INCOME	89.	19,152
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTES 1 AND 3) 90.Net realized gain (loss) on investment securities (including realized (loss) of $3,251 on sales of investments in affiliated issuers)	91.	266,482
92.Change in net unrealized appreciation (depreciation) on investment securities	93.	144,257
94.NET GAIN (LOSS)	95.	410,739
96.NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	97.	$ 429,891

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S>	<C>	<C>
AMOUNTS IN THOUSANDS	YEARS ENDED NOVEMBER 30,	
	1993	1992
INCREASE (DECREASE) IN NET ASSETS		
98.Operations Net investment income	$ 19,152	$ 19,298

99. Net realized gain (loss) on investments	266,482	381,043
100. Change in net unrealized appreciation (depreciation) on investments	144,257	(14,726)
101. NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	429,891	385,615
102.Distributions to shareholders from: Net investment income	(17,541)	(18,500)
103. Net realized gain	(387,106)	(96,199)
104.Share transactions Net proceeds from sales of shares	665,444	732,259
105. Reinvestment of distributions from: Net investment income	17,513	18,481
106. Net realized gain	386,611	96,126
107. Cost of shares redeemed	(572,056)	(529,417)
108. Net increase (decrease) in net assets resulting from share transactions	497,512	317,449
109. TOTAL INCREASE (DECREASE) IN NET ASSETS	522,756	588,365
NET ASSETS	110.	111.
112. Beginning of period	2,165,512	1,577,147
113. End of period (including undistributed net investment income of $42,699 and $41,088, respectively)	$ 2,688,268	$ 2,165,512
OTHER INFORMATION 114.Shares	115.	116.
117. Sold	37,751	40,145
118. Issued in reinvestment of distributions from: Net investment income	1,074	1,105
119. Net realized gain	23,719	5,746
120. Redeemed	(32,513)	(29,083)
121. Net increase (decrease)	30,031	17,913

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
122.	YEARS ENDED NOVEMBER 30,				
123.	1993	1992	1991	1990	1989

124.		125.	126.	127.	128.
129.SELECTED PER-SHARE DATA					
130.Net asset value, beginning of period	$ 19.77	$ 17.21	$ 13.13	$ 15.62	$ 12.55
131.Income from Investment Operations					
132. Net investment income	.09	.14	.27	.34	.37
133. Net realized and unrealized gain (loss) on investments	3.09	3.66	3.92	(1.88)	2.91
134. Total from investment operations	3.18	3.80	4.19	(1.54)	3.28
135.Less Distributions					
136. From net investment income	(.16)	(.20)	(.11)	(.45)	(.21)
137. From net realized gain	(3.53)	(1.04)	-	(.50)	-
138. Total distributions	(3.69)	(1.24)	(.11)	(.95)	(.21)
139.Net asset value, end of period	$ 19.26	$ 19.77	$ 17.21	$ 13.13	$ 15.62
140.TOTAL RETURN (dagger)	19.47%	23.39%	32.15%	(10.59)%	26.62%
141.RATIOS AND SUPPLEMENTAL DATA					
142.Net assets, end of period (in millions)	$ 2,688	$ 2,166	$ 1,577	$ 1,292	$ 1,448
143.Ratio of expenses to average net assets *	1.05%	1.02%	.83%	.98%	.92%
144.Ratio of expenses to average net assets before expense reductions *	1.05%	1.02%	.83%	.98%	.92%
145.Ratio of net investment income to average net assets	.80%	1.01%	1.56%	2.34%	2.51%
146.Portfolio turnover rate	101%	138%	119%	127%	139%

</TABLE>

* SEE NOTE 7 OF NOTES TO FINANCIAL STATEMENTS.
(dagger) THE TOTAL RETURNS WOULD HAVE BEEN LOWER HAD CERTAIN EXPENSES NOT BEEN REDUCED DURING THE PERIODS SHOWN.
NOTES TO FINANCIAL STATEMENTS
For the period ended November 30, 1993

1. SIGNIFICANT ACCOUNTING POLICIES.
Fidelity Retirement Growth Fund (the fund) is a fund of Fidelity Financial Trust (the trust) and is authorized to issue an unlimited number of shares. The trust is registered under the Investment Company Act of 1940, as

amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. The following summarizes the significant accounting policies of the fund:

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED

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

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

2. OPERATING POLICIES.

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

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

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

least equal to the resale price.
JOINT TRADING ACCOUNT. Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), the fund, along with other registered investment companies having management contracts with FMR, may transfer uninvested cash balances into a joint trading account. These balances are invested in one or more repurchase agreements that are collateralized by U.S. Treasury or Federal Agency obligations.
RESTRICTED SECURITIES. The fund is permitted to invest in privately placed restricted securities. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. At the end of the period, restricted securities (excluding 144A issues) amounted to $4,244,000 or .2% of net assets.
3. PURCHASES AND SALES OF
INVESTMENTS.
Purchases and sales of securities, other than short-term securities, aggregated $2,148,845,000 and $2,200,708,000, respectively.
4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES.
MANAGEMENT FEE. As the fund's investment adviser, FMR receives a monthly basic fee that is calculated on the basis of a group fee rate plus a fixed individual fund fee rate applied to the average net assets of the fund. The group fee rate is the weighted average of a series of rates ranging from .31% to .52% and is based on the monthly average net assets of all the mutual funds advised by FMR. The annual individual fund fee rate is .30%. The basic fee is subject to a performance adjustment (up to a maximum of + or - .20%) based on the fund's investment performance as compared to the appropriate index over a specified period of time. For the period, the management fee was equivalent to an annual rate of .76% of average net assets after the performance adjustment.
The Board of Trustees approved a new group fee rate schedule with rates ranging from .2850% to .5200%. Effective November 1, 1993, FMR has voluntarily agreed to implement this new group fee rate schedule as it results in the same or a lower management fee.
DISTRIBUTION AND SERVICE PLAN. Pursuant to the Distribution and Service Plan (the Plan), and in accordance with Rule 12b-1 of the 1940 Act, FMR or the fund's distributor, Fidelity Distributors Corporation (FDC), an affiliate of FMR, may use their resources to pay administrative and promotional expenses related to the sale of the fund's shares. Subject to the approval of the Board of Trustees, the Plan also authorizes payments to third parties that assist in the sale of the fund's shares or render shareholder support services. FMR or FDC has informed the fund that payments made to third parties under the Plan amounted to $31,000 for the period.
TRANSFER AGENT FEE. Fidelity Service Co. (FSC), an affiliate of FMR, is the fund's transfer, dividend disbursing and shareholder servicing agent. FSC receives fees based on the type, size, number of accounts and the number of transactions made by shareholders. FSC pays for typesetting, printing and mailing of all shareholder reports, except proxy statements.
ACCOUNTING AND SECURITY LENDING FEES. FSC maintains the fund's accounting records and administers the security lending program. The security lending fee is based on the number and duration of lending transactions. The accounting fee is based on the level of average net assets for the month plus out-of-pocket expenses.
BROKERAGE COMMISSIONS. The fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of FMR. The commissions paid to these affiliated firms were $1,179,000 for the period.
5. SECURITY LENDING.
The fund loaned securities to certain brokers who paid the fund negotiated lenders' fees. These fees are included in interest income. The fund receives U.S. Treasury obligations and/or cash as collateral against the loaned securities, in an amount at least equal to 102% of the market value of the loaned securities at the inception of each loan. This collateral must be maintained at not less than 100% of the market value of the loaned securities during the period of the loan. At period end, the value of the securities loaned and the value of collateral amounted to $42,541,000 and

$44,055,000 respectively.
6. TRANSACTIONS WITH AFFILIATED COMPANIES.
An affiliated company is a company in which the fund has ownership of at least 5% of the voting securities. Transactions with companies which are or were affiliates are as follows:
SUMMARY OF TRANSACTIONS WITH AFFILIATED COMPANIES
AMOUNTS IN THOUSANDS PURCHASES SALES DIVIDEND MARKET
 COST COST INCOME VALUE
AFFILIATE
American Bankers Insurance
 Group, Inc. $ 1,121 $ 17 $ 189 $ 26,722 Cable Design Technology Corp.
(a)   6,400 - - 6,240 Dyersburg Corp.   - 801 9 - F&M
Distributors, Inc. (a)   1,352 - - - Freds, Inc. Class A   6,102 - 91
12,595 IHOP Corp. (a)   5,569 230 - 22,770 Image Industries, Inc. (a)
- - - - 5,125 Integrated Systems, Inc. (a)   188 - - 6,888 Just Toys,
Inc. (a)   1,356 - - 4,050 Kentucky Electric Steel, Inc. (a)   3,684 -
- - 3,761 Libbey, Inc.   13,730 - 78 16,928 Loewenstein Furniture
 Group, Inc. (a)   112 - - 3,038 Microcom, Inc.   180 9,695 - -
Micropose, Inc.   307 8,920 - - Minerals Technologies, Inc.   183
20,113 50 - Netframe Systems, Inc. (a)   1,106 3,210 - - Network
Equipment
 Technologies, Inc.   34 17,858 - - New Line Cinema Corp.   552 513 -
- - Oroamerica, Inc. (a)   802 - - 4,396 Peoples Choice TV Corp. (a)   779
- - - 9,194 Pillowtex Corp. (a)   8,351 - - 18,165 RHI Entertainment,
Inc. (a)   - - - 17,593 Shoe Carnival, Inc. (a)   2,983 - - 12,964
Sierra On-Line, Inc. (a)   724 408 - - Sportstown, Inc. (a)   1,405
4,455 - -
Whole Foods Market, Inc. (a)   3,272 242 - 23,155
TOTALS $ 60,292 $ 66,462 $ 417 $ 193,584

(a) Non-income producing
7. EXPENSE REDUCTIONS.
FMR has directed certain portfolio trades to brokers who paid a portion of the fund's expenses. For the period, the fund's expenses were reduced by $51,000 under this arrangement.
REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees of Fidelity Financial Trust and the Shareholders of Fidelity Retirement Growth Fund:
In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments (except for Moody's and Standard & Poor's ratings), and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Fidelity Retirement Growth Fund (a fund of Fidelity Financial Trust) at November 30, 1993, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the periods indicated in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fidelity Retirement Growth Fund 's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities owned at November 30, 1993 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above.
PRICE WATERHOUSE
Boston, Massachusetts

January 3, 1994
TO CALL FIDELITY

FOR FUND INFORMATION AND QUOTES
The Fidelity Telephone Connection offers you special automated telephone services for quotes and balances. The services are easy to use, confidential and quick. All you need is a Touch Tone telephone.
YOUR PERSONAL IDENTIFICATION NUMBER
(PIN)
The first time you call one of our automated telephone services, we'll ask you
to set up your Personal Identification Number (PIN). The PIN assures that only you have automated telephone access to your account information. Please have your Customer Number (T-account #) handy when you call -- you'll need it to establish your PIN. If you would ever like to change your PIN, just choose the "Change your Personal Identification Number" option when you call. If you forget your PIN, please call a Fidelity representative at 1-800-544-6666 for assistance.

(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)MUTUAL FUND QUOTES*
1-800-544-8544
Just make a selection from this record-ed menu:
PRESS
For quotes on funds you own.
1.
For an individual fund quote.
2.
For the ten most frequently requested Fidelity fund quotes.
3.
For quotes on Fidelity Select Portfolios.(Registered trademark)
4.
To change your Personal Identification Number (PIN).
5.
To speak with a Fidelity representative.
6.
(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)MUTUAL FUND ACCOUNT
BALANCES 1-800-544-7544
Just make a selection from this record-ed menu:
PRESS
For balances on funds you own.
1.
For your most recent fund activity (purchases, redemptions, and dividends).
2.
To change your Personal Identification Number (PIN).
3.
To speak with a Fidelity

representative.
4.
* WHEN YOU CALL THE QUOTES LINE, PLEASE REMEMBER THAT A FUND'S YIELD AND RETURN WILL
VARY AND, EXCEPT FOR MONEY MARKET FUNDS, SHARE PRICE WILL ALSO VARY. THIS MEANS THAT
YOU MAY HAVE A GAIN OR LOSS WHEN YOU SELL YOUR SHARES. THERE IS NO ASSURANCE THAT
MONEY MARKET FUNDS WILL BE ABLE TO MAINTAIN A STABLE $1 SHARE PRICE; AN INVESTMENT IN
A MONEY MARKET FUND IS NOT INSURED OR GUARANTEED BY THE U.S. GOVERNMENT. TOTAL
RETURNS ARE HISTORICAL AND INCLUDE CHANGES IN SHARE PRICE, REINVESTMENT OF DIVIDENDS
AND CAPITAL GAINS, AND THE EFFECTS OF ANY SALES CHARGES. FOR MORE INFORMATION ON ANY
FIDELITY FUND INCLUDING MANAGEMENT FEES AND CHARGES, CALL 1-800-544-8888 FOR A FREE
PROSPECTUS. READ IT CAREFULLY BEFORE YOU INVEST OR SEND MONEY.
TO VISIT FIDELITY

For directions and hours,
please call 1-800-544-9797.
ARIZONA
7373 N. Scottsdale Road
Scottsdale, AZ
CALIFORNIA
851 Hamilton Avenue
Campbell, CA
527 North Brand Boulevard
Glendale, CA
19100 Von Karman Avenue
Irvine, CA
10100 Santa Monica Blvd.
Los Angeles, CA
811 Wilshire Boulevard
Los Angeles, CA
251 University Avenue
Palo Alto, CA
1760 Challenge Way
Sacramento, CA
7676 Hazard Center Drive
San Diego, CA
455 Market Street
San Francisco, CA
1400 Civic Drive
Walnut Creek, CA
COLORADO
1625 Broadway
Denver, CO
CONNECTICUT
185 Asylum Street
Hartford, CT
265 Church Street
New Haven, CT
300 Atlantic Street
Stamford, CT
DELAWARE
222 Delaware Avenue
Wilmington, DE
FLORIDA
4400 N. Federal Highway
Boca Raton, FL
2249 Galiano Street
Coral Gables, FL

4090 N. Ocean Boulevard
Ft. Lauderdale, FL
4001 Tamiami Trail, North
Naples, FL
32 West Central Boulevard
Orlando, FL
2401 PGA Boulevard
Palm Beach Gardens, FL
8065 Beneva Road
Sarasota, FL
2000 66th Street, North
St. Petersburg, FL
GEORGIA
3525 Piedmont Road, N.E.
Atlanta, GA
1000 Abernathy Road
Atlanta, GA
HAWAII
700 Bishop Street
Honolulu, HI
ILLINOIS
215 East Erie Street
Chicago, IL
One North Franklin
Chicago, IL
540 Lake Cook Road
Deerfield, IL
1415 West 22nd Street
Oak Brook, IL
1700 East Golf Road
Schaumburg, IL
LOUISIANA
201 St. Charles Avenue
New Orleans, LA
MAINE
3 Canal Plaza
Portland, ME
MARYLAND
1 West Pennsylvania Ave.
Towson, MD
7401 Wisconsin Avenue
Bethesda, MD
MASSACHUSETTS
470 Boylston Street
Boston, MA
21 Congress Street
Boston, MA
25 State Street
Boston, MA
300 Granite Street
Braintree, MA
101 Cambridge Street
Burlington, MA
416 Belmont Street
Worcester, MA
MICHIGAN
280 North Woodward Ave.
Birmingham, MI
26955 Northwestern Hwy.
Southfield, MI
MINNESOTA
38 South Sixth Street
Minneapolis, MN
MISSOURI
700 West 47th Street
Kansas City, MO

200 North Broadway
St. Louis, MO
NEW JERSEY
60B South Street
Morristown, NJ
501 Route 17, South
Paramus, NJ
505 Millburn Avenue
Short Hills, NJ
NEW YORK
1050 Franklin Avenue
Garden City, NY
999 Walt Whitman Road
Melville, L.I., NY
71 Broadway
New York, NY
350 Park Avenue
New York, NY
10 Bank Street
White Plains, NY
NORTH CAROLINA
2200 West Main Street
Durham, NC
OHIO
600 Vine Street
Cincinnati, OH
1903 East Ninth Street
Cleveland, OH
28699 Chagrin Boulevard
Woodmere Village, OH
OREGON
121 S.W. Morrison Street
Portland, OR
PENNSYLVANIA
1735 Market Street
Philadelphia, PA
439 Fifth Avenue
Pittsburgh, PA
TENNESSEE
5100 Poplar Avenue
Memphis, TN
TEXAS
10000 Research Boulevard
Austin, TX
7001 Preston Road
Dallas, TX
1155 Dairy Ashford
Houston, TX
1010 Lamar Street
Houston, TX
2701 Drexel Drive
Houston, TX
400 East Las Colinas Blvd.
Irving, TX
14100 San Pedro
San Antonio, TX
UTAH
175 East 400 South Street
Salt Lake City, UT
VERMONT
199 Main Street
Burlington, VT
VIRGINIA
8300 Boone Boulevard
Vienna, VA
WASHINGTON

411 108th Avenue, N.E.
Bellevue, WA
1001 Fourth Avenue
Seattle, WA
WASHINGTON, DC
1775 K Street, N.W.
Washington, DC
WISCONSIN
222 East Wisconsin Avenue
Milwaukee, WI

INVESTMENT ADVISER
Fidelity Management & Research
Company
Boston, MA
OFFICERS
Edward C. Johnson 3d, President
J. Gary Burkhead, Senior Vice President
Harris Leviton, Vice President
Gary L. French, Treasurer
John H. Costello, Assistant Treasurer
Arthur S. Loring, Secretary
Robert H. Morrison, Manager,
Security Transactions

GENERAL DISTRIBUTOR
Fidelity Distributors Corporation
Boston, MA
TRANSFER AND SHAREHOLDER
SERVICING AGENT
Fidelity Service Co.
Boston, MA
CUSTODIAN
Brown Brothers Harriman & Co.
Boston, MA
FIDELITY GROWTH FUNDS
Blue Chip Growth Fund
Capital Appreciation Fund
Contrafund
Disciplined Equity Fund
Dividend Growth Fund
Emerging Growth Fund
Growth Company Fund
Low-Priced Stock Fund
Magellan(Registered trademark) Fund
New Millennium(double dagger) Fund
OTC Portfolio
Retirement Growth Fund
Small Cap Stock Fund
Stock Selector
Trend Fund
Value Fund
THE FIDELITY TELEPHONE CONNECTION

MUTUAL FUND 24-HOUR SERVICE
Account Balances 1-800-544-7544
Exchanges/Redemptions 1-800-544-7777
Mutual Fund Quotes 1-800-544-8544
Account Assistance 1-800-544-6666
Product Information 1-800-544-8888
Retirement Accounts 1-800-544-4774
(8 a.m. - 9 p.m.)
TDD Service 1-800-544-0118

for the deaf and hearing impaired
(9 a.m. - 9 p.m. Eastern time)

* INDEPENDENT TRUSTEES
AUTOMATED LINES FOR QUICKEST SERVICE
FIDELITY RETIREMENT GROWTH FUND
82 DEVONSHIRE STREET
BOSTON, MASSACHUSETTS 02109

TO THE SHAREHOLDERS:
The Board of Trustees of Fidelity Retirement Growth Fund voted to pay on January 10, 1994, to shareholders of record at the opening of business on January 7, 1994, a distribution of $.13 derived from capital gains realized from sales of portfolio securities.
In the opinion of management, regardless of whether you took payments in cash or in additional shares, the distribution will be reportable for tax purposes for the year 1994. You will be notified at a later date as to the tax treatment of this distribution.
If your account is a Fidelity prototype retirement plan such as an Individual Retirement Account (IRA), a Keogh Plan, a 403(b), or a qualified pension or profit sharing plan, the above information is provided for informational purposes only and is not reportable for tax purposes in 1994.

FIDELITY RETIREMENT GROWTH FUND
January 7, 1994

(2_FIDELITY_LOGOS)FIDELITY

EQUITY-INCOME II
FUND
ANNUAL REPORT
NOVEMBER 30, 1993
CONTENTS

PRESIDENT'S MESSAGE

DEAR SHAREHOLDER:

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

Whether or not you're someone whose tax bill will increase as a result of these changes, it may make sense to consider ways to keep more of what you earn.

First, if your employer offers a 401(k) or 403(b) retirement savings plan, consider enrolling. These plans are set up so you can make regular contributions - before taxes - to a retirement savings plan. They offer a disciplined savings strategy, the ability to accumulate earnings tax-deferred, and immediate tax savings. For example, if you earn $40,000 a year and contribute 7% of your salary to your 401(k) plan, your annual contribution is $2,800. That reduces your taxable income to $37,200 and, if you're in the 28% tax bracket, saves you $784 in Federal taxes. In addition, you pay no taxes on any earnings until withdrawal.

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

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

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

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

Wishing you a prosperous new year,

Edward C. Johnson 3d, Chairman

PERFORMANCE: THE BOTTOM LINE

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

CUMULATIVE TOTAL RETURNS

PERIODS ENDED NOVEMBER 30, 1993	PAST 1 YEAR	LIFE OF FUND
Equity-Income II	19.08%	112.04%
S&P 500(Registered trademark)	10.10%	55.72%
Average Equity Income Fund	13.66%	63.10%

CUMULATIVE TOTAL RETURNS show the fund's performance in percentage terms over a set period - in this case, one year, or since the fund began on August 21, 1990. For example, if you invested $1,000 in a fund that had a 5% return over the past year, you would end up with $1,050. You can compare the fund's returns to the performance of the Standard & Poor's 500 Composite Stock Price Index - a common proxy for the U.S. stock market. You can also compare them to the average equity income fund, which reflects the performance of 92 equity income funds with similar objectives tracked by Lipper Analytical Services. Both benchmarks include reinvested dividends and capital gains, if any, and exclude the effects of sales charges.

AVERAGE ANNUAL TOTAL RETURNS

PERIODS ENDED NOVEMBER 30, 1993	PAST 1 YEAR	LIFE OF FUND
Equity-Income II	19.08%	25.74%
S&P 500(Registered trademark)	10.10%	14.45%
Average Equity Income Fund	13.66%	16.03%

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

$10,000 OVER LIFE OF FUND

	Equity-Income II (319)	S&P 500
08/21/90	10000.00	10000.00
08/31/90	10090.00	9833.94
09/30/90	9790.00	9355.02
10/31/90	9790.00	9314.80
11/30/90	10180.00	9916.53
12/31/90	10451.06	10193.20
01/31/91	10954.00	10637.63
02/28/91	11929.70	11398.22
03/31/91	12425.00	11674.06
04/30/91	12770.42	11702.07
05/31/91	13420.62	12207.60
06/30/91	13105.68	11648.49
07/31/91	13833.74	12191.31
08/31/91	14361.43	12480.25
09/30/91	14456.52	12271.83
10/31/91	14904.70	12436.27
11/30/91	14456.52	11935.09
12/31/91	15320.98	13300.46
01/31/92	15754.68	13053.08
02/29/92	16262.55	13222.77
03/31/92	16199.85	12964.92
04/30/92	16550.86	13346.09
05/31/92	16731.69	13411.49
06/30/92	16626.26	13211.65
07/31/92	17139.48	13752.01
08/31/92	16786.64	13470.10
09/30/92	17001.03	13629.04
10/31/92	17140.73	13676.74
11/30/92	17807.02	14143.12
12/31/92	18240.50	14317.08
01/31/93	18739.34	14437.34
02/28/93	19071.80	14633.69

03/31/93	19793.83	14942.46
04/30/93	19849.52	14580.86
05/31/93	20150.27	14971.62
06/30/93	20341.48	15015.04
07/31/93	20542.99	14954.98
08/31/93	21214.70	15521.77
09/30/93	21136.44	15402.26
10/31/93	21530.15	15721.08
11/30/93	21203.93	15571.73

$21,204
$15,572
$10,000 OVER LIFE OF FUND: Let's say you invested $10,000 in Fidelity Equity-Income II Fund on August 21, 1990, when the fund started. As the chart shows, by November 30, 1993, the value of your investment would have grown to $21,204 - a 112.04% increase on your initial investment. For comparison, look at how the S&P 500 did over the same period. With dividends reinvested, the same $10,000 investment would have grown to $15,572 - a 55.72% increase.

UNDERSTANDING
PERFORMANCE

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

(checkmark)

FUND TALK: THE MANAGER'S OVERVIEW

MARKET RECAP

Low inflation, falling interest rates and a gradually improving economy boosted U.S. stocks during the 12 months ended November 30, 1993. The Standard & Poor's 500 index - a broad measure of U.S. stock performance - rose 10.10%, in line with the market's long-term average annual return. Continued poor performance by tobacco, drug and brand-name consumer products stocks was offset by impressive results in other sectors, including technology, although semiconductors gave back part of their gains in October and November. Other market leaders were finance, notably securities brokers; autos; entertainment; and precious metals. Communications stocks soared as traditional telephone utilities, cellular communications companies and entertainment companies scrambled to form strategic alliances. Mergers and acquisitions activity resumed at a pace reminiscent of the 1980s. The NASDAQ Composite Index, which tracks over-the-counter stocks, rose 15.57% for the year, compared to 14.73% for the Dow Jones Industrial Average, an index of 30 blue-chip stocks. Both trailed the Morgan Stanley EAFE (Europe, Australia, Far East) index, which rose 24.27%. Two widely watched benchmarks broke records during the period: slow growth and the prospect of higher taxes helped push the yield on the 30-year Treasury below 6% in early September; meanwhile, the

Dow closed above 3700 for the
first time in mid-November, and
finished the month at 3684.

An Interview with Brian S. Posner, Portfolio Manager of Fidelity Equity-Income II Fund

Q. BRIAN, HOW HAS THE FUND PERFORMED DURING THE LAST YEAR?

A. For the 12 months ended November 30, 1993, the fund delivered a total return of 19.08%. That was ahead of the average equity-income fund's return, which was 13.66% according to Lipper Analytical Services. The fund also outpaced the Standard and Poor's 500 index, which gained 10.10%.

Q. WHAT DROVE THE FUND'S PERFORM-ANCE DURING THE PERIOD?

A. The fund's gains came from a broad cross-section of stocks. For example, we profited by investing in companies in the oil and gas industry that are cutting costs or have the potential to increase their production. One of our largest holdings was British Petroleum, which accounts for 3.2% of the fund's investments and was a strong performer. The fund also owned stock in companies such as Apache and Parker & Parsley, which benefited from strong natural gas prices. I continued to invest heavily in banks and S&Ls, although I became more selective as share prices of financial services firms rose during the year. Among banks, I concentrated on firms such as Citicorp, whose stock price rose sharply as investors recognized the enormous improvement in the company's balance sheet and its growing earnings power. Among S&Ls, the fund owned shares of financially strong companies such as Standard Federal Bank, a Michigan-based S&L, which was also a strong performer. Ford and Chrysler also contributed to the fund's performance.

Q. THE FUND'S ASSET SIZE HAS MORE THAN DOUBLED THIS YEAR, FROM $1.9 BILLION TO $4.8 BILLION. SHOULD SHAREHOLDERS BE CONCERNED THAT THIS GROWTH WILL AFFECT PERFORMANCE?

A. As the fund becomes larger, it is somewhat more difficult to buy and sell shares of small companies without influencing their prices in ways that penalize the fund's returns. But because I invest with a 12- to 24-month horizon, I can move gradually into or out of those issues, which helps alleviate that problem. Overall, I feel that any impact on performance resulting from the fund's growth has been minimal.

Q. ANY DISAPPOINTMENTS?

A. Aluminum stocks such as Reynolds Metals have been very frustrating. Aluminum is one commodity that looks like it should rise in price in the foreseeable future. Worldwide demand is going up and production capacity down. Meanwhile, the stocks are much cheaper than other commodity-based stocks where the outlook for price increases isn't nearly as good. So far, the problem has been that the Russians are producing far more aluminum than they can use and dumping the excess on the world market. I expect that this scenario should improve over the next one to two years, so I'm sticking with these stocks.

Q. THE FUND'S STAKE IN TRANSPORTATION STOCKS HAS MOVED UP SHARPLY IN RECENT MONTHS, TO OVER 5%. WHY?

A. I recently invested in the convertible preferred stocks issued by UAL and AMR, the parent corporations of United and American Airlines, respectively. The airline industry has finally started to cut back on capacity, which should help bolster prices and profitability. In addition, there is a renewed interest in controlling general operating costs. I bought the convertible issues because they were attractively priced relative to the common stocks. If the stocks rise, the fund should participate in most of those gains through the convertibles. And while we wait for that to happen, the fund will collect higher yields on the convertibles than it would if I bought the common shares themselves.

Q. WHAT ROLE HAVE OVERSEAS STOCKS PLAYED IN THE FUND?

A. Foreign stocks account for roughly 19% of the fund's investments. I don't aim to invest a set percentage of the fund's assets overseas. Instead I take a stock-by-stock approach, just as I do in the U.S. During the year, I found opportunities on a selective basis in Canada and the United Kingdom, among other countries. For example, British financial stocks such as Barclays Bank and National Westminster were very strong performers.

Q. WHAT'S THE OUTLOOK FOR THE FUND?

A. Unlike last year, in which rates fell to levels not seen in a generation, the next 12 months are likely to bring relatively stable interest rates. Investors should therefore be prepared for more modest returns than those they may have enjoyed in recent years in both the stock and bond markets. In addition, stock market valuations - as measured by yardsticks like price-to- earnings ratios - have become quite high. In such an environment, I intend to focus more on companies with solid business prospects and relatively low valuations.

FUND FACTS

GOAL: to provide current income and increase the value of the fund's shares

START DATE: August 21, 1990

SIZE: as of November 30, 1993, over $4.8 billion

MANAGER: Brian S. Posner, since April 1992; manager, Fidelity Value Fund, October 1990 - June 1992; Select

Energy Portfolio, 1990
(checkmark)

BRIAN S. POSNER ON HIS INVESTMENT STRATEGY:
"I don't try to figure out what sector of the economy or the stock market is going to do well. Instead, I take a very stock-specific approach. In the long run, that strategy works best because it makes me more familiar with the individual stocks in the fund, so I know why the fund owns them and what they're worth. That way, I have a very clear idea of when to sell them or when to buy more.
"The fund must invest at least two-thirds of its assets in securities that pay a dividend. At the end of November the figure was 74%. At times the fund will invest in stocks that do not pay a dividend, if I think they can provide a superior total return. An example of such an investment is HCA - Hospital Corporation of America, which has done an excellent job of reducing operating costs and interest expense, and has recently agreed to be acquired by Columbia Healthcare. "
(bullet) As of November 30, 1993, the fund held 6.3% of its assets in fixed- income securities, including a 2.2% position in bonds rated below investment grade. It also held 19.9% of its assets in cash.
DISTRIBUTIONS
The Board of Trustees of Fidelity Equity-Income II Fund voted to pay on December 20, 1993, to shareholders of record at the opening of business on December 17, 1993, a distribution of $.68 derived from capital gains realized from sales of portfolio securities and a dividend of $.18 from net investment income.
INVESTMENT CHANGES

TOP TEN STOCKS AS OF NOVEMBER 30, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE STOCKS 6 MONTHS AGO
British Petroleum PLC	3.2	3.0
Grace (W.R.) & Co.	1.8	1.1
HCA - Hospital Corporation of America	1.3	0.9
Bank of New York, Inc.	1.3	1.5
Philip Morris Companies, Inc.	1.2	0.0
Litton Industries, Inc.	1.2	0.6
AMR Corp. $3.00	1.1	1.0
Reynolds Metals Co.	1.1	1.0
Canadian Pacific Ltd. Ord.	1.1	0.6
Dayton Hudson Corp.	1.1	0.4

TOP FIVE INDUSTRIES AS OF NOVEMBER 30, 1993

	% OF FUND'S INVESTMENTS	% OF FUND'S INVESTMENTS IN THESE INDUSTRIES 6 MONTHS AGO
Finance	17.7	18.2
Basic Industries	11.7	11.8
Energy	12.2	12.6
Conglomerates	5.8	4.8
Transportation	5.0	4.2

ASSET ALLOCATION
AS OF NOVEMBER 30, 1993* AS OF MAY 31, 1993*
Row: 1, Col: 1, Value: 19.9
Row: 1, Col: 2, Value: 6.7
Row: 1, Col: 3, Value: 4.5
Row: 1, Col: 4, Value: 34.45
Row: 1, Col: 5, Value: 34.45
Row: 1, Col: 1, Value: 16.6
Row: 1, Col: 2, Value: 8.1
Row: 1, Col: 3, Value: 4.2
Row: 1, Col: 4, Value: 35.55
Row: 1, Col: 5, Value: 35.55
Stocks 68.9%
Bonds 4.5%
Convertible
securities 6.7%
Short-term invest-
ments and other 19.9%
FOREIGN
INVESTMENTS 19.0%
Stocks 71.1%
Bonds 4.2%
Convertible
securities 8.1%
Short-term invest-
ments and other 16.6%
FOREIGN
INVESTMENTS 16.9%

*
*
INVESTMENTS NOVEMBER 30, 1993

Showing Percentage of Total Value of Investments

COMMON STOCKS - 68.7%
SHARES VALUE (NOTE 1)
(000S)
AEROSPACE & DEFENSE - 0.6%
Flightsafety International, Inc. 505,000 $ 17,170 33942310
Martin Marietta Corp. 311,800 12,784 57290010
29,954
BASIC INDUSTRIES - 11.1%
CHEMICALS & PLASTICS - 4.3%
Akzo NV Ord. 141,600 13,094 01019910
Ferro Corp. 18,000 554 31540510
GEON 91,000 2,093 37246W10
Goodrich (B.F.) Company 83,400 3,638 38238810
Grace (W.R.) & Co. 2,284,500 89,095 38388310
Imperial Chemical Industries:
PLC ADR 116,100 5,239 45270450
Ord. 2,881,300 32,069 45270440
Lubrizol Corp. 102,800 3,290 54927110
Lyondell Petrochemical Co. 152,300 3,065 55207810
Monsanto Co. 172,500 11,730 61166210
OM Group, Inc. (b) 223,500 4,191 67087210
Potash Corp. of Saskatchewan 1,025,900 21,409 73755L10
Union Carbide Corp. 702,300 14,573 90558110
Vigoro Corp. 481,600 13,545 92675410
217,585
IRON & STEEL - 1.7%
Allegheny Ludlum Industries, Inc. 1,018,300 23,803 01690010
British Steel PLC:
ADR 13,200 239 11101530
Ord. 8,323,300 15,089 11101510
Cleveland Cliffs, Inc. 103,800 3,438 18589610
Inland Steel Industries, Inc. (b) 307,700 10,000 45747210

LTV Corp. (b) 799,400 11,591 50192110
USX-U.S. Steel Group 353,000 12,708 90337T10
Wheeling Pittsburgh Corp. (b) 650,000 10,725 96314210
  87,593
METALS & MINING - 2.4%
Alcan Aluminum Ltd.   1,858,300 38,606 01371610
Alumax, Inc.   475,500 9,213 02219710
Aluminum Co. of America 96,308 6,669 02224910
De Beers Consolidated Mines Ltd. ADR 440,000 8,195 24025330
Reynolds Metals Co.   1,230,200 55,205 76176310
  117,888
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
BASIC INDUSTRIES - CONTINUED
PACKAGING & CONTAINERS - 0.2%
Owens-Illinois, Inc. (b) 686,800 $ 7,641 69076840
PAPER & FOREST PRODUCTS - 2.5%
Champion International Corp.   672,600 20,683 15852510
Chesapeake Corp.   314,100 7,578 16515910
Georgia-Pacific Corp.   157,000 11,540 37329810
International Paper Co.   372,000 24,831 46014610
Pentair, Inc.   295,350 10,411 70963110
Repola OY 753,500 11,661 75999A92
Temple-Inland, Inc.   232,600 11,775 87986810
Union Camp Corp.   354,800 16,498 90553010
Willamette Industries, Inc.   238,900 11,467 96913310
  126,444
TOTAL BASIC INDUSTRIES   557,151
CONGLOMERATES - 5.3%
Allied-Signal, Inc.   82,400 5,861 01951210
Canadian Pacific Ltd. Ord.   3,314,900 54,287 13644030
Christies International PLC 540,000 1,645 17099892
Dial Corp. (The) 507,800 19,487 25247010
GenCorp, Inc.   235,800 3,272 36868210
Hanson Trust PLC sponsored ADR 2,204,000 46,284 41135230
Litton Industries, Inc. (b) 924,068 60,295 53802110
Mark IV Industries, Inc.   188,527 3,558 57038710
Standex International Corp.   261,900 6,482 85423110
Suncor, Inc.   245,000 5,411 86722910
Textron, Inc.   771,200 42,512 88320310
United Technologies Corp.   278,000 17,201 91301710
  266,295
CONSTRUCTION & REAL ESTATE - 1.6%
BUILDING MATERIALS - 0.7%
Armstrong World Industries, Inc.   389,000 17,845 04247610
BPB Industries PLC 498,000 2,061 05562299
Lafarge Corp.   161,200 3,224 50586210
Medusa Corp.   221,550 5,594 58507230
USG Corp. (b) 276,700 6,883 90329340
  35,607
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
CONSTRUCTION & REAL ESTATE - CONTINUED
CONSTRUCTION - 0.1%
Lennar Corp.   120,000 $ 3,570 52605710
ENGINEERING - 0.2%
EG&G, Inc.   671,200 11,914 26845710
REAL ESTATE INVESTMENT TRUSTS - 0.6%
Associated Estates Realty Corp. REIT 65,600 1,312 04560410
Bradley Real Estate Trust (SBI) 450,000 3,712 10458310
Carr Realty Corp.   132,700 3,102 14441K10
Crown American Realty Trust (SBI) 114,500 1,861 22818610
Developers Diversified Realty 100,000 2,700 25159110
Excel Realty Trust, Inc.   41,300 785 30067R10
Federal Realty Investment Trust 47,100 1,242 31374720
Kimco Realty Corporation 2,500 80 49446R10
LTC Properties, Inc.   103,400 1,318 50217510
Nationwide Health Properties, Inc.   20,800 785 63862010
New Plan Realty Trust 32,127 743 64805910
Taubman Centers, Inc.   142,500 1,799 87666410
Urban Shopping Centers, Inc. REIT (b) 87,000 1,827 91706010
Vornado Realty Trust 84,400 3,144 92904210
Weingarten Realty Investors (SBI) 37,800 1,441 94874110
Western Investment Real Estate Trust (SBI) 87,100 1,176 95846810
  27,027
TOTAL CONSTRUCTION & REAL ESTATE   78,118
DURABLES - 0.6%
AUTOS, TIRES, & ACCESSORIES - 0.1%
Volvo Aktiebolaget Class B (b) 90,000 4,402 92885630
CONSUMER ELECTRONICS - 0.3%
Newell Co.   216,900 8,730 65119210
Sony Corp.   134,000 5,738 83569999
  14,468

TEXTILES & APPAREL - 0.2%
Kellwood Co.   90,800 3,450 48804410
Stride Rite Corp.   291,600 5,394 86331410
Unifi, Inc.   179,600 4,468 90467710
  13,312
TOTAL DURABLES   32,182
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
ENERGY - 10.9%
COAL - 0.1%
Pittston Co. Minerals Group 313,920 $ 6,985 72570120
ENERGY SERVICES - 2.1%
BJ Services Co.   146,300 3,219 05548210
Baker Hughes, Inc.   539,000 10,713 05722410
Enterra Corp. (b)   61,300 1,103 29380510
Halliburton Co.   1,070,400 33,049 40621610
Offshore Logistics, Inc. (b) 142,500 2,173 67625510
Schlumberger Ltd.   777,900 44,729 80685710
Smith International, Inc. (b) 173,000 1,535 83211010
Tidewater, Inc.   302,500 6,050 88642310
  102,571
OIL & GAS - 8.7%
Amerada Hess Corp.   1,104,400 51,493 02355110
Apache Corp.   224,000 4,900 03741110
British Borneo Petroleum   154,500 475 11099D22
British Petroleum PLC:
 ADR 2,425,900 143,735 11088940
 Ord.   3,397,225 16,760 11088910
Burlington Resources, Inc.   412,600 18,567 12201410
Louisiana Land & Exploration Co.   251,200 9,954 54626810
Murphy Oil Corp.   817,400 32,798 62671710
Newfield Exploration Co. (b) 167,000 2,735 65129010
Noble Affiliates, Inc.   191,988 4,752 65489410
Norsk Hydro A.S. 225,000 6,364 65653150
Norsk Hydro A.S. ADR (b) 266,200 7,420 65653160
Occidental Petroleum Corp.   815,000 14,466 67459910
Parker & Parsley Petroleum Co.   200,100 4,102 70101810
Petro-Canada 200,000 1,797 71644E10
Petroleum Heat & Power, Inc. Class A 537,700 5,243 71660030
Repsol SA sponsored ADR 586,700 16,794 76026T20
Royal Dutch Petroleum Co.   517,203 52,238 78025770
Total Compagnie Francaise des Petroles Class B (b) 676,028 34,420
20434510
Total SA sponsored ADR (b) 161,467 4,097 89151E10
YPF Sociedad Anonima sponsored ADR representing
Class D shares 205,500 5,086 98424510
  438,196
TOTAL ENERGY   547,752
COMMON STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
FINANCE - 14.5%
BANKS - 5.5%
BNP CI Ord.   137,700 $ 6,586 05599996
Banco de Santander Ord. (Reg.) 50,000 2,172 05957410
Banco Central SA (Reg.) 107,300 2,334 05947010
Banco Popular Espanol 57,700 6,318 05999110
Bank of Boston Corp.   2,226,357 48,423 06071610
Bank of Ireland U.S. Holdings Inc.   2,985,000 12,220 06278793
Bank of New York Co., Inc.   1,163,632 64,581 06405710
BanPonce Corp.   301,262 8,963 06670410
Barclays PLC Ord.   2,115,000 18,386 06738E10
Citicorp (b) 832,000 29,536 17303410
First Empire State Corp.   86,100 12,011 32007610
First Fidelity Bancorporation 1,003,414 42,018 32019510
NationsBank Corp.   221,615 10,444 63858510
Westpac Banking Corp.   4,750,726 13,309 96121410
  277,301
CREDIT & OTHER FINANCE - 2.7%
American Express Co.   665,000 20,864 02581610
Argentaria Corp. Bancaria de Espana (b) 167,400 7,153 21991392
Beneficial Corp.   524,600 38,689 08172110
Corporacion Bancaria de Espana
 SA sponsored ADR (b) 267,000 5,741 21991310
Dean Witter Discover & Co.   291,924 11,093 24240V10
GFC Financial Corp.   719,900 19,437 36160910
Household International, Inc.   615,105 20,298 44181510
Primerica Corp.   241,724 9,669 74158910
  132,944
FEDERAL SPONSORED CREDIT - 1.1%
Federal Home Loan Mortgage Corporation 909,600 43,661 31340030
Federal National Mortgage Association 50,000 3,775 31358610
Student Loan Marketing Association 150,000 6,675 86387150
  54,111

INSURANCE - 3.7%
ACE Ltd.   683,600 19,910 00499G92
Allstate Corp. (b) 720,100 21,243 02000210
American Bankers Insurance Group, Inc.   326,400 7,834 02445610
American General Corp.   237,200 6,375 02635110
American Reinsurance Corp. (b) 65,900 1,779 02916310
Capital Holding Corp.   465,900 17,821 14018610
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
FINANCE - CONTINUED
INSURANCE - CONTINUED
Exel Ltd.   446,200 $ 19,354 30161610
Loews Corp.   520,600 48,155 54042410
Midocean Reinsurance Ord. (b) 300,000 6,413 59899993
Penncorp. Financial Group, Inc. 309,900 5,888 70809410
Sedgwick Group 585,621 1,653 81482610
St. Paul Companies, Inc. (The) 274,000 24,317 79286010
Torchmark Corp.   52,500 2,310 89102710
Willis Coroon PLC Ord. (b) 352,000 1,242 97062410
184,294
SAVINGS & LOANS - 1.3%
Ahmanson (H.F.) & Co.   1,544,700 29,156 00867710
Golden West Financial Corp.   172,700 6,671 38131710
Standard Federal Bank 1,073,600 30,866 85338910
66,693
SECURITIES INDUSTRY - 0.2%
Paine Webber Group, Inc.   467,600 12,450 69562910
TOTAL FINANCE   727,793
HEALTH - 2.1%
DRUGS & PHARMACEUTICALS - 0.3%
Upjohn Co.   473,700 14,803 91530210
MEDICAL EQUIPMENT & SUPPLIES - 0.1%
Johnson & Johnson 100,000 4,363 47816010
MEDICAL FACILITIES MANAGEMENT - 1.7%
Columbia Healthcare Corp.   659,900 19,137 19767910
HCA - Hospital Corporation of America Class A (b) 2,191,400 64,646
40412010
83,783
TOTAL HEALTH   102,949
INDUSTRIAL MACHINERY & EQUIPMENT - 3.2%
ELECTRICAL EQUIPMENT - 1.3%
Alcatel Alsthom CGE 65,000 8,523 01390492
General Electric Co.   332,100 32,629 36960410
Itel Corp. (b) 95,554 2,449 46564210
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
INDUSTRIAL MACHINERY & EQUIPMENT - CONTINUED
ELECTRICAL EQUIPMENT - CONTINUED
Philips Electronics 869,700 $ 16,907 71833799
Philips NV (NY shs.) (b) 314,000 6,123 71833750
66,631
INDUSTRIAL MACHINERY & EQUIPMENT - 1.9%
Caterpillar, Inc.   603,400 51,439 14912310
Deere & Co.   298,000 21,121 24419910
Tenneco, Inc.   468,500 22,547 88037010
95,107
TOTAL INDUSTRIAL MACHINERY & EQUIPMENT   161,738
MEDIA & LEISURE - 1.2%
LEISURE DURABLES & TOYS - 0.2%
Huffy Corp.   188,100 3,409 44435610
Outboard Marine Corp.   290,700 5,596 69002010
9,005
PUBLISHING - 1.0%
Dow Jones & Co Inc.   474,800 17,033 26056110
MaClean Hunter Ltd.   1,151,200 10,234 55474980
Times Mirror Co., Series A 755,400 23,607 88736010
50,874
TOTAL MEDIA & LEISURE   59,879
NONDURABLES - 3.8%
BEVERAGES - 0.2%
Seagram Co. Ltd.   367,100 10,169 81185010
FOODS - 1.2%
ConAgra, Inc.   1,531,400 40,965 20588710
Dole Food, Inc.   749,200 19,573 25660510
60,538
HOUSEHOLD PRODUCTS - 0.9%
Avon Products, Inc.   628,800 31,361 05430310
Orkla AS:
Class A Free shares 206,500 7,308 39299193
Class B (non-vtg.) 178,450 6,100 39299192
Stanhome, Inc.   21,300 708 85442510
45,477
COMMON STOCKS - CONTINUED

SHARES VALUE (NOTE 1)
(000S)
NONDURABLES - CONTINUED
TOBACCO - 1.5%
American Brands, Inc. 115,300 $ 3,963 02470310
Imasco Ltd. 320,300 9,202 45245170
Philip Morris Companies, Inc. 1,084,300 60,586 71815410
RJR Nabisco Holdings Corp. (b) 223,100 1,450 74960K10
75,201
TOTAL NONDURABLES 191,385
RETAIL & WHOLESALE - 4.2%
APPAREL STORES - 1.0%
Charming Shoppes, Inc. 997,500 13,466 16113310
Edison Brothers Stores, Inc. 351,300 11,110 28087510
Limited, Inc. (The) 1,155,000 26,276 53271610
50,852
GENERAL MERCHANDISE STORES - 2.2%
Dayton Hudson Corp. 753,800 53,803 23975310
Dillard Department Stores, Inc. Class A 410,500 16,933 25406310
Federated Department Stores, Inc. (b) 777,600 17,010 31410J10
Penney (J.C.) Co., Inc. 200,000 10,675 70816010
Sears, Roebuck & Co. 150,400 8,178 81238710
106,599
GROCERY STORES - 0.8%
American Stores Co. 190,300 7,874 03009610
Great Atlantic & Pacific Tea Co., Inc. 1,054,300 29,256 39006410
Stop & Shop Companies, Inc. (b) 168,400 2,947 86209910
40,077
RETAIL & WHOLESALE, MISCELLANEOUS - 0.2%
Sotheby's Holdings, Inc. Class A 743,500 10,967 83589810
Wolohan Lumber Co. 95,860 1,486 97786510
12,453
TOTAL RETAIL & WHOLESALE 209,981
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
SERVICES - 0.4%
ADVERTISING - 0.1%
Saatchi & Saatchi Co. (b):
sponsored ADR 182,300 $ 1,413 78514340
PLC Ord. 2,027,600 5,423 78514310
6,836
PRINTING - 0.3%
Harland (John H.) Co. 358,200 8,238 41269310
Nashua Corp. 87,500 2,352 63122610
Standard Register Co. 90,400 1,831 85388710
12,421
TOTAL SERVICES 19,257
TECHNOLOGY - 2.1%
COMPUTERS & OFFICE EQUIPMENT - 0.9%
Comdisco, Inc. 591,500 10,869 20033610
Digital Equipment Corp. (b) 510,000 18,806 25384910
Stratus Computer, Inc. (b) 357,100 9,597 86315510
Tandem Computers, Inc. (b) 539,300 5,595 87537010
44,867
ELECTRONICS - 0.4%
Hitachi, Ltd. 2,641,000 18,597 43357810
PHOTOGRAPHIC EQUIPMENT - 0.8%
Polaroid Corp. 1,147,100 40,579 73109510
TOTAL TECHNOLOGY 104,043
TRANSPORTATION - 2.7%
RAILROADS - 2.7%
Burlington Northern, Inc. 206,000 11,819 12189710
CSX Corp. 339,700 28,195 12640810
Chicago & North Western Holdings Corp. (b) 892,300 21,192 16715510
Illinois Central Corp., Series A 1,045,800 34,642 45184110
Union Pacific Corp. 603,200 38,304 90781810
134,152
COMMON STOCKS - CONTINUED
SHARES VALUE (NOTE 1)
(000S)
UTILITIES - 4.4%
ELECTRIC UTILITY - 3.9%
Central & South West Corp. 521,700 $ 15,521 15235710
DPL, Inc. 341,250 6,612 23329310
DQE, Inc. 202,100 6,821 23329J10
Entergy Corp. 1,315,100 48,494 29364F10
Houston Industries, Inc. 558,600 25,346 44216110
Illinois Power Co. 1,103,000 24,266 45209210
NIPSCO Industries, Inc. 594,400 18,872 62914010
Niagara Mohawk Power Corp. 113,800 2,333 65352210
PSI Resources, Inc. 209,200 5,387 69363210
PacifiCorp. 707,500 13,443 69511410
Pinnacle West Capital Corp. (b) 251,700 5,317 72348410
Rochester Gas & Electric Corp. 203,100 5,331 77136710

Texas Utilities Co.   360,657 15,418 88284810
Union Electric Co.   122,700 4,739 90654810
  197,900
GAS - 0.4%
MCN Corp.   50,000 1,738 55267J10
Pacific Enterprises 153,000 3,921 69423210
UGI Corporation   172,354 3,770 90268110
Westcoat Energy, Inc.   770,000 12,682 95751D10
  22,111
TELEPHONE SERVICES - 0.1%
Comsat Corp., Series 1 95,000 3,004 20564D10
TOTAL UTILITIES   223,015
TOTAL COMMON STOCKS
(Cost $3,152,762)   3,445,644
PREFERRED STOCKS - 5.1%
CONVERTIBLE PREFERRED STOCKS - 4.9%
BASIC INDUSTRIES - 0.2%
METALS & MINING - 0.2%
Alumax, Inc., Series A, $4.00 98,166 9,129 02219720
PREFERRED STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
CONVERTIBLE PREFERRED STOCKS - CONTINUED
DURABLES - 0.8%
AUTOS, TIRES, & ACCESSORIES - 0.8%
Chrysler Corp., Series A, $4.625 (e) 45,100 $ 6,697 17119670
Ford Motor Co. (Del.), Series A, $4.20   331,100 33,938 34537020
  40,635
ENERGY - 0.9%
OIL & GAS - 0.9%
Occidental Petroleum Corp. $3.875 (e) 305,000 16,318 67459982
Unocal Corp. $3.50 (b)(e) 504,600 29,266 91528920
  45,584
FINANCE - 0.9%
BANKS - 0.9%
Citicorp $5.375 (b)(e) 432,300 46,040 17303451
SAVINGS & LOANS - 0.0%
California Federal Bank, Series A, $1.94   19,200 324 13020940
TOTAL FINANCE   46,364
NONDURABLES - 0.1%
TOBACCO - 0.1%
RJR Nabisco Holdings Corp., Series A,
depositary shares representing 1/4 share (b) 830,200 5,708 74960K40
TRANSPORTATION - 2.0%
AIR TRANSPORTATION - 2.0%
AMR Corp. $3.00 (b)(e) 1,110,300 57,458 00176588
UAL, Inc. (cumulative) 6 1/4% (e) 360,100 42,267 90254930
  99,725
TOTAL CONVERTIBLE PREFERRED STOCKS   247,145
PREFERRED STOCKS - CONTINUED
 SHARES VALUE (NOTE 1)
  (000S)
NONCONVERTIBLE PREFERRED STOCKS - 0.2%
ENERGY - 0.0%
OIL & GAS - 0.0%
Gulf Canada Resources Ltd. sr. Series 1, adj. rate 410,232 $ 1,077
40218L40
Gulf Canada Resources Ltd. (b)(d) 11,768 34 40218L92
  1,111
FINANCE - 0.2%
SAVINGS & LOANS - 0.2%
Ahmanson (H.F.) & Co. depositary shares
representing 1/2 share pref. B 9.6% 265,161 7,159 00867730
TOTAL NONCONVERTIBLE PREFERRED STOCKS   8,270
TOTAL PREFERRED STOCKS
(Cost $227,004)   255,415
CORPORATE BONDS - 4.7%
 MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
 (UNAUDITED) AMOUNTS (B) (000S) (000S)
CONVERTIBLE BONDS - 1.8%
CONGLOMERATES - 0.2%
American Group Ltd.:
 euro 6 1/4%, 6/15/03   - $ 2,000 1,830 0235129B
 6 1/4%, 6/15/03 (e)   - 5,000 4,475 023512AA
Gencorp, Inc. 8%, 8/1/02 Ba3 2,000 2,255 368682AC
  8,560
CONSTRUCTION & REAL ESTATE - 0.0%
REAL ESTATE INVESTMENT TRUSTS - 0.0%
Sizeler Property Investors, Inc.
8%, 7/15/03 - 1,000 1,008 830137AA
DURABLES - 0.1%
AUTOS, TIRES, & ACCESSORIES - 0.1%
Magna International, Inc.
10%, 5/1/01 (e)   - 1,345 6,819 559222AC
CORPORATE BONDS - CONTINUED

MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNT (A) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
ENERGY - 0.1%
OIL & GAS - 0.1%
Alaska Intermediate 8 1/4%,
12/1/95 - $ 300 $ 299 9047889B
USX-Marathon Group
0%, 8/9/05 BB 4,000 1,685 902905AG
1,984
FINANCE - 0.7%
BANKS - 0.6%
Banco Santander euro 9%,
6/24/94 A ESP 310,000 2,535 0595749B
Bank of New York Co., Inc.
7 1/2%, 8/15/01 A2 18,000 27,945 064057AK
30,480
CREDIT & OTHER FINANCE - 0.1%
Lend Lease Finance International Ltd. gtd.
bond 4 3/4%, 6/1/03 (e) Aa 3,550 4,020 526025AA
TOTAL FINANCE 34,500
MEDIA & LEISURE - 0.1%
BROADCASTING - 0.1%
Time Warner, Inc. liquid yield option 0%,
6/22/13 BBB 8,055 3,303 887315AS
PUBLISHING - 0.0%
News Corp./Pearson euro 5%, 3/15/99 - DEM 3,175 2,129 7050999B
TOTAL MEDIA & LEISURE 5,432
RETAIL & WHOLESALE - 0.0%
GENERAL MERCHANDISE STORES - 0.0%
Caseys General Stores Inc. 6 1/4%,
5/1/12 B 700 820 147528AA
SERVICES - 0.2%
Manpower, Inc. 6 1/4%, 10/1/02 (e) Ba 11,540 12,463 56418HAA
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNT (A) (000S) (000S)
CONVERTIBLE BONDS - CONTINUED
TECHNOLOGY - 0.1%
PHOTOGRAPHIC EQUIPMENT - 0.1%
Eastman Kodak Co. liquid yield option 0%,
10/15/11 Baa1 $ 17,000 $ 5,971 277461BA
TRANSPORTATION - 0.3%
AIR TRANSPORTATION - 0.3%
Alaska Air Group, Inc. liquid yield option 0%,
4/18/06 B 27,500 10,656 011659AC
TRUCKING & FREIGHT - 0.0%
Builders Transport, Inc. 8%, 8/15/05 B 618 609 120084AA
TOTAL TRANSPORTATION 11,265
TOTAL CONVERTIBLE BONDS 88,822
NONCONVERTIBLE BONDS - 2.9%
BASIC INDUSTRIES - 0.4%
CHEMICALS & PLASTICS - 0.3%
du Pont (E.I.) de Nemours & Co. euro
9%, 7/18/94 Aa 2,000 2,060 263991AG
IMC Fertilizer Group, Inc.:
10 1/8, 6/15/01 B 10,000 10,400 449669AF
9.45%, 12/15/11 B 3,000 2,955 449669AB
15,415
IRON & STEEL - 0.1%
Inland Steel Industries, Inc. 12 3/4%,
12/15/02 Ba 4,000 4,575 457472AB
TOTAL BASIC INDUSTRIES 19,990
CONGLOMERATES - 0.3%
Coltec Industries, Inc. 10 1/4%, 4/1/02 Ba 6,750 7,155 196879AB
Sequa Corp. 10 1/2%, 5/1/98 B 6,300 6,536 817320AC
13,691
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNT (A) (000S) (000S)
NONCONVERTIBLE BONDS - CONTINUED
CONSTRUCTION & REAL ESTATE - 0.2%
BUILDING MATERIALS - 0.2%
USG Corp.:
10 1/4%, 12/15/02 B $ 2,500 $ 2,563 903293AK
10 1/4%, 12/15/02 B 8,000 8,200 903293AL
10,763
DURABLES - 0.0%
AUTOS, TIRES, & ACCESSORIES - 0.0%
Auburn Hills Trust gtd. exchangeable 15 7/8%,
5/1/20 Baa 1,100 1,656 050297AA
ENERGY - 0.3%
ENERGY SERVICES - 0.1%
TransTexas Gas Corp. 10 1/2%, 9/1/00 B 4,000 4,280 893895AA
OIL & GAS - 0.2%

Atlantic Richfield Co. notes 10 3/8%,
7/15/1995 A 500 544 048825AM
BP America, Inc. gtd. 10.15%, 3/15/96 A 1,500 1,662 055625AH
Chevron Corp. Profit Sharing/Savings Plan
Trust Fund gtd. 6.92%, 1/1/96 Aa 2,000 2,045 16675HAD
Mesa Capital Corp. (f):
0%, 6/30/96 - 2,000 1,600 590910AD
secured 0%, 6/30/98 - 7,500 6,450 590910AF
12,301
TOTAL ENERGY   16,581
FINANCE - 1.4%
BANKS - 0.1%
Keycorp 8.55%, 2/25/94 A2 1,000 1,011 49326EAF
Morgan (J.P.) & Co., Inc. 5 3/8%, 1/21/95 Aa 2,000 2,029 6168809D
Republic National Bank New York
5.20%, 1/17/95 Aa 2,000 2,021 760677BE
5,061
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNT (A) (000S) (000S)
NONCONVERTIBLE BONDS - CONTINUED
FINANCE - CONTINUED
CREDIT & OTHER FINANCE - 0.2%
AT&T Capital Corp. 5.22%, 2/18/94 Aa $ 2,000 $ 2,000 00206J9B
Chrysler Financial Corp. 9 1/2%, 12/15/99 Baa 5,000 5,773 171205CY
Exxon Capital Corp. gtd. 7 3/4%, 2/14/96 Aaa 2,000 2,127 302289AJ
9,900
INSURANCE - 1.0%
American Reinsurance 10 7/8%, 9/15/04 Baa 22,000 26,107 029163AA
ICH Corp. 9 3/4%, 8/31/94 B 2,500 2,556 449264AA
ITT Hartford Group, Inc. 7 1/4%, 12/1/96 A 1,500 1,585 45068HAB
Phoenix Reinsurance Corp. 9 3/4%, 08/15/03 Ba 5,300 5,565 719123AA
Reliance Group 9%, 11/15/00 Ba 13,900 14,039 759464AG
49,852
SAVINGS & LOANS - 0.1%
Coast Savings Financial, Inc. 10%, 4/1/00 B 4,000 4,210 19039MAA
TOTAL FINANCE   69,023
MEDIA & LEISURE - 0.0%
PUBLISHING - 0.0%
News America Holdings, Inc. 12%,
12/15/01 Ba 950 1,148 652478AB
NONDURABLES - 0.0%
BEVERAGES - 0.0%
Coca-Cola Company (The) 12 1/8%,
6/15/95 Aa 1,000 1,064 191216AB
TRANSPORTATION - 0.1%
AIR TRANSPORTATION - 0.1%
US Air, Inc. 9 5/8%, 9/1/94 Ba 4,000 4,030 91154RAB
UTILITIES - 0.2%
ELECTRIC UTILITY - 0.2%
Carolina Power & Light Co. 5.20%, 1/1/95 A 2,000 2,022 144141BU
Long Island Lighting Co. 10 1/4%, 6/15/94 Baa 2,000 2,060 542671CB
Ontario Hydro gtd. 9 1/4%, 5/1/95 Aa 1,000 1,066 683078DM
CORPORATE BONDS - CONTINUED
MOODY'S RATINGS (C) PRINCIPAL VALUE (NOTE 1)
(UNAUDITED) AMOUNT (A) (000S) (000S)
NONCONVERTIBLE BONDS - CONTINUED
UTILITIES - CONTINUED
ELECTRIC UTILITY - CONTINUED
Philadelphia Electric Co. 1st & ref. mtg.
4 1/2%, 5/1/94 Baa $ 2,250 $ 2,250 717537AN
Southern California Edison Co. 5.55%, 2/1/95 Aa 2,000 2,030 842400CW
9,428
TOTAL NONCONVERTIBLE BONDS   147,374
TOTAL CORPORATE BONDS
(Cost $225,352)   236,196
U.S. TREASURY OBLIGATIONS - 8.1%
Bills, Yields at date of purchase,
3.13% - 3.15%, 2/4/94 to 2/24/94   400,000 396,878 99399H5Q
8 7/8%, 2/15/94 Aaa 50 51 912827WY
9 1/2%, 10/15/94 Aaa 3,000 3,149 912827VK
9 1/4%, 1/15/96 Aaa 2,000 2,201 912827XB
7 7/8% 7/31/96 Aaa 2,000 2,168 912827B7
TOTAL U.S. TREASURY OBLIGATIONS
(Cost $404,712)   404,447
FOREIGN GOVERNMENT OBLIGATIONS - 1.4%
Canadian Government:
7 1/2%, 3/6/94 Aaa CAD 1,800 1,359 136992JQ
8 1/4%, 3/1/97 Aaa CAD 1,200 969 136992JW
Mexican Government:
Adjustabono 7 3/4%, 1/20/94 - MXN 6,713 3,071 597998SK
Cetes 0%, 1/6/94 to 4/7/94 - MXN 201,894 63,319 597998TC
TOTAL FOREIGN GOVERNMENT OBLIGATIONS
(Cost $67,653)   68,718
COMMERCIAL PAPER - 0.3%

Bancomer SNC 0%, 2/3/94   MXN 32,319 10,142 05999KBE
Nacional Financiera SNC 0%, 6/2/94   MXN 21,973 6,629 66299CAH
TOTAL COMMERCIAL PAPER
(Cost $16,669)   16,771
REPURCHASE AGREEMENT - 11.7%
MATURITY VALUE (NOTE 1)
AMOUNT (000S)
(000S)
Investments in repurchase agreements
(U.S. Treasury obligations), in a
joint trading account at 3.24%
dated 11/30/93 due 12/1/93 $585,740 $ 585,687
TOTAL INVESTMENTS - 100.0%
(Cost $4,679,839) $ 5,012,878
CURRENCY TYPE ABBREVIATIONS
CAD - Canadian dollar
MXN - Mexican peso
ESP - Spanish peseta
DEM - German Deutsche mark
LEGEND
1. Principal amount is stated in United States dollars unless otherwise noted.
2. Non-income producing
3. Standard & Poor's Corporation credit ratings are used in the absence of a rating by Moody's Investors Service, Inc.
4. Restricted securities - investment in securities not registered under the Securities Act of 1933 (see Note 2 of Notes to Financial Statements).
Additional information on this holding is as follows:
ACQUISITION ACQUISITION
SECURITY DATE COST
Gulf Canada
Resources, Ltd. 11/3/93 $ 29,000
5. Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the period end, the value of these securities amounted to $225,823,000 or 4.7% of net assets.
(f) The coupon rate shown on floating or adjustable rate securities represents the rate at period end.
OTHER INFORMATION
Distribution of investments by country, as a percentage of total value of investments in securities, is as follows:
United States 81.0%
United Kingdom 5.9
Canada 3.5
Netherlands   2.7
Mexico 1.7
France 1.1
Others (individually less than 1%) 4.1
TOTAL 100.0%
INCOME TAX INFORMATION
At November 30, 1993, the aggregate cost of investment securities for income tax purposes was $4,680,451,000. Net unrealized appreciation aggregated $332,427,000, of which $435,609,000 related to appreciated investment securities and $103,182,000 related to depreciated investment securities.
The fund hereby designates $25,352,000 as a capital gain dividend for the purpose of the dividend paid deduction.
FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

<TABLE>
<CAPTION>

<S>	<C>	<C>
AMOUNTS IN THOUSANDS (EXCEPT PER-SHARE AMOUNTS) NOVEMBER 30, 1993		
ASSETS	6.	7.
8.Investment in securities, at value (including repurchase agreements of $585,687) (cost $4,679,839) (Notes 1 and 2) - See accompanying schedule	9.	$ 5,012,878
10.Receivable for investments sold	11.	60,892
12.Receivable for fund shares sold	13.	17,092
14.Dividends receivable	15.	11,768
16.Interest receivable	17.	4,566
18.Other receivables	19.	19

20. TOTAL ASSETS	21.	5,107,215
LIABILITIES	22.	23.
24.Payable for investments purchased	$ 277,725	25.
26.Payable for fund shares redeemed	10,512	27.
28.Accrued management fee	2,094	29.
30.Other payables and accrued expenses	1,990	31.
32. TOTAL LIABILITIES	33.	292,321
34.NET ASSETS	35.	$ 4,814,894
36.Net Assets consist of:	37.	38.
39.Paid in capital	40.	$ 4,227,817
41.Undistributed net investment income	42.	37,905
43.Accumulated undistributed net realized gain (loss) on investments	44.	216,133
45.Net unrealized appreciation (depreciation) on investment securities	46.	333,039
47.NET ASSETS, for 255,388 shares outstanding	48.	$ 4,814,894
49.NET ASSET VALUE, offering price and redemption price per share ($4,814,894 (divided by) 255,388 shares)	50.	$18.85

</TABLE>

STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

<S>	<C>	<C>
AMOUNTS IN THOUSANDS YEAR ENDED NOVEMBER 30, 1993		
INVESTMENT INCOME 51.Dividends	52.	$ 86,739
53.Interest	54.	40,119
55. TOTAL INCOME	56.	126,858
EXPENSES	57.	58.
59.Management fee (Note 4)	$ 18,696	60.
61.Transfer agent fees (Note 4)	10,129	62.
63.Accounting fees and expenses (Note 4)	762	64.
65.Non-interested trustees' compensation	21	66.
67.Custodian fees and expenses	363	68.
69.Registration fees	1,041	70.
71.Audit	96	72.
73.Legal	32	74.
75.Miscellaneous	335	76.
77. Total expenses before reductions	31,475	78.
79. Expense reductions (Note 5)	(108)	31,367
80.NET INVESTMENT INCOME	81.	95,491
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTES 1 AND 3) 82.Net realized gain (loss) on investment securities	83.	207,418
84.Change in net unrealized appreciation (depreciation) on investment securities	85.	234,493
86.NET GAIN (LOSS)	87.	441,911

88.NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	89.	$ 537,402

</TABLE>

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

<S> AMOUNTS IN THOUSANDS	<C> YEARS ENDED NOVEMBER 30,	<C>
	1993	1992
INCREASE (DECREASE) IN NET ASSETS		
90.Operations Net investment income	$ 95,491	$ 32,277
91. Net realized gain (loss) on investments	207,418	53,780
92. Change in net unrealized appreciation (depreciation) on investments	234,493	94,616
93. NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	537,402	180,673
94.Distributions to shareholders from: Net investment income	(71,676)	(19,098)
95. Net realized gain	(45,921)	(3,099)
96.Share transactions Net proceeds from sales of shares	3,502,848	1,977,114
97. Reinvestment of distributions from: Net investment income	69,446	18,507
98. Net realized gain	45,020	3,018
99. Cost of shares redeemed	(1,164,550)	(506,981)
100. Net increase (decrease) in net assets resulting from share transactions	2,452,764	1,491,658
101. TOTAL INCREASE (DECREASE) IN NET ASSETS	2,872,569	1,650,134
NET ASSETS	102.	103.
104. Beginning of period	1,942,325	292,191
105. End of period (including undistributed net investment income of $37,905 and $14,090, respectively)	$ 4,814,894	$ 1,942,325
OTHER INFORMATION 106.Shares	107.	108.
109. Sold	196,097	127,494
110. Issued in reinvestment of distributions from: Net investment income	3,936	1,210
111. Net realized gain	2,746	216
112. Redeemed	(64,583)	(32,792)
113. Net increase (decrease)	138,196	96,128

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>
114.	YEARS ENDED NOVEMBER 30,			AUGUST 21, 1990

				(COMMENCEMENT OF OPERATIONS) TO NOVEMBER 30,
115.	1993	1992	1991	1990
116.		117.	118.	119.
120.SELECTED PER-SHARE DATA				
121.Net asset value, beginning of period	$ 16.57	$ 13.87	$ 10.18	$ 10.00
122.Income from Investment Operations				
123. Net investment income	.44	.40	.45(dagger)(dagger)	.03
124. Net realized and unrealized gain (loss) on investments	2.62	2.75	3.76	.15
125. Total from investment operations	3.06	3.15	4.21	.18
126.Less Distributions				
127. From net investment income	(.41)	(.32)	(.44)	-
128. From net realized gain	(.37)	(.13)	(.08)	-
129. Total distributions	(.78)	(.45)	(.52)	-
130.Net asset value, end of period	$ 18.85	$ 16.57	$ 13.87	$ 10.18
131.TOTAL RETURN (dagger)	19.08 %	23.18 %	42.01%	1.80%(double dagger)
132.RATIOS AND SUPPLEMENTAL DATA				
133.Net assets, end of period (in millions)	$ 4,815	$ 1,942	$ 292	$ 3
134.Ratio of expenses to average net assets	.88 %	1.01 %	1.52%	2.50%*(double dagger)
135.Ratio of expenses to average net assets before expense reductions (diamond)	.89 %	1.01 %	1.52%	2.50%*
136.Ratio of net investment income to average net assets	2.69 %	3.09 %	3.83%	3.89%*
137.Portfolio turnover rate	55 %	89 %	206%	167%*

</TABLE>

* ANNUALIZED
(double dagger) DURING THE PERIOD AUGUST 21, 1990 (COMMENCEMENT OF OPERATIONS) TO NOVEMBER 30, 1990,
EXPENSES WERE LIMITED IN ACCORDANCE WITH A STATE EXPENSE LIMITATION. TOTAL RETURNS WOULD HAVE BEEN LOWER HAD THIS LIMITATION NOT BEEN IN EFFECT.
(dagger) TOTAL RETURNS FOR PERIODS OF LESS THAN ONE YEAR ARE NOT ANNUALIZED.
(dagger)(dagger) NET INVESTMENT INCOME PER SHARE REFLECTS $.12 PER SHARE RELATING TO A NONRECURRING INITIATIVE TO INVEST IN DIVIDEND INCOME PRODUCING SECURITIES WHICH WAS IN EFFECT FOR A PORTION OF 1991.
(diamond) SEE NOTE 5 OF NOTES TO FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS
For the period ended November 30, 1993

1. SIGNIFICANT ACCOUNTING POLICIES.

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

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

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

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING
POLICIES - CONTINUED

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

2. OPERATING POLICIES.

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

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

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

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

RESTRICTED SECURITIES. The fund is permitted to invest in privately placed restricted securities. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. At the end of the period, restricted securities (excluding 144A issues) amounted to $34,000 or 0.0% of net assets.

3. PURCHASES AND SALES OF
INVESTMENTS.

Purchases and sales of securities, other than short-term securities, aggregated $3,531,065,000 and $1,621,122,000, respectively, of which sales of U.S. government and government agency obligations aggregated $36,389,000.

4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES.

MANAGEMENT FEE. As the fund's investment adviser, FMR receives a monthly fee that is calculated on the basis of a group fee rate plus a fixed individual fund fee rate applied to the average net assets of the fund. The group fee rate is the weighted average of a series of rates ranging from .31% to .52% and is based on the monthly average net assets of all the

mutual funds advised by FMR. The annual individual fund fee rate is .20%. For the period, the management fee was equivalent to an annual rate of .53% of average net assets.
The Board of Trustees approved a new group fee rate schedule with rates ranging from .2850% to .5200% FMR has voluntarily agreed to implement this new group fee rate schedule as it results in the same or a lower management fee.
DISTRIBUTION AND SERVICE PLAN. Pursuant to the Distribution and Service Plan (the Plan), and in accordance with Rule 12b-1 of the 1940 Act, FMR or the fund's distributor, Fidelity Distributors Corporation (FDC), an affiliate of FMR, may use their resources to pay administrative and promotional expenses related to the sale of the fund's shares. Subject to the approval of the Board of Trustees, the Plan also authorizes payments to third parties that assist in the sale of the fund's shares or render shareholder support services. FMR or FDC has informed the fund that payments made to third parties under the Plan amounted to $23,000 for the period.
TRANSFER AGENT FEE. Fidelity Service Co. (FSC), an affiliate of FMR, is the fund's transfer, dividend disbursing and shareholder servicing agent. FSC receives fees based on the type, size, number of accounts and the number of transactions made by shareholders. FSC pays for typesetting, printing and mailing of all shareholder reports, except proxy statements.
ACCOUNTING FEE. FSC maintains the fund's accounting records. The fee is based on the level of average net assets for the month plus out-of-pocket expenses.
BROKERAGE COMMISSIONS. The fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of FMR. The commissions paid to these affiliated firms were $1,812,000 for the period.
5. EXPENSE REDUCTIONS.
FMR has directed certain portfolio trades to brokers who paid a portion of the fund's expenses. For the period, the fund's expenses were reduced by $108,000 under this arrangement.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Trustees of Fidelity Financial Trust and the Shareholders of Fidelity Equity-Income II Fund:
In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments (except for Moody's and Standard & Poor's ratings), and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Fidelity Equity-Income II Fund (a fund of Fidelity Financial Trust) at November 30, 1993, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for the periods indicated in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fidelity Equity-Income II Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities owned at November 30, 1993 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above.
PRICE WATERHOUSE
Boston, Massachusetts
January 6, 1994

TO CALL FIDELITY

FOR FUND INFORMATION AND QUOTES
The Fidelity Telephone Connection offers you special automated telephone services for quotes and balances. The services are easy to use, confidential and quick. All you need is a Touch Tone telephone.
YOUR PERSONAL IDENTIFICATION NUMBER (PIN)
The first time you call one of our automated telephone services, we'll ask you to set up your Personal Identification Number (PIN). The PIN assures that only you have automated telephone access to your account information. Please have your Customer Number (T-account #) handy when you call -- you'll need it to establish your PIN. If you would ever like to change your PIN, just choose the "Change your Personal Identification Number" option when

you call. If you forget your PIN, please
call a Fidelity representative at 1-800-
544-6666 for assistance.

(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)MUTUAL FUND
QUOTES*
1-800-544-8544
Just make a selection from this record-ed menu:
PRESS
For quotes on funds you own.
1.
For an individual fund quote.
2.
For the ten most frequently
requested Fidelity fund quotes.
3.
For quotes on Fidelity Select
Portfolios.(Registered trademark)
4.
To change your Personal
Identification Number (PIN).
5.
To speak with a Fidelity
representative.
6.
(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)(PHONE_GRAPHIC)MUTUAL FUND
ACCOUNT
BALANCES 1-800-544-7544
Just make a selection from this record-
ed menu:
PRESS
For balances on funds you own.
1.
For your most recent fund activity
(purchases, redemptions, and
dividends).
2.
To change your Personal
Identification Number (PIN).
3.
To speak with a Fidelity
representative.
4.
* WHEN YOU CALL THE QUOTES LINE, PLEASE REMEMBER THAT A FUND'S YIELD AND
RETURN WILL
VARY AND, EXCEPT FOR MONEY MARKET FUNDS, SHARE PRICE WILL ALSO VARY. THIS
MEANS THAT
YOU MAY HAVE A GAIN OR LOSS WHEN YOU SELL YOUR SHARES. THERE IS NO
ASSURANCE THAT
MONEY MARKET FUNDS WILL BE ABLE TO MAINTAIN A STABLE $1 SHARE PRICE; AN
INVESTMENT IN
A MONEY MARKET FUND IS NOT INSURED OR GUARANTEED BY THE U.S. GOVERNMENT.
TOTAL
RETURNS ARE HISTORICAL AND INCLUDE CHANGES IN SHARE PRICE, REINVESTMENT OF
DIVIDENDS
AND CAPITAL GAINS, AND THE EFFECTS OF ANY SALES CHARGES. FOR MORE
INFORMATION ON ANY
FIDELITY FUND INCLUDING MANAGEMENT FEES AND CHARGES, CALL 1-800-544-8888
FOR A FREE
PROSPECTUS. READ IT CAREFULLY BEFORE YOU INVEST OR SEND MONEY.
TO WRITE FIDELITY

Please locate the address that is closest to you. We'll give your
correspondence immediate attention and send you written confirmation upon
completion of your request. Please send ALL correspondence about retirement
accounts to Dallas.
(LETTER_GRAPHIC)MAKING CHANGES
TO YOUR ACCOUNT
(such as changing name, address, bank, etc.)
Fidelity Investments
P.O. Box 2269
Boston, MA 02107-2269
Fidelity Investments
P.O. Box 660602
Dallas, TX 75266-0602
Fidelity Investments
P.O. Box 30280
Salt Lake City, UT 84130-0280
(LETTER_GRAPHIC)FOR NON-RETIREMENT
ACCOUNTS
BUYING SHARES

Fidelity Investments
Additional Payments
P.O. Box 2656
Boston, MA 02293-0656
Fidelity Investments
Additional Payments
P.O. Box 620024
Dallas, TX 75262-0024
Fidelity Investments
Additional Payments
P.O. Box 31455
Salt Lake City, UT 84131-0455
OVERNIGHT EXPRESS
Fidelity Investments
Additional Payments
World Trade Center
164 Northern Avenue
Boston, MA 02210
SELLING SHARES
Fidelity Investments
P.O. Box 193
Boston, MA 02103-0878
Fidelity Investments
P.O. Box 660602
Dallas, TX 75266-0602
Fidelity Investments
P.O. Box 30281
Salt Lake City, UT 84130-0281
OVERNIGHT EXPRESS
Fidelity Investments
Attn: Redemptions
World Trade Center
164 Northern Avenue
Boston, MA 02210
GENERAL CORRESPONDENCE
Fidelity Investments
P.O. Box 193
Boston, MA 02101-0193
Fidelity Investments
P.O. Box 660602
Dallas, TX 75266-0602
(LETTER_GRAPHIC)FOR RETIREMENT
ACCOUNTS
BUYING SHARES
Fidelity Investments
P.O. Box 620024
Dallas, TX 75262-0024
SELLING SHARES
Fidelity Investments
P.O. Box 660602
Dallas, TX 75266-0602
GENERAL CORRESPONDENCE
Fidelity Investments
P.O. Box 660602
Dallas, TX 75266-0602
TO VISIT FIDELITY

For directions and hours,
please call 1-800-544-9797.
ARIZONA
7373 N. Scottsdale Road
Scottsdale, AZ
CALIFORNIA
851 Hamilton Avenue
Campbell, CA
527 North Brand Boulevard
Glendale, CA
19100 Von Karman Avenue
Irvine, CA
10100 Santa Monica Blvd.
Los Angeles, CA
811 Wilshire Boulevard
Los Angeles, CA
251 University Avenue
Palo Alto, CA
1760 Challenge Way
Sacramento, CA
7676 Hazard Center Drive
San Diego, CA
455 Market Street
San Francisco, CA
1400 Civic Drive
Walnut Creek, CA
COLORADO

1625 Broadway
Denver, CO
CONNECTICUT
185 Asylum Street
Hartford, CT
265 Church Street
New Haven, CT
300 Atlantic Street
Stamford, CT
DELAWARE
222 Delaware Avenue
Wilmington, DE
FLORIDA
4400 N. Federal Highway
Boca Raton, FL
2249 Galiano Street
Coral Gables, FL
4090 N. Ocean Boulevard
Ft. Lauderdale, FL
4001 Tamiami Trail, North
Naples, FL
32 West Central Boulevard
Orlando, FL
2401 PGA Boulevard
Palm Beach Gardens, FL
8065 Beneva Road
Sarasota, FL
2000 66th Street, North
St. Petersburg, FL
GEORGIA
3525 Piedmont Road, N.E.
Atlanta, GA
1000 Abernathy Road
Atlanta, GA
HAWAII
700 Bishop Street
Honolulu, HI
ILLINOIS
215 East Erie Street
Chicago, IL
One North Franklin
Chicago, IL
540 Lake Cook Road
Deerfield, IL
1415 West 22nd Street
Oak Brook, IL
1700 East Golf Road
Schaumburg, IL
LOUISIANA
201 St. Charles Avenue
New Orleans, LA
MAINE
3 Canal Plaza
Portland, ME
MARYLAND
1 West Pennsylvania Ave.
Towson, MD
7401 Wisconsin Avenue
Bethesda, MD
MASSACHUSETTS
470 Boylston Street
Boston, MA
21 Congress Street
Boston, MA
25 State Street
Boston, MA
300 Granite Street
Braintree, MA
101 Cambridge Street
Burlington, MA
416 Belmont Street
Worcester, MA
MICHIGAN
280 North Woodward Ave.
Birmingham, MI
26955 Northwestern Hwy.
Southfield, MI
MINNESOTA
38 South Sixth Street
Minneapolis, MN
MISSOURI
700 West 47th Street
Kansas City, MO
200 North Broadway
St. Louis, MO

NEW JERSEY
60B South Street
Morristown, NJ
501 Route 17, South
Paramus, NJ
505 Millburn Avenue
Short Hills, NJ
NEW YORK
1050 Franklin Avenue
Garden City, NY
999 Walt Whitman Road
Melville, L.I., NY
71 Broadway
New York, NY
350 Park Avenue
New York, NY
10 Bank Street
White Plains, NY
NORTH CAROLINA
2200 West Main Street
Durham, NC
OHIO
600 Vine Street
Cincinnati, OH
1903 East Ninth Street
Cleveland, OH
28699 Chagrin Boulevard
Woodmere Village, OH
OREGON
121 S.W. Morrison Street
Portland, OR
PENNSYLVANIA
1735 Market Street
Philadelphia, PA
439 Fifth Avenue
Pittsburgh, PA
TENNESSEE
5100 Poplar Avenue
Memphis, TN
TEXAS
10000 Research Boulevard
Austin, TX
7001 Preston Road
Dallas, TX
1155 Dairy Ashford
Houston, TX
1010 Lamar Street
Houston, TX
2701 Drexel Drive
Houston, TX
400 East Las Colinas Blvd.
Irving, TX
14100 San Pedro
San Antonio, TX
UTAH
175 East 400 South Street
Salt Lake City, UT
VERMONT
199 Main Street
Burlington, VT
VIRGINIA
8300 Boone Boulevard
Vienna, VA
WASHINGTON
411 108th Avenue, N.E.
Bellevue, WA
1001 Fourth Avenue
Seattle, WA
WASHINGTON, DC
1775 K Street, N.W.
Washington, DC
WISCONSIN
222 East Wisconsin Avenue
Milwaukee, WI

INVESTMENT ADVISER
Fidelity Management & Research Company
Boston, MA
OFFICERS
Edward C. Johnson 3d, President
J. Gary Burkhead, Senior Vice President
Brian S. Posner, Vice President
Gary L. French, Treasurer
John H. Costello, Assistant Treasurer
Arthur S. Loring, Secretary

Robert H. Morrison, Manager,
Security Transactions

GENERAL DISTRIBUTOR
Fidelity Distributors Corporation
Boston, MA
TRANSFER AND SHAREHOLDER
SERVICING AGENT
Fidelity Service Co.
Boston, MA
CUSTODIAN
Chase Manhattan Bank, N.A.
New York, NY
GROWTH AND INCOME FUNDS
Balanced Fund
Convertible Securities Fund
Equity-Income Fund
Equity-Income II Fund
Fidelity Fund
Global Balanced
Growth & Income Portfolio
Market Index Fund
Puritan Fund
Real Estate Portfolio
Utilities Income Fund
THE FIDELITY
TELEPHONE CONNECTION
MUTUAL FUND 24-HOUR SERVICE
Account Balances 1-800-544-7544
Exchanges/Redemptions 1-800-544-7777
Mutual Fund Quotes 1-800-544-8544
Account Assistance 1-800-544-6666
Product Information 1-800-544-8888
Retirement Accounts 1-800-544-4774
(8 a.m. - 9 p.m.)
TDD Service 1-800-544-0118
for the deaf and hearing impaired
(9 a.m. - 9 p.m. Eastern time)

Corporate Headquarters
82 Devonshire St., Boston, MA 02109
* INDEPENDENT TRUSTEES
AUTOMATED LINES FOR QUICKEST SERVICE

EXHIBIT 5(J)
Form of
MANAGEMENT CONTRACT
between
FIDELITY FINANCIAL TRUST:
Fidelity Equity-Income II Fund
and
FIDELITY MANAGEMENT & RESEARCH COMPANY

MODIFICATION made this 1st day of December, 1993,by and between Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Fund"), on behalf of Fidelity Equity-Income II Fund (hereinafter called the "Portfolio"), and Fidelity Management & Research Company, a Massachusetts corporation (hereinafter called the "Adviser").

Required authorization and approval by shareholders and Trustees having been obtained, the Fund, on behalf of the Portfolio, and the Adviser hereby consent, pursuant to Paragraph 6 of the existing Management Contract dated August 20, 1990, to a modification of said Contract in the manner set forth below. The Modified Management Contract shall when executed by duly authorized officers of the Fund and the Adviser, take effect on the later of December 1, 1993 or the first day of the month following approval.

1. (a) Investment Advisory Services. The Adviser undertakes to act as investment adviser of the Portfolio and shall, subject to the supervision of the Fund's Board of Trustees, direct the investments of the Portfolio in accordance with the investment objective, policies and limitations as provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 and rules thereunder, as amended from time to time (the "1940 Act"), and such other limitations as the Portfolio may impose by notice in writing to the Adviser. The Adviser shall also furnish for the use of the Portfolio office space and all necessary office facilities, equipment and personnel for servicing the investments of the Portfolio; and shall pay the salaries and fees of all officers of the Fund, of all Trustees of the Fund who are "interested persons" of the Fund or of the Adviser and of all personnel of the Fund or the Adviser performing services relating to research, statistical and investment activities. The Adviser is authorized, in its discretion and without prior consultation with the Portfolio, to buy, sell, lend and otherwise trade in any stocks, bonds and other securities and investment instruments on behalf of the Portfolio. The investment policies and all other actions of the Portfolio are and shall at all times be subject to the control and direction of the Fund's Board of Trustees.

(b) Management Services. The Adviser shall perform (or arrange for the performance by its affiliates of) the management and administrative services necessary for the operation of the Fund. The Adviser shall, subject to the supervision of the Board of Trustees, perform various services for the Portfolio, including but not limited to: (i) providing the Portfolio with office space, equipment and facilities (which may be its own) for maintaining its organization; (ii) on behalf of the Portfolio, supervising relations with, and monitoring the performance of, custodians, depositories, transfer and pricing agents, accountants, attorneys, underwriters, brokers and dealers, insurers and other persons in any capacity deemed to be necessary or desirable; (iii) preparing all general shareholder communications, including shareholder reports; (iv) conducting shareholder relations; (v) maintaining the Fund's existence and its records; (vi) during such times as shares are publicly offered, maintaining the registration and qualification of the Portfolio's shares under federal and state law; and (vii) investigating the development of and developing and implementing, if appropriate, management and shareholder services designed to enhance the value or convenience of the Portfolio as an investment vehicle.

The Adviser shall also furnish such reports, evaluations, information or analyses to the Fund as the Fund's Board of Trustees may request from time to time or as the Adviser may deem to be desirable. The Adviser shall make recommendations to the Fund's Board of Trustees with respect to Fund policies, and shall carry out such policies as are adopted by the Trustees. The Adviser shall, subject to review by the Board of Trustees, furnish such other services as the Adviser shall from time to time determine to be necessary or useful to perform its obligations under this Contract.

(c) The Adviser, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Adviser, which may include brokers or dealers affiliated with the Adviser. The Adviser shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and/or the other accounts over which the Adviser or its affiliates exercise investment discretion. The Adviser is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Adviser determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Adviser and its affiliates have with respect to accounts over which they exercise investment discretion. The Trustees of the Fund review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

The Adviser shall, in acting hereunder, be an independent contractor. The Adviser shall not be an agent of the Portfolio.

2. It is understood that the Trustees, officers and shareholders of the Fund are or may be or become interested in the Adviser as directors, officers or otherwise and that directors, officers and stockholders of the Adviser are or may be or become similarly interested in the Fund, and that

the Adviser may be or become interested in the Fund as a shareholder or otherwise.

3. The Adviser will be compensated on the following basis for the services and facilities to be furnished hereunder. The Adviser shall receive a monthly management fee, payable monthly as soon as practicable after the last day of each month, composed of a Group Fee Rate and an Individual Fund Fee Rate.

(a) Group Fee Rate. The Group Fee Rate shall be based upon the monthly average of the net assets of the registered investment companies having Advisory and Service or Management Contracts with the Adviser (computed in the manner set forth in the charter of each investment company) determined as of the close of business on each business day throughout the month. The Group Fee Rate shall be determined on a cumulative basis pursuant to the following schedule:

Average Net Assets			Annualized Fee Rate (for each level)
0	-	$ 3 billion	.52%
3	-	6	.49
6	-	9	.46
9	-	12	.43
12	-	15	.40
15	-	18	.385
18	-	21	.37
21	-	24	.36
24	-	30	.35
30	-	36	.345
36	-	42	.34
42	-	48	.335
48	-	66	.325
66	-	84	.32
84	-	102	.315
102	-	138	.31
138	-	174	.305
Over		174	.30

(b) Individual Fund Fee Rate. The Individual Fund Fee Rate shall be .20%.

The sum of the Group Fee Rate, calculated as described above to the nearest millionth, and the Individual Fund Fee Rate shall constitute the Annual Management Fee Rate. One-twelfth of the Annual Management Fee Rate shall be applied to the average of the net assets of the Portfolio (computed in the manner set forth in the Fund's Declaration of Trust) determined as of the close of business on each business day throughout the month.

In case of termination of this Contract during any month, the fee for that month shall be reduced proportionately on the basis of the number of business days during which it is in effect, and the fee computed upon the average net assets for the business days it is so in effect for that month.

4. It is understood that the Portfolio will pay all its expenses other than those expressly stated to be payable by the Adviser hereunder, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Fund's Trustees other than those who are "interested persons" of the Fund or the Adviser; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Fund and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefor; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Adviser, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Fund's Trustees and officers with respect thereto.

5. The services of the Adviser to the Portfolio are not to be deemed exclusive, the Adviser being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Contract, interfere, in a material manner, with the Adviser's ability to meet all of its obligations with respect to rendering services to the Portfolio hereunder. In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Adviser, the Adviser shall not be subject to liability to the Portfolio or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

6. (a) Subject to prior termination as provided in sub-paragraph (d) of this paragraph 6, this Contract shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such date shall be specifically approved at least annually by vote of the Trustees of the Fund or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Contract may be modified by mutual consent, such consent on the part of the Fund to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of sub-paragraphs (a) and (b) of this paragraph 6, the terms of any continuance or modification of this Contract must have been approved by the vote of a majority of those Trustees of the Fund who are not parties to the Contract or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either party hereto may, at any time on sixty (60) days' prior written notice to the other, terminate this Contract, without payment of any penalty, by action of its Trustees or Board of Directors, as the case may be, or with respect to the Portfolio by vote of a majority of the outstanding voting securities of the Portfolio. This Contract shall terminate automatically in the event of its assignment.

7. The Adviser is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Fund's Declaration of Trust or other organizational document and agrees that the obligations assumed by the Fund pursuant to this Contract shall be limited in all cases to the Portfolio and its assets, and the Adviser shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio or any other Portfolios of the Fund. In addition, the Adviser shall not seek satisfaction of any such obligations from the Trustees or any individual Trustee. The Adviser understands that the rights and obligations of any Portfolio under the Declaration of Trust or other organizational document are separate and distinct from those of any and all other Portfolios.

8. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act, as now in effect or as hereafter amended, and subject to such orders as may be granted by the Securities and Exchange Commission.

IN WITNESS WHEREOF the parties have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

[SIGNATURE LINES OMITTED]

EXHIBIT 5(K)
FORM OF
MANAGEMENT CONTRACT
between
FIDELITY FINANCIAL TRUST:
FIDELITY CONVERTIBLE SECURITIES FUND
and
FIDELITY MANAGEMENT & RESEARCH COMPANY

MODIFICATION made this 1st day of December, 1993 by and between Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Fund"), on behalf of Fidelity Convertible Securities Fund (hereinafter called the "Portfolio"), and Fidelity Management & Research Company, a Massachusetts corporation (hereinafter called the "Adviser").

Required authorization and approval by shareholders and Trustees having been obtained, the Fund, on behalf of the Portfolio, and the Adviser hereby consent, pursuant to Paragraph 6 of the existing Management Contract modified January 29, 1990, to a modification of said Contract in the manner set forth below. The Modified Management Contract shall, when executed by duly authorized officers of the Fund and the Adviser, take effect on the later of December 1, 1993 or the first day of the month following approval.

1. (a) Investment Advisory Services. The Adviser undertakes to act as investment adviser of the Portfolio and shall, subject to the supervision of the Fund's Board of Trustees, direct the investments of the Portfolio in accordance with the investment objective, policies and limitations as provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 and rules thereunder, as amended from time to time (the "1940 Act"), and such other limitations as the Portfolio may impose by notice in writing to the Adviser. The Adviser shall also furnish for the use of the Portfolio office space and all necessary office facilities, equipment and personnel for servicing the investments of the Portfolio; and shall pay the salaries and fees of all officers of the Fund, of all Trustees of the Fund who are "interested persons" of the Fund or of the Adviser and of all personnel of the Fund or the Adviser performing services relating to research, statistical and investment activities. The Adviser is authorized, in its discretion and without prior consultation with the Portfolio, to buy, sell, lend and otherwise trade in any stocks, bonds and other securities and investment instruments on behalf of the Portfolio. The investment policies and all other actions of the Portfolio are and shall at all times be subject to the control and direction of the Fund's Board of Trustees.

(b) Management Services. The Adviser shall perform (or arrange for the performance by its affiliates of) the management and administrative services necessary for the operation of the Fund. The Adviser shall, subject to the supervision of the Board of Trustees, perform various services for the Portfolio, including but not limited to: (i) providing the Portfolio with office space, equipment and facilities (which may be its own) for maintaining its organization; (ii) on behalf of the Portfolio, supervising relations with, and monitoring the performance of, custodians, depositories, transfer and pricing agents, accountants, attorneys, underwriters, brokers and dealers, insurers and other persons in any capacity deemed to be necessary or desirable; (iii) preparing all general shareholder communications, including shareholder reports; (iv) conducting shareholder relations; (v) maintaining the Fund's existence and its records; (vi) during such times as shares are publicly offered, maintaining the registration and qualification of the Portfolio's shares under federal and state law; and (vii) investigating the development of and developing and implementing, if appropriate, management and shareholder services designed to enhance the value or convenience of the Portfolio as an investment vehicle.

The Adviser shall also furnish such reports, evaluations, information or analyses to the Fund as the Fund's Board of Trustees may request from time to time or as the Adviser may deem to be desirable. The Adviser shall make recommendations to the Fund's Board of Trustees with respect to Fund policies, and shall carry out such policies as are adopted by the Trustees. The Adviser shall, subject to review by the Board of Trustees, furnish such other services as the Adviser shall from time to time determine to be necessary or useful to perform its obligations under this Contract.

(c) The Adviser, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Adviser, which may include brokers or dealers affiliated with the Adviser. The Adviser shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and/or the other accounts over which the Adviser or its affiliates exercise investment discretion. The Adviser is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Adviser determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Adviser and its affiliates have with respect to accounts over which they exercise investment discretion. The Trustees of the Fund shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

The Adviser shall, in acting hereunder, be an independent contractor. The Adviser shall not be an agent of the Portfolio.

2. It is understood that the Trustees, officers and shareholders of the Fund are or may be or become interested in the Adviser as directors, officers or otherwise and that directors, officers and stockholders of the

Adviser are or may be or become similarly interested in the Fund, and that the Adviser may be or become interested in the Fund as a shareholder or otherwise.

3. The Adviser will be compensated on the following basis for the services and facilities to be furnished hereunder. The Adviser shall receive a monthly management fee, payable monthly as soon as practicable after the last day of each month, composed of a Basic Fee and a Performance Adjustment to the Basic Fee based upon the investment performance of the Portfolio in relation to the Merrill Lynch Convertible Securities Index (the "Index"). The Basic Fee and the Performance Adjustment will be computed as follows:

(a) Basic Fee Rate: The annual Basic Fee Rate shall be the sum of the Group Fee Rate and the Individual Fund Fee Rate calculated to the nearest millionth decimal place as follows:

(i) Group Fee Rate. The Group Fee Rate shall be based upon the monthly average of the net assets of the registered investment companies having Advisory and Service or Management Contracts with the Adviser (computed in the manner set forth in the charter of each investment company) determined as of the close of business on each business day throughout the month. The Group Fee Rate shall be determined on a cumulative basis pursuant to the following schedule:

Average Net Assets			Annualized Fee Rate (for each level)
0	-	$ 3 billion	.520
3	-	6	.490
6	-	9	.460
9	-	12	.430
12	-	15	.400
15	-	18	.385
18	-	21	.370
21	-	24	.360
24	-	30	.350
30	-	36	.345
36	-	42	.340
42	-	48	.335
48	-	66	.325
66	-	84	.320

84	-	102	.315
102	-	138	.310
138	-	174	.305
Over		174	.300

(ii) Individual Fund Fee Rate. The Individual Fund Fee Rate shall be .20%.

(b) Basic Fee. One-twelfth of the Basic Fee Rate shall be applied to the average of the net assets of the Portfolio (computed in the manner set forth in the Fund's Declaration of Trust) determined as of the close of business on each business day throughout the month. The resulting dollar amount comprises the Basic Fee. This Basic Fee will be subject to upward or downward adjustment on the basis of the Portfolio's investment performance as follows:

(c) Performance Adjustment Rate: The Performance Adjustment Rate is 0.02% for each percentage point (the performance of the Portfolio and the Index each being calculated to the nearest 0.01%) that the Portfolio's investment performance for the performance period was better or worse than the record of the Index as then constituted. The maximum performance adjustment rate is 0.15%.

The performance period will commence with the effective date of this Contract. During the first eleven months of the performance period for the Portfolio, there will be no performance adjustment. Starting with the twelfth month of the performance period, the performance adjustment will take effect. Following the twelfth month a new month will be added to the performance period until the performance period equals 36 months. Thereafter the performance period will consist of the current month plus the previous 35 months.

The Portfolio's investment performance will be measured by comparing (i) the opening net asset value of one share of the Portfolio on the first business day of the performance period with (ii) the closing net asset value of one share of the Portfolio as of the last business day of such period. In computing the investment performance of the Portfolio and the investment record of the Index, distributions of realized capital gains, the value of capital gains taxes per share paid or payable on undistributed realized long-term capital gains accumulated to the end of such period and dividends paid out of investment income on the part of the Portfolio, and all cash distributions of the securities included in the Index, will be treated as reinvested in accordance with Rule 205-1 or any other applicable rules under the Investment Advisers Act of 1940, as the same from time to time may be amended.

(d) Performance Adjustment. One-twelfth of the annual Performance Adjustment Rate will be applied to the average of the net assets of the Portfolio (computed in the manner set forth in the Fund's Declaration of Trust or other organizational document) determined as of the close of business on each business day throughout the month and the performance period.

(e) In case of termination of this Contract during any month, the fee for that month shall be reduced proportionately on the basis of the number of business days during which it is in effect for that month. The Basic Fee Rate will be computed on the basis of and applied to net assets averaged over that month ending on the last business day on which this Contract is in effect. The amount of this Performance Adjustment to the Basic Fee will be computed on the basis of and applied to net assets averaged over the 36-month period ending on the last business day on which this Contract is in effect provided that if this Contract has been in effect less than 36 months, the computation will be made on the basis of the period of time during which it has been in effect.

4. It is understood that the Portfolio will pay all its expenses other than those expressly stated to be payable by the Adviser hereunder, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Fund's Trustees other than those who are "interested persons" of the Fund or the Adviser; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Fund and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefor; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Adviser, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Fund's Trustees and officers with respect thereto.

5. The services of the Adviser to the Portfolio are not to be deemed exclusive, the Adviser being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Contract, interfere, in a material manner, with the Adviser's ability to meet all of its obligations with respect to rendering services to the Portfolio hereunder. In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Adviser, the Adviser shall not be subject to liability to the Portfolio or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

6. (a) Subject to prior termination as provided in sub-paragraph (d) of this paragraph 6, this Contract shall continue in force until July 31,

1994 and indefinitely thereafter, but only so long as the continuance after such date shall be specifically approved at least annually by vote of the Trustees of the Fund or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Contract may be modified by mutual consent, such consent on the part of the Fund to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of sub-paragraphs (a) and (b) of this paragraph 6, the terms of any continuance or modification of this Contract must have been approved by the vote of a majority of those Trustees of the Fund who are not parties to the Contract or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either party hereto may, at any time on sixty (60) days' prior written notice to the other, terminate this Contract, without payment of any penalty, by action of its Trustees or Board of Directors, as the case may be, or with respect to the Portfolio by vote of a majority of the outstanding voting securities of the Portfolio. This Contract shall terminate automatically in the event of its assignment.

7. The Adviser is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Fund's Declaration of Trust or other organizational document and agrees that the obligations assumed by the Fund pursuant to this Contract shall be limited in all cases to the Portfolio and its assets, and the Adviser shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio or any other Portfolios of the Fund. In addition, the Adviser shall not seek satisfaction of any such obligations from the Trustees or any individual Trustee. The Adviser understands that the rights and obligations of any Portfolio under the Declaration of Trust or other organizational document are separate and distinct from those of any and all other Portfolios.

8. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act, as now in effect or as hereafter amended, and subject to such orders as may be granted by the Securities and Exchange Commission.

IN WITNESS WHEREOF the parties have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

[SIGNATURE LINES OMITTED]

EXHIBIT 5(L)
FORM OF
MANAGEMENT CONTRACT
between
FIDELITY FINANCIAL TRUST:
Fidelity Retirement Growth Fund
and
FIDELITY MANAGEMENT & RESEARCH COMPANY

MODIFICATION made this 1st day of December 1993, by and between Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Fund"), on behalf of Fidelity Retirement Growth Fund (hereinafter called the "Portfolio"), and Fidelity Management & Research Company, a Massachusetts corporation (hereinafter called the "Adviser").

Required authorization and approval by shareholders and Trustees having been obtained, the Fund, on behalf of the Portfolio, and the Adviser hereby consent, pursuant to Paragraph 6 of the existing Management Contract modified January 29, 1990, to a modification of said Contract in the manner set forth below. The Modified Management Contract shall when executed by duly authorized officers of the Fund and the Adviser, take effect on the later of December 1, 1993 or the first day of the month following approval.

1. (a) Investment Advisory Services. The Adviser undertakes to act as investment adviser of the Portfolio and shall, subject to the supervision of the Fund's Board of Trustees, direct the investments of the Portfolio in accordance with the investment objective, policies and limitations as provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 and rules thereunder, as amended from time to time (the "1940 Act"), and such other limitations as the Portfolio may impose by notice in writing to the Adviser. The Adviser shall also furnish for the use of the Portfolio office space and all necessary office facilities, equipment and personnel for servicing the investments of the Portfolio; and shall pay the salaries and fees of all officers of the Fund, of all Trustees of the Fund who are "interested persons" of the Fund or of the Adviser and of all personnel of the Fund or the Adviser performing services relating to research, statistical and investment activities. The Adviser is authorized, in its discretion and without prior consultation with the Portfolio, to buy, sell, lend and otherwise trade in any stocks, bonds and other securities and investment instruments on behalf of the Portfolio. The investment policies and all other actions of the Portfolio are and shall at all times be subject to the control and direction of the Fund's Board of Trustees.

(b) Management Services. The Adviser shall perform (or arrange for the performance by its affiliates of) the management and administrative services necessary for the operation of the Fund. The Adviser shall, subject to the supervision of the Board of Trustees, perform various services for the Portfolio, including but not limited to: (i) providing the

Portfolio with office space, equipment and facilities (which may be its own) for maintaining its organization; (ii) on behalf of the Portfolio, supervising relations with, and monitoring the performance of, custodians, depositories, transfer and pricing agents, accountants, attorneys, underwriters, brokers and dealers, insurers and other persons in any capacity deemed to be necessary or desirable; (iii) preparing all general shareholder communications, including shareholder reports; (iv) conducting shareholder relations; (v) maintaining the Fund's existence and its records; (vi) during such times as shares are publicly offered, maintaining the registration and qualification of the Portfolio's shares under federal and state law; and (vii) investigating the development of and developing and implementing, if appropriate, management and shareholder services designed to enhance the value or convenience of the Portfolio as an investment vehicle.

The Adviser shall also furnish such reports, evaluations, information or analyses to the Fund as the Fund's Board of Trustees may request from time to time or as the Adviser may deem to be desirable. The Adviser shall make recommendations to the Fund's Board of Trustees with respect to Fund policies, and shall carry out such policies as are adopted by the Trustees. The Adviser shall, subject to review by the Board of Trustees, furnish such other services as the Adviser shall from time to time determine to be necessary or useful to perform its obligations under this Contract.

(c) The Adviser, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Adviser, which may include brokers or dealers affiliated with the Adviser. The Adviser shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and/or the other accounts over which the Adviser or its affiliates exercise investment discretion. The Adviser is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Adviser determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Adviser and its affiliates have with respect to accounts over which they exercise investment discretion. The Trustees of the Fund review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

The Adviser shall, in acting hereunder, be an independent contractor. The Adviser shall not be an agent of the Portfolio.

2. It is understood that the Trustees, officers and shareholders of the Fund are or may be or become interested in the Adviser as directors, officers or otherwise and that directors, officers and stockholders of the

Adviser are or may be or become similarly interested in the Fund, and that the Adviser may be or become interested in the Fund as a shareholder or otherwise.

3. The Adviser will be compensated on the following basis for the services and facilities to be furnished hereunder. The Adviser shall receive a monthly management fee, payable monthly as soon as practicable after the last day of each month, composed of a Basic Fee and a Performance Adjustment to the Basic Fee based upon the investment performance of the Portfolio in relation to the Standard & Poor's Daily Stock Price Index of 500 Common Stocks (the "Index"). The Basic fee and the Performance Adjustment will be computed as follows:

(a) Basic Fee Rate: The annual Basic Fee Rate shall be the sum of the Group Fee Rate and the Individual Fund Fee Rate calculated to the nearest millionth decimal place as follows:

(i) Group Fee Rate. The Group Fee Rate shall be based upon the monthly average of the net assets of the registered investment companies having Advisory and Service or Management Contracts with the Adviser (computed in the manner set forth in the charter of each investment company) determined as of the close of business on each business day throughout the month. The Group Fee Rate shall be determined on a cumulative basis pursuant to the following schedule:

Average Net Assets			Annualized Fee Rate (for each level)
0	-	$ 3 billion	.52
3	-	6	.49
6	-	9	.46
9	-	12	.43
12	-	15	.40
15	-	18	.385
18	-	21	.37
21	-	24	.36
24	-	30	.35
30	-	36	.345
36	-	42	.34
42	-	48	.335
48	-	66	.325
66	-	84	.32

84	-	102	.315
102	-	138	.31
138	-	174	.305
Over		174	.30

(ii) Individual Fund Fee Rate. The Individual Fund Fee Rate shall be .30%.

(b) Basic Fee. One-twelfth of the Basic Fee Rate shall be applied to the average of the net assets of the Portfolio (computed in the manner set forth in the Fund's Declaration of Trust) determined as of the close of business on each business day throughout the month. The resulting dollar amount comprises the Basic Fee.

(c) Performance Adjustment Rate: The performance adjustment rate is 0.02% for each percentage point rounded to the nearer point (the higher point if exactly one-half point) that the Portfolio's investment performance for the performance period was better or worse than the record of the Index as then constituted. The maximum performance adjustment rate is 0.20%.

The performance period will commence with the first day of the first full month following the Portfolio's commencement of operations. During the first eleven months of the performance period for the Portfolio, there will be no performance adjustment. Starting with the twelfth month of the performance period, the performance adjustment will take effect. Following the twelfth month a new month will be added to the performance period until the performance period equals 36 months. Thereafter the performance period will consist of the current month plus the previous 35 months.

The Portfolio's investment performance will be measured by comparing (i) the opening net asset value of one share of the Portfolio on the first business day of the performance period with (ii) the closing net asset value of one share of the Portfolio as of the last business day of such period. In computing the investment performance of the Portfolio and the investment record of the Index, distributions of realized capital gains, the value of capital gains taxes per share paid or payable on undistributed realized long-term capital gains accumulated to the end of such period and dividends paid out of investment income on the part of the Portfolio, and all cash distributions of the companies whose stocks comprise the Index, will be treated as reinvested in accordance with Rule 205-1 or any other applicable rules under the Investment Advisers Act of 1940, as the same from time to time may be amended.

The adjustment to the Basic Fee will not be cumulative. An increased fee will result even though the performance of the Portfolio over some period of time shorter than the performance period has been behind that of the Index, and, conversely, a reduction in the fee will be made for a month even though the performance of the Portfolio over some period of time shorter than the performance period has been ahead of that of the Index.

(d) One-twelfth of the annual performance adjustment rate shall be applied to the average of the net assets of the Portfolio (computed in the manner set forth in the Fund's Declaration of Trust) determined as of the close of business on each business day throughout the month and the performance period. The resulting dollar amount is added to or deducted from the basic fee.

(e) In case of termination of this Contract during any month, the fee for that month shall be reduced proportionately on the basis of the number of business days during which it is in effect for that month. The Basic Fee Rate will be computed on the basis of and applied to net assets averaged over that month ending on the last business day on which this Contract is in effect. The amount of this performance adjustment to the Basic Fee will be computed on the basis of and applied to net assets averaged over the 36-month period ending on the last business day on which this Contract is in effect provided that if this Contract has been in effect less than 36 months, the computation will be made on the basis of the period of time during which it has been in effect.

4. It is understood that the Portfolio will pay all its expenses other than those expressly stated to be payable by the Adviser hereunder, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Fund's Trustees other than those who are "interested persons" of the Fund or the Adviser; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Fund and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefor; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Adviser, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Fund's Trustees and officers with respect thereto.

5. The services of the Adviser to the Portfolio are not to be deemed exclusive, the Adviser being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Contract, interfere, in a material manner, with the Adviser's ability to meet all of its obligations with respect to rendering services to the Portfolio hereunder. In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Adviser, the Adviser shall not be subject to liability to the Portfolio or to any shareholder of the Portfolio for any act or omission in the course of, or

connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

6. (a) Subject to prior termination as provided in sub-paragraph (d) of this paragraph 6, this Contract shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such date shall be specifically approved at least annually by vote of the Trustees of the Fund or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Contract may be modified by mutual consent, such consent on the part of the Fund to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of sub-paragraphs (a) and (b) of this paragraph 6, the terms of any continuance or modification of this Contract must have been approved by the vote of a majority of those Trustees of the Fund who are not parties to the Contract or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either party hereto may, at any time on sixty (60) days' prior written notice to the other, terminate this Contract, without payment of any penalty, by action of its Trustees or Board of Directors, as the case may be, or with respect to the Portfolio by vote of a majority of the outstanding voting securities of the Portfolio. This Contract shall terminate automatically in the event of its assignment.

7. The Adviser is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Fund's Declaration of Trust or other organizational document and agrees that the obligations assumed by the Fund pursuant to this Contract shall be limited in all cases to the Portfolio and its assets, and the Adviser shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio or any other Portfolios of the Fund. In addition, the Adviser shall not seek satisfaction of any such obligations from the Trustees or any individual Trustee. The Adviser understands that the rights and obligations of any Portfolio under the Declaration of Trust or other organizational document are separate and distinct from those of any and all other for Portfolios.

8. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act, as now in effect or as hereafter amended, and subject to such orders as may be granted by the Securities and Exchange Commission.

IN WITNESS WHEREOF the parties have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

FIDELITY FINANCIAL TRUST
on behalf of Fidelity Retirement Growth Fund

By ___________________________________

Senior Vice President

FIDELITY MANAGEMENT & RESEARCH COMPANY

By ___________________________________

President

EXHIBIT 5(M)
FORM OF
SUB-ADVISORY AGREEMENT
BETWEEN
FIDELITY MANAGEMENT & RESEARCH COMPANY
AND
FIDELITY MANAGEMENT & RESEARCH (FAR EAST) INC.
AND
FIDELITY FINANCIAL TRUST ON BEHALF OF
FIDELITY EQUITY-INCOME II FUND

AGREEMENT made this 1st day of December, 1993, by Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the "Advisor"); Fidelity Management & Research (Far East) Inc. (hereinafter called the "Sub-Advisor"; and Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Trust") on behalf of Fidelity Equity-Income II Fund hereinafter called the "Portfolio."

WHEREAS the Trust and the Advisor have entered into a Management Contract on behalf of the Portfolio, pursuant to which the Advisor acts as investment manager to the Portfolio, and

WHEREAS the Sub-Advisor and its subsidiaries and other affiliated persons have personnel in various locations throughout the world and have been formed in part for the purpose of researching and compiling information and recommendations with respect to the economies of various countries, including securities issued in and issuers located in such countries, and providing investment advisory services in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Trust, the Advisor and the Sub-Advisor agree as follows:

1. Duties: The Advisor may, in its discretion, appoint the Sub-Advisor to perform one or more of the following services with respect to all or a portion of the investments of the Portfolio. The services and the portion of the investments of the Portfolio to be advised or managed by the Sub-Advisor shall be as agreed upon from time to time by the Advisor and the Sub-Advisor. The Sub-Advisor shall pay the salaries and fees of all personnel of the Sub-Advisor performing services for the Portfolio relating to research, statistical and investment activities.

(a) INVESTMENT ADVICE: If and to the extent requested by the Advisor, the Sub-Advisor shall provide investment advice to the Portfolio and the Advisor with respect to all or a portion of the investments of the Portfolio, and in connection with such advice shall furnish the Portfolio and the Advisor such factual information, research reports and investment recommendations, all as the Adviser may reasonably require. Such information may include written and oral reports and analyses.

(b) INVESTMENT MANAGEMENT: If and to the extent requested by the Advisor, the Sub-Advisor shall, subject to the supervision of the Advisor,

manage all or a portion of the investments of the Portfolio in accordance with the investment objective, policies and limitations provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, as amended from time to time, and such other limitations as the Trust or Advisor may impose with respect to the Portfolio by notice to the Sub-Advisor. With respect to the portion of the investments of the Portfolio under its management, the Sub-Advisor is authorized to make investment decisions on behalf of the Portfolio with regard to any stock, bond, other security or investment instrument, and to place orders for the purchase and sale of such securities through such broker-dealers as the Sub-Advisor may select. The Sub-Advisor may also be authorized, but only to the extent such duties are delegated in writing by the Advisor, to provide additional investment management services to the Portfolio, including but not limited to services such as managing foreign currency investments, purchasing and selling or writing futures and options contracts, borrowing money, or lending securities on behalf of the Portfolio. All investment management and any other activities of the Sub-Advisor shall at all times be subject to the control and direction of the Advisor and the Trust's Board of Trustees.

(c) SUBSIDIARIES AND AFFILIATES: The Sub-Advisor may perform any or all of the services contemplated by this Agreement directly or through such of its subsidiaries or other affiliated persons as the Sub-Advisor shall determine; provided, however, that performance of such services through such subsidiaries or other affiliated persons shall have been approved by the Trust to the extent required pursuant to the 1940 Act and rules thereunder.

2. Information to be Provided to the Trust and the Advisor: The Sub-Advisor shall furnish such reports, evaluations, information or analyses to the Trust and the Advisor as the Trust's Board of Trustees or the Advisor may reasonably request from time to time, or as the Sub-Advisor may deem to be desirable.

3. Brokerage: In connection with the services provided under subparagraph (b) of paragraph 1 of this Agreement, the Sub-Advisor, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Advisor, which may include brokers or dealers affiliated with the Advisor or Sub-Advisor. The Sub-Advisor shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and to any other accounts over which the Sub-Advisor or Advisor exercise investment discretion. The Sub-Advisor is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and

research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Advisor has with respect to accounts over which it exercises investment discretion. The Trustees of the Trust shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

4. Compensation: The Advisor shall compensate the Sub-Advisor on the following basis for the services to be furnished hereunder.

(a) INVESTMENT ADVISORY FEE: For services provided under subparagraph (a) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Sub-Advisory Fee. The Sub-Advisory Fee shall be equal to 105% of the Sub-Advisor's costs incurred in connection with rendering the services referred to in subparagraph (a) of paragraph 1 of this Agreement. The Sub-Advisory Fee shall not be reduced to reflect expense reimbursements or fee waivers by the Advisor, if any, in effect from time to time.

(b) INVESTMENT MANAGEMENT FEE: For services provided under subparagraph (b) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Investment Management Fee. The Investment Management Fee shall be equal to: (i) 50% of the monthly management fee rate (including performance adjustments, if any) that the Portfolio is obligated to pay the Advisor under its Management Contract with the Advisor, multiplied by: (ii) the fraction equal to the net assets of the Portfolio as to which the Sub-Advisor shall have provided investment management services divided by the net assets of the Portfolio for that month. If in any fiscal year the aggregate expenses of the Portfolio exceed any applicable expense limitation imposed by any state or federal securities laws or regulations, and the Advisor waives all or a portion of its management fee or reimburses the Portfolio for expenses to the extent required to satisfy such limitation, the Investment Management Fee paid to the Sub-Advisor will be reduced by 50% of the amount of such waivers or reimbursements multiplied by the fraction determined in (ii). If the Sub-Advisor reduces its fees to reflect such waivers or reimbursements and the Advisor subsequently recovers all or any portion of such waivers and reimbursements, then the Sub-Advisor shall be entitled to receive from the Advisor a proportionate share of the amount recovered. To the extent that waivers and reimbursements by the Advisor required by such limitations are in excess of the Advisor's management fee, the Investment Management Fee paid to the Sub-Advisor will be reduced to zero for that month, but in no event shall the Sub-Advisor be required to reimburse the Advisor for all or a portion of such excess reimbursements.

(c) PROVISION OF MULTIPLE SERVICES: If the Sub-Advisor shall have provided both investment advisory services under subparagraph (a) and investment management services under subparagraph (b) of paragraph 1 for the same portion of the investments of the Portfolio for the same period, the fees paid to the Sub-Advisor with respect to such investments shall be calculated exclusively under subparagraph (b) of this paragraph 4.

5. Expenses: It is understood that the Portfolio will pay all of its expenses other than those expressly stated to be payable by the Sub-Advisor hereunder or by the Advisor under the Management Contract with the

Portfolio, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Trust's Trustees other than those who are "interested persons" of the Trust, the Sub-Advisor or the Advisor; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Trust and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefore; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Advisor, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Trust's Trustees and officers with respect thereto.

6. Interested Persons: It is understood that Trustees, officers, and shareholders of the Trust are or may be or become interested in the Advisor or the Sub-Advisor as directors, officers or otherwise and that directors, officers and stockholders of the Advisor or the Sub-Advisor are or may be or become similarly interested in the Trust, and that the Advisor or the Sub-Advisor may be or become interested in the Trust as a shareholder or otherwise.

7. Services to Other Companies or Accounts: The services of the Sub-Advisor to the Advisor are not to be deemed to be exclusive, the Sub-Advisor being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Sub-Advisor's ability to meet all of its obligations hereunder. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Advisor or the Trust.

8. Standard of Care: In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Advisor, the Sub-Advisor shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

9. Duration and Termination of Agreement; Amendments:

(a) Subject to prior termination as provided in subparagraph (d) of this paragraph 9, this Agreement shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the

Trust's Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent of the Advisor, the Sub-Advisor and the Portfolio, such consent on the part of the Portfolio to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of subparagraphs (a) and (b) of this paragraph 9, the terms of any continuance or modification of this Agreement must have been approved by the vote of a majority of those Trustees of the Trust who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Advisor, the Sub-Advisor or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or with respect to the Portfolio by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically in the event of its assignment.

10. Limitation of Liability: The Sub-Advisor is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Trust and agrees that any obligations of the Trust or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Advisor shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Advisor seek satisfaction of any such obligation from the Trustees or any individual Trustee.

11. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

[SIGNATURE LINES OMITTED]

EXHIBIT 5(N)
FORM OF
SUB-ADVISORY AGREEMENT
BETWEEN
FIDELITY MANAGEMENT & RESEARCH COMPANY
AND
FIDELITY MANAGEMENT & RESEARCH (U.K.) INC.
AND
FIDELITY FINANCIAL TRUST ON BEHALF OF
FIDELITY EQUITY-INCOME II FUND

AGREEMENT made this 1st day of December 1993 by Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the "Advisor"); Fidelity Management & Research (U.K.) Inc. (hereinafter called the "Sub-Advisor"; and Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Trust") on behalf of Fidelity Equity-Income II Fund (hereinafter called the "Portfolio").

WHEREAS the Trust and the Advisor have entered into a Management Contract on behalf of the Portfolio, pursuant to which the Advisor acts as investment manager of the Portfolio; and

WHEREAS the Sub-Advisor and its subsidiaries and other affiliated persons have personnel in various locations throughout the world and have been formed in part for the purpose of researching and compiling information and recommendations with respect to the economies of various countries, including securities issued in and issuers located in such countries, and providing investment advisory services in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Trust, the Advisor and the Sub-Advisor agree as follows:

1. Duties: The Advisor may, in its discretion, appoint the Sub-Advisor to perform one or more of the following services with respect to all or a portion of the investments of the Portfolio. The services and the portion of the investments of the Portfolio to be advised or managed by the Sub-Advisor shall be as agreed upon from time to time by the Advisor and the Sub-Advisor. The Sub-Advisor shall pay the salaries and fees of all personnel of the Sub-Advisor performing services for the Portfolio relating to research, statistical and investment activities.

(a) INVESTMENT ADVICE: If and to the extent requested by the Advisor, the Sub-Advisor shall provide investment advice to the Portfolio and the Advisor with respect to all or a portion of the investments of the Portfolio, and in connection with such advice shall furnish the Portfolio and the Advisor such factual information, research reports and investment recommendations all as the Advisor may reasonably require. Such information may include written and oral reports and analyses.

(b) INVESTMENT MANAGEMENT: If and to the extent requested by the Advisor, the Sub-Advisor shall, subject to the supervision of the Advisor,

manage all or a portion of the investments of the Portfolio in accordance with the investment objective, policies and limitations provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, as amended from time to time, and such other limitations as the Trust or Advisor may impose with respect to the Portfolio by notice to the Sub-Advisor. With respect to the portion of the investments of the Portfolio under its management, the Sub-Advisor is authorized to make investment decisions on behalf of the Portfolio with regard to any stock, bond, other security or investment instrument, and to place orders for the purchase and sale of such securities through such broker-dealers as the Sub-Advisor may select. The Sub-Advisor may also be authorized, but only to the extent such duties are delegated in writing by the Advisor, to provide additional investment management services to the Portfolio, including but not limited to services such as managing foreign currency investments, purchasing and selling or writing futures and options contracts, borrowing money or lending securities on behalf of the Portfolio. All investment management and any other activities of the Sub-Advisor shall at all times be subject to the control and direction of the Advisor and the Trust's Board of Trustees.

(c) SUBSIDIARIES AND AFFILIATES: The Sub-Advisor may perform any or all of the services contemplated by this Agreement directly or through such of its subsidiaries or other affiliated persons as the Sub-Advisor shall determine; provided, however, that performance of such services through such subsidiaries or other affiliated persons shall have been approved by the Trust to the extent required pursuant to the 1940 Act and rules thereunder.

2. Information to be Provided to the Trust and the Advisor: The Sub-Advisor shall furnish such reports, evaluations, information or analyses to the Trust and the Advisor as the Trust's Board of Trustees or the Advisor may reasonably request from time to time, or as the Sub-Advisor may deem to be desirable.

3. Brokerage: In connection with the services provided under subparagraph (b) of paragraph 1 of this Agreement, the Sub-Advisor, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Advisor, which may include brokers or dealers affiliated with the Advisor or Sub-Advisor. The Sub-Advisor shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and to any other accounts over which the Sub-Advisor or Advisor exercise investment discretion. The Sub-Advisor is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and

research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Advisor has with respect to accounts over which it exercises investment discretion. The Trustees of the Trust shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

4. Compensation: The Advisor shall compensate the Sub-Advisor on the following basis for the services to be furnished hereunder.

(a) INVESTMENT ADVISORY FEE: For services provided under subparagraph (a) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Sub-Advisory Fee. The Sub-Advisory Fee shall be equal to 110% of the Sub-Advisor's costs incurred in connection with rendering the services referred to in subparagraph (a) of paragraph 1 of this Agreement. The Sub-Advisory Fee shall not be reduced to reflect expense reimbursements or fee waivers by the Advisor, if any, in effect from time to time.

(b) INVESTMENT MANAGEMENT FEE: For services provided under subparagraph (b) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Investment Management Fee. The Investment Management Fee shall be equal to: (i) 50% of the monthly management fee rate (including performance adjustments, if any) that the Portfolio is obligated to pay the Advisor under its Management Contract with the Advisor, multiplied by: (ii) the fraction equal to the net assets of the Portfolio as to which the Sub-Advisor shall have provided investment management services divided by the net assets of the Portfolio for that month. If in any fiscal year the aggregate expenses of the Portfolio exceed any applicable expense limitation imposed by any state or federal securities laws or regulations, and the Advisor waives all or a portion of its management fee or reimburses the Portfolio for expenses to the extent required to satisfy such limitation, the Investment Management Fee paid to the Sub-Advisor will be reduced by 50% of the amount of such waivers or reimbursements multiplied by the fraction determined in (ii). If the Sub-Advisor reduces its fees to reflect such waivers or reimbursements and the Advisor subsequently recovers all or any portion of such waivers or reimbursements, then the Sub-Advisor shall be entitled to receive from the Advisor a proportionate share of the amount recovered. To the extent that waivers and reimbursements by the Advisor required by such limitations are in excess of the Advisor's management fee, the Investment Management Fee paid to the Sub-Advisor will be reduced to zero for that month, but in no event shall the Sub-Advisor be required to reimburse the Advisor for all or a portion of such excess reimbursements.

(c) PROVISION OF MULTIPLE SERVICES: If the Sub-Advisor shall have provided both investment advisory services under subparagraph (a) and investment management services under subparagraph (b) of paragraph (1) for the same portion of the investments of the Portfolio for the same period, the fees paid to the Sub-Advisor with respect to such investments shall be calculated exclusively under subparagraph (b) of this paragraph 4.

5. Expenses: It is understood that the Portfolio will pay all of its expenses other than those expressly stated to be payable by the Sub-Advisor hereunder or by the Advisor under the Management Contract with the

Portfolio, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Trust's Trustees other than those who are "interested persons" of the Trust, the Sub-Advisor or the Advisor; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Trust and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefore; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Advisor, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Trust's Trustees and officers with respect thereto.

6. Interested Persons: It is understood that Trustees, officers, and shareholders of the Trust are or may be or become interested in the Advisor or the Sub-Advisor as directors, officers or otherwise and that directors, officers and stockholders of the Advisor or the Sub-Advisor are or may be or become similarly interested in the Trust, and that the Advisor or the Sub-Advisor may be or become interested in the Trust as a shareholder or otherwise.

7. Services to Other Companies or Accounts: The services of the Sub-Advisor to the Advisor are not to be deemed to be exclusive, the Sub-Advisor being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Sub-Advisor's ability to meet all of its obligations hereunder. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Advisor or the Trust.

8. Standard of Care: In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Advisor, the Sub-Advisor shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

9. Duration and Termination of Agreement; Amendments:

(a) Subject to prior termination as provided in subparagraph (d) of this paragraph 9, this Agreement shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the

Trust's Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent of the Advisor, the Sub-Advisor and the Portfolio, such consent on the part of the Portfolio to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of subparagraphs (a) and (b) of this paragraph 9, the terms of any continuance or modification of this Agreement must have been approved by the vote of a majority of those Trustees of the Trust who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Advisor, the Sub-Advisor or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or with respect to the Portfolio by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically in the event of its assignment.

10. Limitation of Liability: The Sub-Advisor is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Trust and agrees that any obligations of the Trust or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Advisor shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Advisor seek satisfaction of any such obligation from the Trustees or any individual Trustee.

11. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed on their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

[SIGNATURE LINES OMITTED]

EXHIBIT 5(O)
SUB-ADVISORY AGREEMENT
BETWEEN
FIDELITY MANAGEMENT & RESEARCH COMPANY
AND
FIDELITY MANAGEMENT & RESEARCH (FAR EAST) INC.
AND
FIDELITY FINANCIAL TRUST ON BEHALF OF
FIDELITY CONVERTIBLE SECURITIES FUND

AGREEMENT made this 1st day of December, 1993 by Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the "Advisor"); Fidelity Management & Research (Far East) Inc. (hereinafter called the "Sub-Advisor"); and Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Trust") on behalf of Fidelity Convertible Securities Fund (hereinafter called the "Portfolio").

WHEREAS the Trust and the Advisor have entered into a Management Contract on behalf of the Portfolio, pursuant to which the Advisor acts as investment manager to the Portfolio, and

WHEREAS the Sub-Advisor and its subsidiaries and other affiliated persons have personnel in various locations throughout the world and have been formed in part for the purpose of researching and compiling information and recommendations with respect to the economies of various countries, including securities issued in and issuers located in such countries, and providing investment advisory services in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Trust, the Advisor and the Sub-Advisor agree as follows:

1. Duties: The Advisor may, in its discretion, appoint the Sub-Advisor to perform one or more of the following services with respect to all or a portion of the investments of the Portfolio. The services and the portion of the investments of the Portfolio to be advised or managed by the Sub-Advisor shall be as agreed upon from time to time by the Advisor and the Sub-Advisor. The Sub-Advisor shall pay the salaries and fees of all personnel of the Sub-Advisor performing services for the Portfolio relating to research, statistical and investment activities.

(a) INVESTMENT ADVICE: If and to the extent requested by the Advisor, the Sub-Advisor shall provide investment advice to the Portfolio and the Advisor with respect to all or a portion of the investments of the Portfolio, and in connection with such advice shall furnish the Portfolio and the Advisor such factual information, research reports and investment recommendations, all as the Adviser may reasonably require. Such information may include written and oral reports and analyses.

(b) INVESTMENT MANAGEMENT: If and to the extent requested by the Advisor, the Sub-Advisor shall, subject to the supervision of the Advisor, manage all or a portion of the investments of the Portfolio in accordance with the investment objective, policies and limitations provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, as amended from time to time, and such other limitations as the Trust or Advisor may impose with respect to the Portfolio by notice to the Sub-Advisor. With respect to the portion of the investments of the Portfolio under its management, the Sub-Advisor is authorized to make investment decisions on behalf of the Portfolio with regard to any stock, bond, other security or investment instrument, and to place orders for the purchase and sale of such securities through such broker-dealers as the Sub-Advisor may select. The Sub-Advisor may also be authorized, but only to the extent such duties are delegated in writing by the Advisor, to provide additional investment management services to the Portfolio, including but not limited to services such as managing foreign currency investments, purchasing and selling or writing futures and options contracts, borrowing money, or lending securities on behalf of the Portfolio. All investment management and any other activities of the Sub-Advisor shall at all times be subject to the control and direction of the Advisor and the Trust's Board of Trustees.

(c) SUBSIDIARIES AND AFFILIATES: The Sub-Advisor may perform any or all of the services contemplated by this Agreement directly or through such of its subsidiaries or other affiliated persons as the Sub-Advisor shall determine; provided, however, that performance of such services through such subsidiaries or other affiliated persons shall have been approved by the Trust to the extent required pursuant to the 1940 Act and rules thereunder.

2. Information to be Provided to the Trust and the Advisor: The Sub-Advisor shall furnish such reports, evaluations, information or analyses to the Trust and the Advisor as the Trust's Board of Trustees or the Advisor may reasonably request from time to time, or as the Sub-Advisor may deem to be desirable.

3. Brokerage: In connection with the services provided under subparagraph (b) of paragraph 1 of this Agreement, the Sub-Advisor, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Advisor, which may include brokers or dealers affiliated with the Advisor or Sub-Advisor. The Sub-Advisor shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and to any other accounts over which the Sub-Advisor or Advisor exercise investment discretion. The Sub-Advisor is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may

be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Advisor has with respect to accounts over which it exercises investment discretion. The Trustees of the Trust shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

4. Compensation: The Advisor shall compensate the Sub-Advisor on the following basis for the services to be furnished hereunder.

(a) INVESTMENT ADVISORY FEE: For services provided under subparagraph (a) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Sub-Advisory Fee. The Sub-Advisory Fee shall be equal to 105% of the Sub-Advisor's costs incurred in connection with rendering the services referred to in subparagraph (a) of paragraph 1 of this Agreement. The Sub-Advisory Fee shall not be reduced to reflect expense reimbursements or fee waivers by the Advisor, if any, in effect from time to time.

(b) INVESTMENT MANAGEMENT FEE: For services provided under subparagraph (b) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Investment Management Fee. The Investment Management Fee shall be equal to: (i) 50% of the monthly management fee rate (including performance adjustments, if any) that the Portfolio is obligated to pay the Advisor under its Management Contract with the Advisor, multiplied by: (ii) the fraction equal to the net assets of the Portfolio as to which the Sub-Advisor shall have provided investment management services divided by the net assets of the Portfolio for that month. If in any fiscal year the aggregate expenses of the Portfolio exceed any applicable expense limitation imposed by any state or federal securities laws or regulations, and the Advisor waives all or a portion of its management fee or reimburses the Portfolio for expenses to the extent required to satisfy such limitation, the Investment Management Fee paid to the Sub-Advisor will be reduced by 50% of the amount of such waivers or reimbursements multiplied by the fraction determined in (ii). If the Sub-Advisor reduces its fees to reflect such waivers or reimbursements and the Advisor subsequently recovers all or any portion of such waivers and reimbursements, then the Sub-Advisor shall be entitled to receive from the Advisor a proportionate share of the amount recovered. To the extent that waivers and reimbursements by the Advisor required by such limitations are in excess of the Advisor's management fee, the Investment Management Fee paid to the Sub-Advisor will be reduced to zero for that month, but in no event shall the Sub-Advisor be required to reimburse the Advisor for all or a portion of such excess reimbursements.

(c) PROVISION OF MULTIPLE SERVICES: If the Sub-Advisor shall have provided both investment advisory services under subparagraph (a) and investment management services under subparagraph (b) of paragraph 1 for the same portion of the investments of the Portfolio for the same period, the fees paid to the Sub-Advisor with respect to such investments shall be calculated exclusively under subparagraph (b) of this paragraph 4.

5. Expenses: It is understood that the Portfolio will pay all of its expenses other than those expressly stated to be payable by the Sub-Advisor hereunder or by the Advisor under the Management Contract with the Portfolio, which expenses payable by the Portfolio shall include, without

limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Trust's Trustees other than those who are "interested persons" of the Trust, the Sub-Advisor or the Advisor; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Trust and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefore; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Advisor, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Trust's Trustees and officers with respect thereto.

6. Interested Persons: It is understood that Trustees, officers, and shareholders of the Trust are or may be or become interested in the Advisor or the Sub-Advisor as directors, officers or otherwise and that directors, officers and stockholders of the Advisor or the Sub-Advisor are or may be or become similarly interested in the Trust, and that the Advisor or the Sub-Advisor may be or become interested in the Trust as a shareholder or otherwise.

7. Services to Other Companies or Accounts: The services of the Sub-Advisor to the Advisor are not to be deemed to be exclusive, the Sub-Advisor being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Sub-Advisor's ability to meet all of its obligations hereunder. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Advisor or the Trust.

8. Standard of Care: In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Advisor, the Sub-Advisor shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

9. Duration and Termination of Agreement; Amendments:

(a) Subject to prior termination as provided in subparagraph (d) of this paragraph 9, this Agreement shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the Trust' Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent of the Advisor, the Sub-Advisor and the Portfolio, such consent on the part of the Portfolio to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of subparagraphs (a) and (b) of this paragraph 9, the terms of any continuance or modification of this Agreement must have been approved by the vote of a majority of those Trustees of the Trust who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Advisor, the Sub-Advisor or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or with respect to the Portfolio by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically in the event of its assignment.

10. Limitation of Liability: The Sub-Advisor is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Trust and agrees that any obligations of the Trust or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Advisor shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Advisor seek satisfaction of any such obligation from the Trustees or any individual Trustee.

11 Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

[SIGNATURE LINES OMITTED]

EXHIBIT 5(P)
SUB-ADVISORY AGREEMENT
BETWEEN
FIDELITY MANAGEMENT & RESEARCH COMPANY
AND
FIDELITY MANAGEMENT & RESEARCH (U.K.) INC.
AND
FIDELITY FINANCIAL TRUST ON BEHALF OF
FIDELITY CONVERTIBLE SECURITIES FUND

AGREEMENT made this 1st day of December, 1993 by Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the "Advisor"); Fidelity Management & Research (U.K.) Inc. (hereinafter called the "Sub-Advisor"; and Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Trust") on behalf of Fidelity Convertible Securities Fund (hereinafter called the "Portfolio").

WHEREAS the Trust and the Advisor have entered into a Management Contract on behalf of the Portfolio, pursuant to which the Advisor acts as investment manager of the Portfolio; and

WHEREAS the Sub-Advisor and its subsidiaries and other affiliated persons have personnel in various locations throughout the world and have been formed in part for the purpose of researching and compiling information and recommendations with respect to the economies of various countries, including securities issued in and issuers located in such countries, and providing investment advisory services in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Trust, the Advisor and the Sub-Advisor agree as follows:

1. Duties: The Advisor may, in its discretion, appoint the Sub-Advisor to perform one or more of the following services with respect to all or a portion of the investments of the Portfolio. The services and the portion of the investments of the Portfolio to be advised or managed by the Sub-Advisor shall be as agreed upon from time to time by the Advisor and the Sub-Advisor. The Sub-Advisor shall pay the salaries and fees of all personnel of the Sub-Advisor performing services for the Portfolio relating to research, statistical and investment activities.

(a) INVESTMENT ADVICE: If and to the extent requested by the Advisor, the Sub-Advisor shall provide investment advice to the Portfolio and the Advisor with respect to all or a portion of the investments of the Portfolio, and in connection with such advice shall furnish the Portfolio and the Advisor such factual information, research reports and investment recommendations all as the Advisor may reasonably require. Such information may include written and oral reports and analyses.

(b) INVESTMENT MANAGEMENT: If and to the extent requested by the Advisor, the Sub-Advisor shall, subject to the supervision of the Advisor, manage all or a portion of the investments of the Portfolio in accordance with the investment objective, policies and limitations provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, as amended from time to time, and such other limitations as the Trust or Advisor may impose with respect to the Portfolio by notice to the Sub-Advisor. With respect to the portion of the investments of the Portfolio under its management, the Sub-Advisor is authorized to make investment decisions on behalf of the Portfolio with regard to any stock, bond, other security or investment instrument, and to place orders for the purchase and sale of such securities through such broker-dealers as the Sub-Advisor may select. The Sub-Advisor may also be authorized, but only to the extent such duties are delegated in writing by the Advisor, to provide additional investment management services to the Portfolio, including but not limited to services such as managing foreign currency investments, purchasing and selling or writing futures and options contracts, borrowing money or lending securities on behalf of the Portfolio. All investment management and any other activities of the Sub-Advisor shall at all times be subject to the control and direction of the Advisor and the Trust's Board of Trustees.

(c) SUBSIDIARIES AND AFFILIATES: The Sub-Advisor may perform any or all of the services contemplated by this Agreement directly or through such of its subsidiaries or other affiliated persons as the Sub-Advisor shall determine; provided, however, that performance of such services through such subsidiaries or other affiliated persons shall have been approved by the Trust to the extent required pursuant to the 1940 Act and rules thereunder.

2. Information to be Provided to the Trust and the Advisor: The Sub-Advisor shall furnish such reports, evaluations, information or analyses to the Trust and the Advisor as the Trust's Board of Trustees or the Advisor may reasonably request from time to time, or as the Sub-Advisor may deem to be desirable.

3. Brokerage: In connection with the services provided under subparagraph (b) of paragraph 1 of this Agreement, the Sub-Advisor, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Advisor, which may include brokers or dealers affiliated with the Advisor or Sub-Advisor. The Sub-Advisor shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and to any other accounts over which the Sub-Advisor or Advisor exercise investment discretion. The Sub-Advisor is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may

be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Advisor has with respect to accounts over which it exercises investment discretion. The Trustees of the Trust shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

4. Compensation: The Advisor shall compensate the Sub-Advisor on the following basis for the services to be furnished hereunder.

(a) INVESTMENT ADVISORY FEE: For services provided under subparagraph (a) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Sub-Advisory Fee. The Sub-Advisory Fee shall be equal to 110% of the Sub-Advisor's costs incurred in connection with rendering the services referred to in subparagraph (a) of paragraph 1 of this Agreement. The Sub-Advisory Fee shall not be reduced to reflect expense reimbursements or fee waivers by the Advisor, if any, in effect from time to time.

(b) INVESTMENT MANAGEMENT FEE: For services provided under subparagraph (b) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Investment Management Fee. The Investment Management Fee shall be equal to: (i) 50% of the monthly management fee rate (including performance adjustments, if any) that the Portfolio is obligated to pay the Advisor under its Management Contract with the Advisor, multiplied by: (ii) the fraction equal to the net assets of the Portfolio as to which the Sub-Advisor shall have provided investment management services divided by the net assets of the Portfolio for that month. If in any fiscal year the aggregate expenses of the Portfolio exceed any applicable expense limitation imposed by any state or federal securities laws or regulations, and the Advisor waives all or a portion of its management fee or reimburses the Portfolio for expenses to the extent required to satisfy such limitation, the Investment Management Fee paid to the Sub-Advisor will be reduced by 50% of the amount of such waivers or reimbursements multiplied by the fraction determined in (ii). If the Sub-Advisor reduces its fees to reflect such waivers or reimbursements and the Advisor subsequently recovers all or any portion of such waivers or reimbursements, then the Sub-Advisor shall be entitled to receive from the Advisor a proportionate share of the amount recovered. To the extent that waivers and reimbursements by the Advisor required by such limitations are in excess of the Advisor's management fee, the Investment Management Fee paid to the Sub-Advisor will be reduced to zero for that month, but in no event shall the Sub-Advisor be required to reimburse the Advisor for all or a portion of such excess reimbursements.

(c) PROVISION OF MULTIPLE SERVICES: If the Sub-Advisor shall have provided both investment advisory services under subparagraph (a) and investment management services under subparagraph (b) of paragraph (1) for the same portion of the investments of the Portfolio for the same period, the fees paid to the Sub-Advisor with respect to such investments shall be calculated exclusively under subparagraph (b) of this paragraph 4.

5. Expenses: It is understood that the Portfolio will pay all of its expenses other than those expressly stated to be payable by the Sub-Advisor hereunder or by the Advisor under the Management Contract with the Portfolio, which expenses payable by the Portfolio shall include, without

limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Trust's Trustees other than those who are "interested persons" of the Trust, the Sub-Advisor or the Advisor; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Trust and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefore; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Advisor, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Trust's Trustees and officers with respect thereto.

6. Interested Persons: It is understood that Trustees, officers, and shareholders of the Trust are or may be or become interested in the Advisor or the Sub-Advisor as directors, officers or otherwise and that directors, officers and stockholders of the Advisor or the Sub-Advisor are or may be or become similarly interested in the Trust, and that the Advisor or the Sub-Advisor may be or become interested in the Trust as a shareholder or otherwise.

7. Services to Other Companies or Accounts: The services of the Sub-Advisor to the Advisor are not to be deemed to be exclusive, the Sub-Advisor being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Sub-Advisor's ability to meet all of its obligations hereunder. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Advisor or the Trust.

8. Standard of Care: In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Advisor, the Sub-Advisor shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

9. Duration and Termination of Agreement; Amendments:

(a) Subject to prior termination as provided in subparagraph (d) of this paragraph 9, this Agreement shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the Trust's Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent of the Advisor, the Sub-Advisor and the Portfolio, such consent on the part of the Portfolio to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of subparagraphs (a) and (b) of this paragraph 9, the terms of any continuance or modification of this Agreement must have been approved by the vote of a majority of those Trustees of the Trust who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Advisor, the Sub-Advisor or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or with respect to the Portfolio by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically in the event of its assignment.

10. Limitation of Liability: The Sub-Advisor is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Trust and agrees that any obligations of the Trust or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Advisor shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Advisor seek satisfaction of any such obligation from the Trustees or any individual Trustee.

11. Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed on their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

[SIGNATURE LINES OMITTED]

EXHIBIT 5(Q)
SUB-ADVISORY AGREEMENT
BETWEEN
FIDELITY MANAGEMENT & RESEARCH COMPANY
AND
FIDELITY MANAGEMENT & RESEARCH (FAR EAST) INC.
AND
FIDELITY FINANCIAL TRUST ON BEHALF OF
FIDELITY RETIREMENT GROWTH FUND

AGREEMENT made this 1st day of December 1993 by Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the "Advisor"); Fidelity Management & Research (Far East) Inc. (hereinafter called the "Sub-Advisor"; and Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Trust") on behalf of Fidelity Retirement Growth Fund hereinafter called the "Portfolio".

WHEREAS the Trust and the Advisor have entered into a Management Contract on behalf of the Portfolio, pursuant to which the Advisor acts as investment manager to the Portfolio, and

WHEREAS the Sub-Advisor and its subsidiaries and other affiliated persons have personnel in various locations throughout the world and have been formed in part for the purpose of researching and compiling information and recommendations with respect to the economies of various countries,including securities issued in and issuers located in such countries, and providing investment advisory services in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, ((the Trust)), the Advisor and the Sub-Advisor agree as follows:

1. Duties: The Advisor may, in its discretion, appoint the Sub-Advisor to perform one or more of the following services with respect to all or a portion of the investments of the Portfolio. The services and the portion of the investments of the Portfolio to be advised or managed by the Sub-Advisor shall be as agreed upon from time to time by the Advisor and the Sub-Advisor. The Sub-Advisor shall pay the salaries and fees of all personnel of the Sub-Advisor performing services for the Portfolio relating to research, statistical and investment activities.

(a) INVESTMENT ADVICE: If and to the extent requested by the Advisor, the Sub-Advisor shall provide investment advice to the Portfolio and the Advisor with respect to all or a portion of the investments of the Portfolio, and in connection with such advice shall furnish the Portfolio and the Advisor such factual information, research reports and investment recommendations, all as the Adviser may reasonably require. Such information may include written and oral reports and analyses.

(b) INVESTMENT MANAGEMENT: If and to the extent requested by the Advisor, the Sub-Advisor shall, subject to the supervision of the Advisor,

manage all or a portion of the investments of the Portfolio in accordance with the investment objective, policies and limitations provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, as amended from time to time, and such other limitations as the Trust or Advisor may impose with respect to the Portfolio by notice to the Sub-Advisor. With respect to the portion of the investments of the Portfolio under its management, the Sub-Advisor is authorized to make investment decisions on behalf of the Portfolio with regard to any stock, bond, other security or investment instrument, and to place orders for the purchase and sale of such securities through such broker-dealers as the Sub-Advisor may select. The Sub-Advisor may also be authorized, but only to the extent such duties are delegated in writing by the Advisor, to provide additional investment management services to the Portfolio, including but not limited to services such as managing foreign currency investments, purchasing and selling or writing futures and options contracts, borrowing money, or lending securities on behalf of the Portfolio. All investment management and any other activities of the Sub-Advisor shall at all times be subject to the control and direction of the Advisor and the Trust's Board of Trustees.

(c) SUBSIDIARIES AND AFFILIATES: The Sub-Advisor may perform any or all of the services contemplated by this Agreement directly or through such of its subsidiaries or other affiliated persons as the Sub-Advisor shall determine; provided, however, that performance of such services through such subsidiaries or other affiliated persons shall have been approved by the Trust to the extent required pursuant to the 1940 Act and rules thereunder.

2. Information to be Provided to the Trust and the Advisor: The Sub-Advisor shall furnish such reports, evaluations, information or analyses to the Trust and the Advisor as the Trust's Board of Trustees or the Advisor may reasonably request from time to time, or as the Sub-Advisor may deem to be desirable.

3. Brokerage: In connection with the services provided under subparagraph (b) of paragraph 1 of this Agreement, the Sub-Advisor, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Advisor, which may include brokers or dealers affiliated with the Advisor or Sub-Advisor. The Sub-Advisor shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and to any other accounts over which the Sub-Advisor or Advisor exercise investment discretion. The Sub-Advisor is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and

research services provided by such broker or dealer. This determination may be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Advisor has with respect to accounts over which it exercises investment discretion. The Trustees of the Trust shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.))

4. Compensation:)) The Advisor shall compensate the Sub-Advisor on the following basis for the services to be furnished hereunder.

(a) INVESTMENT ADVISORY FEE: For services provided under subparagraph (a) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Sub-Advisory Fee. The Sub-Advisory Fee shall be)) equal to 105% of the Sub-Advisor's costs incurred in connection with rendering the services referred to in subparagraph (a) of paragraph 1 of this Agreement. The Sub-Advisory Fee shall not be reduced to reflect expense reimbursements or fee waivers by the Advisor, if any, in effect from time to time.

(b) INVESTMENT MANAGEMENT FEE: For services provided under subparagraph (b) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Investment Management Fee. The Investment Management Fee shall be equal to: (i) 50% of the monthly management fee rate (including performance adjustments, if any) that the Portfolio is obligated to pay the Advisor under its Management Contract with the Advisor, multiplied by: (ii) the fraction equal to the net assets of the Portfolio as to which the Sub-Advisor shall have provided investment management services divided by the net assets of the Portfolio for that month. If in any fiscal year the aggregate expenses of the Portfolio exceed any applicable expense limitation imposed by any state or federal securities laws or regulations, and the Advisor waives all or a portion of its management fee or reimburses the Portfolio for expenses to the extent required to satisfy such limitation, the Investment Management Fee paid to the Sub-Advisor will be reduced by 50% of the amount of such waivers or reimbursements multiplied by the fraction determined in (ii). If the Sub-Advisor reduces its fees to reflect such waivers or reimbursements and the Advisor subsequently recovers all or any portion of such waivers and reimbursements, then the Sub-Advisor shall be entitled to receive from the Advisor a proportionate share of the amount recovered. To the extent that waivers and reimbursements by the Advisor required by such limitations are in excess of the Advisor's management fee, the Investment Management Fee paid to the Sub-Advisor will be reduced to zero for that month, but in no event shall the Sub-Advisor be required to reimburse the Advisor for all or a portion of such excess reimbursements.

(c) PROVISION OF MULTIPLE SERVICES: If the Sub-Advisor shall have provided both investment advisory services under subparagraph (a) and investment management services under subparagraph (b) of paragraph 1 for the same portion of the investments of the Portfolio for the same period, the fees paid to the Sub-Advisor with respect to such investments shall be calculated exclusively under subparagraph (b) of this paragraph 4.

5. Expenses: It is understood that the Portfolio will pay all of its expenses other than those expressly stated to be payable by the Sub-Advisor hereunder or by the Advisor under the Management Contract with the

Portfolio, which expenses payable by the Portfolio shall include, without limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Trust's Trustees other than those who are "interested persons" of the Trust, the Sub-Advisor or the Advisor; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Trust and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefore; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Advisor, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Trust's Trustees and officers with respect thereto.

6. Interested Persons: It is understood that Trustees, officers, and shareholders of the Trust are or may be or become interested in the Advisor or the Sub-Advisor as directors, officers or otherwise and that directors, officers and stockholders of the Advisor or the Sub-Advisor are or may be or become similarly interested in the Trust, and that the Advisor or the Sub-Advisor may be or become interested in the Trust as a shareholder or otherwise.

4. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Adviser or the Fund. The Sub Adviser shall have no authority to act for, represent, bind or obligate the Adviser or the Fund, and shall in no event have discretion to invest or reinvest assets held by the Portfolio.]

7. Services to Other Companies or Accounts: The services of the Sub-Advisor to the Advisor are not to be deemed to be exclusive, the Sub-Advisor being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Sub-Advisor's ability to meet all of its obligations hereunder. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Advisor or the Trust.

8. Standard of Care: In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Advisor, the Sub-Advisor shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

9.Duration and Termination of Agreement; Amendments:

(a) Subject to prior termination as provided in subparagraph (d) of this paragraph 9, this Agreement shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the Trust' Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent of the Advisor, the Sub-Advisor and the Portfolio, such consent on the part of the Portfolio to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of subparagraphs (a) and (b) of this paragraph 9, the terms of any continuance or modification of this Agreement must have been approved by the vote of a majority of those Trustees of the Trust who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Advisor, the Sub-Advisor or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or with respect to the Portfolio)) by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically in the event of its assignment.

10. Limitation of Liability: The Sub-Advisor is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Trust and agrees that any obligations of the Trust or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Advisor shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Advisor seek satisfaction of any such obligation from the Trustees or any individual Trustee.

11.Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed in their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

FMR FAR EAST

By: ___________________________________

Name: Charles F. Dornbush

Title: Treasurer of FMR Far East

FIDELITY MANAGEMENT & RESEARCH COMPANY

By ___________________________________
Name: J. Gary Burkhead
Title: President of FMR

FIDELITY FINANCIAL TRUST

By ___________________________________
Name: J. Gary Burkhead
Title: Senior Vice President of the Trust

EXHIBIT 5(R)
SUB-ADVISORY AGREEMENT
BETWEEN
FIDELITY MANAGEMENT & RESEARCH COMPANY
AND
FIDELITY MANAGEMENT & RESEARCH (U.K.) INC.
AND
FIDELITY FINANCIAL TRUST ON BEHALF OF
FIDELITY RETIREMENT GROWTH FUND

AGREEMENT made this 1st day of December 1993 by Fidelity Management & Research Company, a Massachusetts corporation with principal offices at 82 Devonshire Street, Boston, Massachusetts (hereinafter called the "Advisor"); Fidelity Management & Research (U.K.) Inc.) (hereinafter called the "Sub-Advisor"; and Fidelity Financial Trust, a Massachusetts business trust which may issue one or more series of shares of beneficial interest (hereinafter called the "Trust") on behalf of Fidelity Retirement Growth Fund (hereinafter called the "Portfolio").

WHEREAS the Trust and the Advisor have entered into a Management Contract on behalf of the Portfolio, pursuant to which the Advisor acts as investment manager of the Portfolio; and

WHEREAS the Sub-Advisor and its subsidiaries and other affiliated persons have personnel in various locations throughout the world and have been formed in part for the purpose of researching and compiling information and recommendations with respect to the economies of various countries, including securities issued in and issuers located in such countries, and providing investment advisory services in connection therewith;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the Trust, the Advisor and the Sub-Advisor agree as follows:

1. Duties: The Advisor may, in its discretion, appoint the Sub-Advisor to perform one or more of the following services with respect to all or a portion of the investments of the Portfolio. The services and the portion of the investments of the Portfolio to be advised or managed by the Sub-Advisor shall be as agreed upon from time to time by the Advisor and the Sub-Advisor. The Sub-Advisor shall pay the salaries and fees of all personnel of the Sub-Advisor performing services for the Portfolio relating to research, statistical and investment activities.

(a) INVESTMENT ADVICE: If and to the extent requested by the Advisor, the Sub-Advisor shall provide investment advice to the Portfolio and the Advisor with respect to all or a portion of the investments of the Portfolio, and in connection with such advice shall furnish the Portfolio and the Advisor such factual information, research reports and investment recommendations all as the Advisor may reasonably require. Such information may include written and oral reports and analyses.

(b) INVESTMENT MANAGEMENT: If and to the extent requested by the Advisor, the Sub-Advisor shall, subject to the supervision of the Advisor, manage all or a portion of the investments of the Portfolio in accordance with the investment objective, policies and limitations provided in the Portfolio's Prospectus or other governing instruments, as amended from time to time, the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, as amended from time to time, and such other limitations as the Trust or Advisor may impose with respect to the Portfolio by notice to the Sub-Advisor. With respect to the portion of the investments of the Portfolio under its management, the Sub-Advisor is authorized to make investment decisions on behalf of the Portfolio with regard to any stock, bond, other security or investment instrument, and to place orders for the purchase and sale of such securities through such broker-dealers as the Sub-Advisor may select. The Sub-Advisor may also be authorized, but only to the extent such duties are delegated in writing by the Advisor, to provide additional investment management services to the Portfolio, including but not limited to services such as managing foreign currency investments, purchasing and selling or writing futures and options contracts, borrowing money or lending securities on behalf of the Portfolio. All investment management and any other activities of the Sub-Advisor shall at all times be subject to the control and direction of the Advisor and the Trust's Board of Trustees.

(c) SUBSIDIARIES AND AFFILIATES: The Sub-Advisor may perform any or all of the services contemplated by this Agreement directly or through such of its subsidiaries or other affiliated persons as the Sub-Advisor shall determine; provided, however, that performance of such services through such subsidiaries or other affiliated persons shall have been approved by the Trust to the extent required pursuant to the 1940 Act and rules thereunder.

2. Information to be Provided to the Trust and the Advisor: The Sub-Advisor shall furnish such reports, evaluations, information or analyses to the Trust and the Advisor as the Trust's Board of Trustees or the Advisor may reasonably request from time to time, or as the Sub-Advisor may deem to be desirable.

3. Brokerage: In connection with the services provided under subparagraph (b) of paragraph 1 of this Agreement, the Sub-Advisor, at its own expense, shall place all orders for the purchase and sale of portfolio securities for the Portfolio's account with brokers or dealers selected by the Sub-Advisor, which may include brokers or dealers affiliated with the Advisor or Sub-Advisor. The Sub-Advisor shall use its best efforts to seek to execute portfolio transactions at prices which are advantageous to the Portfolio and at commission rates which are reasonable in relation to the benefits received. In selecting brokers or dealers qualified to execute a particular transaction, brokers or dealers may be selected who also provide brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) to the Portfolio and to any other accounts over which the Sub-Advisor or Advisor exercise investment discretion. The Sub-Advisor is authorized to pay a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Portfolio which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Sub-Advisor determines in good faith that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. This determination may

be viewed in terms of either that particular transaction or the overall responsibilities which the Sub-Advisor has with respect to accounts over which it exercises investment discretion. The Trustees of the Trust shall periodically review the commissions paid by the Portfolio to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits to the Portfolio.

4. Compensation: The Advisor shall compensate the Sub-Advisor on the following basis for the services to be furnished hereunder.

(a) INVESTMENT ADVISORY FEE: For services provided under subparagraph (a) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Sub-Advisory Fee. The Sub-Advisory Fee shall be)) equal to 110% of the Sub-Advisor's costs incurred in connection with rendering the services referred to in subparagraph (a) of paragraph 1 of this Agreement. The Sub-Advisory Fee shall not be reduced to reflect expense reimbursements or fee waivers by the Advisor, if any, in effect from time to time.

(b) INVESTMENT MANAGEMENT FEE: For services provided under subparagraph (b) of paragraph 1 of this Agreement, the Advisor agrees to pay the Sub-Advisor a monthly Investment Management Fee. The Investment Management Fee shall be equal to: (i) 50% of the monthly management fee rate (including performance adjustments, if any) that the Portfolio is obligated to pay the Advisor under its Management Contract with the Advisor, multiplied by: (ii) the fraction equal to the net assets of the Portfolio as to which the Sub-Advisor shall have provided investment management services divided by the net assets of the Portfolio for that month. If in any fiscal year the aggregate expenses of the Portfolio exceed any applicable expense limitation imposed by any state or federal securities laws or regulations, and the Advisor waives all or a portion of its management fee or reimburses the Portfolio for expenses to the extent required to satisfy such limitation, the Investment Management Fee paid to the Sub-Advisor will be reduced by 50% of the amount of such waivers or reimbursements multiplied by the fraction determined in (ii). If the Sub-Advisor reduces its fees to reflect such waivers or reimbursements and the Advisor subsequently recovers all or any portion of such waivers or reimbursements, then the Sub-Advisor shall be entitled to receive from the Advisor a proportionate share of the amount recovered. To the extent that waivers and reimbursements by the Advisor required by such limitations are in excess of the Advisor's management fee, the Investment Management Fee paid to the Sub-Advisor will be reduced to zero for that month, but in no event shall the Sub-Advisor be required to reimburse the Advisor for all or a portion of such excess reimbursements.

(c) PROVISION OF MULTIPLE SERVICES: If the Sub-Advisor shall have provided both investment advisory services under subparagraph (a) and investment management services under subparagraph (b) of paragraph (1) for the same portion of the investments of the Portfolio for the same period, the fees paid to the Sub-Advisor with respect to such investments shall be calculated exclusively under subparagraph (b) of this paragraph 4.

5. Expenses: It is understood that the Portfolio will pay all of its expenses other than those expressly stated to be payable by the Sub-Advisor hereunder or by the Advisor under the Management Contract with the Portfolio, which expenses payable by the Portfolio shall include, without

limitation, (i) interest and taxes; (ii) brokerage commissions and other costs in connection with the purchase or sale of securities and other investment instruments; (iii) fees and expenses of the Trust's Trustees other than those who are "interested persons" of the Trust, the Sub-Advisor or the Advisor; (iv) legal and audit expenses; (v) custodian, registrar and transfer agent fees and expenses; (vi) fees and expenses related to the registration and qualification of the Trust and the Portfolio's shares for distribution under state and federal securities laws; (vii) expenses of printing and mailing reports and notices and proxy material to shareholders of the Portfolio; (viii) all other expenses incidental to holding meetings of the Portfolio's shareholders, including proxy solicitations therefore; (ix) a pro rata share, based on relative net assets of the Portfolio and other registered investment companies having Advisory and Service or Management Contracts with the Advisor, of 50% of insurance premiums for fidelity and other coverage; (x) its proportionate share of association membership dues; (xi) expenses of typesetting for printing Prospectuses and Statements of Additional Information and supplements thereto; (xii) expenses of printing and mailing Prospectuses and Statements of Additional Information and supplements thereto sent to existing shareholders; and (xiii) such non-recurring or extraordinary expenses as may arise, including those relating to actions, suits or proceedings to which the Portfolio is a party and the legal obligation which the Portfolio may have to indemnify the Trust's Trustees and officers with respect thereto.

6. Interested Persons: It is understood that Trustees, officers, and shareholders of the Trust are or may be or become interested in the Advisor or the Sub-Advisor as directors, officers or otherwise and that directors, officers and stockholders of the Advisor or the Sub-Advisor are or may be or become similarly interested in the Trust, and that the Advisor or the Sub-Advisor may be or become interested in the Trust as a shareholder or otherwise.

7. Services to Other Companies or Accounts: The services of the Sub-Advisor to the Advisor are not to be deemed to be exclusive, the Sub-Advisor being free to render services to others and engage in other activities, provided, however, that such other services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Sub-Advisor's ability to meet all of its obligations hereunder. The Sub-Advisor shall for all purposes be an independent contractor and not an agent or employee of the Advisor or the Trust.

8. Standard of Care: In the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of the Sub-Advisor, the Sub-Advisor shall not be subject to liability to the Advisor, the Trust or to any shareholder of the Portfolio for any act or omission in the course of, or connected with, rendering services hereunder or for any losses that may be sustained in the purchase, holding or sale of any security.

9. Duration and Termination of Agreement; Amendments:

(a) Subject to prior termination as provided in subparagraph (d) of this paragraph 9, this Agreement shall continue in force until July 31, 1994 and indefinitely thereafter, but only so long as the continuance after such period shall be specifically approved at least annually by vote of the Trust's Board of Trustees or by vote of a majority of the outstanding voting securities of the Portfolio.

(b) This Agreement may be modified by mutual consent of the Advisor, the Sub-Advisor and the Portfolio, such consent on the part of the Portfolio to be authorized by vote of a majority of the outstanding voting securities of the Portfolio.

(c) In addition to the requirements of subparagraphs (a) and (b) of this paragraph 9, the terms of any continuance or modification of this Agreement must have been approved by the vote of a majority of those Trustees of the Trust who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(d) Either the Advisor, the Sub-Advisor or the Portfolio may, at any time on sixty (60) days' prior written notice to the other parties, terminate this Agreement, without payment of any penalty, by action of its Board of Trustees or Directors, or with respect to the Portfolio by vote of a majority of its outstanding voting securities. This Agreement shall terminate automatically in the event of its assignment.

10. Limitation of Liability: The Sub-Advisor is hereby expressly put on notice of the limitation of shareholder liability as set forth in the Declaration of Trust or other organizational document of the Trust and agrees that any obligations of the Trust or the Portfolio arising in connection with this Agreement shall be limited in all cases to the Portfolio and its assets, and the Sub-Advisor shall not seek satisfaction of any such obligation from the shareholders or any shareholder of the Portfolio. Nor shall the Sub-Advisor seek satisfaction of any such obligation from the Trustees or any individual Trustee.

11Governing Law: This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to the choice of laws provisions thereof.

The terms "registered investment company," "vote of a majority of the outstanding voting securities," "assignment," and "interested persons," when used herein, shall have the respective meanings specified in the 1940 Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed on their behalf by their respective officers thereunto duly authorized, and their respective seals to be hereunto affixed, all as of the date written above.

FMR UK

By: ___________________________________
Name: Charles F. Dornbush
Title: Treasurer of FMR UK

FIDELITY MANAGEMENT & RESEARCH COMPANY

By ___________________________________
Name: J. Gary Burkhead
Title: President of FMR

FIDELITY FINANCIAL TRUST

By ____________________________________
Name: J. Gary Burkhead
Title: Senior Vice President of the Trust

Exhibit 16(d)
Convertable Securities
39 Week Moving Averages

Date	Factor	Adjusted NAV
05-Mar-93	1.018944	15.55
08-Mar-93	1.018944	15.68
09-Mar-93	1.018944	15.75
10-Mar-93	1.018944	15.78
11-Mar-93	1.018944	15.79
12-Mar-93	1.018944	15.78
15-Mar-93	1.018944	15.85
16-Mar-93	1.018944	15.93
17-Mar-93	1.018944	15.88
18-Mar-93	1.018944	15.95
19-Mar-93	1.018944	15.94
22-Mar-93	1.018944	15.92
23-Mar-93	1.018944	15.93
24-Mar-93	1.018944	15.91
25-Mar-93	1.018944	16.00
26-Mar-93	1.018944	16.01
29-Mar-93	1.018944	16.06
30-Mar-93	1.018944	16.07
31-Mar-93	1.018944	16.10
01-Apr-93	1.018944	16.12
02-Apr-93	1.018944	16.00
05-Apr-93	1.018944	16.00
06-Apr-93	1.018944	16.00
07-Apr-93	1.018944	16.13
08-Apr-93	1.018944	16.12
09-Apr-93	1.018944	16.12
12-Apr-93	1.018944	16.21
13-Apr-93	1.018944	16.24
14-Apr-93	1.018944	16.27
15-Apr-93	1.018944	16.24
16-Apr-93	1.018944	16.28
19-Apr-93	1.018944	16.27
20-Apr-93	1.018944	16.21
21-Apr-93	1.018944	16.27
22-Apr-93	1.018944	16.25
23-Apr-93	1.018944	16.25
26-Apr-93	1.018944	16.11
27-Apr-93	1.018944	16.14
28-Apr-93	1.018944	16.17
29-Apr-93	1.018944	16.20
30-Apr-93	1.018944	16.25
03-May-93	1.018944	16.29
04-May-93	1.018944	16.32

05-May-93	1.018944	16.36
06-May-93	1.018944	16.43
07-May-93	1.018944	16.42
10-May-93	1.018944	16.46
11-May-93	1.018944	16.46
12-May-93	1.018944	16.54
13-May-93	1.018944	16.54
14-May-93	1.018944	16.56
17-May-93	1.018944	16.50
18-May-93	1.018944	16.55
19-May-93	1.018944	16.63
20-May-93	1.018944	16.70
21-May-93	1.018944	16.66
24-May-93	1.018944	16.63
25-May-93	1.018944	16.67
26-May-93	1.018944	16.73
27-May-93	1.018944	16.72
28-May-93	1.018944	16.65
31-May-93	1.018944	16.65
01-Jun-93	1.018944	16.74
02-Jun-93	1.018944	16.75
03-Jun-93	1.018944	16.78
04-Jun-93	1.018944	16.76
07-Jun-93	1.018944	16.72
08-Jun-93	1.018944	16.62
09-Jun-93	1.018944	16.62
10-Jun-93	1.018944	16.55
11-Jun-93	1.009292	16.58
14-Jun-93	1.009292	16.57
15-Jun-93	1.009292	16.58
16-Jun-93	1.009292	16.53
17-Jun-93	1.009292	16.49
18-Jun-93	1.009292	16.48
21-Jun-93	1.009292	16.49
22-Jun-93	1.009292	16.47
23-Jun-93	1.009292	16.46
24-Jun-93	1.009292	16.52
25-Jun-93	1.009292	16.53
28-Jun-93	1.009292	16.61
29-Jun-93	1.009292	16.61
30-Jun-93	1.009292	16.64
01-Jul-93	1.009292	16.66
02-Jul-93	1.009292	16.61
05-Jul-93	1.009292	16.61
06-Jul-93	1.009292	16.61
07-Jul-93	1.009292	16.61
08-Jul-93	1.009292	16.63
09-Jul-93	1.009292	16.61
12-Jul-93	1.009292	16.65
13-Jul-93	1.009292	16.68
14-Jul-93	1.009292	16.72

15-Jul-93	1.009292	16.68
16-Jul-93	1.009292	16.65
19-Jul-93	1.009292	16.66
20-Jul-93	1.009292	16.66
21-Jul-93	1.009292	16.67
22-Jul-93	1.009292	16.66
23-Jul-93	1.009292	16.70
26-Jul-93	1.009292	16.78
27-Jul-93	1.009292	16.73
28-Jul-93	1.009292	16.76
29-Jul-93	1.009292	16.80
30-Jul-93	1.009292	16.80
02-Aug-93	1.009292	16.86
03-Aug-93	1.009292	16.82
04-Aug-93	1.009292	16.83
05-Aug-93	1.009292	16.77
06-Aug-93	1.009292	16.79
09-Aug-93	1.009292	16.86
10-Aug-93	1.009292	16.86
11-Aug-93	1.009292	16.84
12-Aug-93	1.009292	16.78
13-Aug-93	1.009292	16.79
16-Aug-93	1.009292	16.86
17-Aug-93	1.009292	16.93
18-Aug-93	1.009292	16.98
19-Aug-93	1.009292	17.01
20-Aug-93	1.009292	17.00
23-Aug-93	1.009292	17.04
24-Aug-93	1.009292	17.15
25-Aug-93	1.009292	17.16
26-Aug-93	1.009292	17.13
27-Aug-93	1.009292	17.14
30-Aug-93	1.009292	17.18
31-Aug-93	1.009292	17.20
01-Sep-93	1.009292	17.21
02-Sep-93	1.009292	17.23
03-Sep-93	1.009292	17.23
06-Sep-93	1.009292	17.14
07-Sep-93	1.009292	17.14
08-Sep-93	1.009292	17.06
09-Sep-93	1.009292	17.15
10-Sep-93	1.000000	17.22
13-Sep-93	1.000000	17.24
14-Sep-93	1.000000	17.18
15-Sep-93	1.000000	17.18
16-Sep-93	1.000000	17.17
17-Sep-93	1.000000	17.19
20-Sep-93	1.000000	17.19
21-Sep-93	1.000000	17.10
22-Sep-93	1.000000	17.18
23-Sep-93	1.000000	17.26

24-Sep-93	1.000000	17.28
27-Sep-93	1.000000	17.35
28-Sep-93	1.000000	17.35
29-Sep-93	1.000000	17.37
30-Sep-93	1.000000	17.40
01-Oct-93	1.000000	17.46
04-Oct-93	1.000000	17.51
05-Oct-93	1.000000	17.55
06-Oct-93	1.000000	17.61
07-Oct-93	1.000000	17.60
08-Oct-93	1.000000	17.60
11-Oct-93	1.000000	17.65
12-Oct-93	1.000000	17.77
13-Oct-93	1.000000	17.83
14-Oct-93	1.000000	17.82
15-Oct-93	1.000000	17.82
18-Oct-93	1.000000	17.81
19-Oct-93	1.000000	17.76
20-Oct-93	1.000000	17.74
21-Oct-93	1.000000	17.73
22-Oct-93	1.000000	17.72
25-Oct-93	1.000000	17.74
26-Oct-93	1.000000	17.72
27-Oct-93	1.000000	17.71
28-Oct-93	1.000000	17.79
29-Oct-93	1.000000	17.80
01-Nov-93	1.000000	17.80
02-Nov-93	1.000000	17.80
03-Nov-93	1.000000	17.78
04-Nov-93	1.000000	17.68
05-Nov-93	1.000000	17.67
08-Nov-93	1.000000	17.71
09-Nov-93	1.000000	17.70
10-Nov-93	1.000000	17.73
11-Nov-93	1.000000	17.77
12-Nov-93	1.000000	17.86
15-Nov-93	1.000000	17.83
16-Nov-93	1.000000	17.80
17-Nov-93	1.000000	17.73
18-Nov-93	1.000000	17.67
19-Nov-93	1.000000	17.68
22-Nov-93	1.000000	17.57
23-Nov-93	1.000000	17.61
24-Nov-93	1.000000	17.64
25-Nov-93	1.000000	17.64
26-Nov-93	1.000000	17.62

Exhibit 11

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference into the Prospectuses and Statements of Additional Information constituting part of this Post Effective Amendment No. 26 to the Registration Statement on Form N-1A (the "Registration Statement") of our reports dated January 5, 1994, January 5, 1994, and January 3, 1994, relating to the financial statements and financial highlights appearing in the November 30, 1993 Annual Reports to Shareholders of Fidelity Convertible Securities Fund, Fidelity Equity-Income II Fund, and Fidelity Retirement Growth Fund, respectively, comprising Fidelity Financial Trust, which are incorporated by reference in such Registration Statement. We further consent to the references to us under the headings "Auditor" in the Statements of Additional Information and "Financial Highlights" in the Prospectuses.

/s/ PRICE WATERHOUSE

PRICE WATERHOUSE

Boston, Massachusetts

January 11, 1994