

SECURITIES AND EXCHANGE COMMISSION

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FIDELITY

(REGISTERED TRADEMARK)
RETIREMENT GROWTH
FUND
ANNUAL REPORT
NOVEMBER 30, 1993
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THIS REPORT AND THE FINANCIAL STATEMENTS CONTAINED HEREIN ARE SUBMITTED FOR THE GENERAL INFORMATION OF THE SHAREHOLDERS OF THE FUND. THIS REPORT IS NOT AUTHORIZED FOR DISTRIBUTION TO PROSPECTIVE INVESTORS IN THE FUND UNLESS PRECEDED OR ACCOMPANIED BY AN EFFECTIVE PROSPECTUS. NEITHER THE FUND NOR FIDELITY DISTRIBUTORS CORPORATION IS A BANK, AND FUND SHARES ARE NOT BACKED OR GUARANTEED BY ANY BANK OR INSURED BY THE FDIC.

PRESIDENT'S MESSAGE

DEAR SHAREHOLDER:

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

Whether or not you're someone whose tax bill will increase as a result of these changes, it may make sense to consider ways to keep more of what you earn.

First, if your employer offers a 401(k) or 403(b) retirement savings plan, consider enrolling. These plans are set up so you can make regular contributions -

before taxes - to a retirement savings plan. They offer a disciplined savings strategy, the ability to accumulate earnings tax-deferred, and immediate tax savings. For example, if you earn \$40,000 a year and contribute 7% of your salary to your 401(k) plan, your annual contribution is \$2,800. That reduces your taxable income to \$37,200 and, if you're in the

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

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

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

Third, consider 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

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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 (Consortio 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 Caribbean 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
MacClean 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) AMOUNT (F) (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) AMOUNT (F) (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:

ACQUISITION ACQUISITION

SECURITY DATE 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>

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<C>

<C>

AMOUNTS IN THOUSANDS (EXCEPT PER-SHARE AMOUNTS) NOVEMBER 30, 1993

ASSETS

Investment in securities, at value (including repurchase agreements of \$438,741) (cost \$2,600,267) (Notes 1 and 2) - See accompanying schedule	\$ 2,978,103
--	--------------

Receivable for investments sold	23,357
---------------------------------	--------

Receivable for fund shares sold	4,942
---------------------------------	-------

Dividends receivable	3,723
----------------------	-------

Interest receivable	926
---------------------	-----

Other receivables	5,190
-------------------	-------

TOTAL ASSETS	3,016,241
--------------	-----------

LIABILITIES

Payable to custodian bank	\$ 626
Payable for investments purchased	278,292
Payable for fund shares redeemed	2,582
Accrued management fee	1,727
Other payables and accrued expenses	691
Collateral on securities loaned, at value (Note 5)	44,055
TOTAL LIABILITIES	327,973
NET ASSETS	\$ 2,688,268
Net Assets consist of:	
Paid in capital	\$ 2,025,390
Undistributed net investment income	42,699
Accumulated undistributed net realized gain (loss) on investments	242,343
Net unrealized appreciation (depreciation) on investment securities	377,836
NET ASSETS, for 139,581 shares outstanding	\$ 2,688,268
NET ASSET VALUE, offering price and redemption price per share (\$2,688,268 (divided by) 139,581 shares)	\$19.26

</TABLE>

STATEMENT OF OPERATIONS
AMOUNTS IN THOUSANDS YEAR ENDED NOVEMBER 30, 1993

<TABLE>		
<CAPTION>		
<S>	<C>	<C>
INVESTMENT INCOME		\$ 33,578
Dividends (including \$417 received from affiliated issuers) (Note 6)		
Interest (including security lending fees of \$192) (Note 5)		10,767
TOTAL INCOME		44,345
EXPENSES		
Management fee (Note 4)	\$ 15,111	
Basic fee		
Performance adjustment	3,094	
Transfer agent fees (Note 4)	5,706	
Accounting and security lending fees (Note 4)	779	
Non-interested trustees' compensation	16	
Custodian fees and expenses	227	
Registration fees	51	

Audit	61	
Legal	29	
Miscellaneous	170	
Total expenses before reductions	25,244	
Expense reductions (Note 7)	(51)	25,193
NET INVESTMENT INCOME		19,152
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTES 1 AND 3)		266,482
Net realized gain (loss) on investment securities (including realized (loss) of \$3,251 on sales of investments in affiliated issuers)		
Change in net unrealized appreciation (depreciation) on investment securities		144,257
NET GAIN (LOSS)		410,739
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		\$ 429,891

</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

Operations	\$ 19,152	\$ 19,298
Net investment income		
Net realized gain (loss) on investments	266,482	381,043
Change in net unrealized appreciation (depreciation) on investments	144,257	(14,726)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	429,891	385,615
Distributions to shareholders from: Net investment income	(17,541)	(18,500)
Net realized gain	(387,106)	(96,199)
Share transactions Net proceeds from sales of shares	665,444	732,259
Reinvestment of distributions from: Net investment income	17,513	18,481
Net realized gain	386,611	96,126
Cost of shares redeemed	(572,056)	(529,417)
Net increase (decrease) in net assets resulting from share transactions	497,512	317,449

TOTAL INCREASE (DECREASE) IN NET ASSETS	522,756	588,365
NET ASSETS		
Beginning of period	2,165,512	1,577,147
End of period (including undistributed net investment income of \$42,699 and \$41,088, respectively)	\$ 2,688,268	\$ 2,165,512
OTHER INFORMATION		
Shares		
Sold	37,751	40,145
Issued in reinvestment of distributions from: Net investment income	1,074	1,105
Net realized gain	23,719	5,746
Redeemed	(32,513)	(29,083)
Net increase (decrease)	30,031	17,913

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>					
<CAPTION>					
<S>	<C>	<C>	<C>	<C>	<C>
	YEARS ENDED NOVEMBER 30,				
	1993	1992	1991	1990	1989

SELECTED PER-SHARE DATA

Net asset value, beginning of period	\$ 19.77	\$ 17.21	\$ 13.13	\$ 15.62	\$ 12.55
Income from Investment Operations					
Net investment income	.09	.14	.27	.34	.37
Net realized and unrealized gain (loss) on investments	3.09	3.66	3.92	(1.88)	2.91
Total from investment operations	3.18	3.80	4.19	(1.54)	3.28
Less Distributions					
From net investment income	(.16)	(.20)	(.11)	(.45)	(.21)
From net realized gain	(3.53)	(1.04)	-	(.50)	-
Total distributions	(3.69)	(1.24)	(.11)	(.95)	(.21)
Net asset value, end of period	\$ 19.26	\$ 19.77	\$ 17.21	\$ 13.13	\$ 15.62
TOTAL RETURN (dagger)	19.47%	23.39%	32.15%	(10.59)%	26.62%

RATIOS AND SUPPLEMENTAL DATA

Net assets, end of period (in millions)	\$ 2,688	\$ 2,166	\$ 1,577	\$ 1,292	\$ 1,448
Ratio of expenses to average net assets *	1.05%	1.02%	.83%	.98%	.92%
Ratio of expenses to average net assets before expense reductions *	1.05%	1.02%	.83%	.98%	.92%
Ratio of net investment income to average net assets	.80%	1.01%	1.56%	2.34%	2.51%
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
Inc. (a)	1,356	-	-	4,050	Kentucky Electric Steel, Inc. (a) 3,684 -
- -	3,761	-	-	13,730	Libbey, Inc. - 78 16,928
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 - -
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
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) 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) 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

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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

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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