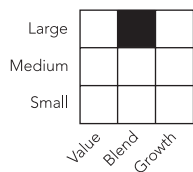


FUND APPROACH AND STYLE

Morningstar Style Box ®



as at 31.03.04

OBJECTIVE

The fund manager manages Fidelity Funds European Growth Fund with the aim of achieving long-term capital growth by investing in an actively managed portfolio of primarily pan-European equities.

PORTFOLIO CHARACTERISTICS

This is a true stock-picking fund. The portfolio is built purely on a stock-by-stock basis with an unrestricted investment mandate. The fund manager invests wherever he finds undervalued securities and this can mean that the fund differs significantly from its benchmark, the FTSE Europe Index, in terms of geographic and sector weightings. Bottom-up research is carried out by Fidelity's team of equity analysts in Europe, organised on a pan-European sector basis. The fund has a bias towards small and medium sized companies because the manager believes these stocks have greater potential to be undervalued, as they tend to be less intensively researched by other investors.

INVESTMENT STYLE

The fund manager is a value investor whose principle goal is to identify stocks where the share price implies a different estimate of the company's future potential from his own. In-depth research and frequent company meetings provide the main inputs to his investment process. He does not manage the fund with reference to either macroeconomic or industry considerations. Indeed, this bottom-up approach can lead the fund manager to take positions which appear to run contrary to other investors.

Generally, stocks purchased for the fund will tend to fall under four main headings:

Unrecognised earnings growth: The earnings forecasts of the broader investment community are too low and likely to be beaten by the company. These companies have the potential to grow earnings either faster and/or longer than the market currently expects.

Underestimated earnings recovery: There are several factors that other investors may have underestimated. These are the ability of management to deliver a turnaround in earnings, the scale of the earnings uplift and the timing of recovery itself.

Undervalued fundamentals: A company in this category may have been overlooked by other investors. Consequently, its share price may be less than its true value if it were to be correctly valued, for example, on the basis of its fundamental characteristics, its strengths relative to its competitors or against the market in general.

Restructuring activity: The rewards of a company's restructuring efforts are likely to be greater than the market anticipates.

PERFORMANCE in fund currency

	YTD	6 mnths	1 yr	3 yrs	5 yrs	10 yrs	Since 01.10.90
Fund cumulative growth	8.4%	10.5%	35.8%	-2.6%	62.7%	292.0%	456.3%
Index cumulative growth	5.2%	9.2%	25.6%	-24.7%	-6.8%	145.7%	296.3%
Fund annualised growth	-	-	35.8%	-0.9%	10.2%	14.6%	13.5%
Index annualised growth	-	-	25.6%	-9.0%	-1.4%	9.4%	10.7%
Value of €2,000 invested	2,061	2,100	2,581	1,851	3,092	7,450	10,570

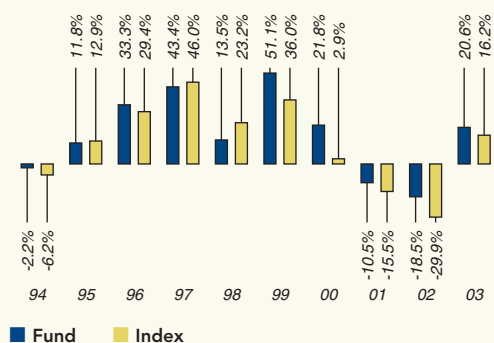
Ranking within Europe Equity Funds Sector

	21	35	17	7	1	1	1
Position of fund	234	231	222	182	114	49	21
Total number of funds	1	1	1	1	1	1	1
Quartile ranking							

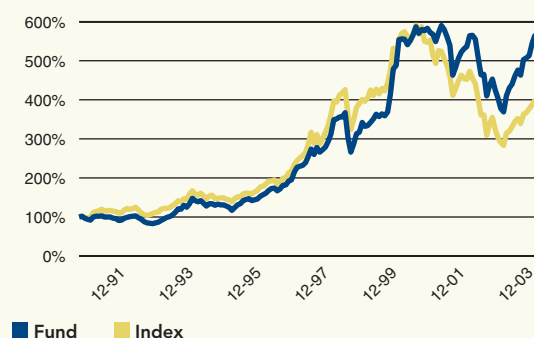
QUARTERLY UPDATE

- During the quarter, the fund returned 8.1% in euro terms, strongly outperforming the benchmark index, which returned 3.5% over the same period. Most of the fund's outperformance came from stock picking, while at country level, exposure to UK companies proved particularly rewarding.
- At sector level, holdings in certain oil & gas companies yielded strong relative returns, while a lack of exposure to Anglo-Dutch oil group Royal Dutch Shell also helped. The portfolio's overweight position in the media & entertainment sector continued to work well, as fund holdings including Vivendi Universal and ITV, the newly-formed UK broadcasting group, recorded healthy gains in the first quarter.
- However, holding fewer assets than the benchmark in the IT hardware sector was detrimental, as key stocks in this sector outperformed strongly over the period. The performance of holdings in the insurance sector also disappointed.

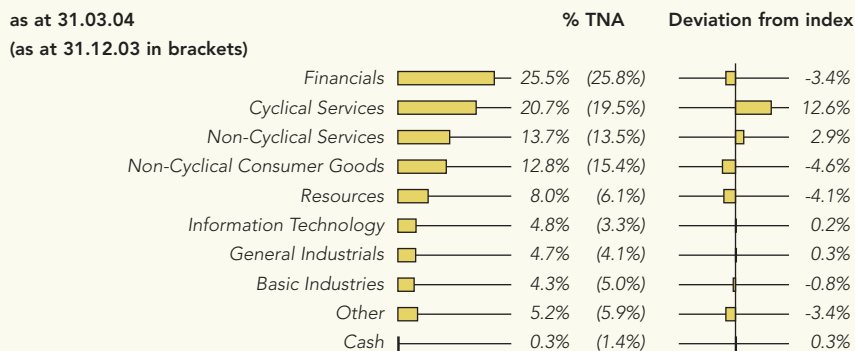
PERFORMANCE YEAR BY YEAR



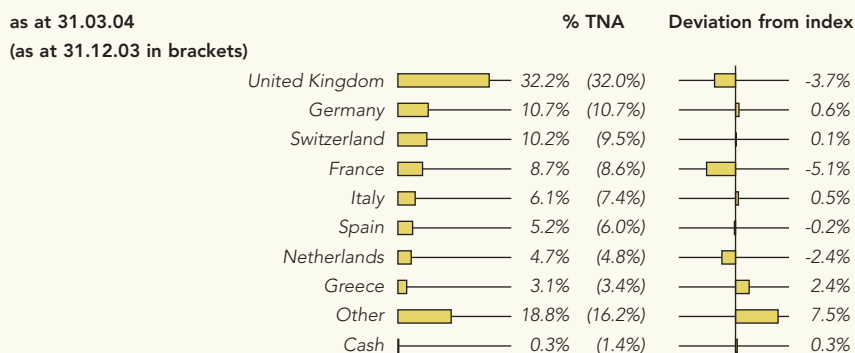
PERFORMANCE SINCE 01.10.90



INDUSTRY BREAKDOWN



GEOGRAPHIC BREAKDOWN



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TOP HOLDINGS

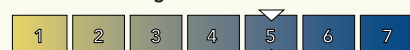
as at 31.03.04	% TNA
VODAFONE GROUP	4.8%
ROCHE HOLDING GENUSSHEINE	1.9%
VIVENDI UNIVERSAL	1.8%
MORRISON (WM) SUPERMARKETS	1.7%
ITV	1.6%
ALLIANZ	1.5%
KONINKLIJKE PHILIPS ELECTRONICS	1.5%
MMO2	1.4%
REPSOL	1.4%
NOKIA	1.3%

RATINGS

S&P Fund Stars:	★★★★★
S&P Fund Ratings:	AA
FERI rating:	(A)

VOLATILITY AND RISK

Risk/return rating:



Relative volatility:	0.98	Beta:	0.93
Sharpe ratio:	-0.1	R²:	0.9
Alpha:	0.66	Tracking error:	6.37

These ratings give an indication of the risk level of a fund only in relation to Fidelity's overall fund range. They are intended only as a guide and are based on our experience of the previous performance of the managers, asset classes, markets and currencies involved.



CO305027

FUND FACTS

Fund manager:
Graham Clapp

Location:
London

Appointed to fund:
01.01.03

Years at Fidelity:
20

Launch date:
01.10.90

Currency:
Euro (XDEM)

NAV price:
€ 7.65

12mth NAV high:
€ 7.94

12mth NAV low:
€ 5.66

Fund size:
€ 14,727m

Benchmark index:
European Growth
Composite Index*

WK-Nummer:
973270

Bloomberg code:
FIDLEUI

**Code Euroclear SA
(Sicovam) :**
93123

ISIN code:
LU0048578792

SEDOL number:
4341103

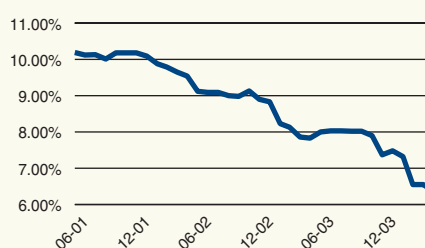
*FTSE World Europe Index

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Tracking error



The chart above shows the tracking error of the fund against its benchmark. The calculation uses rolling three year periods. The chart shows a maximum of 36 monthly data points, starting no earlier than three yrs after the fund's performance start date.