

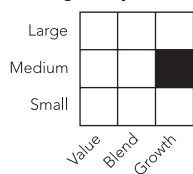
FIDELITY FUNDS

JAPAN SMALLER COMPANIES FUND

30 APRIL 2004

FUND APPROACH AND STYLE

Morningstar Style Box ®



as at 31.03.04

OBJECTIVE
Fidelity Funds Japan Smaller Companies Fund aims to achieve long-term capital appreciation by investing mainly in Japanese medium to smaller companies - those with a market capitalisation of typically JPY 100 billion or less. The fund's benchmark is the Tokyo Stock Exchange (TSE) Second Index, which is a capitalisation-weighted index of all companies listed on the TSE Second Section. However, the fund also invests in companies outside the benchmark universe, namely those listed on the TSE First Section, TSE Mother, OTC market and other regional markets in Japan. For liquidity reasons, the fund may invest in larger companies.

PORTFOLIO CHARACTERISTICS

The stocks held in the fund are predominantly 'growth' stocks - companies the fund manager thinks are capable of delivering strong sales and earnings growth where there is good evidence that this could continue for several years.

Preferred investments include:

- Strong earnings growth for mid-to-long term.
- Technological or operational competitive advantages to drive its sales and earnings growth over the mid-to-long term
- Realistic business strategies
- Strong management focusing on shareholder value
- Under-researched companies, whose growth potential is either uncovered or underestimated by investors
- Attractive valuations relative to mid-to-long-term growth prospects

The fund also seeks to invest in initial public offerings that meet the fund manager's stockpicking criteria. The sales of holdings are prompted by a change in fundamentals, if earnings are perceived to have peaked or on valuation grounds. The portfolio is usually made up of around 90 to 110 stocks in diversified industries. There tends to be a high concentration in the top 20 holdings. Sector allocation is a result of stock picking, though the fund manager tries not to deviate too far from the benchmark.

INVESTMENT STYLE

Company visits are a critical element of the investment process to find under-researched, under-valued stocks. The fund manager evaluates the earnings potential of a company over the long term, focusing on understanding the business opportunities, identifying the company's competitive edge and forecasting its earnings power. The manager seeks investment opportunities in companies that present attractive mid-to-long-term growth potential stemming from their technological or operational advantages. Growth potential of a small company is often determined by its niche competitiveness. Frequent company contacts ensure that corporate fundamentals of the fund's holdings are monitored and re-evaluated.

PERFORMANCE in fund currency

	YTD	6 mnths	1 yr	3 yrs	5 yrs	10 yrs	Since 06.12.91
Fund cumulative growth	28.6%	23.0%	70.3%	15.3%	16.6%	4.4%	41.2%
Index cumulative growth	16.7%	15.5%	57.7%	21.7%	49.6%	20.5%	10.4%
Fund annualised growth	-	-	70.3%	4.9%	3.1%	0.4%	2.8%
Index annualised growth	-	-	57.7%	6.8%	8.4%	1.9%	0.8%
Value of ¥500,000 invested	610,926	584,513	809,074	547,743	553,729	496,057	670,831

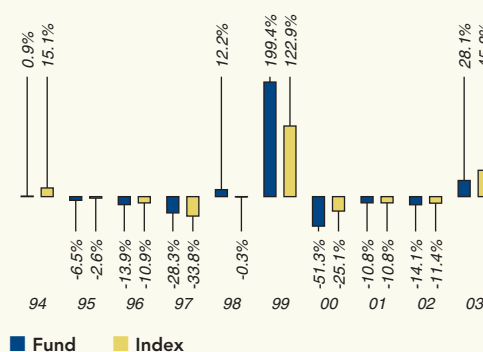
Ranking within Japan Smaller Companies Sector

	11	14	12	11	10	3	3
Position of fund							
Total number of funds	17	17	17	16	13	5	4
Quartile ranking	3	4	3	3	3	3	3

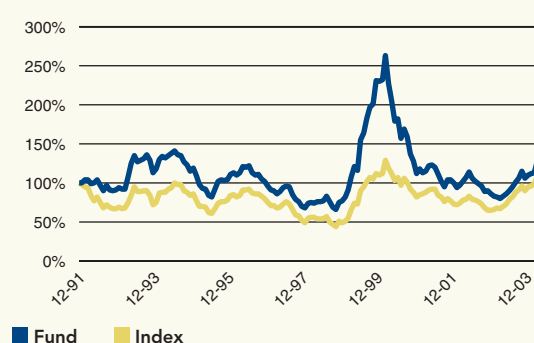
QUARTERLY UPDATE

- During the quarter, the fund returned 16.8% in yen terms, outperforming the benchmark index, which returned 15.5% over the same period.
- Stock selection in the service and retail sectors contributed to relative returns. Emerging signs of a recovery in domestic consumer sentiment and prices supported retailers and various consumer service providers.
- In the service sector, the largest stock contributor was Cyber Agent, an internet advertising agency. The company upgraded its earnings projections for the year to September 2004 and it is expected to post its first operating profit since listing on the Tokyo Stock Exchange. In the retail sector, Ryohin Keikaku, a retailer of Muji brand products, added value. The company achieved an impressive earnings recovery for the year to February 2004.

PERFORMANCE YEAR BY YEAR



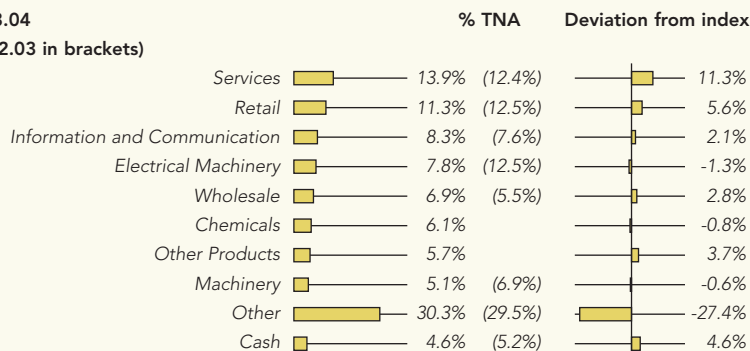
PERFORMANCE SINCE 06.12.91



INDUSTRY BREAKDOWN

as at 31.03.04

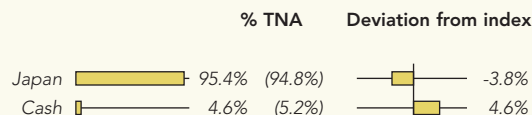
(as at 31.12.03 in brackets)



GEOGRAPHIC BREAKDOWN

as at 31.03.04

(as at 31.12.03 in brackets)



Index data provided from Tokyo Stock Exchange - TOPIX 2nd Section Index

TOP HOLDINGS

as at 31.03.04

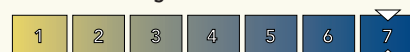
	% TNA
RYOHIN KEIKAKU	3.0%
CYBER AGENT	2.5%
TOPPAN PRINTING	2.4%
TOYO INK MANUFACTURING	2.3%
ARRK	2.2%
GLOBAL MEDIA ONLINE	2.1%
DOSHISHA	2.0%
USS	1.9%
OTSUKA	1.8%
FUJIKURA	1.7%

RATINGS

S&P Fund Ratings: A

VOLATILITY AND RISK

Risk/return rating:



Relative volatility: 1.25 Beta: 1.05
 Sharpe ratio: 0.33 R²: 0.71
 Alpha: -0.13 Tracking error: 10.78

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:

Asako Kibe

Location:

Japan

Appointed to fund:

13.09.96

Years at Fidelity:

23

Launch date:

06.12.91

Currency:

Yen

NAV price:

¥ 1,394.00

12mth NAV high:

¥ 1,394.00

12mth NAV low:

¥ 817.40

Fund size:

¥ 41,791m

Benchmark index:

FF Japan Smaller Cos Blend Index*

WK-Nummer:

973263

Bloomberg code:

FIDJSCI

Code Euroclear SA

(Sicovam) :

976

ISIN code:

LU0048587603

SEDOL number:

4332549

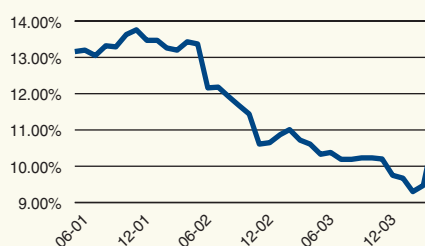
*Russell / Nomura Mid Small Cap Index

This document contains information for Institutions and Independent Professional Advisors and is not for distribution to the general public. This communication is not directed at, and must not be acted upon by persons inside the United Kingdom or the US and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required. Fidelity Funds SICAV and Fidelity Funds II SICAV are open-ended Luxembourg based investment companies. We recommend that you obtain detailed information before taking any investment decision. Investments should be made on the basis of the current prospectus, which is available along with the current annual and semi-annual reports free of charge from our distributors, from our European Service Centre in Luxembourg, from our representative in the Netherlands: Fidelity Investments International, Netherlands Branch, Prins Hendriklaan 43, 1075 BA Amsterdam (tel. 020 305 75 22), from our legal representative in Switzerland: Union Bancaire Privée, Geneva, 96-98 rue du Rhône, CH-1211 Geneva 1 and from your financial advisor or from the branch of your bank. Fidelity Funds SICAV is registered with the CNMV as a sole CIS under registration number 124. Fidelity Funds II SICAV is registered with the CNMV as a sole CIS under registration number 317 only for Institutional Investors as defined in section 7.1(a) of RD 291/1992. Fidelity Funds SICAV and Fidelity Funds II SICAV are authorised to offer participation rights in the Netherlands pursuant to article 17 of the Act on the Supervision of Investment Institutions. After a decision made by the Swiss Federal Banking Commission on 29 May 1991, Fidelity Funds SICAV can publicly market 57 of its subfunds in Switzerland. After a decision made by the Swiss Federal Banking Commission on 20 February 2001, Fidelity Funds SICAV II can publicly market 7 of its subfunds in Switzerland.

Fidelity only gives information on its products and does not provide investment advice based on individual circumstances. An investment in a currency other than the shareholder's own currency will be subject to the movements of foreign exchange rates.

This document should not be considered as an offer to sell or a solicitation to buy. Please note that phone calls to Fidelity may be recorded and monitored. Reference to companies or other investments mentioned within this document should not be construed as a recommendation to the investor to buy or sell the same, but is included for the purpose of illustration. Past performance is no guarantee for future returns. The value of investments and any income from them may go down as well as up and an investor may not get back the amount invested. Source of all performance unless otherwise stated: Standard & Poor's and Fidelity. Performance calculated NAV to NAV, gross income reinvested, in the reference currency of the fund, excluding initial charge. Return to investor figures calculated NAV to NAV, gross income reinvested, in the reference currency of the fund, after deduction of initial charge. Issued by Fidelity Investments Luxembourg S.A., Kansallis House, Place de l'Etoile, BP 2174, L-1021 Luxembourg. Fidelity Investments International (registered in England and Wales), authorised and regulated in the UK by the Financial Services Authority and Fidelity Distributors International Limited (registered in Bermuda and licensed to conduct investment business by the Bermuda Monetary Authority).

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.