

**Investment Proposals  
for  
Court Administered Guardianship and Custodial Accounts**

**Approved Investments:**

The following investments are currently approved by the courts:

FDIC Insured Certificates of Deposit – Maximum Maturity 10 Years  
U.S. Government and Agency Bonds – Maximum Maturity 10 Years  
Insured Municipal Bonds – Maximum Maturity 10 Years

The latter two alternatives must be held at a local bank, trust department or a local office of an institution with SIPC coverage and a demonstrated ability to handle “blocked” accounts. A receipt for the funds from the institution in which they were deposited must be supplied to the court. See example on page six. The maturity of the instrument used should generally be matched to the probable duration of the guardianship or custody unless there is a valid reason to vary the maturity. Such a reason must be presented to the court.

These alternatives must be used when the time horizon is less than four years. When the settlement is less than \$25,000, a minimum of 50% of the settlement amount must be invested in these alternatives.

**General Comments:**

All other investment proposals will be considered in comparison to the above U.S. Government backed instruments. The major individual factors to be considered in each case will be the time horizon of the beneficiary and the beneficiary’s income and principal needs. Finally, all investment proposals other than direct investment in the financial instruments listed above must disclose complete front end, rear end and ongoing commission costs under all circumstances, all management fees and any other fees for additional services. Pages two and three must be completed with the indicated information and the indicated published information must be attached. Any additional information must be presented in a clear and concise format. Appropriate government required disclosures, prospectuses, form Adv.’s, etc. should be attached.

The court will generally require a biannual submission of then current investment information similar to the original information presented.

**General Guardianship and Custodial Information**

Date: \_\_\_\_\_

Beneficiary Name: \_\_\_\_\_

Social Security: \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

Guardian Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

Advisor Name & Firm: \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

Is the Advisor acting as an agent or fiduciary? \_\_\_\_\_

**Beneficiary Information:**

Birthdate: \_\_\_\_\_

Estimated tax bracket: \_\_\_\_\_

Total assets involved: \_\_\_\_\_

What will the income and/or principal be used for: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date when guardianship or custodianship will end: \_\_\_\_\_

Date when income will be needed: \_\_\_\_\_

Current income needed (estimate \$ amount and %): \_\_\_\_\_

Dates when principal may be needed: \_\_\_\_\_

**Disclosure Statement  
Guardianship and Custodial Investment Proposal**

Annual Yield Certificates of Deposit	Yield to Maturity Government Bonds
1 Year: _____ %	1 Year Treasury Bills: _____ %
3 Year: _____ %	3 Year Treasury Notes: _____ %
5 Year: _____ %	5 Year Treasury Notes: _____ %
10 Year: _____ %	10 Year Treasury Notes: _____ %
Name/Description of Investment: _____	

**General Object of Investment:**

Growth* _____	Growth & Income* _____
Balanced* _____	Income (Bond) _____
Other _____	

Rating      A. Morningstar: \_\_\_\_\_ Star(s), \_\_\_\_\_ Risk  
                   B. Value Line: \_\_\_\_\_ Rank, \_\_\_\_\_ Risk (1-lowest, 5-highest)

One Time Commission/Loads (Attach explanation, if necessary) \*\*\*:

Front End _____ %	Back End _____ %
Misc. _____ %	

**Annual Expense Comparison (as per Morningstar or Value Line)**

Investment Category Overview	Proposed Investment Vehicle
	Pro-rated one-time
	Commission/Load** _____ %
Average Annual Exp. Ratio _____ %	Annual Expense _____ %
	Total Annual Expense _____ %

\* Growth Stock/Equity investments should not be proposed for time horizons less than four years.

\*\* A one-time Commission/Load should be pro-rated over the anticipated time horizon of court oversight of the investment up to a maximum of 5 years. For example: a 5% commission on an investment for a minor who will be entitled to receive the funds in two years (at age 18) would be pro-rated at 2-1/2% per year. Generally a pro-rated Commission/Load figure in excess of 1% will not be allowed on equity/stock alternatives and for bond investments the figure must not be in excess of .5%. If a load alternative is proposed, the court would prefer that it be from a "family" of funds over a number of highly rated alternatives.

\*\*\* Annuity products must disclose loads paid and all expenses in a manner similar to mutual funds.

### **Investment Proposal Analysis Comments**

All investment proposal alternatives should be analyzed from three perspectives. The first would be a brief evaluation of the Guardianship and Custodial Information. Is the proposal going to be made by an individual or a recognizable financial institution? Will the institution act as agent or as a fiduciary? A clear acknowledgment that they are acting as a fiduciary is preferable. What is the situation of the beneficiary? In particular, there should be a focus on the time horizons. Equities (stocks) are not predictable and a time horizon of less than four to five years would mean they are in a majority of situations inappropriate.

The second and third perspectives are linked. The beginning of the Investment Proposal asks for a list of current rates on investments that are already approved. Focus on the five and ten year rates. They should be considered in light of the long term returns on financial assets. Over the last 50 years bonds have averaged a return of 5% and a mix of large and small stocks have returned 11% to 12%. Obviously the consideration of alternatives to the approved investments should be made in the light of what is available on guaranteed investments. Again, the key consideration is the time element until funds are needed. Higher returns are not predictable over short periods of time and while an 11% return sounds attractive, it does not make a significant difference unless it occurs over a number of years.

In order to have a widely available and unbiased basis for evaluation, the focus of the guidelines is on the Morningstar or Value Line reports. These are independent evaluations of mutual funds with their specific reports on each fund. Average results for general categories of funds are then provided in their "overview" reports. This allows an easy comparison between a specific fund and the average results/risk for funds of its general type. The key areas of the overview reports would be the information under history, performance and risk. In particular, the Expense Ratio and three, five and ten year performance results should be considered. On the individual reports similar designations occur which allow rapid comparisons. In addition, the individual reports give "star" or "rank" ratings which are an attempt to quantify not only these factors, but a number of others and a "risk" rating. While certainly not perfect, a four or five star/rank rating with a low or below average risk designation would appear to be appropriate. One fact to consider is shown in the lower left which is the tenure of the manager. Obviously, a 10 year record is academic if the manager has been there only a year. The required submission from Morningstar or Value Line will provide the court with an easily understandable summary of important objective information about an investment vehicle. A party should be free to supplement the required information with reports from other rating services such as Standard and Poors or Lipper Analytical Services. These have been excluded from the required submission because they may be less accessible to the public and/or not as easily interpreted by the court.

The final focus should be on commission or load costs. Frankly, the comments and process on the Investment Proposal page should be strictly maintained.

### **Additional Explanations**

**Past Investment Results:** On mutual funds a current report must be available as well as an appropriate "Overview" report for the category of which the suggested funds is a member. The reports may come from Morningstar or Value Line. Generally the rating of equity and balanced funds must be at least "4" Stars/Rank and the rating of bond funds must be at least "3" Stars/Rank. Banks recommending commingled trust alternatives must present the appropriate information to allow easy comparison to a Morningstar or Value Line "Overview" report. Other investment approaches must involve a registered investment advisor or bank trust department and have at least a five year audited performance history that is presented in a manner which allows easy comparison to similar approaches as per the required "Overview" report. In all cases an appropriate "Overview" report must be attached from Morningstar or Value Line.

**Annual Operating Expenses:** This figure is available for all mutual funds by law. Alternatives other than mutual funds must present their estimated expenses in a manner similar to open end mutual funds. See the attached example. Expense structures will be evaluated on the basis of the estimated time horizon in light of the similar approaches with similar risks. All proposals must attach a copy of the most recent Morningstar or Value Line "Overview" report for mutual funds similar to the proposed approach. If specialized additional services are required the costs should be disclosed separately with appropriate explanations.

**Insurance and Custodial Services:** Assets must be deposited with an institution providing FDIC, SPIC or trust custodial services that can demonstrate both the knowledge and the procedures to handle "blocked" accounts. In the first two cases if the value of the assets exceed the appropriated U.S. Government agency insurance limits the institution must provide proof of additional insurance that would replace the deposited investment instruments. Please attach the necessary documentation.

**Fiduciary Responsibility:** While not mandatory the court would prefer that financial organizations who propose to manage assets sign an acknowledgment.

**RECEIPT OF FUNDS DEPOSITED IN BLOCKED STATUS**

This is to acknowledge that \$ \_\_\_\_\_ was deposited with the undersigned on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, parents or guardians of \_\_\_\_\_, in \_\_\_\_\_ Account No. \_\_\_\_\_, and the undersigned agrees to hold the same, together with all future interest, earnings and deposits, and not allow withdrawal thereof until such time as the minor attains the age of 18 years, or until receipt of a court order authorizing said withdrawal.

The undersigned further acknowledges that:

- a) said funds will be invested in accordance with the Investment Plan attached thereto and incorporated herein by this reference, or
- b) \_\_\_\_\_ and \_\_\_\_\_, parents or guardians of \_\_\_\_\_, have the authority to invest and reinvest these funds within this securities firm solely in investment instruments that are backed by the U.S. government or its agencies.

DATED at Spokane, Washington, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_

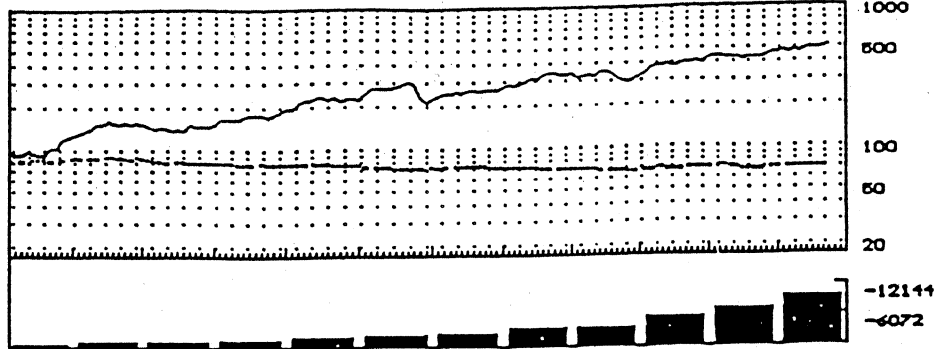
For: \_\_\_\_\_

# Growth Overview

After a rough start earlier this year, things are beginning to run more smoothly for the growth-fund objective.

The growth-fund group continued to struggle through August, trailing most objectives as well as the staid S&P 500. Growth funds such as Yacktman, which were loaded down with pharmaceuticals, suffered as uncertainty surrounding Clinton's health-care plan sent prices of health-care stocks downward. Funds that continue to focus on quality-growth stocks, such as Flag Investors Quality Growth, were also hit hard when generic cigarette, food, and beverage companies cut heavily into the profit margins of many brand-name companies.

Lately, however, the growth-fund objective has experienced a revival, beating the S&P 500 in September by more than 150 basis points. Growth-oriented funds emphasizing technology stocks, especially semiconductor issues, led the way to stronger returns. Brandywine, Fidelity New Millennium, and Berger 100, each with more than 20% of assets invested in technology stocks (with sizeable positions in high-flying semiconductors), all posted returns that placed them inside the growth-fund objective's top decile through September. In addition to their heavy emphasis on technology, these funds also did well because they invested in foreign markets; each fund matches or exceeds the objective's average foreign investment of 5%.



1992	1993	1994	1995	1996	1997	1998	1999	1990	1991	1992	09/93	History
27.67	21.59	-1.95	29.08	15.19	2.60	14.81	26.67	-5.28	36.51	8.34	9.03	Total Return %
6.21	-0.87	-8.21	-2.66	-3.49	-2.66	-1.80	-5.02	-2.16	6.03	0.72	1.47	+/- S&P 500
52	38	67	33	53	45	39	24	69	23	47	59	Percentile Rank
1.18	1.13	1.19	1.19	1.21	1.30	1.38	1.34	1.38	1.32	1.29	1.30	Expense Ratio
4.19	2.71	2.85	2.80	1.99	1.66	2.14	2.34	2.31	1.79	1.31	1.17	Income Ratio
85	88	89	85	92	100	91	83	92	87	84	81	Turnover %
17.17	27.28	28.55	38.24	50.46	55.94	58.94	77.33	77.37	123.00	159.83	200.57	Net Assets (\$Bil)
12%	132	146	165	189	219	250	270	294	323	358	430	# Funds

A focus on overseas markets is a growing phenomenon among growth funds. At present, Dreyfus Capital Growth (Premier) Fund has a nearly 25% foreign position, and Fidelity Advisor Growth Opportunities and Fidelity Destiny I each have more than 20%. Funds are venturing abroad in anticipation of a European economic revival.

Investors who want to keep their asset allocations simple, may want to stick with either a straight foreign stock fund or a straight domestic equity fund.  
*Maria Drohobycy 10/15/93*

Performance/Risk: 09/30/93						
	Total Return %	+/- S&P 500	% Rank All Funds	100-Equity Funds Mean Return	Mean Risk	Mean Risk Adj. Peering
3 Mo	4.92	2.34	41	3 Yr	1.05	0.90
6 Mo	5.95	2.89	55	5 Yr	1.07	0.93
1 Yr	18.88	5.91	40	10 Yr	1.03	0.97
3 Yr Avg	20.28	2.22	28	Wtd Avg	1.05	0.94
5 Yr Avg	14.36	-0.35	29			
10 Yr Avg	12.19	-2.52	43			
15 Yr Avg	15.06	-0.03	34			
				Alpha	Beta	R <sup>2</sup> Std Dev
				% Rank	51	29 34 13.0

Portfolio: Top 25 Holdings			
Amount	Stock	Value \$000	% Net Assets
26082	FNMA	2082804	1.27
24165	INTEL	1742796	1.08
21580	MOTOROLA	1692237	1.05
30735	CHRYSLER	1284986	0.71
35559	WAL-MART STORES	1203953	0.75
22943	MCI COMMUNICATIONS	1087369	0.68
21075	HOME DEPOT	1075582	0.67
11857	MICROSOFT	1057963	0.66
29101	TIME WARNER	1007472	0.63
18139	FHLMC	908116	0.57
15567	GILLETTE	890250	0.55
14345	AT & T	872761	0.54
37688	TELE-COMMUNICATIONS CL A	847253	0.53
12038	PFIZER	815719	0.51
26463	NOVELL	792712	0.49
26606	CITICORP	787033	0.49
12721	TEXAS INSTRUMENTS	783258	0.49
8447	GENERAL ELECTRIC	782896	0.49
12566	SCHLUMBERGER	778601	0.48
10038	MERRILL LYNCH	767952	0.48
19550	PEPSICO	764364	0.48
18198	WALT DISNEY	753388	0.47
12960	BANC ONE	718811	0.45
14664	COCA-COLA	612178	0.38
13331	BANKAMERICA	608446	0.38

Stock Exchange/Index Allocation				% of equity assets in:	
NYSE	71.9	Dow 30		8	
AMEX	2.1	S&P 500		54	
NASDAQ	19.4	S&P Mid-Cap 400		17	
Foreign	5.2	U.S. Small Cap		22	
Composition % as of 06/30/93				Sector Weightings	
Cash	10.6	Preferreds	0.2	Utilities	8.3
Stocks	87.0	Convertibles	0.7	Energy	4.7
Bonds	1.0	Other	0.4	Financials	16.2
Investment Style				Portfolio Return vs S&P	
Price/Earnings Ratio	22.9	1.12	Consumer Durables	11.8	1
Price/Book Ratio	3.9	1.10	Consumer Staples	7.5	1
3 Yr Earnings Gr %	15.5	2.06	Services	12.7	1
Return on Assets	8.4	1.11	Retail	9.1	1
Debt % Total Cap	26.8	0.94	Health	13.7	1

Leaders' List				100-Equity Fund Avg					
Top Rated		3 Year	5 Year	10 Year	3 Year	5 Year	10 Year		
	CGM Capital Development	3.04	Fidelity Contrafund	2.82	CGM Capital Development	2.36	Fidelity Magellan	2.15	
	Putnam New Opportunities A	2.85	Berger 100	2.52	Fidelity Magellan	2.15	Sequoia	2.13	
	Fidelity Contrafund	2.45	Vista Capital Growth	2.48	Sequoia	2.13	Fidelity Contrafund	2.11	
	Berger 100	2.33	CGM Capital Development	2.48	Fidelity Contrafund	2.11	New York Venture	2.00	
	Alliance Growth B	2.27	Fidelity Blue Chip Growth	2.23	New York Venture	2.00	Greenspring	1.97	
	Franklin Balance Sheet Invmt	2.22	Janus Twenty	2.16	Greenspring	1.97	Guardian Park Avenue	1.88	
	MIM Stock Appreciation	2.14	AIM Value A	2.01	Guardian Park Avenue	1.88	IAI Regional	1.75	
	Fidelity Stock Selector	2.06	Dean Witter American Value	1.94	IAI Regional	1.75	Lindner	1.73	
	Vista Capital Growth	2.02	Brandywine	1.94	Lindner	1.73	Merrill Lynch Phoenix A	1.71	
	Fidelity Blue Chip Growth	2.02	Fidelity Growth Company	1.90	Merrill Lynch Phoenix A	1.71	Average Category Score	1.18	
	Average Category Score	1.27	Average Category Score	1.24	Average Category Score	1.18			
Lowest Risk		Valley Forge	0.27	Mathers	0.30	Valley Forge	0.25	Greenspring	0.34
	FBL Growth Common Stock	0.28	Valley Forge	0.31	Greenspring	0.34	Lindner	0.49	
	T. Rowe Price Capital Apprec	0.36	FBL Growth Common Stock	0.31	Lindner	0.49	Sequoia	0.55	
	Mathers	0.37	Greenspring	0.42	Sequoia	0.55	Dreyfus Cap. Grth. (Premier)	0.64	
	Franklin Balance Sheet Invmt	0.40	T. Rowe Price Capital Apprec	0.46	Dreyfus Cap. Grth. (Premier)	0.64	Mathers	0.65	
	Greenspring	0.43	Fidelity Advisor Strat Opp	0.55	Mathers	0.65	Phoenix Growth	0.69	
	Mutual Benefit	0.44	Gabelli Asset	0.55	Phoenix Growth	0.69	FBL Growth Common Stock	0.70	
	Gabelli Asset	0.47	Weitz Value	0.55	FBL Growth Common Stock	0.70	Neuberger/Berman Partners	0.72	
	Fidelity Advisor Strat Opp	0.49	Phoenix Growth	0.59	Neuberger/Berman Partners	0.72	Merrill Lynch Phoenix A	0.73	
	Weitz Value	0.51	Lindner	0.59	Merrill Lynch Phoenix A	0.73	Average Category Score	0.95	
	Average Category Score	0.87	Average Category Score	0.92	Average Category Score	0.95			
Best Return		CGM Capital Development	3.16	Berger 100	2.72	CGM Capital Development	2.65	Fidelity Magellan	2.01
	Putnam New Opportunities A	3.01	CGM Capital Development	2.71	Fidelity Magellan	2.01	Fidelity Contrafund	1.95	
	Berger 100	2.62	Fidelity Contrafund	2.47	Fidelity Contrafund	1.95	New York Venture	1.82	
	MIM Stock Appreciation	2.28	Vista Capital Growth	2.45	New York Venture	1.82	Guardian Park Avenue	1.73	
	Vista Capital Growth	2.12	Janus Twenty	2.20	Guardian Park Avenue	1.73	Sequoia	1.67	
	Alliance Growth B	2.11	Brandywine	2.12	Sequoia	1.67	Fidelity Destiny I	1.61	
	Boston Co. Spec. Grth. Retail	2.01	Fidelity Blue Chip Growth	2.04	Fidelity Destiny I	1.61	Fidelity Growth Company	1.58	
	Fidelity Contrafund	1.98	MainStay Capital Apprec.	2.00	Fidelity Growth Company	1.58	SteinRoe Special	1.57	
	T. Rowe Price New Am. Grth.	1.89	MIM Stock Appreciation	1.89	SteinRoe Special	1.57	IAI Regional	1.56	
	Parnassus	1.89	Westcore MIDCO Growth	1.88	IAI Regional	1.56			

# Fidelity Advisor Growth Opportunities

Fidelity Advisor Growth Opportunities Portfolio seeks capital growth.

The fund invests primarily in common stocks and convertible securities. At least 65% of the fund's assets are invested in securities of companies with long-term growth potential. The fund may invest in all types of securities, including foreign securities, debt securities, warrants, rights, and options.

Prior to January 23, 1992, the fund was named Plymouth Growth Opportunities Portfolio.

## Total Returns

	1st Qr	2nd Qr	3rd Qr	4th Qr	Total
1987	—	—	—	—	—
1988	18.22	11.08	0.28	1.20	33.28
1989	7.53	8.72	8.46	-2.10	24.14
1990	-2.51	8.84	-20.91	17.19	-1.65
1991	25.40	0.05	8.65	4.67	42.68
1992	3.95	1.80	0.86	7.78	15.03
1993	7.18	3.37	4.15	—	—

## Income

	Paid Annually				
1991	0.00	0.00	0.00	0.09	0.09
1992	0.00	0.00	0.00	0.13	0.13
1993	0.00	0.00	0.00	—	0.00

## Capital Gains

	Paid Annually				
1991	0.00	0.00	0.00	1.53	1.53
1992	0.00	0.00	0.00	1.26	1.26
1993	0.00	0.00	0.00	—	0.00

## Performance/Risk (09/30/93)

	Total Return %	+/- S&P 500	% Rank All Obj	Growth of \$10,000
3 Mo	4.15	1.57	34 57	10,415
6 Mo	7.66	4.59	31 35	10,766
1 Yr	24.36	11.29	17 30	12,436
3 Yr	30.44	12.37	5 6	22,193
5 Yr	18.53	3.82	7 15	23,400
0 Yr Avg	—	—	—	—
5 Yr Avg	—	—	—	—

	Mutual Risk % Rank All Obj	Mutual Return 1.00 = Equity Average	Mutual Risk	Mutual Risk-Adj Rating
3 Yr	68 27	1.66	0.73	★★★★★
5 Yr	81 65	1.41	0.99	★★★★★
0 Yr	—	—	—	—

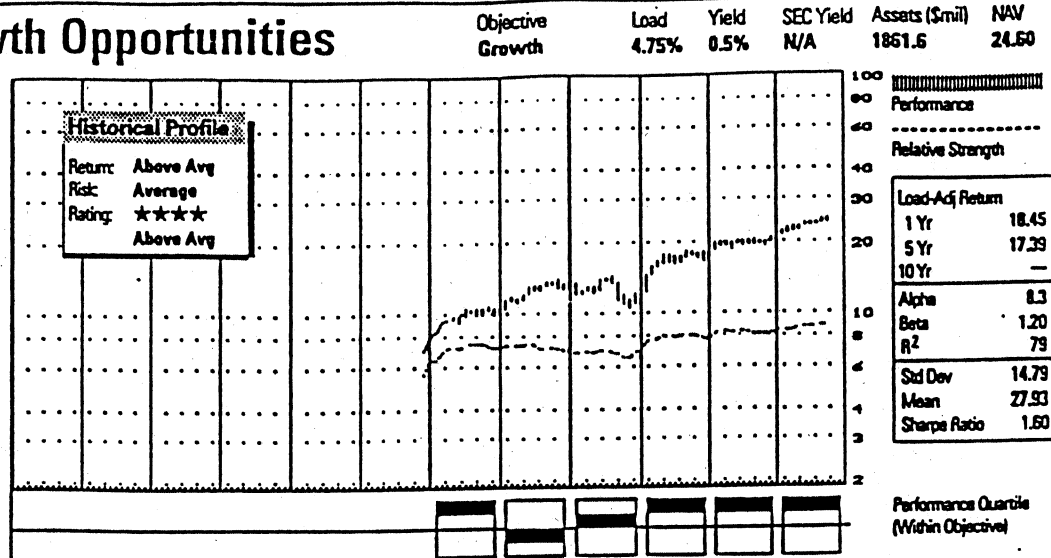
Average Historical Rating: 4.0 ★'s over 35 months

## Analysis by Jeffrey Staremer, 10/15/93

Flexibility has been Fidelity Advisor Growth Opportunity Portfolio's greatest strength.

Manager George Vanderheiden takes a value approach to the growth-stock arena. He looks for companies with good prospects for earnings growth, selling at reasonable price/earnings ratios. Vanderheiden's search for what he calls "value growth stocks" has led him both to traditional growth fare, such as technology and consumer stocks, and to less-expensive energy, financial, and industrial-cyclical names. Over time, Vanderheiden has caused the fund's traditional growth core to expand or contract within a range of 30% to 60% of assets as dictated by market conditions. For example, the fund's growth core accounted for a relatively large portion of assets from 1989 to 1991, as growth stocks led the market, enabling the fund to outgain most of its peers over that period.

Through 1992 and so far this year, however,



Year	1987	1988	1989	1990	1991	1992	09/93	History
NAV	—	—	—	—	—	—	—	NAV
Total Return %	—	—	—	—	—	—	—	Total Return %
+/- S&P 500	—	—	—	—	—	—	—	+/- S&P 500
Income Return	—	—	—	—	—	—	—	Income Return
Capital Return	—	—	—	—	—	—	—	Capital Return
Total Ret (All Funds % Rank Objective)	—	—	—	—	—	—	—	Total Ret (All Funds % Rank Objective)
Income	—	—	—	—	—	—	—	Income
Capital Gains	—	—	—	—	—	—	—	Capital Gains
Expense Ratio	—	—	—	—	—	—	—	Expense Ratio
Income Ratio	—	—	—	—	—	—	—	Income Ratio
Turnover Rate	—	—	—	—	—	—	—	Turnover Rate
Net Assets (\$mil)	—	—	—	—	—	—	—	Net Assets (\$mil)

## Investment Style

	Portfolio Average	Relative S&P 500	Style Value Blend Growth	Size Large Mid Small
Price/Earnings Ratio	23.0	1.12		
Price/Book Ratio	3.0	0.85		
3 Yr Earnings Gr %	5.7	0.76		
Return on Assets	6.9	0.91		
Debt % Total Cap	36.9	1.30		
Med Mid Cap (\$mil)	4231	0.32		

Parabolic Rating: 1-Highest, 100-Lowest  
Except Mutual Risk: 1-Lowest, 100-Highest

value stocks have been in vogue. Thus Vanderheiden has deflated the fund's growth core to the lower end of its weighting (now at 30% to 40% of assets) in favor of industrial-cyclical, financial and energy names. So far, this greater value orientation has paid off. The fund's top 10 holdings, composed largely of cyclical and financial names, were up an average of 30% through September. The fund's growth core also lent a hand, as several of its semiconductor stocks surged over the summer. All told, the fund outgained 84% of its peers in 1992 and 79% through September of this year.

Vanderheiden also manages contractual plan siblings Destiny I and Destiny II. These funds have excellent performance records, but they require an agreement to stay in the fund for 10 years or more, and impose a stiff load. For those who want to tap Vanderheiden's skills without an enforced investment discipline, Advisor Growth is the ticket.

Objective Growth	Load 4.75%	Yield 0.5%	SEC Yield N/A	Assets (\$mil) 1861.6	NAV 24.60
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Performance	Relative Strength
Load-Adj Return	
1 Yr	18.45
5 Yr	17.39
10 Yr	—
Alpha	0.3
Beta	1.20
R <sup>2</sup>	79
Std Dev	14.79
Mean	27.93
Sharpe Ratio	1.60

Year	1987	1988	1989	1990	1991	1992	09/93	History
NAV	—	—	—	—	—	—	—	NAV
Total Return %	—	—	—	—	—	—	—	Total Return %
+/- S&P 500	—	—	—	—	—	—	—	+/- S&P 500
Income Return	—	—	—	—	—	—	—	Income Return
Capital Return	—	—	—	—	—	—	—	Capital Return
Total Ret (All Funds % Rank Objective)	—	—	—	—	—	—	—	Total Ret (All Funds % Rank Objective)
Income	—	—	—	—	—	—	—	Income
Capital Gains	—	—	—	—	—	—	—	Capital Gains
Expense Ratio	—	—	—	—	—	—	—	Expense Ratio
Income Ratio	—	—	—	—	—	—	—	Income Ratio
Turnover Rate	—	—	—	—	—	—	—	Turnover Rate
Net Assets (\$mil)	—	—	—	—	—	—	—	Net Assets (\$mil)

## Portfolio Total Stocks: 344 Total Fund Income: 3 as of 04/30/93

Share Chg (10/92)	Amount	Stock	Value \$000	% Net Assets
128	392	FNMA	30404	2.64
303	441	CHRYSLER	18171	1.58
574	862	HOSPITAL OF AMERICA CL A	16915	1.47
121	240	CATERPILLAR	16596	1.44
109	109	UAL	14892	1.29
178	340	GENERAL MOTORS	13952	1.21
776	776	CANADIAN PACIFIC	12969	1.12
271	271	COMPAQ COMPUTER	12911	1.12
54	205	DEERE	12314	1.07
55	438	CITICORP	12160	1.05
260	260	US HEALTHCARE	12109	1.05
161	161	MARTIN MARIETTA	11731	1.02
104	572	NOMURA SECURITIES	11481	1.00
264	264	USX-US STEEL GROUP	11286	0.98
608	608	HF AHMANSON	11098	0.96
210	210	SEARS ROEBUCK	10999	0.95
-1	535	FEDERATED DEPARTMENT STORES	10574	0.92
212	212	EASTMAN KODAK	10335	0.90
188	188	FIRST INTERSTATE BANCORP	10329	0.90
-43	183	FORD MOTOR	9997	0.87
214	214	BANKAMERICA	9898	0.86
-7	135	WARNER-LAMBERT	9881	0.86
573	618	SANTA FE PACIFIC	9808	0.85
246	335	TRAVELERS	9210	0.80
318	318	UST (INCI)	9191	0.80

Stock Exchange/Index Allocation	% of equity assets inc
NYSE	68.9
AMEX	0.1
NASDAQ	9.6
Foreign	21.3
Dow 30	7.9
S&P 500	52.8
S&P Mid-Cap 400	10.1
U.S. Small Cap	17.1

Composition % as of 06/30/93	Sector Weightings	Portfolio % S&P 500
Cash 16.1	Utilities 3.3	0.20
Stocks 83.9	Energy 6.9	0.78
Bonds 0.0	Financials 19.5	1.74
	Industrial Cyclicals 19.1	1.67
	Consumer Durables 10.4	1.55
	Consumer Staples 2.6	0.22
	Services 11.2	1.41
	Retail 9.2	1.14
	Healthcare 4.6	0.56

Tax Analysis	Tax-Adj Return	% Pre-Tax Return
3 Yr Avg	28.60	94.0
5 Yr Avg	16.53	89.2
10 Yr Avg	—	—
Estimated Current Tax Liability	—	—

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Portfolio Manager: George Vanderheiden (11/87)  
Advisor: Fidelity Management & Research  
Distributor: None  
Shareholder: Fidelity Distributors  
FAGOX

Sales Fees: 4.75% L, 0.65% B  
Management Fee: 0.30% flat fee + 0.20% P  
3-, 5-, 10-yr Expense Projections: \$99, \$135, \$239  
Annual Brokerage Cost: —  
Min Initial Purchase: \$2500 (Add'l: \$250)  
Min IRA Purchase: \$500 (Add'l: \$100)  
Min Auto Invest Plan: \$1000 (Systematic Inv: \$100)  
Shareholder Recor Grade: B-