

# **Fidelity® Variable Insurance Products: Equity-Income Portfolio**

**Semiannual Report**  
**June 30, 2010**



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To view a fund's proxy voting guidelines and proxy voting record for the 12-month period ended June 30, visit <http://www.fidelity.com/proxyvotingresults> or visit the Securities and Exchange Commission's (SEC) web site at <http://www.sec.gov>. You may also call 1-877-208-0098 to request a free copy of the proxy voting guidelines.

Fidelity Variable Insurance Products are separate account options which are purchased through a variable insurance contract.

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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.*

*A fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Forms N-Q are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. For a complete list of a fund's portfolio holdings, view the most recent holdings listing, semiannual report, or annual report on Fidelity's web site at <http://www.fidelity.com> or <http://www.advisor.fidelity.com>, as applicable.*

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*Neither the fund nor Fidelity Distributors Corporation is a bank.*

# Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees, and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2010 to June 30, 2010).

## Actual Expenses

The first line of the accompanying table for each class of the Fund provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000.00 (for example, an \$8,600 account value divided by \$1,000.00 = 8.6), then multiply the result by the number in the first line for a class of the Fund under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The estimate of expenses does not include any fees or other expenses of any variable annuity or variable life insurance product. If they were, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower. In addition, the Fund, as a shareholder in the underlying Fidelity Central Funds, will indirectly bear its pro-rata share of the fees and expenses incurred by the underlying Fidelity Central Funds. These fees and expenses are not included in the Fund's annualized expense ratio used to calculate the expense estimate in the table below.

## Hypothetical Example for Comparison Purposes

The second line of the accompanying table for each class of the Fund provides information about hypothetical account values and hypothetical expenses based on a Class' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Class' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The estimate of expenses does not include any fees or other expenses of any variable annuity or variable life insurance product. If they were, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower. In addition, the Fund, as a shareholder in the underlying Fidelity Central Funds, will indirectly bear its pro-rata share of the fees and expenses incurred by the underlying Fidelity Central Funds. These fees and expenses are not included in the Fund's annualized expense ratio used to calculate the expense estimate in the table below.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Annualized Expense Ratio	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period* January 1, 2010 to June 30, 2010
<b>Initial Class</b>	.56%			
Actual		\$ 1,000.00	\$ 928.60	\$ 2.68
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,022.02	\$ 2.81
<b>Service Class</b>	.66%			
Actual		\$ 1,000.00	\$ 928.30	\$ 3.16
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,021.52	\$ 3.31
<b>Service Class 2</b>	.81%			
Actual		\$ 1,000.00	\$ 927.60	\$ 3.87
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.78	\$ 4.06
<b>Service Class 2R</b>	.81%			
Actual		\$ 1,000.00	\$ 927.20	\$ 3.87
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.78	\$ 4.06
<b>Investor Class</b>	.65%			
Actual		\$ 1,000.00	\$ 927.80	\$ 3.11
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,021.57	\$ 3.26

<sup>A</sup> 5% return per year before expenses

\* Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# Investment Changes (Unaudited)

## Top Ten Stocks as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
JPMorgan Chase & Co.	3.4	3.7
Exxon Mobil Corp.	3.4	2.5
Wells Fargo & Co.	3.3	3.4
Bank of America Corp.	3.2	2.7
AT&T, Inc.	2.4	3.1
PNC Financial Services Group, Inc.	2.4	1.9
Chevron Corp.	2.3	2.8
Pfizer, Inc.	2.1	2.5
Verizon Communications, Inc.	1.9	1.6
Merck & Co., Inc.	1.7	1.7
	<u>26.1</u>	

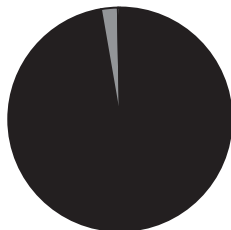
## Top Five Market Sectors as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Financials	27.5	26.4
Energy	15.5	15.3
Consumer Discretionary	15.3	14.7
Industrials	10.4	10.1
Information Technology	7.5	8.6

## Asset Allocation (% of fund's net assets)

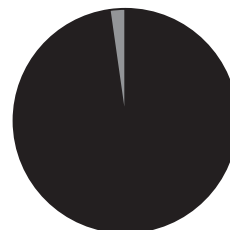
As of June 30, 2010 \*

■ Stocks	97.3%
■ Bonds	2.4%
□ Short-Term Investments and Net Other Assets	0.3%
* Foreign investments	11.9%



As of December 31, 2009 \*\*

■ Stocks	97.8%
■ Bonds	2.2%
□ Short-Term Investments and Net Other Assets†	0.0%
** Foreign investments	13.1%



† Amount represents less than 0.1%

# Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 96.4%

	Shares	Value
<b>CONSUMER DISCRETIONARY – 14.0%</b>		
<b>Auto Components – 1.6%</b>		
Johnson Controls, Inc. ....	1,580,483	\$ 42,467,578
Michelin CGDE Series B (d) .....	241,574	16,830,312
The Goodyear Tire & Rubber Co. (a) ..	2,128,700	21,159,278
		<u>80,457,168</u>
<b>Automobiles – 1.4%</b>		
Bayerische Motoren Werke AG (BMW)	166,905	8,111,508
Daimler AG (Germany) (a) .....	304,125	15,373,518
Fiat SpA .....	928,477	9,536,562
Harley-Davidson, Inc. ....	1,437,350	31,952,291
Thor Industries, Inc. ....	209,500	4,975,625
Winnebago Industries, Inc. (a) .....	407,511	4,050,659
		<u>74,000,163</u>
<b>Diversified Consumer Services – 0.6%</b>		
Career Education Corp. (a) .....	155,414	3,577,630
H&R Block, Inc. ....	1,687,086	26,470,379
		<u>30,048,009</u>
<b>Hotels, Restaurants &amp; Leisure – 0.7%</b>		
Las Vegas Sands Corp. unit .....	85,200	31,948,296
Sands China Ltd. ....	4,370,400	6,459,570
		<u>38,407,866</u>
<b>Household Durables – 2.5%</b>		
KB Home .....	295,900	3,254,900
Lennar Corp. Class A .....	603,166	8,390,039
Newell Rubbermaid, Inc. ....	1,898,820	27,798,725
Pulte Group, Inc. (a) .....	1,665,768	13,792,559
Stanley Black & Decker, Inc. ....	695,153	35,119,130
Techtronic Industries Co. Ltd. ....	2,760,500	2,150,976
Toll Brothers, Inc. (a) .....	170,987	2,797,347
Whirlpool Corp. ....	413,834	36,342,902
		<u>129,646,578</u>
<b>Internet &amp; Catalog Retail – 0.2%</b>		
Liberty Media Corp. Interactive Series A (a) .....	844,241	8,864,531
<b>Leisure Equipment &amp; Products – 0.3%</b>		
Brunswick Corp. ....	1,013,757	12,601,000
<b>Media – 2.7%</b>		
Belo Corp. Series A .....	952,224	5,418,155
Cablevision Systems Corp. – NY Group Class A .....	32,044	769,376
CC Media Holdings, Inc. Class A (a) ..	693,958	4,614,821
Comcast Corp. Class A .....	2,031,436	35,286,043
Informa PLC .....	1,340,858	7,082,087
Interpublic Group of Companies, Inc. (a) .....	1,023,300	7,296,129
The Walt Disney Co. ....	1,135,300	35,761,950
Time Warner, Inc. ....	1,338,383	38,692,653
Vivendi .....	307,933	6,257,586
		<u>141,178,800</u>

	Shares	Value
<b>Multiline Retail – 1.7%</b>		
Kohl's Corp. (a) .....	597,124	\$ 28,363,390
Macy's, Inc. ....	1,157,800	20,724,620
Target Corp. ....	790,200	38,854,134
Tuesday Morning Corp. (a) .....	508,423	2,028,608
		<u>89,970,752</u>
<b>Specialty Retail – 2.2%</b>		
Home Depot, Inc. ....	2,038,900	57,231,923
Lowe's Companies, Inc. ....	973,978	19,888,631
OfficeMax, Inc. (a) .....	429,700	5,611,882
RadioShack Corp. ....	569,500	11,110,945
Staples, Inc. ....	986,045	18,784,157
		<u>112,627,538</u>
<b>Textiles, Apparel &amp; Luxury Goods – 0.1%</b>		
Phillips-Van Heusen Corp. ....	119,116	5,511,497
		<u>5,511,497</u>
<b>TOTAL CONSUMER DISCRETIONARY .....</b>		
		<u>723,313,902</u>
<b>CONSUMER STAPLES – 4.2%</b>		
<b>Beverages – 0.7%</b>		
Carlsberg AS Series B .....	168,362	12,829,755
The Coca-Cola Co. ....	499,829	25,051,429
		<u>37,881,184</u>
<b>Food &amp; Staples Retailing – 1.1%</b>		
CVS Caremark Corp. ....	567,205	16,630,451
Kroger Co. ....	1,059,000	20,851,710
Walgreen Co. ....	492,462	13,148,735
Winn-Dixie Stores, Inc. (a) .....	587,020	5,658,873
		<u>56,289,769</u>
<b>Food Products – 0.6%</b>		
Marine Harvest ASA .....	7,289,000	4,813,315
Nestle SA .....	610,401	29,432,824
		<u>34,246,139</u>
<b>Household Products – 1.0%</b>		
Kimberly-Clark Corp. ....	19,500	1,182,285
Procter & Gamble Co. ....	821,313	49,262,354
		<u>50,444,639</u>
<b>Tobacco – 0.8%</b>		
Philip Morris International, Inc. ....	862,605	39,541,813
		<u>39,541,813</u>
<b>TOTAL CONSUMER STAPLES .....</b>		
		<u>218,403,544</u>
<b>ENERGY – 15.5%</b>		
<b>Energy Equipment &amp; Services – 2.6%</b>		
Baker Hughes, Inc. ....	815,431	33,897,467
Halliburton Co. ....	689,895	16,936,922
Nabors Industries Ltd. (a) .....	868,013	15,294,389
Noble Corp. ....	1,142,902	35,327,101
Pride International, Inc. (a) .....	391,500	8,746,110
Schlumberger Ltd. ....	430,712	23,835,602
		<u>134,037,591</u>

See accompanying notes which are an integral part of the financial statements.

## Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>ENERGY – continued</b>		
<b>Oil, Gas &amp; Consumable Fuels – 12.9%</b>		
Anadarko Petroleum Corp. ....	501,960	\$ 18,115,736
Apache Corp. ....	221,680	18,663,239
Chevron Corp. ....	1,786,829	121,254,216
Cloud Peak Energy, Inc. ....	186,600	2,474,316
ConocoPhillips ....	1,248,410	61,284,447
CONSOL Energy, Inc. ....	574,690	19,401,534
Devon Energy Corp. ....	199,500	12,153,540
EOG Resources, Inc. ....	347,600	34,193,412
Exxon Mobil Corp. ....	3,080,463	175,802,023
Marathon Oil Corp. ....	840,278	26,124,243
Occidental Petroleum Corp. ....	571,775	44,112,441
Reliance Industries Ltd. ....	484,316	11,276,589
Royal Dutch Shell PLC:		
Class A sponsored ADR (d) ....	1,578,000	79,247,160
Class B ADR ....	226,700	10,945,076
Southwestern Energy Co. (a) ....	755,200	29,180,928
Ultra Petroleum Corp. (a) ....	96,400	4,265,700
		<u>668,494,600</u>
TOTAL ENERGY .....		<u>802,532,191</u>
<b>FINANCIALS – 26.5%</b>		
<b>Capital Markets – 4.7%</b>		
Bank of New York Mellon Corp. ....	1,750,499	43,219,820
Bank Sarasin & Co. Ltd. Series B (Reg.)	157,743	6,313,315
Goldman Sachs Group, Inc. ....	418,094	54,883,199
Morgan Stanley ....	2,868,077	66,568,067
State Street Corp. ....	903,680	30,562,458
T. Rowe Price Group, Inc. ....	202,623	8,994,435
UBS AG (a) ....	640,888	8,490,367
UBS AG (NY Shares) (a) ....	1,764,621	23,328,290
		<u>242,359,951</u>
<b>Commercial Banks – 8.6%</b>		
Associated Banc-Corp. ....	1,791,266	21,960,921
Barclays PLC ....	2,558,217	10,208,060
BB&T Corp. ....	256,000	6,735,360
Comerica, Inc. ....	495,200	18,238,216
Huntington Bancshares, Inc. ....	1,630,500	9,032,970
KeyCorp ....	3,021,200	23,233,028
Marshall & Ilsley Corp. ....	501,000	3,597,180
Mitsubishi UFJ Financial Group, Inc.		
sponsored ADR ....	3,609,825	16,460,802
PNC Financial Services Group, Inc. ....	2,179,030	123,115,195
Standard Chartered PLC (United		
Kingdom) ....	402,596	9,800,428
U.S. Bancorp, Delaware ....	1,445,538	32,307,774
Wells Fargo & Co. ....	6,687,409	171,197,670
		<u>445,887,604</u>
<b>Consumer Finance – 1.9%</b>		
American Express Co. ....	637,254	25,298,984

	Shares	Value
Capital One Financial Corp. ....	688,150	\$ 27,732,445
Discover Financial Services ....	2,519,369	35,220,779
SLM Corp. (a) ....	904,032	9,392,892
		<u>97,645,100</u>
<b>Diversified Financial Services – 8.1%</b>		
Bank of America Corp. ....	11,703,679	168,181,867
Citigroup, Inc. (a) ....	11,726,123	44,090,222
CME Group, Inc. ....	16,146	4,545,906
JPMorgan Chase & Co. ....	4,840,612	177,214,804
Moody's Corp. (d) ....	1,235,829	24,617,714
		<u>418,650,513</u>
<b>Insurance – 1.5%</b>		
Berkshire Hathaway, Inc. Class B (a) ...	118,700	9,459,203
First American Financial Corp. ....	289,320	3,668,578
Hartford Financial Services Group, Inc.	409,800	9,068,874
Marsh & McLennan Companies, Inc. ...	159,500	3,596,725
Montpelier Re Holdings Ltd. ....	1,100,900	16,436,437
The Travelers Companies, Inc. ....	397,756	19,589,483
Unum Group ....	443,641	9,627,010
XL Capital Ltd. Class A ....	315,400	5,049,554
		<u>76,495,864</u>
<b>Real Estate Investment Trusts – 0.9%</b>		
Boston Properties, Inc. ....	136,475	9,736,127
HCP, Inc. ....	980,095	31,608,064
Segro PLC ....	1,278,288	4,818,243
		<u>46,162,434</u>
<b>Real Estate Management &amp; Development – 0.8%</b>		
Allgreen Properties Ltd. ....	2,411,000	1,758,152
CB Richard Ellis Group, Inc. Class A (a)	2,107,041	28,676,828
Indiabulls Real Estate Ltd. (a) ....	2,750,085	9,212,044
Unite Group PLC (a) ....	683,979	1,765,978
		<u>41,413,002</u>
TOTAL FINANCIALS .....		<u>1,368,614,468</u>
<b>HEALTH CARE – 7.2%</b>		
<b>Biotechnology – 1.1%</b>		
Amgen, Inc. (a) ....	581,022	30,561,757
Biogen Idec, Inc. (a) ....	233,000	11,055,850
Cephalon, Inc. (a) ....	131,000	7,434,250
Gilead Sciences, Inc. (a) ....	138,060	4,732,697
		<u>53,784,554</u>
<b>Health Care Equipment &amp; Supplies – 0.7%</b>		
C. R. Bard, Inc. ....	145,400	11,272,862
CareFusion Corp. (a) ....	828,600	18,809,220
Stryker Corp. ....	98,600	4,935,916
		<u>35,017,998</u>
<b>Health Care Providers &amp; Services – 0.4%</b>		
UnitedHealth Group, Inc. ....	752,700	21,376,680

See accompanying notes which are an integral part of the financial statements.

## Common Stocks – continued

	Shares	Value
<b>HEALTH CARE – continued</b>		
<b>Pharmaceuticals – 5.0%</b>		
Johnson & Johnson .....	560,317	\$ 33,092,322
Merck & Co., Inc. ....	2,524,572	88,284,283
Pfizer, Inc. ....	7,613,015	108,561,594
Sanofi-Aventis .....	499,683	30,093,329
		<u>260,031,528</u>
TOTAL HEALTH CARE .....		<u>370,210,760</u>
<b>INDUSTRIALS – 10.2%</b>		
<b>Aerospace &amp; Defense – 2.7%</b>		
Goodrich Corp. ....	128,142	8,489,408
Honeywell International, Inc. ....	1,102,025	43,012,036
Spirit AeroSystems Holdings, Inc. Class A (a) .....	711,982	13,570,377
The Boeing Co. ....	445,784	27,972,946
United Technologies Corp. ....	715,540	46,445,701
		<u>139,490,468</u>
<b>Building Products – 0.3%</b>		
Armstrong World Industries, Inc. (a) ...	67,514	2,037,573
Masco Corp. ....	1,342,200	14,442,072
		<u>16,479,645</u>
<b>Commercial Services &amp; Supplies – 0.2%</b>		
Pitney Bowes, Inc. ....	355,000	7,795,800
Republic Services, Inc. ....	58,500	1,739,205
		<u>9,535,005</u>
<b>Construction &amp; Engineering – 0.5%</b>		
Fluor Corp. ....	316,900	13,468,250
KBR, Inc. ....	728,574	14,819,195
		<u>28,287,445</u>
<b>Electrical Equipment – 0.2%</b>		
Schneider Electric SA .....	86,546	8,740,786
<b>Industrial Conglomerates – 3.2%</b>		
General Electric Co. ....	5,097,903	73,511,761
Koninklijke Philips Electronics NV unit .	118,300	3,530,072
Rheinmetall AG .....	317,633	18,137,735
Siemens AG sponsored ADR .....	455,900	40,816,727
Textron, Inc. ....	858,000	14,560,260
Tyco International Ltd. ....	396,236	13,959,394
		<u>164,515,949</u>
<b>Machinery – 2.4%</b>		
ArvinMeritor, Inc. (a) .....	126,000	1,650,600
Briggs & Stratton Corp. ....	1,067,988	18,177,156
Caterpillar, Inc. ....	101,800	6,115,126
Cummins, Inc. ....	372,200	24,241,386
Eaton Corp. ....	253,600	16,595,584
Ingersoll-Rand Co. Ltd. ....	673,888	23,242,397
Kennametal, Inc. ....	481,691	12,249,402
Navistar International Corp. (a) .....	242,970	11,954,124

	Shares	Value
SPX Corp. ....	145,800	\$ 7,699,698
Vallourec SA (d) .....	21,100	3,637,751
		<u>125,563,224</u>
<b>Road &amp; Rail – 0.7%</b>		
CSX Corp. ....	370,400	18,382,952
Union Pacific Corp. ....	246,000	17,099,460
		<u>35,482,412</u>
TOTAL INDUSTRIALS .....		<u>528,094,934</u>
<b>INFORMATION TECHNOLOGY – 7.1%</b>		
<b>Communications Equipment – 0.8%</b>		
Cisco Systems, Inc. (a) .....	917,603	19,554,120
Comverse Technology, Inc. (a) .....	1,295,139	10,102,084
Motorola, Inc. (a) .....	1,756,493	11,452,334
		<u>41,108,538</u>
<b>Computers &amp; Peripherals – 0.8%</b>		
Hewlett-Packard Co. ....	962,645	41,663,276
<b>Electronic Equipment &amp; Components – 1.7%</b>		
Agilent Technologies, Inc. (a) .....	724,881	20,608,367
Arrow Electronics, Inc. (a) .....	756,900	16,916,715
Avnet, Inc. (a) .....	919,854	22,177,680
Tyco Electronics Ltd. ....	1,052,736	26,718,440
		<u>86,421,202</u>
<b>IT Services – 0.5%</b>		
CoreLogic, Inc. (a) .....	289,320	5,109,391
Hewitt Associates, Inc. Class A (a) .....	371,985	12,818,603
MoneyGram International, Inc. (a) .....	438,950	1,075,428
Visa, Inc. Class A .....	77,976	5,516,802
		<u>24,520,224</u>
<b>Office Electronics – 0.2%</b>		
Xerox Corp. ....	1,705,878	13,715,259
<b>Semiconductors &amp; Semiconductor Equipment – 3.1%</b>		
Analog Devices, Inc. ....	175,219	4,881,601
Applied Materials, Inc. ....	1,848,200	22,215,364
Intel Corp. ....	3,001,300	58,375,285
Micron Technology, Inc. (a) .....	1,507,800	12,801,222
National Semiconductor Corp. ....	1,524,747	20,523,095
Novellus Systems, Inc. (a) .....	313,539	7,951,349
Samsung Electronics Co. Ltd. ....	12,977	8,130,805
Teradyne, Inc. (a) .....	1,659,200	16,177,200
Varian Semiconductor Equipment Associates, Inc. (a) .....	350,600	10,048,196
		<u>161,104,117</u>
TOTAL INFORMATION TECHNOLOGY .....		<u>368,532,616</u>
<b>MATERIALS – 2.5%</b>		
<b>Chemicals – 1.6%</b>		
Celanese Corp. Class A .....	481,012	11,982,009
Clariant AG (Reg.) (a) .....	1,506,845	19,080,283
Dow Chemical Co. ....	413,800	9,815,336

See accompanying notes which are an integral part of the financial statements.

## Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>MATERIALS – continued</b>		
<b>Chemicals – continued</b>		
E.I. du Pont de Nemours & Co. ....	775,700	\$ 26,831,463
Monsanto Co. ....	203,100	9,387,282
Wacker Chemie AG (d) ....	58,400	8,468,949
		<u>85,565,322</u>
<b>Construction Materials – 0.2%</b>		
HeidelbergCement AG ....	192,600	9,151,177
<b>Metals &amp; Mining – 0.5%</b>		
Alcoa, Inc. ....	1,126,371	11,331,292
Commercial Metals Co. ....	442,971	5,856,077
Freeport-McMoRan Copper & Gold, Inc. ....	135,551	8,015,131
		<u>25,202,500</u>
<b>Paper &amp; Forest Products – 0.2%</b>		
Weyerhaeuser Co. ....	281,484	9,908,237
TOTAL MATERIALS .....		<u>129,827,236</u>
<b>TELECOMMUNICATION SERVICES – 5.5%</b>		
<b>Diversified Telecommunication Services – 5.0%</b>		
AT&T, Inc. ....	5,151,969	124,626,130
Qwest Communications International, Inc. ....	7,149,900	37,536,975
Verizon Communications, Inc. ....	3,388,202	94,937,420
		<u>257,100,525</u>
<b>Wireless Telecommunication Services – 0.5%</b>		
Sprint Nextel Corp. (a) ....	6,587,878	27,932,603
TOTAL TELECOMMUNICATION SERVICES .....		<u>285,033,128</u>
<b>UTILITIES – 3.7%</b>		
<b>Electric Utilities – 2.6%</b>		
Allegheny Energy, Inc. ....	1,238,409	25,610,298
American Electric Power Co., Inc. ....	1,344,579	43,429,902
Entergy Corp. ....	335,159	24,004,088
FirstEnergy Corp. ....	1,056,300	37,213,449
PPL Corp. ....	156,100	3,894,695
		<u>134,152,432</u>
<b>Independent Power Producers &amp; Energy Traders – 0.8%</b>		
AES Corp. (a) ....	2,879,421	26,605,850
Constellation Energy Group, Inc. ....	388,406	12,526,094
		<u>39,131,944</u>

	Shares	Value
<b>Multi-Utilities – 0.3%</b>		
Alliant Energy Corp. ....	327,652	\$ 10,399,674
CMS Energy Corp. ....	507,324	7,432,297
		<u>17,831,971</u>
TOTAL UTILITIES .....		<u>191,116,347</u>

**TOTAL COMMON STOCKS**  
(Cost \$5,451,596,027) ..... **4,985,679,126**

### Preferred Stocks – 0.9%

#### Convertible Preferred Stocks – 0.9%

<b>FINANCIALS – 0.8%</b>		
<b>Commercial Banks – 0.2%</b>		
Huntington Bancshares, Inc. 8.50% ....	9,000	8,910,000
<b>Diversified Financial Services – 0.2%</b>		
Citigroup, Inc. 7.50% ....	87,000	9,831,000
<b>Insurance – 0.4%</b>		
Hartford Financial Services Group, Inc. Series F 7.25% ....	310,900	7,169,354
XL Capital Ltd. 10.75% ....	494,600	12,429,298
		<u>19,598,652</u>
TOTAL FINANCIALS .....		<u>38,339,652</u>

<b>UTILITIES – 0.1%</b>		
<b>Electric Utilities – 0.1%</b>		
PPL Corp. 9.50% (a) ....	121,900	6,320,515
TOTAL CONVERTIBLE PREFERRED STOCKS .....		<u>44,660,167</u>

#### Nonconvertible Preferred Stocks – 0.0%

<b>FINANCIALS – 0.0%</b>		
<b>Insurance – 0.0%</b>		
Fondiaria-Sai SpA (Risparmio Shares) ..	317,862	1,846,537
TOTAL PREFERRED STOCKS (Cost \$48,754,472) .....		<u>46,506,704</u>

### Corporate Bonds – 2.4%

	Principal Amount	
<b>Convertible Bonds – 2.2%</b>		
<b>CONSUMER DISCRETIONARY – 1.3%</b>		
<b>Automobiles – 0.3%</b>		
Ford Motor Co. 4.25% 11/15/16 .	\$ 10,390,000	12,903,341
<b>Hotels, Restaurants &amp; Leisure – 0.1%</b>		
MGM Mirage, Inc. 4.25% 4/15/15 (e) .....	7,050,000	5,529,844
<b>Leisure Equipment &amp; Products – 0.0%</b>		
Eastman Kodak Co. 7% 4/1/17 (e)	2,030,000	1,801,422

See accompanying notes which are an integral part of the financial statements.

## Corporate Bonds – continued

	Principal Amount	Value
<b>Convertible Bonds – continued</b>		
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Media – 0.9%</b>		
Liberty Global, Inc. 4.5% 11/15/16 (e) .....	\$ 3,400,000	\$ 3,952,500
Liberty Media Corp.:		
3.5% 1/15/31 .....	255,482	157,877
4% 11/15/29 .....	4,750,000	2,434,375
3.5% 1/15/31 (e) .....	9,342,795	5,773,436
News America, Inc. liquid yield option note:		
0% 2/28/21 (e) .....	22,670,000	15,693,988
0% 2/28/21 .....	3,490,000	2,416,057
Virgin Media, Inc. 6.5% 11/15/16	12,614,000	14,671,343
		<u>45,099,576</u>
TOTAL CONSUMER DISCRETIONARY .....		<u>65,334,183</u>
<b>FINANCIALS – 0.2%</b>		
<b>Thriffs &amp; Mortgage Finance – 0.2%</b>		
MGIC Investment Corp. 0% 4/1/63 (a)(c)(e) .....	10,438,000	8,976,680
<b>INDUSTRIALS – 0.2%</b>		
<b>Airlines – 0.2%</b>		
AMR Corp. 6.25% 10/15/14 .....	1,930,000	1,843,536
UAL Corp.:		
4.5% 6/30/21 (e) .....	8,490,000	8,296,428
4.5% 6/30/21 .....	280,000	273,616
		<u>10,413,580</u>
<b>INFORMATION TECHNOLOGY – 0.4%</b>		
<b>Semiconductors &amp; Semiconductor Equipment – 0.4%</b>		
Advanced Micro Devices, Inc.:		
6% 5/1/15 (e) .....	13,250,000	12,571,600
6% 5/1/15 .....	5,870,000	5,569,456
Micron Technology, Inc. 1.875% 6/1/14 .....	5,570,000	4,905,081
		<u>23,046,137</u>
<b>MATERIALS – 0.1%</b>		
<b>Metals &amp; Mining – 0.1%</b>		
United States Steel Corp. 4% 5/15/14 .....	3,150,000	4,421,813
TOTAL CONVERTIBLE BONDS .....		<u>112,192,393</u>

## Affiliated Central Funds

Information regarding fiscal year to date income earned by the Fund from investments in Fidelity Central Funds is as follows:

Fund	Income earned
Fidelity Cash Central Fund	\$ 12,887
Fidelity Securities Lending Cash Central Fund	623,083
Total	<u>\$ 635,970</u>

See accompanying notes which are an integral part of the financial statements.

	Principal Amount	Value
<b>Nonconvertible Bonds – 0.2%</b>		
<b>MATERIALS – 0.2%</b>		
<b>Chemicals – 0.2%</b>		
Hercules, Inc. 6.5% 6/30/29 unit .	\$ 15,700,000	\$ 10,715,250
<b>TOTAL CORPORATE BONDS</b>		
(Cost \$123,054,787) .....		<u>122,907,643</u>
<b>Money Market Funds – 0.4%</b>		
	Shares	
Fidelity Cash Central Fund, 0.20% (f) ...	12,629,648	12,629,648
Fidelity Securities Lending Cash Central Fund, 0.24% (b)(f) .....	10,005,431	10,005,431
<b>TOTAL MONEY MARKET FUNDS</b>		
(Cost \$22,635,079) .....		<u>22,635,079</u>
<b>TOTAL INVESTMENT PORTFOLIO – 100.1%</b>		
(Cost \$5,646,040,365) .....		<u>5,177,728,552</u>
<b>NET OTHER ASSETS (LIABILITIES) – (0.1)%</b>		
		<u>(5,825,696)</u>
<b>NET ASSETS – 100%</b>		
		<u>\$ 5,171,902,856</u>

## Legend

- (a) Non-income producing
- (b) Investment made with cash collateral received from securities on loan.
- (c) Security initially issued in zero coupon form which converts to coupon form at a specified rate and date. The rate shown is the rate at period end.
- (d) Security or a portion of the security is on loan at period end.
- (e) 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 end of the period, the value of these securities amounted to \$62,595,898 or 1.2% of net assets.
- (f) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.

## Investments (Unaudited) – continued

### Other Information

The following is a summary of the inputs used, as of June 30, 2010, involving the Fund's assets and liabilities carried at value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Consumer Discretionary	\$ 723,313,902	\$ 619,563,487	\$ 103,750,415	\$ —
Consumer Staples	218,403,544	171,327,650	47,075,894	—
Energy	802,532,191	791,255,602	11,276,589	—
Financials	1,408,800,657	1,338,508,179	70,292,478	—
Health Care	370,210,760	340,117,431	30,093,329	—
Industrials	528,094,934	497,578,662	30,516,272	—
Information Technology	368,532,616	360,401,811	8,130,805	—
Materials	129,827,236	93,126,827	36,700,409	—
Telecommunication Services	285,033,128	285,033,128	—	—
Utilities	197,436,862	191,116,347	6,320,515	—
Corporate Bonds	122,907,643	—	122,907,643	—
Money Market Funds	22,635,079	22,635,079	—	—
<b>Total Investments in Securities:</b>	<b>\$ 5,177,728,552</b>	<b>\$ 4,710,664,203</b>	<b>\$ 467,064,349</b>	<b>\$ —</b>

Distribution of investments by country of issue, as a percentage of total net assets, is as follows: (Unaudited)

United States of America	88.1%
Switzerland	3.1%
United Kingdom	2.2%
Germany	1.8%
France	1.4%
Others (Individually Less Than 1%)	3.4%
	<u>100.0%</u>

### Income Tax Information

At December 31, 2009, the Fund had a capital loss carryforward of approximately \$535,850,194 of which \$240,221,884 and \$295,628,310 will expire on December 31, 2016 and 2017, respectively. Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited.

See accompanying notes which are an integral part of the financial statements.

# Financial Statements

## Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$9,617,421) — See accompanying schedule:		
Unaffiliated issuers (cost \$5,623,405,286) .....	\$ 5,155,093,473	
Fidelity Central Funds (cost \$22,635,079) .....	22,635,079	
Total Investments (cost \$5,646,040,365) .....		\$ 5,177,728,552
Cash .....		235,211
Foreign currency held at value (cost \$159,889) .....		159,980
Receivable for investments sold .....		13,166,807
Receivable for fund shares sold .....		4,852,853
Dividends receivable .....		5,484,066
Interest receivable .....		685,230
Distributions receivable from Fidelity Central Funds .....		82,362
Other receivables .....		270,691
<b>Total assets</b> .....		<u>5,202,665,752</u>

### Liabilities

Payable for investments purchased . \$	14,454,648	
Payable for fund shares redeemed .	2,934,592	
Accrued management fee .....	2,107,198	
Distribution fees payable .....	337,157	
Other affiliated payables .....	405,902	
Other payables and accrued expenses .....	517,968	
Collateral on securities loaned, at value .....	10,005,431	
<b>Total liabilities</b> .....		<u>30,762,896</u>

<b>Net Assets</b> .....		<u>\$ 5,171,902,856</u>
Net Assets consist of:		
Paid in capital .....		\$ 6,003,774,681
Undistributed net investment income		44,962,234
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions .....		(408,521,352)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies .....		(468,312,707)
<b>Net Assets</b> .....		<u>\$ 5,171,902,856</u>

## Statement of Assets and Liabilities – continued

June 30, 2010 (Unaudited)

### Initial Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$3,293,218,503 ÷ 211,167,883 shares) .....	<u>\$ 15.60</u>
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### Service Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$367,066,140 ÷ 23,624,789 shares) .....	<u>\$ 15.54</u>
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### Service Class 2:

<b>Net Asset Value</b> , offering price and redemption price per share (\$1,372,332,592 ÷ 89,369,679 shares) .....	<u>\$ 15.36</u>
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### Service Class 2R:

<b>Net Asset Value</b> , offering price and redemption price per share (\$6,204,322 ÷ 406,006 shares) .	<u>\$ 15.28</u>
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### Investor Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$133,081,299 ÷ 8,556,492 shares) .....	<u>\$ 15.55</u>
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See accompanying notes which are an integral part of the financial statements.

## Financial Statements – continued

### Statement of Operations

Six months ended June 30, 2010 (Unaudited)

<b>Investment Income</b>		
Dividends .....		\$ 59,419,467
Interest .....		3,466,757
Income from Fidelity Central Funds .....		635,970
<b>Total income</b> .....		<u>63,522,194</u>
<b>Expenses</b>		
Management fee .....	\$ 13,487,760	
Transfer agent fees .....	2,069,724	
Distribution fees .....	2,160,257	
Accounting and security lending fees .....	577,005	
Custodian fees and expenses .....	78,563	
Independent trustees' compensation .....	17,026	
Appreciation in deferred trustee compensation account .....	14	
Audit .....	36,975	
Legal .....	10,455	
Interest .....	3,781	
Miscellaneous .....	266,265	
Total expenses before reductions .....	<u>18,707,825</u>	
Expense reductions .....	<u>(87,717)</u>	<u>18,620,108</u>
<b>Net investment income (loss)</b> .....		<u>44,902,086</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers .....	199,295,109	
Foreign currency transactions .....	<u>(205,128)</u>	
Total net realized gain (loss) .....		199,089,981
Change in net unrealized appreciation (depreciation) on:		
Investment securities (net of decrease in deferred foreign taxes of \$170,609) .....	(636,485,507)	
Assets and liabilities in foreign currencies .....	<u>(6,411)</u>	
Total change in net unrealized appreciation (depreciation) .....		<u>(636,491,918)</u>
<b>Net gain (loss)</b> .....		<u>(437,401,937)</u>
<b>Net increase (decrease) in net assets resulting from operations</b> .....		<u>\$ (392,499,851)</u>

### Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ 44,902,086	\$ 115,365,664
Net realized gain (loss) .....	199,089,981	(309,873,827)
Change in net unrealized appreciation (depreciation) .....	<u>(636,491,918)</u>	<u>1,591,452,108</u>
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>(392,499,851)</u>	<u>1,396,943,945</u>
Distributions to shareholders from net investment income .....	<u>(3,492,089)</u>	<u>(115,095,209)</u>
Share transactions – net increase (decrease) .....	<u>(345,260,987)</u>	<u>(545,969,487)</u>
Redemption fees .....	2,218	1,473
<b>Total increase (decrease) in net assets</b> .....	<u>(741,250,709)</u>	<u>735,880,722</u>
<b>Net Assets</b>		
Beginning of period .....	5,913,153,565	5,177,272,843
End of period (including undistributed net investment income of \$44,962,234 and undistributed net investment income of \$3,552,237, respectively) .....	<u>\$ 5,171,902,856</u>	<u>\$ 5,913,153,565</u>

See accompanying notes which are an integral part of the financial statements.

## Financial Highlights — Initial Class

	Six months ended	Years ended December 31,				
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.81	\$ 13.18	\$ 23.91	\$ 26.20	\$ 25.49	\$ 25.37
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.14	.33	.47	.47	.45	.42
Net realized and unrealized gain (loss)	(1.34)	3.64	(10.67)	(.05)	4.37	1.00
Total from investment operations	(1.20)	3.97	(10.20)	.42	4.82	1.42
Distributions from net investment income	(.01)	(.34)	(.51)	(.50)	(.89)	(.41)
Distributions from net realized gain	—	—	(.02)	(2.21)	(3.22)	(.89)
Total distributions	(.01)	(.34)	(.53)	(2.71)	(4.11)	(1.30)
Redemption fees added to paid in capital <sup>E,1</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 15.60	\$ 16.81	\$ 13.18	\$ 23.91	\$ 26.20	\$ 25.49
<b>Total Return<sup>B,C,D</sup></b>	(7.14)%	30.21%	(42.65)%	1.53%	20.19%	5.87%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.56% <sup>A</sup>	.58%	.57%	.55%	.57%	.56%
Expenses net of fee waivers, if any	.56% <sup>A</sup>	.58%	.57%	.55%	.57%	.56%
Expenses net of all reductions	.56% <sup>A</sup>	.58%	.57%	.54%	.56%	.55%
Net investment income (loss)	1.60% <sup>A</sup>	2.29%	2.37%	1.71%	1.76%	1.71%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$3,293,219	\$3,771,733	\$3,322,799	\$7,201,655	\$8,315,159	\$7,875,801
Portfolio turnover rate <sup>G</sup>	30% <sup>A</sup>	29%	34%	20%	22%	19%

<sup>A</sup> Annualized <sup>B</sup> Total returns for periods of less than one year are not annualized. <sup>C</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown. <sup>E</sup> Calculated based on average shares outstanding during the period. <sup>F</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. <sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds. <sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. <sup>1</sup> Amount represents less than \$.01 per share.

## Financial Highlights — Service Class

	Six months ended	Years ended December 31,				
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.75	\$ 13.14	\$ 23.82	\$ 26.11	\$ 25.39	\$ 25.28
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.13	.31	.44	.44	.43	.39
Net realized and unrealized gain (loss)	(1.33)	3.63	(10.62)	(.05)	4.35	1.00
Total from investment operations	(1.20)	3.94	(10.18)	.39	4.78	1.39
Distributions from net investment income	(.01)	(.33)	(.48)	(.47)	(.84)	(.39)
Distributions from net realized gain	—	—	(.02)	(2.21)	(3.22)	(.89)
Total distributions	(.01)	(.33)	(.50)	(2.68)	(4.06)	(1.28)
Redemption fees added to paid in capital <sup>E,1</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 15.54	\$ 16.75	\$ 13.14	\$ 23.82	\$ 26.11	\$ 25.39
<b>Total Return<sup>B,C,D</sup></b>	(7.17)%	30.03%	(42.70)%	1.42%	20.08%	5.76%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.66% <sup>A</sup>	.68%	.67%	.65%	.67%	.66%
Expenses net of fee waivers, if any	.66% <sup>A</sup>	.68%	.67%	.65%	.67%	.66%
Expenses net of all reductions	.66% <sup>A</sup>	.68%	.67%	.64%	.66%	.65%
Net investment income (loss)	1.50% <sup>A</sup>	2.19%	2.27%	1.61%	1.66%	1.61%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$367,066	\$430,383	\$405,082	\$920,054	\$1,118,333	\$1,079,838
Portfolio turnover rate <sup>G</sup>	30% <sup>A</sup>	29%	34%	20%	22%	19%

<sup>A</sup> Annualized <sup>B</sup> Total returns for periods of less than one year are not annualized. <sup>C</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown. <sup>E</sup> Calculated based on average shares outstanding during the period. <sup>F</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. <sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds. <sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. <sup>1</sup> Amount represents less than \$.01 per share.

See accompanying notes which are an integral part of the financial statements.

## Financial Highlights — Service Class 2

	Six months ended	Years ended December 31,				
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.57	\$ 13.00	\$ 23.57	\$ 25.87	\$ 25.17	\$ 25.09
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.11	.29	.41	.39	.38	.35
Net realized and unrealized gain (loss)	(1.31)	3.58	(10.50)	(.04)	4.32	.98
Total from investment operations	(1.20)	3.87	(10.09)	.35	4.70	1.33
Distributions from net investment income	(.01)	(.30)	(.46)	(.44)	(.78)	(.36)
Distributions from net realized gain	—	—	(.02)	(2.21)	(3.22)	(.89)
Total distributions	(.01)	(.30)	(.48)	(2.65)	(4.00)	(1.25)
Redemption fees added to paid in capital <sup>E,1</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 15.36	\$ 16.57	\$ 13.00	\$ 23.57	\$ 25.87	\$ 25.17
<b>Total Return<sup>B,C,D</sup></b>	(7.24)%	29.88%	(42.81)%	1.27%	19.93%	5.57%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.81% <sup>A</sup>	.83%	.82%	.80%	.82%	.81%
Expenses net of fee waivers, if any	.81% <sup>A</sup>	.83%	.82%	.80%	.82%	.81%
Expenses net of all reductions	.81% <sup>A</sup>	.83%	.82%	.80%	.82%	.80%
Net investment income (loss)	1.35% <sup>A</sup>	2.04%	2.12%	1.46%	1.51%	1.46%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,372,333	\$ 1,558,421	\$ 1,321,569	\$ 2,583,129	\$ 2,373,059	\$ 1,723,546
Portfolio turnover rate <sup>G</sup>	30% <sup>A</sup>	29%	34%	20%	22%	19%

<sup>A</sup> Annualized <sup>B</sup> Total returns for periods of less than one year are not annualized. <sup>C</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown. <sup>E</sup> Calculated based on average shares outstanding during the period. <sup>F</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. <sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds. <sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. <sup>1</sup> Amount represents less than \$.01 per share.

## Financial Highlights — Service Class 2R

	Six months ended	Years ended December 31,				
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.49	\$ 12.93	\$ 23.44	\$ 25.73	\$ 25.08	\$ 25.01
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.11	.28	.41	.39	.38	.35
Net realized and unrealized gain (loss)	(1.31)	3.58	(10.45)	(.04)	4.29	.99
Total from investment operations	(1.20)	3.86	(10.04)	.35	4.67	1.34
Distributions from net investment income	(.01)	(.30)	(.45)	(.43)	(.80)	(.38)
Distributions from net realized gain	—	—	(.02)	(2.21)	(3.22)	(.89)
Total distributions	(.01)	(.30)	(.47)	(2.64)	(4.02)	(1.27)
Redemption fees added to paid in capital <sup>E,1</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 15.28	\$ 16.49	\$ 12.93	\$ 23.44	\$ 25.73	\$ 25.08
<b>Total Return<sup>B,C,D</sup></b>	(7.28)%	29.95%	(42.82)%	1.27%	19.89%	5.61%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.81% <sup>A</sup>	.83%	.82%	.80%	.82%	.81%
Expenses net of fee waivers, if any	.81% <sup>A</sup>	.83%	.82%	.80%	.82%	.81%
Expenses net of all reductions	.81% <sup>A</sup>	.83%	.81%	.79%	.81%	.80%
Net investment income (loss)	1.35% <sup>A</sup>	2.04%	2.12%	1.46%	1.51%	1.46%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 6,204	\$ 5,259	\$ 5,339	\$ 13,558	\$ 17,089	\$ 9,651
Portfolio turnover rate <sup>G</sup>	30% <sup>A</sup>	29%	34%	20%	22%	19%

<sup>A</sup> Annualized <sup>B</sup> Total returns for periods of less than one year are not annualized. <sup>C</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown. <sup>E</sup> Calculated based on average shares outstanding during the period. <sup>F</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. <sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds. <sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. <sup>1</sup> Amount represents less than \$.01 per share.

See accompanying notes which are an integral part of the financial statements.

## Financial Highlights – Investor Class

	Six months ended	Years ended December 31,				
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 <sup>H</sup>
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.77	\$ 13.15	\$ 23.85	\$ 26.15	\$ 25.48	\$ 24.46
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.13	.31	.44	.44	.42	.17
Net realized and unrealized gain (loss)	(1.34)	3.64	(10.63)	(.05)	4.36	.85
Total from investment operations	(1.21)	3.95	(10.19)	.39	4.78	1.02
Distributions from net investment income	(.01)	(.33)	(.49)	(.48)	(.89)	—
Distributions from net realized gain	—	—	(.02)	(2.21)	(3.22)	—
Total distributions	(.01)	(.33)	(.51)	(2.69)	(4.11)	—
Redemption fees added to paid in capital <sup>E, J</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 15.55	\$ 16.77	\$ 13.15	\$ 23.85	\$ 26.15	\$ 25.48
<b>Total Return<sup>B, C, D</sup></b>	(7.22)%	30.09%	(42.71)%	1.39%	20.04%	4.17%
<b>Ratios to Average Net Assets<sup>F, I</sup></b>						
Expenses before reductions	.65% <sup>A</sup>	.68%	.66%	.66%	.69%	.74% <sup>A</sup>
Expenses net of fee waivers, if any	.65% <sup>A</sup>	.68%	.66%	.66%	.69%	.74% <sup>A</sup>
Expenses net of all reductions	.65% <sup>A</sup>	.68%	.66%	.66%	.69%	.73% <sup>A</sup>
Net investment income (loss)	1.52% <sup>A</sup>	2.19%	2.28%	1.60%	1.63%	1.54% <sup>A</sup>
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 133,081	\$ 147,358	\$ 122,483	\$ 230,534	\$ 170,050	\$ 37,500
Portfolio turnover rate <sup>G</sup>	30% <sup>A</sup>	29%	34%	20%	22%	19%

<sup>A</sup> Annualized <sup>B</sup> Total returns for periods of less than one year are not annualized. <sup>C</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown. <sup>E</sup> Calculated based on average shares outstanding during the period. <sup>F</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. <sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds. <sup>H</sup> For the period July 21, 2005 (commencement of sale of shares) to December 31, 2005. <sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. <sup>J</sup> Amount represents less than \$.01 per share.

See accompanying notes which are an integral part of the financial statements.

# Notes to Financial Statements

For the period ended June 30, 2010 (Unaudited)

## 1. Organization.

VIP Equity-Income Portfolio (the Fund) is a fund of Variable Insurance Products Fund (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. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, Service Class 2 shares, Service Class 2R shares, and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class. Investment income, realized and unrealized capital gains and losses, the common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred. Certain expense reductions also differ by class.

## 2. Investments in Fidelity Central Funds.

The Fund may invest in Fidelity Central Funds, which are open-end investment companies available only to other investment companies and accounts managed by Fidelity Management & Research Company (FMR) and its affiliates. The Fund's Schedule of Investments lists each of the Fidelity Central Funds held as of period end, if any, as an investment of the Fund, but does not include the underlying holdings of each Fidelity Central Fund. As an Investing Fund, the Fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

The Money Market Central Funds seek preservation of capital and current income and are managed by Fidelity Investments Money Management, Inc. (FIMM), an affiliate of FMR.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission (the SEC) web site at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds are available on the SEC web site or upon request.

## 3. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

**Security Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Fund uses independent pricing services approved by the Board of Trustees to value its investments. When current market prices or quotations are not readily available or reliable, valuations may be determined in good faith in accordance with procedures adopted by the Board of Trustees. Factors used in determining value may include market or security specific events, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The value used for net asset value (NAV) calculation under these procedures may differ from published prices for the same securities.

The Fund categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, etc.)

Level 3 – unobservable inputs (including the fund's own assumptions based on the best information available)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level, as of June 30, 2010 is included at the end of the Fund's Schedule of Investments. Valuation techniques used to value the Fund's investments by major category are as follows.

Equity securities, including restricted securities, for which market quotations are readily available, are valued at the last reported sale price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. In the event there were no sales during the day or closing prices are not available, securities are valued at the last quoted bid price or may be valued using the last available price and are generally categorized as Level 2 in the hierarchy. For foreign equity securities, when significant market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, Exchange-traded funds (ETFs) and certain indexes as well as quoted prices for similar securities are used and are categorized as Level 2 in the hierarchy in these circumstances. Utilizing these techniques may result in transfers between Level 1 and Level 2. For restricted equity securities and private placements where observable inputs are limited, assumptions about market activity and risk are used and are categorized as Level 3 in the hierarchy.

### 3. Significant Accounting Policies – continued

#### Security Valuation – continued

Debt securities, including restricted securities, are valued based on evaluated prices received from independent pricing services or from dealers who make markets in such securities. For corporate bonds, pricing services utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and are generally categorized as Level 2 in the hierarchy.

Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value each business day and are categorized as Level 1 in the hierarchy. Short-term securities with remaining maturities of sixty days or less for which quotations are not readily available are valued at amortized cost, which approximates value and are categorized as Level 2 in the hierarchy.

When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing matrices which consider similar factors that would be used by independent pricing services. These are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

**Foreign Currency.** The Fund uses foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rate at period end. Purchases and sales of investment securities, income and dividends received and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**Investment Transactions and Income.** For financial reporting purposes, the Fund's investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per share for processing shareholder transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds received from litigation. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Fund is informed of the ex-dividend date. Non-cash dividends included in dividend income, if any, are recorded at the fair market value of the securities received. Distributions received on securities that represent a return of capital or capital gain are recorded as a reduction of cost of investments and/or as a realized gain. The Fund estimates the components of distributions received that may be considered return of capital distributions or capital gain distributions. Interest income and distributions from the Fidelity Central Funds are accrued as earned. Interest income includes coupon interest and amortization of premium and accretion of discount on debt securities. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivables when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

**Expenses.** Most expenses of the Trust can be directly attributed to a fund. Expenses which cannot be directly attributed are apportioned amongst each fund in the Trust. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan), independent Trustees may elect to defer receipt of a portion of their annual compensation. Deferred amounts are invested in a cross-section of Fidelity funds, are marked-to-market and remain in the Fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees are included in the accompanying Statement of Assets and Liabilities.

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company by distributing substantially all of its taxable income and realized gains under Subchapter M of the Internal Revenue Code and filing its U.S. federal tax return. As a result, no provision for income taxes is required. A fund's federal tax return is subject to examination by the Internal Revenue Service (IRS) for a period of three years. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

Distributions are recorded on the ex-dividend date. Income dividends and capital gain distributions are declared separately for each class. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences will reverse in a subsequent period.

## Notes to Financial Statements (Unaudited) – continued

### 3. Significant Accounting Policies – continued

#### Income Tax Information and Distributions to Shareholders – continued

Book-tax differences are primarily due to the short-term gain distributions from the Fidelity Central Funds, foreign currency transactions, certain foreign taxes, passive foreign investment companies (PFIC), market discount, partnerships, deferred trustees compensation, capital loss carryforwards and losses deferred due to wash sales.

The federal tax cost of investment securities and unrealized appreciation (depreciation) as of period end were as follows:

Gross unrealized appreciation .....	\$	805,550,846
Gross unrealized depreciation .....		(1,305,424,800)
Net unrealized appreciation (depreciation) .....	\$	<u>(499,873,954)</u>
Tax cost .....	\$	<u>5,677,602,506</u>

**Trading (Redemption) Fees.** Service Class 2 R shares held less than 60 days are subject to a redemption fee equal to 1% of the proceeds of the redeemed shares. All redemption fees, including any estimated redemption fees paid by FMR, are retained by the Fund and accounted for as an addition to paid in capital.

### 4. Operating Policies.

**Restricted Securities.** The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally 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. Information regarding restricted securities is included at the end of the Fund's Schedule of Investments.

### 5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$873,122,930 and \$1,192,225,755, respectively.

### 6. Fees and Other Transactions with Affiliates.

**Management Fee.** FMR and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .20% of the Fund's average net assets and a group fee rate that averaged .26% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by FMR. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the period, the total annualized management fee rate was .46% of the Fund's average net assets.

**Distribution and Service Plan.** In accordance with Rule 12b-1 of the 1940 Act, the Fund has adopted separate 12b-1 Plans for each Service Class of shares. Each Service Class pays Fidelity Distributors Corporation (FDC), an affiliate of FMR, a service fee. For the period, the service fee is based on an annual rate of .10% of Service Class' average net assets and .25% of Service Class 2's and Service Class 2R's average net assets.

For the period, each class paid FDC the following amounts, all of which were re-allowed to insurance companies for the distribution of shares and providing shareholder support services:

Service Class .....	\$	212,087
Service Class 2 .....		1,941,019
Service Class 2 R .....		7,151
	\$	<u>2,160,257</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of FMR, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class (with the exception of Investor Class) pays a transfer agent fee, excluding out of pocket expenses, equal to an annual rate of .07% of average net assets. Investor Class pays a monthly asset-based transfer agent fee of .15% of average net assets. The total transfer agent fees paid by each class to FIIOC, including out of pocket expenses, were as follows:

Initial Class .....	\$	1,276,106
Service Class .....		144,199
Service Class 2 .....		530,528
Service Class 2R .....		1,924
Investor Class .....		116,967
	\$	<u>2,069,724</u>

## 6. Fees and Other Transactions with Affiliates – continued

**Accounting and Security Lending Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of FMR, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for the month. Under a separate contract, FSC administers the security lending program. The security lending fee is based on the number and duration of lending transactions.

**Brokerage Commissions.** The Fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of the investment adviser. The commissions paid to these affiliated firms were \$9,444 for the period.

**Interfund Lending Program.** Pursuant to an Exemptive Order issued by the SEC, the Fund, along with other registered investment companies having management contracts with FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the funds to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding. The Fund's activity in this program during the period for which loans were outstanding was as follows:

Borrower or Lender	Average Daily Loan Balance	Weighted Average Interest Rate	Interest Expense
Borrower .....	\$ 8,064,108	.43%	\$ 3,601

## 7. Committed Line of Credit.

The Fund participates with other funds managed by FMR in a \$3.75 billion credit facility (the "line of credit") to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The Fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which amounted to \$11,862 and is reflected in Miscellaneous expenses on the Statement of Operations. During the period, there were no borrowings on this line of credit.

## 8. Security Lending.

The Fund lends portfolio securities from time to time in order to earn additional income. On the settlement date of the loan, the Fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. The value of loaned securities and cash collateral at period end are disclosed on the Fund's Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less fees and expenses associated with the loan, plus any premium payments that may be received on the loan of certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Net income from lending portfolio securities during the period amounted to \$623,083.

## 9. Bank Borrowings.

The Fund is permitted to have bank borrowings for temporary or emergency purposes to fund shareholder redemptions. The Fund has established borrowing arrangements with certain banks. The interest rate on the borrowings is the bank's base rate, as revised from time to time. The average daily loan balance during the period for which loans were outstanding amounted to \$9,231,000. The weighted average interest rate was .70%. The interest expense amounted to \$180 under the bank borrowing program. At period end, there were no bank borrowings outstanding.

## 10. Expense Reductions.

Many of the brokers with whom FMR places trades on behalf of the Fund provided services to the Fund in addition to trade execution. These services included payments of certain expenses on behalf of the Fund totaling \$87,717 for the period.

## Notes to Financial Statements (Unaudited) – continued

### 11. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2010	Year ended December 31, 2009
<b>From net investment income</b>		
Initial Class .....	\$ 2,217,576	\$ 75,517,681
Service Class .....	253,392	8,350,109
Service Class 2 .....	929,687	28,318,758
Service Class 2R .....	3,105	96,589
Investor Class .....	88,329	2,812,072
Total .....	<u>\$ 3,492,089</u>	<u>\$ 115,095,209</u>

### 12. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
<b>Initial Class</b>				
Shares sold .....	2,589,688	8,717,811	\$ 44,777,781	\$ 119,199,048
Reinvestment of distributions .....	138,081	4,649,155	2,217,576	75,517,681
Shares redeemed .....	(15,983,025)	(41,112,018)	(274,866,035)	(560,835,381)
Net increase (decrease) .....	<u>(13,255,256)</u>	<u>(27,745,052)</u>	<u>\$ (227,870,678)</u>	<u>\$ (366,118,652)</u>
<b>Service Class</b>				
Shares sold .....	413,298	1,374,191	\$ 7,103,293	\$ 18,756,098
Reinvestment of distributions .....	15,827	516,788	253,392	8,350,109
Shares redeemed .....	(2,495,293)	(7,035,493)	(42,740,428)	(95,421,754)
Net increase (decrease) .....	<u>(2,066,168)</u>	<u>(5,144,514)</u>	<u>\$ (35,383,743)</u>	<u>\$ (68,315,547)</u>
<b>Service Class 2</b>				
Shares sold .....	2,927,261	9,883,762	\$ 49,401,550	\$ 131,168,937
Reinvestment of distributions .....	58,729	1,771,906	929,687	28,318,758
Shares redeemed .....	(7,672,531)	(19,265,158)	(129,938,653)	(264,471,751)
Net increase (decrease) .....	<u>(4,686,541)</u>	<u>(7,609,490)</u>	<u>\$ (79,607,416)</u>	<u>\$ (104,984,056)</u>
<b>Service Class 2R</b>				
Shares sold .....	156,354	65,422	\$ 2,642,315	\$ 914,849
Reinvestment of distributions .....	197	6,094	3,105	96,589
Shares redeemed .....	(69,509)	(165,320)	(1,167,636)	(2,222,121)
Net increase (decrease) .....	<u>87,042</u>	<u>(93,804)</u>	<u>\$ 1,477,784</u>	<u>\$ (1,210,683)</u>
<b>Investor Class</b>				
Shares sold .....	662,402	1,142,867	\$ 11,452,697	\$ 16,328,956
Reinvestment of distributions .....	5,510	173,430	88,329	2,812,072
Shares redeemed .....	(899,227)	(1,842,484)	(15,417,960)	(24,481,577)
Net increase (decrease) .....	<u>(231,315)</u>	<u>(526,187)</u>	<u>\$ (3,876,934)</u>	<u>\$ (5,340,549)</u>

### 13. Other.

The Fund's organizational documents provide former and current trustees and officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Fund. In the normal course of business, the Fund may also enter into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Fund. The risk of material loss from such claims is considered remote.

At the end of the period, FMR or its affiliates were the owners of record of 12% of the total outstanding shares of the Fund and two otherwise unaffiliated shareholders were the owners of record of 30% of the total outstanding shares of the Fund.







**Investment Adviser**

Fidelity Management & Research Company  
Boston, MA

**Investment Sub-Advisers**

FMR Co., Inc.  
Fidelity Management & Research (U.K.) Inc.  
Fidelity Research & Analysis Company  
FIL Investments (Japan) Limited  
FIL Investment Advisors  
FIL Investment Advisors (U.K.) Ltd.  
Fidelity Management & Research (Hong Kong) Limited  
Fidelity Management & Research (Japan) Inc.

**General Distributor**

Fidelity Distributors Corporation  
Boston, MA

**Transfer and Service Agents**

Fidelity Investments Institutional Operations Company, Inc.  
Boston, MA  
Fidelity Service Company, Inc.  
Boston, MA

**Custodian**

The Northern Trust Company  
Chicago, IL