

Fidelity® Variable Insurance Products: Growth Portfolio



Semiannual Report
June 30, 2009



Contents

Shareholder Expense Example	3	An example of shareholder expenses.
Investment Changes	4	A summary of major shifts in the fund's investments over the past six months.
Investments	5	A complete list of the fund's investments with their market values.
Financial Statements	9	Statements of assets and liabilities, operations, and changes in net assets, as well as financial highlights.
Notes	14	Notes to the financial statements.

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.

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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.

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

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, 2009 to June 30, 2009).

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, 2009	Ending Account Value June 30, 2009	Expenses Paid During Period* January 1, 2009 to June 30, 2009
Initial Class	.70%			
Actual		\$ 1,000.00	\$ 1,044.50	\$ 3.55
Hypothetical ^A		\$ 1,000.00	\$ 1,021.32	\$ 3.51
Service Class	.80%			
Actual		\$ 1,000.00	\$ 1,044.20	\$ 4.05
Hypothetical ^A		\$ 1,000.00	\$ 1,020.83	\$ 4.01
Service Class 2	.95%			
Actual		\$ 1,000.00	\$ 1,043.20	\$ 4.81
Hypothetical ^A		\$ 1,000.00	\$ 1,020.08	\$ 4.76
Service Class 2R	.94%			
Actual		\$ 1,000.00	\$ 1,043.30	\$ 4.76
Hypothetical ^A		\$ 1,000.00	\$ 1,020.13	\$ 4.71
Investor Class	.81%			
Actual		\$ 1,000.00	\$ 1,043.80	\$ 4.10
Hypothetical ^A		\$ 1,000.00	\$ 1,020.78	\$ 4.06

^A 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, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Cisco Systems, Inc.	4.4	2.8
QUALCOMM, Inc.	3.9	3.8
JPMorgan Chase & Co.	3.6	2.1
Google, Inc. Class A (sub. vtg.)	3.2	2.1
Wells Fargo & Co.	2.8	6.6
Medco Health Solutions, Inc.	2.5	4.9
Lowe's Companies, Inc.	2.1	0.2
Target Corp.	2.0	0.0
Apple, Inc.	2.0	0.8
Broadcom Corp. Class A	1.9	0.0
	<u>28.4</u>	

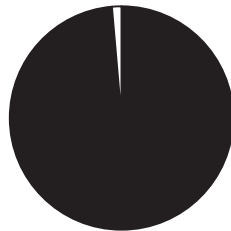
Top Five Market Sectors as of June 30, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	33.7	24.5
Consumer Discretionary	14.8	4.7
Financials	13.0	22.9
Health Care	12.5	20.2
Industrials	10.4	3.3

Asset Allocation (% of fund's net assets)

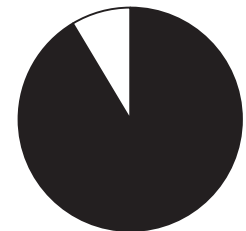
As of June 30, 2009*

■ Stocks	98.6%
□ Short-Term Investments and Net Other Assets	1.4%
* Foreign investments	11.5%



As of December 31, 2008**

■ Stocks	91.4%
□ Short-Term Investments and Net Other Assets	8.6%
** Foreign investments	12.9%



Investments June 30, 2009 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 98.6%

	Shares	Value
CONSUMER DISCRETIONARY – 14.8%		
Auto Components – 0.4%		
Autoliv, Inc.	131,800	\$ 3,791,886
BorgWarner, Inc.	163,100	5,569,865
Johnson Controls, Inc.	161,700	3,512,124
		<u>12,873,875</u>
Automobiles – 0.4%		
Harley-Davidson, Inc. (d)	854,900	13,857,929
Diversified Consumer Services – 1.2%		
Strayer Education, Inc. (d)	180,520	39,373,217
Hotels, Restaurants & Leisure – 2.6%		
Chipotle Mexican Grill, Inc. Class B (a) .	13,893	969,592
Marriott International, Inc. Class A	183,976	4,060,350
McDonald's Corp.	666,476	38,315,705
Starbucks Corp. (a)	2,580,973	35,849,715
Starwood Hotels & Resorts Worldwide, Inc.	129,600	2,877,120
		<u>82,072,482</u>
Household Durables – 0.9%		
Black & Decker Corp.	315,913	9,054,067
Mohawk Industries, Inc. (a)	507,899	18,121,836
		<u>27,175,903</u>
Media – 0.5%		
McGraw-Hill Companies, Inc.	152,910	4,604,120
The DIRECTV Group, Inc. (a)	427,800	10,570,938
		<u>15,175,058</u>
Multiline Retail – 2.0%		
Target Corp.	1,612,324	63,638,428
Specialty Retail – 5.7%		
Advance Auto Parts, Inc.	179,400	7,443,306
Best Buy Co., Inc.	646,915	21,665,183
DSW, Inc. Class A (a)(d)	160,728	1,583,171
Home Depot, Inc.	521,200	12,315,956
Lowe's Companies, Inc.	3,457,391	67,107,959
O'Reilly Automotive, Inc. (a)	602,998	22,962,164
Ross Stores, Inc.	261,135	10,079,811
Sherwin-Williams Co.	316,746	17,025,098
Tiffany & Co., Inc.	114,214	2,896,467
TJX Companies, Inc.	564,506	17,759,359
		<u>180,838,474</u>
Textiles, Apparel & Luxury Goods – 1.1%		
Coach, Inc.	563,800	15,154,944
Lululemon Athletica, Inc. (a)	629,600	8,203,688
NIKE, Inc. Class B	247,500	12,815,550
		<u>36,174,182</u>
TOTAL CONSUMER DISCRETIONARY		<u>471,179,548</u>

CONSUMER STAPLES – 5.9%

	Shares	Value
Beverages – 1.2%		
Anheuser-Busch InBev NV	144,300	\$ 5,210,023
The Coca-Cola Co.	682,841	32,769,540
		<u>37,979,563</u>
Food & Staples Retailing – 0.6%		
Costco Wholesale Corp.	198,700	9,080,590
Wal-Mart Stores, Inc.	231,302	11,204,269
		<u>20,284,859</u>
Food Products – 1.3%		
Nestle SA sponsored ADR	1,067,250	40,149,945
Household Products – 1.6%		
Colgate-Palmolive Co.	337,510	23,875,457
Energizer Holdings, Inc. (a)	527,969	27,581,101
		<u>51,456,558</u>
Personal Products – 0.8%		
Estee Lauder Companies, Inc. Class A ..	505,020	16,499,003
Mead Johnson Nutrition Co. Class A ...	184,712	5,868,300
Nu Skin Enterprises, Inc. Class A	261,348	3,998,624
		<u>26,365,927</u>
Tobacco – 0.4%		
Philip Morris International, Inc.	299,200	13,051,104
TOTAL CONSUMER STAPLES		<u>189,287,956</u>
ENERGY – 5.7%		
Energy Equipment & Services – 2.8%		
Schlumberger Ltd. (NY Shares)	917,314	49,635,861
Smith International, Inc.	492,800	12,689,600
Weatherford International Ltd. (a)	1,320,000	25,819,200
		<u>88,144,661</u>
Oil, Gas & Consumable Fuels – 2.9%		
Denbury Resources, Inc. (a)	2,128,950	31,359,434
Range Resources Corp.	525,923	21,778,471
Southwestern Energy Co. (a)	997,074	38,736,325
		<u>91,874,230</u>
TOTAL ENERGY		<u>180,018,891</u>
FINANCIALS – 13.0%		
Capital Markets – 2.9%		
Charles Schwab Corp.	1,121,346	19,668,409
Franklin Resources, Inc.	235,400	16,951,154
Goldman Sachs Group, Inc.	232,709	34,310,615
JMP Group, Inc.	138,900	1,068,141
Morgan Stanley	701,900	20,011,169
T. Rowe Price Group, Inc.	31,300	1,304,271
		<u>93,313,759</u>

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Commercial Banks – 4.6%		
PNC Financial Services Group, Inc.	1,459,620	\$ 56,647,852
Wells Fargo & Co.	3,764,373	91,323,689
		<u>147,971,541</u>
Consumer Finance – 0.7%		
American Express Co.	892,400	20,739,376
Diversified Financial Services – 4.0%		
CME Group, Inc.	40,012	12,448,133
JPMorgan Chase & Co.	3,391,698	115,690,819
		<u>128,138,952</u>
Insurance – 0.5%		
MetLife, Inc.	554,541	16,641,775
Real Estate Investment Trusts – 0.0%		
Simon Property Group, Inc.	1,308	67,270
Real Estate Management & Development – 0.3%		
Jones Lang LaSalle, Inc.	258,700	8,467,251
		<u>415,339,924</u>
HEALTH CARE – 12.5%		
Biotechnology – 3.6%		
Alexion Pharmaceuticals, Inc. (a)	161,942	6,659,055
Biogen Idec, Inc. (a)	472,961	21,354,189
Celgene Corp. (a)	217,035	10,382,954
Dendreon Corp. (a)	208,100	5,171,285
Gilead Sciences, Inc. (a)	862,500	40,399,500
Myriad Genetics, Inc. (a)	596,368	21,260,519
Myriad Pharmaceuticals, Inc. (a)	16,392	76,223
United Therapeutics Corp. (a)	108,820	9,067,971
Vanda Pharmaceuticals, Inc. (a)	60,300	709,731
		<u>115,081,427</u>
Health Care Equipment & Supplies – 2.2%		
C.R. Bard, Inc.	57,800	4,303,210
Covidien PLC	461,796	17,289,642
DENTSPLY International, Inc.	807,714	24,651,431
Edwards Lifesciences Corp. (a)	47,300	3,217,819
Integra LifeSciences Holdings Corp. (a) .	132,700	3,517,877
NuVasive, Inc. (a)	395,251	17,628,195
Orthovita, Inc. (a)	354,500	1,825,675
		<u>72,433,849</u>
Health Care Providers & Services – 3.7%		
Express Scripts, Inc. (a)	407,405	28,009,094
Henry Schein, Inc. (a)	212,819	10,204,671
Medco Health Solutions, Inc. (a)	1,730,627	78,933,897
		<u>117,147,662</u>
Life Sciences Tools & Services – 0.9%		
Illumina, Inc. (a)	523,449	20,383,104

	Shares	Value
Sequenom, Inc. (a)(d)	592,652	\$ 2,317,269
Techne Corp.	84,165	5,370,569
		<u>28,070,942</u>
Pharmaceuticals – 2.1%		
Cadence Pharmaceuticals, Inc. (a)	336,388	3,360,516
Novo Nordisk AS Series B	587,569	31,766,769
Teva Pharmaceutical Industries Ltd. sponsored ADR	635,300	31,345,702
		<u>66,472,987</u>
		<u>399,206,867</u>
INDUSTRIALS – 10.4%		
Aerospace & Defense – 1.8%		
Honeywell International, Inc.	718,607	22,564,260
United Technologies Corp.	656,700	34,122,132
		<u>56,686,392</u>
Air Freight & Logistics – 0.5%		
United Parcel Service, Inc. Class B	319,800	15,986,802
Airlines – 0.8%		
AirTran Holdings, Inc. (a)	1,576,836	9,760,615
Ryanair Holdings PLC sponsored ADR (a)	566,537	16,083,985
		<u>25,844,600</u>
Building Products – 0.0%		
USG Corp. (a)	100,900	1,016,063
Commercial Services & Supplies – 0.2%		
Stericycle, Inc. (a)	92,300	4,756,219
Electrical Equipment – 0.6%		
AMETEK, Inc.	499,100	17,258,878
Cooper Industries Ltd. Class A	103,900	3,226,095
		<u>20,484,973</u>
Industrial Conglomerates – 0.3%		
Textron, Inc.	1,036,520	10,012,783
Machinery – 2.9%		
Cummins, Inc.	591,734	20,834,954
Danaher Corp.	619,300	38,235,582
Graco, Inc.	800,700	17,631,414
Ingersoll-Rand Co. Ltd. Class A	338,400	7,072,560
PACCAR, Inc.	293,000	9,525,430
		<u>93,299,940</u>
Professional Services – 2.0%		
CoStar Group, Inc. (a)	178,200	7,104,834
Dun & Bradstreet Corp.	138,139	11,218,268
Equifax, Inc.	124,000	3,236,400
FTI Consulting, Inc. (a)	468,659	23,770,384
Heidrick & Struggles International, Inc.	551,207	10,059,528
Korn/Ferry International (a)	441,766	4,700,390
Robert Half International, Inc.	125,500	2,964,310
		<u>63,054,114</u>
Road & Rail – 1.1%		
Heartland Express, Inc.	202,200	2,976,384

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

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Road & Rail – continued		
Knight Transportation, Inc.	1,090,625	\$ 18,049,844
Old Dominion Freight Lines, Inc. (a)	386,032	12,959,094
		<u>33,985,322</u>
Trading Companies & Distributors – 0.2%		
Fastenal Co. (d)	42,000	1,393,140
W.W. Grainger, Inc.	77,300	6,329,324
		<u>7,722,464</u>
TOTAL INDUSTRIALS		<u>332,849,672</u>
INFORMATION TECHNOLOGY – 33.7%		
Communications Equipment – 9.8%		
Cisco Systems, Inc. (a)	7,474,899	139,332,121
Juniper Networks, Inc. (a)	1,807,031	42,645,932
QUALCOMM, Inc.	2,734,153	123,583,716
Riverbed Technology, Inc. (a)	352,400	8,172,156
		<u>313,733,925</u>
Computers & Peripherals – 2.3%		
Apple, Inc. (a)	444,986	63,379,356
Intermec, Inc. (a)	582,486	7,514,069
Netezza Corp. (a)	226,100	1,881,152
		<u>72,774,577</u>
Electronic Equipment & Components – 1.1%		
BYD Co. Ltd. (H Shares) (a)	982,500	3,892,018
Corning, Inc.	1,862,200	29,906,932
		<u>33,798,950</u>
Internet Software & Services – 5.1%		
Baidu.com, Inc. sponsored ADR (a)	33,600	10,116,624
Google, Inc. Class A (sub. vtg.) (a)	239,915	101,145,765
Tencent Holdings Ltd.	190,000	2,217,512
The Knot, Inc. (a)	844,315	6,653,202
VeriSign, Inc. (a)	2,374,679	43,884,068
		<u>164,017,171</u>
IT Services – 3.9%		
Accenture Ltd. Class A	639,100	21,384,286
Cognizant Technology Solutions Corp. Class A (a)	125,233	3,343,721
Fidelity National Information Services, Inc.	1,907,003	38,063,780
Metavante Technologies, Inc. (a)	486,431	12,579,106
The Western Union Co.	916,482	15,030,305
Visa, Inc.	521,993	32,499,284
		<u>122,900,482</u>
Semiconductors & Semiconductor Equipment – 6.7%		
Analog Devices, Inc.	749,336	18,568,546
Applied Materials, Inc.	1,305,452	14,320,808
ASML Holding NV (NY Shares)	777,300	16,828,545
Atmel Corp. (a)	4,078,959	15,214,517
Broadcom Corp. Class A (a)	2,416,967	59,916,612

	Shares	Value
Marvell Technology Group Ltd. (a)	3,469,434	\$ 40,384,212
Maxim Integrated Products, Inc.	853,100	13,385,139
Monolithic Power Systems, Inc. (a)	805,501	18,051,277
National Semiconductor Corp.	1,421,417	17,838,783
		<u>214,508,439</u>
Software – 4.8%		
Autonomy Corp. PLC (a)	69,807	1,650,294
BMC Software, Inc. (a)	805,761	27,226,664
Intuit, Inc. (a)	284,000	7,997,440
Microsoft Corp.	796,400	18,930,428
Oracle Corp.	2,421,100	51,859,962
Salesforce.com, Inc. (a)	12,065	460,521
Shanda Interactive Entertainment Ltd. sponsored ADR (a)	384,900	20,126,421
Sourcefire, Inc. (a)	225,868	2,798,505
VanceInfo Technologies, Inc. ADR (a) ...	1,422,630	21,012,245
		<u>152,062,480</u>
TOTAL INFORMATION TECHNOLOGY		<u>1,073,796,024</u>
MATERIALS – 1.9%		
Chemicals – 1.9%		
Air Products & Chemicals, Inc.	252,900	16,334,811
Ecolab, Inc.	263,600	10,277,764
FMC Corp.	219,000	10,358,700
Praxair, Inc.	88,000	6,254,160
Terra Industries, Inc.	465,700	11,279,254
The Mosaic Co.	144,400	6,396,920
		<u>60,901,609</u>
TELECOMMUNICATION SERVICES – 0.7%		
Diversified Telecommunication Services – 0.1%		
Neutral Tandem, Inc. (a)	160,884	4,749,296
Wireless Telecommunication Services – 0.6%		
American Tower Corp. Class A (a)	575,306	18,139,398
TOTAL TELECOMMUNICATION SERVICES		<u>22,888,694</u>
TOTAL COMMON STOCKS		
(Cost \$3,296,805,780)		<u>3,145,469,185</u>

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

Investments (Unaudited) – continued

Money Market Funds – 2.2%

	Shares	Value
Fidelity Cash Central Fund, 0.40% (b)	37,999,948	\$ 37,999,948
Fidelity Securities Lending Cash Central Fund, 0.22% (b)(c)	31,019,250	<u>31,019,250</u>
TOTAL MONEY MARKET FUNDS (Cost \$69,019,198)		<u>69,019,198</u>
TOTAL INVESTMENT PORTFOLIO – 100.8% (Cost \$3,365,824,978)		3,214,488,383
NET OTHER ASSETS – (0.8)%		<u>(24,980,187)</u>
NET ASSETS – 100%		<u>\$ 3,189,508,196</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	\$ 330,396
Fidelity Securities Lending Cash Central Fund	<u>409,143</u>
Total	<u>\$ 739,539</u>

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

United States of America	88.5%
Bermuda	2.3%
Switzerland	2.1%
Netherlands Antilles	1.6%
China	1.0%
Ireland	1.0%
Denmark	1.0%
Israel	1.0%
Others (individually less than 1%)	1.5%
	<u>100.0%</u>

Income Tax Information

At December 31, 2008, the fund had a capital loss carryforward of approximately \$1,490,706,279 of which \$351,276,710, \$44,707,854 and \$1,094,721,715 will expire on December 31, 2010, 2011 and 2016, respectively.

Legend

- (a) Non-income producing
- (b) 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.
- (c) Investment made with cash collateral received from securities on loan.
- (d) Security or a portion of the security is on loan at period end.

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

Financial Statements

Statement of Assets and Liabilities

June 30, 2009 (Unaudited)

Assets

Investment in securities, at value (including securities loaned of \$30,308,345) — See accompanying schedule:		
Unaffiliated issuers (cost \$3,296,805,780)	\$3,145,469,185	
Fidelity Central Funds (cost \$69,019,198)	69,019,198	
Total Investments (cost \$3,365,824,978)		\$3,214,488,383
Receivable for investments sold		43,646,102
Receivable for fund shares sold		630,663
Dividends receivable		1,533,010
Distributions receivable from Fidelity Central Funds		27,610
Prepaid expenses		21,046
Other receivables		426,806
Total assets		<u>3,260,773,620</u>

Liabilities

Payable to custodian bank	\$ 63,792	
Payable for investments purchased ..	36,098,766	
Payable for fund shares redeemed ..	1,858,664	
Accrued management fee	1,524,728	
Distribution fees payable	129,208	
Other affiliated payables	268,727	
Other payables and accrued expenses	302,289	
Collateral on securities loaned, at value	31,019,250	
Total liabilities		<u>71,265,424</u>

Net Assets		<u>\$3,189,508,196</u>
Net Assets consist of:		
Paid in capital		\$5,404,089,877
Undistributed net investment income		8,979,079
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions ..		(2,072,226,206)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies		(151,334,554)
Net Assets		<u>\$3,189,508,196</u>

Statement of Assets and Liabilities – continued

June 30, 2009 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$2,277,498,844 ÷ 92,704,994 shares)	\$ 24.57
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Service Class:

Net Asset Value , offering price and redemption price per share (\$376,693,170 ÷ 15,377,682 shares)	\$ 24.50
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Service Class 2:

Net Asset Value , offering price and redemption price per share (\$449,994,387 ÷ 18,509,595 shares)	\$ 24.31
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Service Class 2R:

Net Asset Value , offering price and redemption price per share (\$4,064,164 ÷ 167,528 shares) ..	\$ 24.26
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Investor Class:

Net Asset Value , offering price and redemption price per share (\$81,257,631 ÷ 3,316,328 shares)	\$ 24.50
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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, 2009 (Unaudited)

Investment Income		
Dividends		\$ 20,334,582
Interest		874
Income from Fidelity Central Funds		739,539
Total income		<u>21,074,995</u>
Expenses		
Management fee	\$ 8,670,582	
Transfer agent fees	1,372,985	
Distribution fees	727,603	
Accounting and security lending fees	472,330	
Custodian fees and expenses	10,053	
Independent trustees' compensation	12,477	
Appreciation in deferred trustee compensation account	51	
Audit	36,768	
Legal	4,065	
Miscellaneous	143,195	
Total expenses before reductions	11,450,109	
Expense reductions	(37,483)	
		<u>11,412,626</u>
Net investment income (loss)		<u>9,662,369</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	(541,500,445)	
Foreign currency transactions	(131,524)	
Total net realized gain (loss)		<u>(541,631,969)</u>
Change in net unrealized appreciation (depreciation) on:		
Investment securities	655,346,652	
Assets and liabilities in foreign currencies	2,968	
Total change in net unrealized appreciation (depreciation)		<u>655,349,620</u>
Net gain (loss)		<u>113,717,651</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 123,380,020</u>

Statement of Changes in Net Assets

	Six months ended June 30, 2009 (Unaudited)	Year ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 9,662,369	\$ 39,362,868
Net realized gain (loss)	(541,631,969)	(1,127,004,570)
Change in net unrealized appreciation (depreciation)	655,349,620	(2,110,579,825)
Net increase (decrease) in net assets resulting from operations	<u>123,380,020</u>	<u>(3,198,221,527)</u>
Distributions to shareholders from net investment income	(548,000)	(39,588,806)
Distributions to shareholders from net realized gain	(410,999)	—
Total distributions	<u>(958,999)</u>	<u>(39,588,806)</u>
Share transactions — net increase (decrease)	(210,584,035)	(1,517,000,817)
Redemption fees	593	17,837
Total increase (decrease) in net assets	<u>(88,162,421)</u>	<u>(4,754,793,313)</u>
Net Assets		
Beginning of period	3,277,670,617	8,032,463,930
End of period (including undistributed net investment income of \$8,979,079 and distributions in excess of net investment income of \$135,290, respectively)	<u>\$3,189,508,196</u>	<u>\$3,277,670,617</u>

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

Financial Highlights — Initial Class

	Six months ended June 30, 2009 (Unaudited)		Years ended December 31,			
	2008	2007	2006	2005	2004	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 23.53	\$ 45.12	\$ 35.87	\$ 33.70	\$ 32.01	\$ 31.04
Income from Investment Operations						
Net investment income (loss) ^E	.08	.27	.09	.21	.11	.15 ^{H,K}
Net realized and unrealized gain (loss)	.97	(21.55)	9.53	2.09	1.74	.90
Total from investment operations	1.05	(21.28)	9.62	2.30	1.85	1.05
Distributions from net investment income	— ^J	(.31)	(.33)	(.13)	(.16)	(.08)
Distributions from net realized gain	— ^J	—	(.04)	—	—	—
Total distributions	(.01) ^L	(.31)	(.37)	(.13)	(.16)	(.08)
Redemption fees added to paid in capital ^{E,I}	—	—	—	—	—	—
Net asset value, end of period	\$ 24.57	\$ 23.53	\$ 45.12	\$ 35.87	\$ 33.70	\$ 32.01
Total Return^{B,C,D}	4.45%	(47.17)%	26.96%	6.85%	5.80%	3.38%
Ratios to Average Net Assets^{F,I}						
Expenses before reductions	.70% ^A	.68%	.65%	.68%	.67%	.68%
Expenses net of fee waivers, if any	.70% ^A	.68%	.65%	.68%	.67%	.68%
Expenses net of all reductions	.69% ^A	.67%	.64%	.67%	.63%	.65%
Net investment income (loss)	.68% ^A	.74%	.21%	.61%	.36%	.47% ^K
Supplemental Data						
Net assets, end of period (000 omitted)	\$2,277,499	\$2,337,892	\$6,002,656	\$5,610,629	\$6,726,655	\$7,796,888
Portfolio turnover rate ^G	172% ^A	161%	109%	114%	79%	72%

^A Annualized. ^B Total returns for periods of less than one year are not annualized. ^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^D Total returns would have been lower had certain expenses not been reduced during the periods shown. ^E Calculated based on average shares outstanding during the period. ^F 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. ^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds. ^H Investment income per share reflects a special dividend which amounted to \$.08 per share. ^I 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. ^J Amount represents less than \$.01 per share. ^K As a result in the change in the estimate of the return of capital components of dividend income realized in the year ended December 31, 2003, net investment income per share and the ratio of net investment income to average net assets for the year ended December 31, 2004 have been reduced by \$.01 per share and .02%, respectively. The change in estimate has no impact on total net assets or total return of the class. ^L Total distributions of \$.007 per share is comprised of distributions from net investment income of \$.004 and distributions from net realized gain of \$.003 per share.

Financial Highlights — Service Class

	Six months ended June 30, 2009 (Unaudited)		Years ended December 31,			
	2008	2007	2006	2005	2004	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 23.47	\$ 44.99	\$ 35.72	\$ 33.56	\$ 31.88	\$ 30.92
Income from Investment Operations						
Net investment income (loss) ^E	.07	.23	.04	.18	.08	.11 ^{H,K}
Net realized and unrealized gain (loss)	.97	(21.48)	9.51	2.07	1.72	.90
Total from investment operations	1.04	(21.25)	9.55	2.25	1.80	1.01
Distributions from net investment income	— ^J	(.27)	(.24)	(.09)	(.12)	(.05)
Distributions from net realized gain	— ^J	—	(.04)	—	—	—
Total distributions	(.01) ^L	(.27)	(.28)	(.09)	(.12)	(.05)
Redemption fees added to paid in capital ^{E,I}	—	—	—	—	—	—
Net asset value, end of period	\$ 24.50	\$ 23.47	\$ 44.99	\$ 35.72	\$ 33.56	\$ 31.88
Total Return^{B,C,D}	4.42%	(47.23)%	26.87%	6.73%	5.67%	3.26%
Ratios to Average Net Assets^{F,I}						
Expenses before reductions	.80% ^A	.78%	.75%	.78%	.77%	.78%
Expenses net of fee waivers, if any	.80% ^A	.78%	.75%	.78%	.77%	.78%
Expenses net of all reductions	.79% ^A	.77%	.74%	.77%	.73%	.75%
Net investment income (loss)	.58% ^A	.64%	.11%	.51%	.26%	.37% ^K
Supplemental Data						
Net assets, end of period (000 omitted)	\$376,693	\$395,759	\$929,848	\$877,279	\$1,086,172	\$1,326,262
Portfolio turnover rate ^G	172% ^A	161%	109%	114%	79%	72%

^A Annualized. ^B Total returns for periods of less than one year are not annualized. ^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^D Total returns would have been lower had certain expenses not been reduced during the periods shown. ^E Calculated based on average shares outstanding during the period. ^F 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. ^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds. ^H Investment income per share reflects a special dividend which amounted to \$.08 per share. ^I 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. ^J Amount represents less than \$.01 per share. ^K As a result in the change in the estimate of the return of capital components of dividend income realized in the year ended December 31, 2003, net investment income per share and the ratio of net investment income to average net assets for the year ended December 31, 2004 have been reduced by \$.01 per share and .02%, respectively. The change in estimate has no impact on total net assets or total return of the class. ^L Total distributions of \$.007 per share is comprised of distributions from net investment income of \$.004 and distributions from net realized gain of \$.003 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, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 23.31	\$ 44.65	\$ 35.42	\$ 33.29	\$ 31.64	\$ 30.72
Income from Investment Operations						
Net investment income (loss) ^E	.05	.17	(.02)	.12	.03	.07 ^{H,K}
Net realized and unrealized gain (loss)	.96	(21.29)	9.43	2.07	1.71	.89
Total from investment operations	1.01	(21.12)	9.41	2.19	1.74	.96
Distributions from net investment income	— ^J	(.22)	(.15)	(.06)	(.09)	(.04)
Distributions from net realized gain	— ^J	—	(.03)	—	—	—
Total distributions	(.01) ^L	(.22)	(.18)	(.06)	(.09)	(.04)
Redemption fees added to paid in capital ^{E,J}	—	—	—	—	—	—
Net asset value, end of period	\$ 24.31	\$ 23.31	\$ 44.65	\$ 35.42	\$ 33.29	\$ 31.64
Total Return^{B,C,D}	4.32%	(47.31)%	26.66%	6.57%	5.50%	3.12%
Ratios to Average Net Assets^{F,I}						
Expenses before reductions	.95% ^A	.93%	.90%	.94%	.92%	.93%
Expenses net of fee waivers, if any	.95% ^A	.93%	.90%	.94%	.92%	.93%
Expenses net of all reductions	.95% ^A	.92%	.89%	.92%	.88%	.90%
Net investment income (loss)	.43% ^A	.49%	(.04)%	.36%	.11%	.22% ^K
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 449,994	\$ 447,530	\$ 898,204	\$ 627,754	\$ 858,587	\$ 811,126
Portfolio turnover rate ^G	172% ^A	161%	109%	114%	79%	72%

^A Annualized ^B Total returns for periods of less than one year are not annualized. ^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^D Total returns would have been lower had certain expenses not been reduced during the periods shown. ^E Calculated based on average shares outstanding during the period. ^F 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. ^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds. ^H Investment income per share reflects a special dividend which amounted to \$.08 per share. ^I 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. ^J Amount represents less than \$.01 per share. ^K As a result in the change in the estimate of the return of capital components of dividend income realized in the year ended December 31, 2003, net investment income per share and the ratio of net investment income to average net assets for the year ended December 31, 2004 have been reduced by \$.01 per share and .02%, respectively. The change in estimate has no impact on total net assets or total return of the class. ^L Total distributions of \$.007 per share is comprised of distributions from net investment income of \$.004 and distributions from net realized gain of \$.003 per share.

Financial Highlights — Service Class 2R

	Six months ended	Years ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 23.26	\$ 44.42	\$ 35.28	\$ 33.18	\$ 31.54	\$ 30.65
Income from Investment Operations						
Net investment income (loss) ^E	.05	.18	(.01)	.12	.04	.07 ^{H,K}
Net realized and unrealized gain (loss)	.96	(21.20)	9.38	2.06	1.70	.88
Total from investment operations	1.01	(21.02)	9.37	2.18	1.74	.95
Distributions from net investment income	— ^J	(.14)	(.19)	(.08)	(.10)	(.06)
Distributions from net realized gain	— ^J	—	(.04)	—	—	—
Total distributions	(.01) ^L	(.14)	(.23)	(.08)	(.10)	(.06)
Redemption fees added to paid in capital ^{E,J}	—	—	—	—	—	—
Net asset value, end of period	\$ 24.26	\$ 23.26	\$ 44.42	\$ 35.28	\$ 33.18	\$ 31.54
Total Return^{B,C,D}	4.33%	(47.31)%	26.66%	6.58%	5.52%	3.10%
Ratios to Average Net Assets^{F,I}						
Expenses before reductions	.94% ^A	.93%	.89%	.93%	.92%	.93%
Expenses net of fee waivers, if any	.94% ^A	.93%	.89%	.93%	.92%	.93%
Expenses net of all reductions	.94% ^A	.92%	.89%	.92%	.88%	.90%
Net investment income (loss)	.43% ^A	.49%	(.04)%	.36%	.12%	.22% ^K
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 4,064	\$ 3,061	\$ 20,051	\$ 5,063	\$ 5,409	\$ 2,667
Portfolio turnover rate ^G	172% ^A	161%	109%	114%	79%	72%

^A Annualized ^B Total returns for periods of less than one year are not annualized. ^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^D Total returns would have been lower had certain expenses not been reduced during the periods shown. ^E Calculated based on average shares outstanding during the period. ^F 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. ^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds. ^H Investment income per share reflects a special dividend which amounted to \$.08 per share. ^I 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. ^J Amount represents less than \$.01 per share. ^K As a result in the change in the estimate of the return of capital components of dividend income realized in the year ended December 31, 2003, net investment income per share and the ratio of net investment income to average net assets for the year ended December 31, 2004 have been reduced by \$.01 per share and .02%, respectively. The change in estimate has no impact on total net assets or total return of the class. ^L Total distributions of \$.007 per share is comprised of distributions from net investment income of \$.004 and distributions from net realized gain of \$.003 per share.

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

Financial Highlights — Investor Class

	Six months ended June 30, 2009 (Unaudited)	2008	Years ended December 31, 2007	2006	2005 ^H
Selected Per-Share Data					
Net asset value, beginning of period	\$ 23.48	\$ 45.00	\$ 35.78	\$ 33.67	\$ 32.60
Income from Investment Operations					
Net investment income (loss) ^E	.06	.24	.04	.17	.03
Net realized and unrealized gain (loss)	.97	(21.49)	9.50	2.08	1.04
Total from investment operations	1.03	(21.25)	9.54	2.25	1.07
Distributions from net investment income	— ^J	(.27)	(.28)	(.14)	—
Distributions from net realized gain	— ^J	—	(.04)	—	—
Total distributions	(.01) ^K	(.27)	(.32)	(.14)	—
Redemption fees added to paid in capital ^{E,J}	—	—	—	—	—
Net asset value, end of period	\$ 24.50	\$ 23.48	\$ 45.00	\$ 35.78	\$ 33.67
Total Return^{B,C,D}	4.38%	(47.22)%	26.81%	6.72%	3.28%
Ratios to Average Net Assets^{F,I}					
Expenses before reductions	.81% ^A	.77%	.76%	.81%	.83% ^A
Expenses net of fee waivers, if any	.81% ^A	.77%	.76%	.81%	.83% ^A
Expenses net of all reductions	.81% ^A	.76%	.76%	.80%	.79% ^A
Net investment income (loss)	.57% ^A	.65%	.09%	.49%	.23% ^A
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 81,258	\$ 93,428	\$ 181,705	\$ 76,965	\$ 24,166
Portfolio turnover rate ^G	172% ^A	161%	109%	114%	79%

^A Annualized. ^B Total returns for periods of less than one year are not annualized. ^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^D Total returns would have been lower had certain expenses not been reduced during the periods shown. ^E Calculated based on average shares outstanding during the period. ^F 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. ^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds. ^H For the period July 21, 2005 (commencement of sale of shares) to December 31, 2005. ^I 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. 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. ^J Amount represents less than \$.01 per share. ^K Total distributions of \$.007 per share is comprised of distributions from net investment income of \$.004 and distributions from net realized gain of \$.003 per share.

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

Notes to Financial Statements

For the period ended June 30, 2009 (Unaudited)

1. Organization.

VIP Growth 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 SEC's web site at www.sec.gov. In addition, the financial statements of the Fidelity Central Funds are available on the SEC's 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, which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Events or transactions occurring after period end through the date that the financial statements were issued, August 10, 2009, have been evaluated in the preparation of the financial statements. 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. Generally Accepted Accounting Principles (GAAP) establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are classified into three levels. Level 1 includes readily available unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes observable inputs other than quoted prices included in Level 1 that are observable either directly or indirectly. Level 3 includes unobservable inputs when market prices are not readily available or reliable. Changes in valuation techniques may result in transfers in or out of an investment's assigned level within the hierarchy. The aggregate value by input level, as of June 30, 2009, for the Fund's investments is included at the end of the Fund's Schedule of Investments. Valuation techniques of the Fund's major categories of assets and liabilities as presented in the Schedule of Investments 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. 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. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value each business day. 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.

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 significant market or security specific events, changes in interest rates and credit quality, and developments in foreign markets which are monitored by evaluating the performance of ADRs, futures contracts and exchange-traded funds. The frequency with which these procedures are used cannot be predicted and may be utilized to a significant extent. The value of securities used for net asset value (NAV) calculation under these procedures may differ from published prices for the same securities.

Foreign Currency. The Fund uses foreign currency contracts to facilitate transactions in foreign-denominated securities. 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.

3. Significant Accounting Policies – continued

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.

Expenses. Most expenses of the trust can be directly attributed to a fund. Expenses which cannot be directly attributed are apportioned among 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 must defer receipt of a portion of, and may elect to defer receipt of an additional 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. The Fund is subject to the provisions of FASB Interpretation No. 48, Accounting for Uncertainties in Income Taxes (FIN 48). FIN 48 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. There are no unrecognized tax benefits in the accompanying financial statements. 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 generally accepted accounting principles.

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.

Book-tax differences are primarily due to short-term gain distributions from the underlying funds, futures transactions, foreign currency transactions, partnerships (including allocations from Fidelity Central Funds), deferred trustees compensation, capital loss carryforwards and losses deferred due to wash sales.

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

Unrealized appreciation	\$	198,400,031
Unrealized depreciation		(382,293,768)
Net unrealized appreciation (depreciation)	\$	<u>(183,893,737)</u>
Cost for federal income tax purposes	\$	3,398,382,120

Trading (Redemption) Fees. Service Class 2R 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. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$2,607,977,191 and \$2,564,665,640, respectively.

5. 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 .30% of the Fund's average net assets and a group fee rate that averaged .27% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by FMR.

Notes to Financial Statements (Unaudited) – continued

5. Fees and Other Transactions with Affiliates – continued

Management Fee – continued

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 .57% 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	\$	182,677
Service Class 2		540,058
Service Class 2 R		4,868
	\$	<u>727,603</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	\$	940,726
Service Class		158,564
Service Class 2		189,780
Service Class 2R		1,625
Investor Class		82,290
	\$	<u>1,372,985</u>

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 \$66,044 for the period.

6. Committed Line of Credit.

The Fund participates with other funds managed by FMR in a \$3.5 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 \$9,947 and is reflected in Miscellaneous Expense on the Statement of Operations. During the period, there were no borrowings on this line of credit.

7. 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 \$409,143.

8. 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 \$36,840 for the period. In addition, through arrangements with the Fund's custodian, credits realized as a result of uninvested cash balances were used to reduce the Fund's expenses. During the period, these credits reduced the Fund's custody expenses by \$643.

9. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2009	Year ended December 31, 2008
From net investment income		
Initial Class	\$ 389,093	\$ 29,994,939
Service Class	65,926	4,447,535
Service Class 2	76,993	4,070,779
Service Class 2R	707	18,979
Investor Class	15,281	1,056,574
Total	<u>\$ 548,000</u>	<u>\$ 39,588,806</u>
From net realized gain		
Initial Class	\$ 291,821	\$ —
Service Class	49,445	—
Service Class 2	57,745	—
Service Class 2R	531	—
Investor Class	11,457	—
Total	<u>\$ 410,999</u>	<u>\$ —</u>

10. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2009	Year ended December 31, 2008	Six months ended June 30, 2009	Year ended December 31, 2008
Initial Class				
Shares sold	1,726,400	3,905,978	\$ 39,797,260	\$ 138,026,441
Reinvestment of distributions	30,480	1,288,996	680,914	29,994,938
Shares redeemed	(8,413,248)	(38,869,099)	(188,311,875)	(1,490,052,456)
Net increase (decrease)	<u>(6,656,368)</u>	<u>(33,674,125)</u>	<u>\$ (147,833,701)</u>	<u>\$ (1,322,031,077)</u>
Service Class				
Shares sold	330,392	1,299,183	\$ 7,500,653	\$ 44,341,627
Reinvestment of distributions	5,178	191,539	115,371	4,447,535
Shares redeemed	(1,818,080)	(5,299,957)	(40,610,682)	(193,461,539)
Net increase (decrease)	<u>(1,482,510)</u>	<u>(3,809,235)</u>	<u>\$ (32,994,658)</u>	<u>\$ (144,672,377)</u>
Service Class 2				
Shares sold	1,804,846	4,426,611	\$ 39,916,662	\$ 159,010,524
Reinvestment of distributions	6,091	176,530	134,738	4,070,779
Shares redeemed	(2,497,375)	(5,522,476)	(55,816,320)	(198,453,754)
Net increase (decrease)	<u>(686,438)</u>	<u>(919,335)</u>	<u>\$ (15,764,920)</u>	<u>\$ (35,372,451)</u>
Service Class 2R				
Shares sold	54,755	101,959	\$ 1,295,791	\$ 4,039,975
Reinvestment of distributions	56	825	1,238	18,979
Shares redeemed	(18,875)	(422,581)	(414,695)	(16,348,368)
Net increase (decrease)	<u>35,936</u>	<u>(319,797)</u>	<u>\$ 882,334</u>	<u>\$ (12,289,414)</u>
Investor Class				
Shares sold	128,074	2,298,287	\$ 2,942,543	\$ 86,244,669
Reinvestment of distributions	1,200	45,483	26,738	1,056,574
Shares redeemed	(791,930)	(2,402,506)	(17,842,371)	(89,936,741)
Net increase (decrease)	<u>(662,656)</u>	<u>(58,736)</u>	<u>\$ (14,873,090)</u>	<u>\$ (2,635,498)</u>

11. 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 15% of the total outstanding shares of the Fund and two otherwise unaffiliated shareholders were the owners of record of 36% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Adviser

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

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 Bank of New York Mellon
New York, NY