

Fidelity® Variable Insurance Products: Index 500 Portfolio



Semiannual Report
June 30, 2009



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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.

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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, 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.

	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	.10%			
Actual		\$ 1,000.00	\$ 1,032.70	\$.50
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class	.20%			
Actual		\$ 1,000.00	\$ 1,032.30	\$ 1.01
Hypothetical ^A		\$ 1,000.00	\$ 1,023.80	\$ 1.00
Service Class 2	.35%			
Actual		\$ 1,000.00	\$ 1,031.50	\$ 1.76
Hypothetical ^A		\$ 1,000.00	\$ 1,023.06	\$ 1.76

^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
Exxon Mobil Corp.	4.2	5.0
Microsoft Corp.	2.2	1.8
Johnson & Johnson	1.9	2.0
Procter & Gamble Co.	1.8	2.3
AT&T, Inc.	1.8	2.1
International Business Machines Corp.	1.7	1.4
JPMorgan Chase & Co.	1.6	1.4
Chevron Corp.	1.6	1.8
Apple, Inc.	1.6	0.9
General Electric Co.	1.5	2.1
	<u>19.9</u>	

Market Sectors as of June 30, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	18.1	14.8
Health Care	13.7	14.3
Financials	13.4	12.8
Energy	12.2	12.8
Consumer Staples	11.8	12.4
Industrials	9.6	10.7
Consumer Discretionary	8.8	8.1
Utilities	4.0	4.1
Telecommunication Services	3.5	3.7
Materials	3.2	2.9

Asset Allocation

To match the Standard & Poor's 500 Index®, the VIP Index 500 Portfolio seeks 100% investment exposure to stocks at all times.

Investments June 30, 2009 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 98.3%

	Shares	Value
CONSUMER DISCRETIONARY – 8.8%		
Auto Components – 0.2%		
Johnson Controls, Inc. (d)	125,809	\$ 2,732,571
The Goodyear Tire & Rubber Co. (a)(d)	51,196	576,467
		<u>3,309,038</u>
Automobiles – 0.3%		
Ford Motor Co. (a)	681,322	4,135,625
Harley-Davidson, Inc. (d)	49,635	804,583
		<u>4,940,208</u>
Distributors – 0.1%		
Genuine Parts Co.	33,756	1,132,851
Diversified Consumer Services – 0.2%		
Apollo Group, Inc. Class A (non-vtg.) (a)(d)	22,812	1,622,389
DeVry, Inc.	13,039	652,472
H&R Block, Inc.	71,910	1,239,009
		<u>3,513,870</u>
Hotels, Restaurants & Leisure – 1.5%		
Carnival Corp. unit	92,755	2,390,296
Darden Restaurants, Inc.	29,030	957,409
International Game Technology (d)	62,728	997,375
Marriott International, Inc. Class A (d)	62,844	1,386,967
McDonald's Corp. (d)	233,563	13,427,537
Starbucks Corp. (a)(d)	155,794	2,163,979
Starwood Hotels & Resorts Worldwide, Inc. (d)	39,516	877,255
Wyndham Worldwide Corp.	37,700	456,924
Wynn Resorts Ltd. (a)(d)	14,329	505,814
Yum! Brands, Inc.	97,720	3,257,985
		<u>26,421,541</u>
Household Durables – 0.4%		
Black & Decker Corp. (d)	12,728	364,784
Centex Corp.	26,354	222,955
D.R. Horton, Inc.	58,371	546,353
Fortune Brands, Inc. (d)	31,798	1,104,663
Harman International Industries, Inc. (d)	14,677	275,928
KB Home	15,662	214,256
Leggett & Platt, Inc.	33,187	505,438
Lennar Corp. Class A	29,889	289,624
Newell Rubbermaid, Inc. (d)	58,770	611,796
Pulte Homes, Inc. (d)	45,435	401,191
Snap-On, Inc.	12,196	350,513
The Stanley Works	16,741	566,515
Whirlpool Corp. (d)	15,629	665,170
		<u>6,119,186</u>
Internet & Catalog Retail – 0.4%		
Amazon.com, Inc. (a)(d)	68,219	5,707,202
Expedia, Inc. (a)	44,544	673,060
		<u>6,380,262</u>

Leisure Equipment & Products – 0.1%

	Shares	Value
Eastman Kodak Co. (d)	56,778	\$ 168,063
Hasbro, Inc.	26,347	638,651
Mattel, Inc. (d)	75,904	1,218,259
		<u>2,024,973</u>

Media – 2.5%

	Shares	Value
CBS Corp. Class B	143,851	995,449
Comcast Corp. Class A	610,428	8,845,102
Gannett Co., Inc. (d)	49,208	175,673
Interpublic Group of Companies, Inc. (a)(d)	101,278	511,454
McGraw-Hill Companies, Inc. (d)	66,582	2,004,784
Meredith Corp. (d)	7,621	194,717
News Corp. Class A	486,983	4,436,415
Omnicom Group, Inc. (d)	65,808	2,078,217
Scripps Networks Interactive, Inc. Class A	19,153	533,028
The DIRECTV Group, Inc. (a)(d)	110,965	2,741,945
The New York Times Co. Class A (d)	24,688	136,031
The Walt Disney Co.	393,085	9,170,673
Time Warner Cable, Inc. (d)	74,591	2,362,297
Time Warner, Inc.	253,296	6,380,526
Viacom, Inc. Class B (non-vtg.) (a)(d)	128,387	2,914,385
Washington Post Co. Class B	1,274	448,677
		<u>43,929,373</u>

Multiline Retail – 0.8%

	Shares	Value
Big Lots, Inc. (a)(d)	17,481	367,625
Family Dollar Stores, Inc.	29,689	840,199
JCPenney Co., Inc.	47,053	1,350,892
Kohl's Corp. (a)	64,652	2,763,873
Macy's, Inc.	89,036	1,047,063
Nordstrom, Inc. (d)	33,895	674,172
Sears Holdings Corp. (a)(d)	11,426	760,058
Target Corp. (d)	159,262	6,286,071
		<u>14,089,953</u>

Specialty Retail – 1.9%

	Shares	Value
Abercrombie & Fitch Co. Class A (d)	18,604	472,356
AutoNation, Inc. (a)(d)	22,872	396,829
AutoZone, Inc. (a)(d)	7,642	1,154,783
Bed Bath & Beyond, Inc. (a)(d)	54,972	1,690,389
Best Buy Co., Inc.	72,266	2,420,188
Gamestop Corp. Class A (a)(d)	34,851	767,071
Gap, Inc.	97,364	1,596,770
Home Depot, Inc. (d)	359,112	8,485,817
Limited Brands, Inc. (d)	57,185	684,504
Lowe's Companies, Inc.	312,589	6,067,352
O'Reilly Automotive, Inc. (a)(d)	28,719	1,093,620
Office Depot, Inc. (a)	58,156	265,191
RadioShack Corp. (d)	26,491	369,814
Sherwin-Williams Co.	20,823	1,119,236
Staples, Inc.	151,440	3,054,545

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
CONSUMER DISCRETIONARY – continued		
Specialty Retail – continued		
Tiffany & Co., Inc. (d)	26,267	\$ 666,131
TJX Companies, Inc. (d)	87,548	2,754,260
		<u>33,058,856</u>
Textiles, Apparel & Luxury Goods – 0.4%		
Coach, Inc. (d)	67,234	1,807,250
NIKE, Inc. Class B (d)	82,032	4,247,617
Polo Ralph Lauren Corp. Class A	11,968	640,767
VF Corp. (d)	18,734	1,036,927
		<u>7,732,561</u>
TOTAL CONSUMER DISCRETIONARY		<u>152,652,672</u>

CONSUMER STAPLES – 11.8%

Beverages – 2.6%

Brown-Forman Corp. Class B (non-vtg.) (d)	20,670	888,397
Coca-Cola Enterprises, Inc.	67,135	1,117,798
Constellation Brands, Inc. Class A (sub. vtg.) (a)	41,640	527,995
Dr Pepper Snapple Group, Inc. (a)(d) .	53,744	1,138,835
Molson Coors Brewing Co. Class B ...	31,561	1,335,977
Pepsi Bottling Group, Inc.	28,930	978,991
PepsiCo, Inc. (d)	329,582	18,113,827
The Coca-Cola Co.	421,485	20,227,065
		<u>44,328,885</u>

Food & Staples Retailing – 3.0%

Costco Wholesale Corp. (d)	91,886	4,199,190
CVS Caremark Corp.	308,219	9,822,940
Kroger Co.	138,104	3,045,193
Safeway, Inc. (d)	90,166	1,836,681
SUPERVALU, Inc. (d)	44,797	580,121
Sysco Corp.	124,884	2,807,392
Wal-Mart Stores, Inc.	472,447	22,885,333
Walgreen Co.	209,951	6,172,559
Whole Foods Market, Inc. (d)	29,731	564,294
		<u>51,913,703</u>

Food Products – 1.7%

Archer Daniels Midland Co.	135,915	3,638,445
Campbell Soup Co. (d)	42,274	1,243,701
ConAgra Foods, Inc.	94,681	1,804,620
Dean Foods Co. (a)	37,475	719,145
General Mills, Inc.	69,647	3,901,625
H.J. Heinz Co.	66,609	2,377,941
Hershey Co. (d)	35,086	1,263,096
Hormel Foods Corp.	14,780	510,501
Kellogg Co. (d)	53,450	2,489,167
Kraft Foods, Inc. Class A	311,788	7,900,708
McCormick & Co., Inc. (non-vtg.)	27,586	897,373
Sara Lee Corp.	147,269	1,437,345

	Shares	Value
The J.M. Smucker Co.	25,072	\$ 1,220,004
Tyson Foods, Inc. Class A	63,949	806,397
		<u>30,210,068</u>

Household Products – 2.6%

Clorox Co. (d)	29,439	1,643,579
Colgate-Palmolive Co. (d)	105,761	7,481,533
Kimberly-Clark Corp.	87,690	4,597,587
Procter & Gamble Co.	617,060	31,531,766
		<u>45,254,465</u>

Personal Products – 0.2%

Avon Products, Inc. (d)	90,379	2,329,971
Estee Lauder Companies, Inc. Class A (d)	24,568	802,637
		<u>3,132,608</u>

Tobacco – 1.7%

Altria Group, Inc.	437,733	7,174,444
Lorillard, Inc.	35,602	2,412,748
Philip Morris International, Inc.	415,277	18,114,383
Reynolds American, Inc.	35,772	1,381,515
		<u>29,083,090</u>

TOTAL CONSUMER STAPLES 203,922,819

ENERGY – 12.2%

Energy Equipment & Services – 1.8%

Baker Hughes, Inc. (d)	65,587	2,389,990
BJ Services Co. (d)	61,833	842,784
Cameron International Corp. (a)(d) ...	45,935	1,299,961
Diamond Offshore Drilling, Inc. (d) ...	14,714	1,221,998
ENSCO International, Inc. (d)	30,020	1,046,797
FMC Technologies, Inc. (a)(d)	26,164	983,243
Halliburton Co. (d)	189,924	3,931,427
Nabors Industries Ltd. (a)(d)	59,921	933,569
National Oilwell Varco, Inc. (a)	88,525	2,891,227
Rowan Companies, Inc.	23,939	462,501
Schlumberger Ltd. (NY Shares)	253,286	13,705,305
Smith International, Inc. (d)	46,428	1,195,521
		<u>30,904,323</u>

Oil, Gas & Consumable Fuels – 10.4%

Anadarko Petroleum Corp.	105,682	4,796,906
Apache Corp.	70,961	5,119,836
Cabot Oil & Gas Corp.	21,941	672,272
Chesapeake Energy Corp.	119,308	2,365,878
Chevron Corp.	424,401	28,116,566
ConocoPhillips	313,654	13,192,287
CONSOL Energy, Inc.	38,242	1,298,698
Denbury Resources, Inc. (a)(d)	52,684	776,035
Devon Energy Corp.	93,976	5,121,692
El Paso Corp. (d)	148,407	1,369,797
EOG Resources, Inc. (d)	52,986	3,598,809
Exxon Mobil Corp.	1,033,063	72,221,428
Hess Corp.	60,235	3,237,631
Marathon Oil Corp. (d)	149,840	4,514,679

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

Common Stocks – continued

	Shares	Value
ENERGY – continued		
Oil, Gas & Consumable Fuels – continued		
Massey Energy Co. (d)	18,097	\$ 353,615
Murphy Oil Corp.	40,391	2,194,039
Noble Energy, Inc. (d)	36,699	2,164,140
Occidental Petroleum Corp.	171,604	11,293,259
Peabody Energy Corp.	56,601	1,707,086
Pioneer Natural Resources Co. (d)	24,131	615,341
Range Resources Corp. (d)	33,142	1,372,410
Southwestern Energy Co. (a)(d)	72,750	2,826,338
Spectra Energy Corp. (d)	136,545	2,310,341
Sunoco, Inc. (d)	24,748	574,154
Tesoro Corp. (d)	29,291	372,874
Valero Energy Corp. (d)	117,774	1,989,203
Williams Companies, Inc.	122,810	1,917,064
XTO Energy, Inc.	122,725	4,680,732
		<u>180,773,110</u>
TOTAL ENERGY		<u>211,677,433</u>

FINANCIALS – 13.4%

Capital Markets – 3.0%

Ameriprise Financial, Inc.	53,947	1,309,294
Bank of New York Mellon Corp.	253,084	7,417,892
Charles Schwab Corp.	198,804	3,487,022
E*TRADE Financial Corp. (a)(d)	213,229	272,933
Federated Investors, Inc. Class B (non-vtg.) (d)	18,946	456,409
Franklin Resources, Inc.	31,895	2,296,759
Goldman Sachs Group, Inc.	106,577	15,713,713
Invesco Ltd. (d)	87,078	1,551,730
Janus Capital Group, Inc. (d)	34,138	389,173
Legg Mason, Inc. (d)	30,298	738,665
Morgan Stanley (d)	286,160	8,158,422
Northern Trust Corp.	51,012	2,738,324
State Street Corp.	104,529	4,933,769
T. Rowe Price Group, Inc. (d)	54,086	2,253,764
		<u>51,717,869</u>

Commercial Banks – 2.6%

BB&T Corp.	136,951	3,010,183
Comerica, Inc. (d)	31,993	676,652
Fifth Third Bancorp	155,581	1,104,625
First Horizon National Corp. (d)	45,503	546,036
Huntington Bancshares, Inc.	115,083	481,047
KeyCorp	149,870	785,319
M&T Bank Corp. (d)	17,319	882,057
Marshall & Ilsley Corp. (d)	74,589	358,027
PNC Financial Services Group, Inc. (d)	97,444	3,781,802
Regions Financial Corp.	244,527	987,889
SunTrust Banks, Inc.	98,378	1,618,318
U.S. Bancorp, Delaware	401,768	7,199,683

	Shares	Value
Wells Fargo & Co. (d)	985,705	\$ 23,913,203
Zions Bancorp	24,409	282,168
		<u>45,627,009</u>

Consumer Finance – 0.6%

American Express Co.	251,385	5,842,187
Capital One Financial Corp. (d)	95,661	2,093,063
Discover Financial Services	101,958	1,047,109
SLM Corp. (a)(d)	98,970	1,016,422
		<u>9,998,781</u>

Diversified Financial Services – 3.7%

Bank of America Corp.	1,712,148	22,600,354
CIT Group, Inc. (d)	82,332	177,014
Citigroup, Inc. (d)	1,167,092	3,466,263
CME Group, Inc.	14,049	4,370,784
IntercontinentalExchange, Inc. (a)	15,418	1,761,352
JPMorgan Chase & Co.	825,899	28,171,415
Leucadia National Corp. (a)(d)	38,374	809,308
Moody's Corp. (d)	40,418	1,065,014
NYSE Euronext (d)	55,044	1,499,949
The NASDAQ Stock Market, Inc. (a)(d)	29,098	620,078
		<u>64,541,531</u>

Insurance – 2.3%

AFLAC, Inc. (d)	98,961	3,076,697
Allstate Corp. (d)	113,551	2,770,644
American International Group, Inc. (d)	569,660	660,806
Aon Corp. (d)	58,601	2,219,220
Assurant, Inc. (d)	24,929	600,540
Cincinnati Financial Corp.	34,415	769,175
Genworth Financial, Inc. Class A (non-vtg.) (d)	91,711	641,060
Hartford Financial Services Group, Inc. (d)	68,896	817,796
Lincoln National Corp.	62,684	1,078,792
Loews Corp. (d)	76,469	2,095,251
Marsh & McLennan Companies, Inc.	110,624	2,226,861
MBIA, Inc. (a)	36,081	156,231
MetLife, Inc. (d)	173,283	5,200,223
Principal Financial Group, Inc.	65,771	1,239,126
Progressive Corp. (a)(d)	144,175	2,178,484
Prudential Financial, Inc.	97,990	3,647,188
The Chubb Corp.	74,544	2,972,815
The Travelers Companies, Inc. (d)	123,939	5,086,457
Torchmark Corp.	17,515	648,756
Unum Group (d)	70,133	1,112,309
XL Capital Ltd. Class A (d)	72,424	829,979
		<u>40,028,410</u>

Real Estate Investment Trusts – 1.0%

Apartment Investment & Management Co. Class A	24,792	219,409
AvalonBay Communities, Inc.	16,915	946,225
Boston Properties, Inc.	29,325	1,398,803
Equity Residential (SBI)	57,974	1,288,762
HCP, Inc. (d)	57,684	1,222,324

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Real Estate Investment Trusts – continued		
Health Care REIT, Inc. (d)	23,527	\$ 802,271
Host Hotels & Resorts, Inc. (d)	127,279	1,067,871
Kimco Realty Corp.	68,521	688,636
Plum Creek Timber Co., Inc. (d)	34,467	1,026,427
ProLogis Trust (d)	93,704	755,254
Public Storage (d)	26,553	1,738,690
Simon Property Group, Inc. (d)	58,795	3,023,827
Ventas, Inc. (d)	33,134	989,381
Vornado Realty Trust (d)	33,606	1,513,278
		<u>16,681,158</u>
Real Estate Management & Development – 0.0%		
CB Richard Ellis Group, Inc. Class A (a)(d)	50,092	468,861
Thrifts & Mortgage Finance – 0.2%		
Hudson City Bancorp, Inc.	110,403	1,467,256
People's United Financial, Inc. (d)	73,735	1,108,974
		<u>2,576,230</u>
TOTAL FINANCIALS		<u>231,639,849</u>
HEALTH CARE – 13.7%		
Biotechnology – 1.9%		
Amgen, Inc. (a)	214,325	11,346,366
Biogen Idec, Inc. (a)(d)	61,090	2,758,214
Celgene Corp. (a)(d)	97,446	4,661,817
Cephalon, Inc. (a)(d)	15,631	885,496
Genzyme Corp. (a)	57,111	3,179,369
Gilead Sciences, Inc. (a)(d)	191,889	8,988,081
		<u>31,819,343</u>
Health Care Equipment & Supplies – 2.0%		
Baxter International, Inc. (d)	128,087	6,783,488
Becton, Dickinson & Co.	50,711	3,616,201
Boston Scientific Corp. (a)(d)	318,915	3,233,798
C.R. Bard, Inc. (d)	21,023	1,565,162
DENTSPLY International, Inc.	31,444	959,671
Hospira, Inc. (a)(d)	33,974	1,308,678
Intuitive Surgical, Inc. (a)	8,014	1,311,571
Medtronic, Inc.	236,735	8,259,684
St. Jude Medical, Inc. (a)	73,325	3,013,658
Stryker Corp. (d)	50,447	2,004,764
Varian Medical Systems, Inc. (a)(d) ...	26,539	932,580
Zimmer Holdings, Inc. (a)	45,537	1,939,876
		<u>34,929,131</u>
Health Care Providers & Services – 2.1%		
Aetna, Inc.	94,611	2,370,006
AmerisourceBergen Corp.	63,932	1,134,154
Cardinal Health, Inc.	76,227	2,328,735
CIGNA Corp. (d)	57,748	1,391,149
Coventry Health Care, Inc. (a)(d)	31,424	587,943
DaVita, Inc. (a)	21,892	1,082,778

	Shares	Value
Express Scripts, Inc. (a)(d)	57,408	\$ 3,946,800
Humana, Inc. (a)	35,909	1,158,424
Laboratory Corp. of America Holdings (a)(d)	22,928	1,554,289
McKesson Corp. (d)	57,461	2,528,284
Medco Health Solutions, Inc. (a)	102,121	4,657,739
Patterson Companies, Inc. (a)(d)	19,365	420,221
Quest Diagnostics, Inc.	31,788	1,793,797
Tenet Healthcare Corp. (a)	88,396	249,277
UnitedHealth Group, Inc. (d)	251,826	6,290,613
WellPoint, Inc. (a)	102,601	5,221,365
		<u>36,715,574</u>
Health Care Technology – 0.0%		
IMS Health, Inc.	38,480	488,696
Life Sciences Tools & Services – 0.4%		
Life Technologies Corp. (a)	36,979	1,542,764
Millipore Corp. (a)	11,735	823,914
PerkinElmer, Inc. (d)	24,680	429,432
Thermo Fisher Scientific, Inc. (a)(d) ...	88,559	3,610,550
Waters Corp. (a)(d)	20,409	1,050,451
		<u>7,457,111</u>
Pharmaceuticals – 7.3%		
Abbott Laboratories	327,183	15,390,688
Allergan, Inc.	65,102	3,097,553
Bristol-Myers Squibb Co.	419,365	8,517,303
Eli Lilly & Co. (d)	214,063	7,415,142
Forest Laboratories, Inc. (a)(d)	63,854	1,603,374
Johnson & Johnson	583,370	33,135,416
King Pharmaceuticals, Inc. (a)(d)	52,496	505,536
Merck & Co., Inc. (d)	446,418	12,481,847
Mylan, Inc. (a)(d)	64,579	842,756
Pfizer, Inc. (d)	1,428,587	21,428,805
Schering-Plough Corp.	344,728	8,659,567
Watson Pharmaceuticals, Inc. (a)(d) ...	22,316	751,826
Wyeth	282,322	12,814,596
		<u>126,644,409</u>
TOTAL HEALTH CARE		<u>238,054,264</u>
INDUSTRIALS – 9.6%		
Aerospace & Defense – 2.7%		
General Dynamics Corp.	81,511	4,514,894
Goodrich Corp.	26,221	1,310,263
Honeywell International, Inc.	157,477	4,944,778
ITT Corp.	38,530	1,714,585
L-3 Communications Holdings, Inc. (d) ..	24,675	1,711,952
Lockheed Martin Corp. (d)	69,157	5,577,512
Northrop Grumman Corp.	68,480	3,128,166
Precision Castparts Corp.	29,652	2,165,486
Raytheon Co.	83,427	3,706,662
Rockwell Collins, Inc.	33,531	1,399,249

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

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Aerospace & Defense – continued		
The Boeing Co. (d)	153,740	\$ 6,533,950
United Technologies Corp.	199,435	10,362,643
		<u>47,070,140</u>
Air Freight & Logistics – 1.0%		
C.H. Robinson Worldwide, Inc. (d) ...	35,895	1,871,924
Expeditors International of Washington, Inc. (d)	44,955	1,498,800
FedEx Corp. (d)	65,916	3,666,248
United Parcel Service, Inc. Class B	210,656	10,530,693
		<u>17,567,665</u>
Airlines – 0.1%		
Southwest Airlines Co.	156,835	1,055,500
Building Products – 0.0%		
Masco Corp. (d)	76,066	728,712
Commercial Services & Supplies – 0.5%		
Avery Dennison Corp. (d)	23,867	612,905
Cintas Corp. (d)	27,818	635,363
Iron Mountain, Inc. (a)(d)	38,130	1,096,238
Pitney Bowes, Inc.	43,694	958,209
R.R. Donnelley & Sons Co.	43,448	504,866
Republic Services, Inc.	68,165	1,663,908
Stericycle, Inc. (a)(d)	17,978	926,406
Waste Management, Inc.	104,160	2,933,146
		<u>9,331,041</u>
Construction & Engineering – 0.2%		
Fluor Corp. (d)	38,073	1,952,764
Jacobs Engineering Group, Inc. (a)(d) .	26,136	1,100,064
Quanta Services, Inc. (a)	41,277	954,737
		<u>4,007,565</u>
Electrical Equipment – 0.4%		
Cooper Industries Ltd. Class A	35,244	1,094,326
Emerson Electric Co. (d)	159,084	5,154,322
Rockwell Automation, Inc. (d)	30,026	964,435
		<u>7,213,083</u>
Industrial Conglomerates – 2.1%		
3M Co. (d)	147,005	8,835,001
General Electric Co.	2,241,875	26,274,775
Textron, Inc.	56,905	549,702
		<u>35,659,478</u>
Machinery – 1.4%		
Caterpillar, Inc. (d)	127,386	4,208,833
Cummins, Inc. (d)	42,726	1,504,382
Danaher Corp.	53,984	3,332,972
Deere & Co.	89,499	3,575,485
Dover Corp.	39,381	1,303,117
Eaton Corp. (d)	35,058	1,563,937
Flowsolve Corp.	11,861	828,016
Illinois Tool Works, Inc.	81,396	3,039,327

	Shares	Value
Manitowoc Co., Inc. (d)	27,596	\$ 145,155
PACCAR, Inc. (d)	76,888	2,499,629
Pall Corp.	24,967	663,124
Parker Hannifin Corp.	33,981	1,459,824
		<u>24,123,801</u>
Professional Services – 0.2%		
Dun & Bradstreet Corp. (d)	11,257	914,181
Equifax, Inc.	26,725	697,523
Monster Worldwide, Inc. (a)(d)	26,685	315,150
Robert Half International, Inc. (d)	32,351	764,131
		<u>2,690,985</u>
Road & Rail – 0.9%		
Burlington Northern Santa Fe Corp. (d)	58,947	4,334,962
CSX Corp.	82,874	2,869,927
Norfolk Southern Corp. (d)	77,704	2,927,110
Ryder System, Inc.	11,832	330,349
Union Pacific Corp. (d)	106,722	5,555,947
		<u>16,018,295</u>
Trading Companies & Distributors – 0.1%		
Fastenal Co. (d)	27,357	907,432
W.W. Grainger, Inc. (d)	13,174	1,078,687
		<u>1,986,119</u>
TOTAL INDUSTRIALS		<u>167,452,384</u>
INFORMATION TECHNOLOGY – 18.1%		
Communications Equipment – 2.7%		
Ciena Corp. (a)(d)	19,297	199,724
Cisco Systems, Inc. (a)	1,221,094	22,761,192
Harris Corp. (d)	28,028	794,874
JDS Uniphase Corp. (a)	46,672	266,964
Juniper Networks, Inc. (a)(d)	110,756	2,613,842
Motorola, Inc. (d)	485,316	3,217,645
QUALCOMM, Inc.	350,378	15,837,086
Tellabs, Inc. (a)(d)	83,786	480,094
		<u>46,171,421</u>
Computers & Peripherals – 5.3%		
Apple, Inc. (a)	188,865	26,900,042
Dell, Inc. (a)(d)	368,164	5,054,892
EMC Corp. (a)	426,165	5,582,762
Hewlett-Packard Co.	505,186	19,525,439
International Business Machines Corp. (d)	279,748	29,211,286
Lexmark International, Inc. Class A (a)(d)	16,530	262,001
NetApp, Inc. (a)(d)	70,020	1,380,794
QLogic Corp. (a)	25,158	319,003
SanDisk Corp. (a)(d)	48,027	705,517
Sun Microsystems, Inc. (a)	157,986	1,456,631
Teradata Corp. (a)(d)	36,562	856,648
Western Digital Corp. (a)	47,128	1,248,892
		<u>92,503,907</u>
Electronic Equipment & Components – 0.5%		
Agilent Technologies, Inc. (a)(d)	72,690	1,476,334

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
INFORMATION TECHNOLOGY – continued		
Electronic Equipment & Components – continued		
Amphenol Corp. Class A	36,263	\$ 1,147,361
Corning, Inc. (d)	328,964	5,283,162
FLIR Systems, Inc. (a)(d)	31,808	717,588
Jabil Circuit, Inc.	45,256	335,800
Molex, Inc.	29,347	456,346
		<u>9,416,591</u>
Internet Software & Services – 1.8%		
Akamai Technologies, Inc. (a)(d)	36,588	701,758
eBay, Inc. (a)	228,798	3,919,310
Google, Inc. Class A (sub. vtg.) (a)	50,833	21,430,684
VeriSign, Inc. (a)	40,824	754,428
Yahoo!, Inc. (a)(d)	295,309	4,624,539
		<u>31,430,719</u>
IT Services – 1.0%		
Affiliated Computer Services, Inc. Class A (a)(d)	20,661	917,762
Automatic Data Processing, Inc.	106,201	3,763,763
Cognizant Technology Solutions Corp. Class A (a)	61,844	1,651,235
Computer Sciences Corp. (a)(d)	32,074	1,420,878
Convergys Corp. (a)	25,971	241,011
Fidelity National Information Services, Inc. (d)	40,490	808,180
Fiserv, Inc. (a)(d)	32,941	1,505,404
MasterCard, Inc. Class A	15,337	2,566,033
Paychex, Inc. (d)	67,986	1,713,247
The Western Union Co.	148,467	2,434,859
Total System Services, Inc. (d)	41,740	558,899
		<u>17,581,271</u>
Office Electronics – 0.1%		
Xerox Corp.	183,081	1,186,365
Semiconductors & Semiconductor Equipment – 2.5%		
Advanced Micro Devices, Inc. (a)(d)	118,670	459,253
Altera Corp. (d)	62,120	1,011,314
Analog Devices, Inc. (d)	61,659	1,527,910
Applied Materials, Inc. (d)	282,211	3,095,855
Broadcom Corp. Class A (a)	90,490	2,243,247
Intel Corp. (d)	1,182,377	19,568,339
KLA-Tencor Corp. (d)	35,966	908,142
Linear Technology Corp. (d)	47,055	1,098,734
LSI Corp. (a)	137,371	626,412
MEMC Electronic Materials, Inc. (a)(d)	47,314	842,662
Microchip Technology, Inc. (d)	38,714	873,001
Micron Technology, Inc. (a)(d)	179,256	907,035
National Semiconductor Corp. (d)	41,319	518,553
Novellus Systems, Inc. (a)	20,675	345,273
NVIDIA Corp. (a)(d)	115,634	1,305,508
Teradyne, Inc. (a)(d)	36,648	251,405

	Shares	Value
Texas Instruments, Inc. (d)	269,598	\$ 5,742,437
Xilinx, Inc. (d)	58,332	1,193,473
		<u>42,518,553</u>
Software – 4.2%		
Adobe Systems, Inc. (a)(d)	110,878	3,137,847
Autodesk, Inc. (a)(d)	48,356	917,797
BMC Software, Inc. (a)(d)	39,150	1,322,879
CA, Inc.	83,479	1,455,039
Citrix Systems, Inc. (a)(d)	38,312	1,221,770
Compuware Corp. (a)	51,226	351,410
Electronic Arts, Inc. (a)	68,371	1,485,018
Intuit, Inc. (a)	68,395	1,926,003
McAfee, Inc. (a)(d)	32,893	1,387,756
Microsoft Corp. (d)	1,620,346	38,515,624
Novell, Inc. (a)(d)	73,079	331,048
Oracle Corp.	801,814	17,174,856
Salesforce.com, Inc. (a)(d)	22,485	858,252
Symantec Corp. (a)	173,140	2,694,058
		<u>72,779,357</u>
TOTAL INFORMATION TECHNOLOGY		<u>313,588,184</u>

MATERIALS – 3.2%

Chemicals – 1.8%

Air Products & Chemicals, Inc.	44,422	2,869,217
CF Industries Holdings, Inc.	10,247	759,713
Dow Chemical Co.	227,778	3,676,337
E.I. du Pont de Nemours & Co.	191,294	4,900,952
Eastman Chemical Co.	15,379	582,864
Ecolab, Inc. (d)	35,546	1,385,939
International Flavors & Fragrances, Inc. (d)	16,660	545,115
Monsanto Co.	115,538	8,589,095
PPG Industries, Inc. (d)	34,826	1,528,861
Praxair, Inc. (d)	65,093	4,626,160
Sigma Aldrich Corp.	25,847	1,280,977
		<u>30,745,230</u>

Construction Materials – 0.1%

Vulcan Materials Co. (d)	25,799	1,111,937
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Containers & Packaging – 0.2%

Ball Corp. (d)	19,897	898,549
Bemis Co., Inc. (d)	21,154	533,081
Owens-Illinois, Inc. (a)	35,627	997,912
Pactiv Corp. (a)	27,931	606,103
Sealed Air Corp.	33,578	619,514
		<u>3,655,159</u>

Metals & Mining – 0.9%

AK Steel Holding Corp. (d)	23,134	443,941
Alcoa, Inc. (d)	206,260	2,130,666
Allegheny Technologies, Inc.	20,751	724,832
Freeport-McMoRan Copper & Gold, Inc. Class B (d)	87,171	4,368,139
Newmont Mining Corp. (d)	103,614	4,234,704

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

Common Stocks – continued

	Shares	Value
MATERIALS – continued		
Metals & Mining – continued		
Nucor Corp.	66,530	\$ 2,955,928
Titanium Metals Corp.	18,020	165,604
United States Steel Corp. (d)	30,345	1,084,530
		<u>16,108,344</u>
Paper & Forest Products – 0.2%		
International Paper Co.	91,501	1,384,410
MeadWestvaco Corp.	36,222	594,403
Weyerhaeuser Co.	44,746	1,361,621
		<u>3,340,434</u>
TOTAL MATERIALS		<u>54,961,104</u>
TELECOMMUNICATION SERVICES – 3.5%		
Diversified Telecommunication Services – 3.1%		
AT&T, Inc.	1,249,065	31,026,775
CenturyTel, Inc. (d)	21,377	656,274
Embarq Corp.	30,186	1,269,623
Frontier Communications Corp.	66,128	472,154
Qwest Communications International, Inc. (d)	313,190	1,299,739
Verizon Communications, Inc.	601,366	18,479,977
Windstream Corp.	92,463	772,991
		<u>53,977,533</u>
Wireless Telecommunication Services – 0.4%		
American Tower Corp. Class A (a)(d) .	84,194	2,654,637
MetroPCS Communications, Inc. (a) ...	53,613	713,589
Sprint Nextel Corp. (a)(d)	607,868	2,923,845
		<u>6,292,071</u>
TOTAL TELECOMMUNICATION SERVICES		<u>60,269,604</u>
UTILITIES – 4.0%		
Electric Utilities – 2.3%		
Allegheny Energy, Inc. (d)	35,863	919,886
American Electric Power Co., Inc.	100,933	2,915,954
Duke Energy Corp.	272,490	3,975,629
Edison International	68,976	2,169,985
Entergy Corp.	41,516	3,218,320
Exelon Corp.	139,462	7,141,849
FirstEnergy Corp. (d)	64,535	2,500,731
FPL Group, Inc.	86,967	4,944,944
Northeast Utilities (d)	37,076	827,166
Pepco Holdings, Inc.	46,573	625,941
Pinnacle West Capital Corp. (d)	21,400	645,210
PPL Corp.	79,612	2,624,012
Progress Energy, Inc.	59,074	2,234,769
Southern Co. (d)	165,646	5,161,529
		<u>39,905,925</u>

	Shares	Value
Gas Utilities – 0.1%		
EQT Corp.	27,712	\$ 967,426
Nicor, Inc.	9,572	331,383
Questar Corp.	36,848	1,144,499
		<u>2,443,308</u>
Independent Power Producers & Energy Traders – 0.2%		
AES Corp. (d)	141,137	1,638,601
Constellation Energy Group, Inc.	42,170	1,120,879
Dynegy, Inc. Class A (a)	107,237	243,428
		<u>3,002,908</u>
Multi-Utilities – 1.4%		
Ameren Corp.	45,212	1,125,327
CenterPoint Energy, Inc.	73,936	819,211
CMS Energy Corp. (d)	48,021	580,094
Consolidated Edison, Inc. (d)	58,093	2,173,840
Dominion Resources, Inc. (d)	124,898	4,174,091
DTE Energy Co.	34,694	1,110,208
Integrus Energy Group, Inc.	16,180	485,238
NiSource, Inc. (d)	58,133	677,831
PG&E Corp.	77,985	2,997,743
Public Service Enterprise Group, Inc. (d)	107,120	3,495,326
SCANA Corp.	25,791	837,434
Sempra Energy (d)	51,718	2,566,764
TECO Energy, Inc. (d)	45,068	537,661
Wisconsin Energy Corp. (d)	24,751	1,007,613
Xcel Energy, Inc.	96,467	1,775,957
		<u>24,364,338</u>
TOTAL UTILITIES		<u>69,716,479</u>

TOTAL COMMON STOCKS
(Cost \$1,407,402,885) **1,703,934,792**

U.S. Treasury Obligations – 0.4%

	Principal Amount
U.S. Treasury Bills, yield at date of purchase 0.26% to 0.74% 7/30/09 to 12/17/09 (e) (Cost \$6,370,814)	\$ 6,380,000
	6,374,709

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

Investments (Unaudited) – continued

Money Market Funds – 29.9%

	Shares	Value
Fidelity Cash Central Fund, 0.40% (b)	19,916,602	\$ 19,916,602
Fidelity Securities Lending Cash Central Fund, 0.22% (b)(c)	497,884,410	<u>497,884,410</u>
TOTAL MONEY MARKET FUNDS (Cost \$517,801,012)		<u>517,801,012</u>
TOTAL INVESTMENT PORTFOLIO – 128.6% (Cost \$1,931,574,711)		2,228,110,513
NET OTHER ASSETS – (28.6)%		<u>(495,467,140)</u>
NET ASSETS – 100%		<u>\$ 1,732,643,373</u>

Futures Contracts

	Expiration Date	Underlying Face Amount at Value	Unrealized Appreciation/ (Depreciation)
Purchased			
Equity Index Contracts			
125 CME S&P 500 Index Contracts	Sept. 2009	<u>\$ 28,609,375</u>	<u>\$ (545,354)</u>

The face value of futures purchased as a percentage of net assets – 1.7%

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	\$ 114,564
Fidelity Securities Lending Cash Central Fund	912,544
Total	<u>\$ 1,027,108</u>

Other Information

The following is a summary of the inputs used, as of June 30, 2009, 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 tables below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Equities:				
Consumer Discretionary	\$ 152,652,672	\$ 152,652,672	\$ —	\$ —
Consumer Staples	203,922,819	203,922,819	—	—
Energy	211,677,433	211,677,433	—	—
Financials	231,639,849	231,639,849	—	—
Health Care	238,054,264	238,054,264	—	—
Industrials	167,452,384	167,452,384	—	—
Information Technology	313,588,184	313,588,184	—	—
Materials	54,961,104	54,961,104	—	—
Telecommunication Services	60,269,604	60,269,604	—	—
Utilities	69,716,479	69,716,479	—	—
Money Market Funds	517,801,012	517,801,012	—	—
U.S. Government and Government Agency Obligations	6,374,709	—	6,374,709	—
Total Investments in Securities:	<u>\$ 2,228,110,513</u>	<u>\$ 2,221,735,804</u>	<u>\$ 6,374,709</u>	<u>\$ —</u>

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

Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
Derivative Instruments:				
Liabilities				
Futures Contracts	\$ (545,354)	\$ (545,354)	\$ —	\$ —
Total Derivative Instruments:	<u>\$ (545,354)</u>	<u>\$ (545,354)</u>	<u>\$ —</u>	<u>\$ —</u>

Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by risk exposure as of June 30, 2009. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Risk Exposure / Derivative Type	Value	
	Asset	Liability
Equity Risk		
Futures Contracts (a)	\$ —	\$ (545,354)
Total Value of Derivatives	<u>\$ —</u>	<u>\$ (545,354)</u>

(a) Reflects cumulative appreciation/(depreciation) on futures contracts as disclosed on the Schedule of Investments. Only the period end variation margin is separately disclosed on the Statement of Assets and Liabilities.

Financial Statements

Statement of Assets and Liabilities

June 30, 2009 (Unaudited)

Assets

Investment in securities, at value (including securities loaned of \$481,107,818) — See accompanying schedule:		
Unaffiliated issuers (cost \$1,413,773,699)	\$1,710,309,501	
Fidelity Central Funds (cost \$517,801,012)	517,801,012	
Total Investments (cost \$1,931,574,711)	\$2,228,110,513	
Cash	1,687,497	
Receivable for investments sold	1,478,498	
Receivable for fund shares sold	744,984	
Dividends receivable	2,348,599	
Distributions receivable from Fidelity Central Funds	209,156	
Other affiliated receivables	170	
Other receivables	29,558	
Total assets	2,234,608,975	

Liabilities

Payable for investments purchased . . . \$	2,966,636	
Payable for fund shares redeemed . . .	713,385	
Accrued management fee	146,166	
Distribution fees payable	40,352	
Payable for daily variation on futures contracts	185,095	
Other payables and accrued expenses	29,558	
Collateral on securities loaned, at value	497,884,410	
Total liabilities	501,965,602	

Net Assets	\$1,732,643,373
Net Assets consist of:	
Paid in capital	\$1,424,153,905
Undistributed net investment income	20,718,118
Accumulated undistributed net realized gain (loss) on investments	(8,219,098)
Net unrealized appreciation (depreciation) on investments	295,990,448
Net Assets	\$1,732,643,373

Statement of Assets and Liabilities – continued

June 30, 2009 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$1,525,620,917 ÷ 15,319,875 shares)	\$ 99.58
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Service Class:

Net Asset Value , offering price and redemption price per share (\$25,992,609 ÷ 261,675 shares) .	\$ 99.33
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Service Class 2:

Net Asset Value , offering price and redemption price per share (\$181,029,847 ÷ 1,833,198 shares)	\$ 98.75
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See accompanying notes which are an integral part of the financial statements.

Statement of Operations

Six months ended June 30, 2009 (Unaudited)

Investment Income		
Dividends		\$ 20,828,357
Interest		24,809
Income from Fidelity Central Funds		1,027,108
Total income		<u>21,880,274</u>
Expenses		
Management fee	\$ 807,356	
Distribution fees	216,675	
Independent trustees' compensation	6,463	
Miscellaneous	5,046	
Total expenses before reductions	<u>1,035,540</u>	
Expense reductions	(252)	<u>1,035,288</u>
Net investment income (loss)		<u>20,844,986</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	(3,937,561)	
Futures contracts	(167,979)	
Total net realized gain (loss)		(4,105,540)
Change in net unrealized appreciation (depreciation) on:		
Investment securities	35,206,489	
Futures contracts	(2,226,957)	
Total change in net unrealized appreciation (depreciation)		<u>32,979,532</u>
Net gain (loss)		<u>28,873,992</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 49,718,978</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)	\$ 20,844,986	\$ 51,886,013
Net realized gain (loss)	(4,105,540)	40,992,554
Change in net unrealized appreciation (depreciation)	32,979,532	(1,129,324,371)
Net increase (decrease) in net assets resulting from operations	<u>49,718,978</u>	<u>(1,036,445,804)</u>
Distributions to shareholders from net investment income	(5,015,493)	(51,064,897)
Distributions to shareholders from net realized gain	(38,913,306)	(26,002,696)
Total distributions	<u>(43,928,799)</u>	<u>(77,067,593)</u>
Share transactions – net increase (decrease)	6,096,244	(101,349,542)
Total increase (decrease) in net assets	<u>11,886,423</u>	<u>(1,214,862,939)</u>
Net Assets		
Beginning of period	1,720,756,950	2,935,619,889
End of period (including undistributed net investment income of \$20,718,118 and undistributed net investment income of \$4,888,625, respectively)	<u>\$1,732,643,373</u>	<u>\$1,720,756,950</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, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 99.19	\$ 164.03	\$ 161.36	\$ 141.88	\$ 137.76	\$ 126.13
Income from Investment Operations						
Net investment income (loss) ^E	1.20	3.03	3.11	2.71	2.36	2.18 ^H
Net realized and unrealized gain (loss)	1.73	(63.32)	5.59	19.26	4.15	11.10
Total from investment operations	2.93	(60.29)	8.70	21.97	6.51	13.28
Distributions from net investment income	(.29)	(3.07)	(6.03)	(2.49)	(2.39)	(1.65)
Distributions from net realized gain	(2.25)	(1.48)	—	—	—	—
Total distributions	(2.54)	(4.55)	(6.03)	(2.49)	(2.39)	(1.65)
Net asset value, end of period	\$ 99.58	\$ 99.19	\$ 164.03	\$ 161.36	\$ 141.88	\$ 137.76
Total Return ^{B,C,D}	3.27%	(37.00)%	5.45%	15.73%	4.82%	10.62%
Ratios to Average Net Assets ^{F,I}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.14%	.35%
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.13%	.28%
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.13%	.28%
Net investment income (loss)	2.61% ^A	2.22%	1.86%	1.83%	1.73%	1.71%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 1,525,621	\$ 1,525,779	\$ 2,626,891	\$ 2,780,085	\$ 2,641,527	\$ 2,778,226
Portfolio turnover rate ^G	4% ^A	6%	5%	6%	7%	5%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees 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. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HInvestment income per share reflects a special dividend which amounted to \$.36 per share. ^IExpense 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.

Financial Highlights – Service Class

	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	\$ 98.99	\$ 163.66	\$ 160.88	\$ 141.48	\$ 137.41	\$ 125.86
Income from Investment Operations						
Net investment income (loss) ^E	1.15	2.88	2.93	2.55	2.22	2.05 ^H
Net realized and unrealized gain (loss)	1.73	(63.14)	5.58	19.22	4.14	11.07
Total from investment operations	2.88	(60.26)	8.51	21.77	6.36	13.12
Distributions from net investment income	(.29)	(2.93)	(5.73)	(2.37)	(2.29)	(1.57)
Distributions from net realized gain	(2.25)	(1.48)	—	—	—	—
Total distributions	(2.54)	(4.41)	(5.73)	(2.37)	(2.29)	(1.57)
Net asset value, end of period	\$ 99.33	\$ 98.99	\$ 163.66	\$ 160.88	\$ 141.48	\$ 137.41
Total Return ^{B,C,D}	3.23%	(37.07)%	5.34%	15.61%	4.71%	10.51%
Ratios to Average Net Assets ^{F,I}						
Expenses before reductions	.20% ^A	.20%	.20%	.20%	.24%	.47%
Expenses net of fee waivers, if any	.20% ^A	.20%	.20%	.20%	.23%	.38%
Expenses net of all reductions	.20% ^A	.20%	.20%	.20%	.23%	.38%
Net investment income (loss)	2.51% ^A	2.12%	1.76%	1.73%	1.63%	1.61%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 25,993	\$ 24,340	\$ 38,960	\$ 35,953	\$ 27,178	\$ 23,216
Portfolio turnover rate ^G	4% ^A	6%	5%	6%	7%	5%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees 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. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HInvestment income per share reflects a special dividend which amounted to \$.36 per share. ^IExpense 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.

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	\$ 98.50	\$ 162.79	\$ 159.90	\$ 140.68	\$ 136.71	\$ 125.31
Income from Investment Operations						
Net investment income (loss) ^E	1.08	2.66	2.67	2.32	2.01	1.85 ^H
Net realized and unrealized gain (loss)	1.71	(62.74)	5.54	19.11	4.11	11.01
Total from investment operations	2.79	(60.08)	8.21	21.43	6.12	12.86
Distributions from net investment income	(.29)	(2.73)	(5.32)	(2.21)	(2.15)	(1.46)
Distributions from net realized gain	(2.25)	(1.48)	—	—	—	—
Total distributions	(2.54)	(4.21)	(5.32)	(2.21)	(2.15)	(1.46)
Net asset value, end of period	\$ 98.75	\$ 98.50	\$ 162.79	\$ 159.90	\$ 140.68	\$ 136.71
Total Return ^{B,C,D}	3.15%	(37.16)%	5.17%	15.44%	4.55%	10.34%
Ratios to Average Net Assets ^{F,I}						
Expenses before reductions	.35% ^A	.35%	.35%	.35%	.39%	.61%
Expenses net of fee waivers, if any	.35% ^A	.35%	.35%	.35%	.38%	.53%
Expenses net of all reductions	.35% ^A	.35%	.35%	.35%	.38%	.53%
Net investment income (loss)	2.36% ^A	1.97%	1.61%	1.58%	1.48%	1.46%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 181,030	\$ 170,637	\$ 269,769	\$ 219,346	\$ 156,295	\$ 106,051
Portfolio turnover rate ^G	4% ^A	6%	5%	6%	7%	5%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees 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. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HInvestment income per share reflects a special dividend which amounted to \$.36 per share. ^IExpense 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.

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 Index 500 Portfolio (the Fund) is a fund of Variable Insurance Products Fund II (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, and Service Class 2 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 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 13, 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. Debt securities, including restricted securities, are valued based on quotations received from dealers who make markets in such securities or by independent pricing services. For U.S. government and government agency obligations pricing services generally utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. 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.

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

3. Significant Accounting Policies – continued

Investment Transactions and Income – continued

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.

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.

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 futures transactions, foreign currency transactions, market discount, deferred trustees compensation 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	\$	662,950,488
Unrealized depreciation		(372,307,876)
Net unrealized appreciation (depreciation)	\$	<u>290,642,612</u>
Cost for federal income tax purposes	\$	<u>1,937,467,901</u>

4. Investments in Derivative Instruments.

Objectives and Strategies for Investing in Derivative Instruments. The Fund uses derivative instruments ("derivatives"), including futures contracts, in order to meet its investment objectives. The Fund's strategy is to use derivatives as a risk management tool and as an additional way to gain exposure to certain types of assets. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the Fund may not achieve its objectives.

While utilizing derivatives in pursuit of its investment objectives, the Fund is exposed to certain financial risk relative to those derivatives. This risk is further explained below:

Equity Risk Equity risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

The following notes provide more detailed information about each derivative type held by the Fund:

Futures Contracts. The Fund uses futures contracts to manage its exposure to the stock market. A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. Buying futures tends to increase a fund's exposure to

Notes to Financial Statements (Unaudited) – continued

4. Investments in Derivative Instruments – continued

Futures Contracts – continued

the underlying instrument, while selling futures tends to decrease a fund's exposure to the underlying instrument. Risks of loss may exceed any futures variation margin reflected in the Fund's Statement of Assets and Liabilities and may include equity risk, and potential lack of liquidity in the market.

Futures have minimal counterparty risk to the Fund since the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. The underlying face amount at value of any open futures contracts at period end is shown in the Schedule of Investments under the caption "Futures Contracts." This amount reflects each contract's exposure to the underlying instrument at period end.

The purchaser or seller of a futures contract is not required to pay for or deliver the instrument unless the contract is held until the delivery date. Upon entering into a futures contract, a fund is required to deposit with a clearing broker, no later than the following business day, an amount ("initial margin") equal to a certain percentage of the face value of the contract. The initial margin may be in the form of cash or securities and is transferred to a segregated account on settlement date. Securities deposited to meet margin requirements are identified in each applicable Fund's Schedule of Investments. Futures contracts are marked-to-market daily and subsequent payments ("variation margin") are made or received by a fund depending on the daily fluctuations in the value of the futures contract. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities and changes in value are recognized as unrealized gain (loss). Realized gain (loss) is recorded upon the expiration or closing of the futures contract. The net realized gain (loss) and change in unrealized gain (loss) on futures contracts during the period is included on the Statement of Operations. The total underlying face amount of all open futures contracts at period end is indicative of the volume of this derivative type.

Realized and Change in Unrealized Gain (Loss) on Derivative Instruments. A summary of the Fund's value of derivatives by primary risk exposure as of period end, if any, is included at the end of the Fund's Schedule of Investments. The table below reflects the Fund's realized gain (loss) and change in unrealized gain (loss) for derivatives during the period.

Risk Exposure / Derivative Type	Realized Gain (Loss)	Change in Unrealized Gain (Loss)
Equity Risk		
Futures Contracts	\$ (167,979)	\$ (2,226,957)
Total Derivatives Realized and Change in Unrealized Gain (Loss) (a)(b)	<u>\$ (167,979)</u>	<u>\$ (2,226,957)</u>

(a) Total derivatives realized gain (loss) included in the Statement of Operations is comprised of \$(167,979) for futures contracts.

(b) Total derivatives change in unrealized gain (loss) included in the Statement of Operations is comprised of \$(2,226,957) for futures contracts.

5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$38,956,465 and \$28,331,019, 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 that is based on an annual rate of .10% of the Fund's average net assets. Under the management contract, FMR pays all other fund-level expenses, except the compensation of the independent Trustees and certain other expenses such as interest expense, including commitment fees. In addition, under an expense contract, FMR pays all class-level expenses except distribution and service fees so that total expenses do not exceed .10% of each class' average net assets plus the distribution and service fee applicable to each class, with certain exceptions.

Sub-Adviser. Geode Capital Management, LLC (Geode), serves as sub-adviser for the Fund. Geode provides discretionary investment advisory services to the Fund and is paid by FMR for providing these services.

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 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	\$ 11,777
Service Class 2	204,898
	<u>\$ 216,675</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. Under the expense contract, the classes do not pay transfer agent fees.

7. 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 \$5,046 and is reflected in Miscellaneous Expense 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 \$912,544.

9. Expense Reductions.

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 \$252.

10. 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	\$ 4,443,742	\$ 45,804,219
Service Class	72,036	701,651
Service Class 2	499,715	4,559,027
Total	<u>\$ 5,015,493</u>	<u>\$ 51,064,897</u>
From net realized gain		
Initial Class	\$ 34,477,306	\$ 23,261,499
Service Class	558,901	346,810
Service Class 2	3,877,099	2,394,387
Total	<u>\$ 38,913,306</u>	<u>\$ 26,002,696</u>

11. 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	860,995	1,206,929	\$ 78,822,453	\$ 154,764,474
Reinvestment of distributions	439,438	627,640	38,921,048	69,065,718
Shares redeemed	(1,363,466)	(2,466,809)	(122,008,238)	(333,686,430)
Net increase (decrease)	<u>(63,033)</u>	<u>(632,240)</u>	<u>\$ (4,264,737)</u>	<u>\$ (109,856,238)</u>
Service Class				
Shares sold	26,844	38,072	\$ 2,425,985	\$ 5,170,349
Reinvestment of distributions	7,139	9,570	630,937	1,048,461
Shares redeemed	(18,194)	(39,815)	(1,621,279)	(5,334,526)
Net increase (decrease)	<u>15,789</u>	<u>7,827</u>	<u>\$ 1,435,643</u>	<u>\$ 884,284</u>

Notes to Financial Statements (Unaudited) – continued

11. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2009	Year ended December 31, 2008	Six months ended June 30, 2009	Year ended December 31, 2008
Service Class 2				
Shares sold	249,663	457,665	\$ 22,686,219	\$ 61,060,802
Reinvestment of distributions	49,787	63,453	4,376,814	6,953,414
Shares redeemed	(198,609)	(445,891)	(18,137,695)	(60,391,804)
Net increase (decrease)	<u>100,841</u>	<u>75,227</u>	<u>\$ 8,925,338</u>	<u>\$ 7,622,412</u>

12. 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 33% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

FMR Co., Inc.
Geode Capital Management, LLC

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