

Fidelity® Variable Insurance Products: Mid Cap 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	14	Statements of assets and liabilities, operations, and changes in net assets, as well as financial highlights.
Notes	18	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.

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

Standard & Poor's, S&P and S&P 500 are registered service marks of The McGraw-Hill Companies, Inc. and have been licensed for use by Fidelity Distributors Corporation.

Other third party marks appearing herein are the property of their respective owners.

All other marks appearing herein are registered or unregistered trademarks or service marks of FMR LLC or an affiliated company.

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	.70%			
Actual		\$ 1,000.00	\$ 1,145.10	\$ 3.72
Hypothetical ^A		\$ 1,000.00	\$ 1,021.32	\$ 3.51
Service Class	.80%			
Actual		\$ 1,000.00	\$ 1,144.80	\$ 4.25
Hypothetical ^A		\$ 1,000.00	\$ 1,020.83	\$ 4.01
Service Class 2	.94%			
Actual		\$ 1,000.00	\$ 1,143.70	\$ 5.00
Hypothetical ^A		\$ 1,000.00	\$ 1,020.13	\$ 4.71
Investor Class	.80%			
Actual		\$ 1,000.00	\$ 1,144.40	\$ 4.25
Hypothetical ^A		\$ 1,000.00	\$ 1,020.83	\$ 4.01

^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
Nefflix, Inc.	3.4	2.8
Cerner Corp.	3.3	0.7
Shanda Interactive Entertainment Ltd. sponsored ADR	3.2	1.7
eBay, Inc.	3.0	0.2
Hasbro, Inc.	2.6	3.1
The Walt Disney Co.	2.4	1.1
Reinsurance Group of America, Inc.	2.0	2.3
Ross Stores, Inc.	2.0	2.1
Old Republic International Corp.	1.9	0.2
AGCO Corp.	1.7	1.6
	<u>25.5</u>	

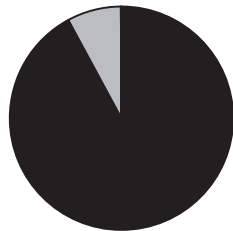
Top Five Market Sectors as of June 30, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	18.8	15.0
Consumer Discretionary	18.6	19.5
Health Care	17.7	19.9
Financials	9.1	7.2
Consumer Staples	7.8	11.5

Asset Allocation (% of fund's net assets)

As of June 30, 2009 *

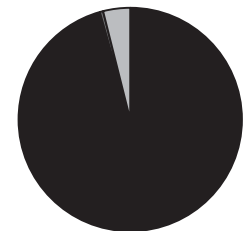
■ Stocks	92.1%
■ Bonds	0.0%
■ Short-Term Investments and Net Other Assets	7.8%
□ Other Investments	0.1%



* Foreign investments 25.2%

As of December 31, 2008 **

■ Stocks	95.6%
■ Bonds	0.5%
■ Short-Term Investments and Net Other Assets	3.9%
□ Other Investments	0.0%



** Foreign investments 19.3%

Investments June 30, 2009 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 92.1%

	Shares	Value
CONSUMER DISCRETIONARY – 18.6%		
Auto Components – 0.6%		
Amerigon, Inc. (a)	306,609	\$ 1,870,315
China Automotive Systems, Inc. (a)(d) ..	160,195	881,073
Fuel Systems Solutions, Inc. (a)(d)(e) ...	1,543,485	31,162,962
Gentex Corp.	75,994	881,530
Minth Group Ltd.	138,000	114,141
New Focus Auto Tech Holdings Ltd. ...	5,687,675	741,242
Westport Innovations, Inc. (a)	100	807
		<u>35,652,070</u>
Automobiles – 0.1%		
Bajaj Auto Ltd.	100	2,101
Geely Automobile Holdings Ltd.	43,345,000	7,830,166
Hyundai Motor Co. GDR (f)	100	2,912
Thor Industries, Inc.	100	1,837
		<u>7,837,016</u>
Distributors – 0.0%		
LKQ Corp. (a)	100	1,645
Xinyu Hengdeli Holdings Ltd.	4,000	1,177
		<u>2,822</u>
Diversified Consumer Services – 0.1%		
Benesse Corp.	127,300	5,100,721
Educomp Solutions Ltd.	37,700	2,993,104
MegaStudy Co. Ltd.	100	18,042
Raffles Education Corp. Ltd.	1,000	380
Universal Technical Institute, Inc. (a)	100	1,493
		<u>8,113,740</u>
Hotels, Restaurants & Leisure – 2.0%		
BJ's Restaurants, Inc. (a)	200	3,374
Chipotle Mexican Grill, Inc. Class B (a) .	200	13,958
Interval Leisure Group, Inc. (a)	125,300	1,167,796
Jollibee Food Corp.	700	712
Kappa Create Co. Ltd.	397,500	8,194,685
McDonald's Corp.	217,600	12,509,824
Minor International PCL (For. Reg.)	1,826,011	426,212
P.F. Chang's China Bistro, Inc. (a)(d) ...	197,377	6,327,907
Papa John's International, Inc. (a)	88,751	2,200,137
Shangri-La Asia Ltd.	958,111	1,421,731
Sonic Corp. (a)	642,717	6,446,447
Starbucks Corp. (a)	576,800	8,011,752
Starwood Hotels & Resorts Worldwide, Inc.	1,108,758	24,614,428
TAJ GVK Hotels & Resorts Ltd.	297,699	478,500
WMS Industries, Inc. (a)(d)	1,338,193	42,166,461
		<u>113,983,924</u>
Household Durables – 1.3%		
Goldcrest Co. Ltd.	395,670	10,452,900
La-Z-Boy, Inc.	100	472
Makita Corp. sponsored ADR	100	2,416

	Shares	Value
Tupperware Brands Corp.	2,286,463	\$ 59,493,767
Whirlpool Corp.	167,700	7,137,312
		<u>77,086,867</u>
Internet & Catalog Retail – 3.4%		
Netflix, Inc. (a)(d)(e)	4,866,672	201,188,222
Priceline.com, Inc. (a)	100	11,155
Wotif.com Holdings Ltd.	100	379
		<u>201,199,756</u>
Leisure Equipment & Products – 2.6%		
Beneteau SA	500	5,435
Hasbro, Inc.	6,223,770	150,864,185
Nidec Copal Corp.	100	995
		<u>150,870,615</u>
Media – 2.5%		
Cinemax India Ltd.	478,887	463,843
E.W. Scripps Co. Class A	33	69
Entertainment Network (India) Ltd. (a) ..	90,000	334,549
Eros International PLC (a)	1,720,050	3,975,785
Marvel Entertainment, Inc. (a)	100	3,559
SinoMedia Holding Ltd.	5,488,000	1,281,730
The Walt Disney Co.	5,992,947	139,815,454
Zee News Ltd.	39	33
		<u>145,875,022</u>
Multiline Retail – 0.0%		
Dollar Tree, Inc. (a)	100	4,210
Golden Eagle Retail Group Ltd. (H Shares)	1,000	1,161
Intime Department Store Group Co. Ltd.	1,000	439
Kohl's Corp. (a)	100	4,275
Mothercare PLC	100	790
Parkson Retail Group Ltd.	1,000	1,430
		<u>12,305</u>
Specialty Retail – 5.6%		
Advance Auto Parts, Inc.	959,400	39,805,506
Aeropostale, Inc. (a)	1,065,468	36,513,588
Asahi Co. Ltd.	200	5,512
Belle International Holdings Ltd.	1,000	880
Chow Sang Sang Holdings International Ltd.	2,000	1,520
Fast Retailing Co. Ltd.	100	13,079
H&M Hennes & Mauritz AB (B Shares) .	100	4,990
Hot Topic, Inc. (a)(e)	2,687,086	19,642,599
Inditex SA	687	32,928
J. Crew Group, Inc. (a)	100	2,702
JB Hi-Fi Ltd.	100	1,241
Ross Stores, Inc.	3,031,609	117,020,107
Sally Beauty Holdings, Inc. (a)(d)(e)	9,384,811	59,687,398
SAZABY, Inc.	392,700	5,625,432
TJX Companies, Inc.	1,564,699	49,225,431
Tsutsumi Jewelry Co. Ltd.	21,800	405,292
Ulta Salon, Cosmetics & Fragrance, Inc. (a)	100	1,112

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		
Urban Outfitters, Inc. (a)	100	\$ 2,087
USS Co. Ltd.	100	5,159
		<u>327,996,563</u>
Textiles, Apparel & Luxury Goods – 0.4%		
Anta Sports Products Ltd.	1,000	1,250
China Dongxiang Group Co. Ltd.	1,000	672
Columbia Sportswear Co. (d)	168,999	5,225,449
Daphne International Holdings Ltd.	8,182,000	4,307,483
Shenzhou International Group Holdings Ltd.	20,290,000	9,137,163
Under Armour, Inc. Class A (sub. vtg.) (a)(d)	200,376	4,484,415
		<u>23,156,432</u>
TOTAL CONSUMER DISCRETIONARY		<u>1,091,787,132</u>
CONSUMER STAPLES – 7.8%		
Beverages – 0.9%		
Companhia de Bebidas das Americas (AmBev) sponsored ADR	20	1,061
Molson Coors Brewing Co. Class B	1,300,409	55,046,313
Yantai Changyu Pioneer Wine Co. (B Shares)	130	803
		<u>55,048,177</u>
Food & Staples Retailing – 2.9%		
BJ's Wholesale Club, Inc. (a)	1,075,595	34,666,427
Breadtalk Group Ltd.	1,000	269
China Nepstar Chain Drugstore Ltd. ADR	100	570
Colruyt NV	100	22,808
Cosmos Pharmaceutical Corp.	100	1,801
Daikokutenbussan Co. Ltd.	79,000	1,401,474
Heng Tai Consumables Group Ltd. (a)	93,713,300	4,292,729
Kroger Co.	477,000	10,517,850
Magnit OJSC GDR (Reg. S) (a)	100	888
Pricesmart, Inc.	100	1,675
REI Six Ten Retail Ltd. (a)	314	6,986
Shinsegae Food Co. Ltd.	100	4,158
Sugi Holdings Co. Ltd.	917,900	18,913,494
Wal-Mart de Mexico SA de CV Class V sponsored ADR	204	6,018
Wal-Mart Stores, Inc.	2,042,296	98,928,818
		<u>168,765,965</u>
Food Products – 3.9%		
Britannia Industries Ltd.	41,784	1,396,023
Campbell Soup Co.	364,886	10,734,946
China Agri-Industries Holding Ltd.	2,000	1,246
China Foods Ltd.	4,000	2,405
China Huiyuan Juice Group Ltd.	500	354
China Yurun Food Group Ltd.	1,000	1,510
Chiquita Brands International, Inc. (a)	491,298	5,040,717

	Shares	Value
ConAgra Foods, Inc.	1,015,077	\$ 19,347,368
Hormel Foods Corp.	1,822,546	62,950,739
Kellogg Co.	452,964	21,094,533
PureCircle Ltd. (a)(d)	4,571,834	18,389,707
REI Agro Ltd.	4,190	6,801
Rocky Mountain Chocolate Factory, Inc.	105	809
Smart Balance, Inc. (a)	100	681
Tingyi (Cayman Island) Holding Corp.	2,000	3,298
Toyo Suisan Kaisha Ltd.	2,603,000	53,689,322
Want Want China Holdings Ltd.	65,053,600	36,766,251
		<u>229,426,710</u>
Personal Products – 0.1%		
Concern Kalina OJSC:		
GDR (f)	21,643	249,833
sponsored ADR	94,200	1,087,387
GLG Life Tech Corp. (a)	100	185
Hengan International Group Co. Ltd.	720,200	3,373,367
Natura Cosméticos SA	100	1,307
		<u>4,712,079</u>
TOTAL CONSUMER STAPLES		<u>457,952,931</u>
ENERGY – 6.4%		
Energy Equipment & Services – 6.3%		
BJ Services Co.	2,658,800	36,239,444
Dresser-Rand Group, Inc. (a)	2,346,769	61,250,671
ENSCO International, Inc.	1,500,000	52,305,000
Helix Energy Solutions Group, Inc. (a)	1,075,596	11,691,729
Helmerich & Payne, Inc.	440,900	13,610,583
Nabors Industries Ltd. (a)	4,906,408	76,441,837
Newpark Resources, Inc. (a)(e)	7,471,341	21,293,322
Noble Corp.	139,300	4,213,825
Parker Drilling Co. (a)	5,219,031	22,650,595
Patterson-UTI Energy, Inc.	1,025,904	13,193,125
Weatherford International Ltd. (a)	2,761,074	54,006,607
		<u>366,896,738</u>
Oil, Gas & Consumable Fuels – 0.1%		
China Shenhua Energy Co. Ltd. (H Shares)	500	1,842
Clean Energy Fuels Corp. (a)	100	861
Forest Oil Corp. (a)	480,970	7,176,072
Niko Resources Ltd.	100	6,878
Oil Search Ltd.	11,496	50,572
Petroleo Brasileiro SA – Petrobras (PN) sponsored ADR (non-vtg.)	400	13,344
Sasol Ltd. sponsored ADR	100	3,482
Surgutneftegaz JSC sponsored ADR	500	3,450
		<u>7,256,501</u>
TOTAL ENERGY		<u>374,153,239</u>

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

Common Stocks – continued

	Shares	Value
FINANCIALS – 9.1%		
Capital Markets – 1.3%		
Ameriprise Financial, Inc.	591,209	\$ 14,348,642
Espirito Santo Financial Group SA	100	1,515
Franklin Resources, Inc.	628	45,222
JAFCO Co. Ltd.	103,800	3,501,842
Janus Capital Group, Inc.	2,777,237	31,660,502
Marusan Securities Co. Ltd. (d)	2,756,100	17,938,181
W.P. Carey & Co. LLC	338,848	8,464,423
		<u>75,960,327</u>
Commercial Banks – 0.8%		
Bank of Baroda	634,966	6,017,256
Bank of Georgia unit (a)	100	599
IndusInd Bank Ltd.	100	180
Mitsubishi UFJ Financial Group, Inc. sponsored ADR	421,100	2,585,554
Punjab National Bank	100	1,479
The Jammu & Kashmir Bank Ltd.	423	4,426
The Mie Bank Ltd.	1,000	3,623
Union Bank of India	7,699,690	39,038,637
		<u>47,651,754</u>
Diversified Financial Services – 0.0%		
Banco ABC Brasil SA	100	374
Insurance – 6.0%		
Admiral Group PLC	217,663	3,115,368
AFLAC, Inc.	27,100	842,539
AXA SA sponsored ADR	100	1,896
Axis Capital Holdings Ltd.	1,200	31,416
Bajaj Finserv Ltd.	100	829
China Life Insurance Co. Ltd.	215,070	101,448
China Life Insurance Co. Ltd. ADR	266	14,747
Old Republic International Corp.	11,460,180	112,882,773
Ping An Insurance (Group) Co. of China, Ltd. (H Shares)	500	3,384
Presidential Life Corp.	790,158	5,981,496
Progressive Corp. (a)	1,945,808	29,401,159
Protective Life Corp.	2,311,869	26,447,781
Reinsurance Group of America, Inc.	3,354,011	117,088,524
The Chubb Corp.	1,454,079	57,988,671
		<u>353,902,031</u>
Real Estate Investment Trusts – 0.6%		
CapitaMall Trust	33,053,800	31,949,268
Real Estate Management & Development – 0.4%		
Allgreen Properties Ltd.	1,148,000	800,525
Ayala Land, Inc.	14,622,600	2,459,366
Cyrela Commercial Properties SA Empreendimentos e Participações	680	2,986
Iguatemi Empresa de Shopping Centers SA	1,489,400	14,220,612
New World China Land Ltd.	9,968,800	5,544,011

	Shares	Value
Songbird Estates PLC Class B (a)	591,400	\$ 311,341
SPG Land (Holdings) Ltd.	2,200,100	854,501
		<u>24,193,342</u>
Thriffs & Mortgage Finance – 0.0%		
Housing Development Finance Corp. Ltd.	142	6,973
People's United Financial, Inc.	100	1,504
		<u>8,477</u>
TOTAL FINANCIALS		<u>533,665,573</u>
HEALTH CARE – 17.7%		
Biotechnology – 0.6%		
3SBio, Inc. sponsored ADR (a)	567,862	4,679,183
Celera Corp. (a)	400	3,052
Gilead Sciences, Inc. (a)	100	4,684
Grifols SA	1,380,339	24,376,777
Halozyme Therapeutics, Inc. (a)	100	697
Sangamo Biosciences, Inc. (a)(d)	197,488	975,591
Sino Biopharmaceutical Ltd.	5,333	915
Vanda Pharmaceuticals, Inc. (a)	287,333	3,381,909
		<u>33,422,808</u>
Health Care Equipment & Supplies – 4.7%		
Abcam PLC	420,200	4,742,263
Angiodynamics, Inc. (a)	648	8,599
Becton, Dickinson & Co.	169,440	12,082,766
Boston Scientific Corp. (a)	1,728,749	17,529,515
Covidien PLC	525,800	19,685,952
DiaSorin S.p.A.	100	2,484
Edwards Lifesciences Corp. (a)	821,350	55,876,441
Electro-Optical Sciences, Inc. (a)(d)	581,609	4,530,734
HeartWare International, Inc. unit (a) ..	100	71
Home Diagnostics, Inc. (a)	100	614
Kinetic Concepts, Inc. (a)	3,247,825	88,503,231
Masimo Corp. (a)	410,983	9,908,800
Meridian Bioscience, Inc.	132,250	2,986,205
Mingyuan Medicare Development Co. Ltd.	145,000,000	16,090,530
Quidel Corp. (a)	422,433	6,150,624
Shandong Weigao Group Medical Polymer Co. Ltd. (H Shares)	4,780,000	12,273,965
Steris Corp.	963,510	25,128,341
ThermoGenesis Corp. (a)	351,638	221,532
Vascular Solutions, Inc. (a)(d)	79,168	619,094
		<u>276,341,761</u>
Health Care Providers & Services – 2.7%		
Almost Family, Inc. (a)	100	2,611
Apollo Hospitals Enterprise Ltd.	100	1,200
Centene Corp. (a)	1,254,277	25,060,454
Genoptix, Inc. (a)	100	3,199
Henry Schein, Inc. (a)	167,400	8,026,830
HMS Holdings Corp. (a)	100	4,072
IPC The Hospitalist Co., Inc. (a)	392,191	10,467,578

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
HEALTH CARE – continued		
Health Care Providers & Services – continued		
Laboratory Corp. of America Holdings (a)	681,125	\$ 46,173,464
Medial Saude SA (a)	751,000	3,274,637
Message Co. Ltd. (d)	1,619	2,688,950
Quest Diagnostics, Inc.	595,600	33,609,708
Ramsay Health Care Ltd.	101	939
ResCare, Inc. (a)(e)	1,779,274	25,443,618
U.S. Physical Therapy, Inc. (a)	284,515	4,196,596
		<u>158,953,856</u>
Health Care Technology – 6.3%		
Allscripts-Misys Healthcare Solutions, Inc. (d)	5,460,749	86,607,479
athenahealth, Inc. (a)	910,162	33,685,096
Cerner Corp. (a)(d)	3,086,613	192,265,124
Eclipsys Corp. (a)(d)	2,112,463	37,559,592
HLTH Corp. (a)	1,178,494	15,438,271
Omnicell, Inc. (a)	42	452
Quality Systems, Inc.	35,220	2,006,131
		<u>367,562,145</u>
Life Sciences Tools & Services – 1.9%		
Bachem Holding AG (B Shares)	100	6,213
Bio-Rad Laboratories, Inc. Class A (a)	84,589	6,384,778
Clinical Data, Inc. (a)	150	1,653
Harvard Bioscience, Inc. (a)(e)	1,882,775	7,436,961
QIAGEN NV (a)	1,523,000	28,312,570
Thermo Fisher Scientific, Inc. (a)	1,694,180	69,071,719
		<u>111,213,894</u>
Pharmaceuticals – 1.5%		
Ardea Biosciences, Inc. (a)	42,488	668,761
Aspen Pharmacare Holdings Ltd.	1,905,958	13,531,894
Boiron SA	55	1,794
Endo Pharmaceuticals Holdings, Inc. (a)	3,571,683	64,004,559
Hi-Tech Pharmacal Co., Inc. (a)	100	890
Novo Nordisk AS Series B sponsored ADR	100	5,446
Pfizer Ltd.	100	1,717
Piramal Healthcare Ltd.	1,940,000	12,653,675
Questcor Pharmaceuticals, Inc. (a)	100	500
		<u>90,869,236</u>
TOTAL HEALTH CARE		<u>1,038,363,700</u>
INDUSTRIALS – 5.6%		
Air Freight & Logistics – 0.0%		
Business Post Group PLC	200	922
FedEx Corp.	100	5,562
		<u>6,484</u>

Building Products – 0.2%

	Shares	Value
Asahi Glass Co. Ltd.	462,000	\$ 3,716,718
Blue Star Ltd.	1,142,372	8,152,110
Universal Forest Products, Inc.	100	3,309
		<u>11,872,137</u>

Commercial Services & Supplies – 0.6%

	Shares	Value
Cintas Corp.	1,068,723	24,409,633
Copart, Inc. (a)	100	3,467
Fuel Tech, Inc. (a)(d)	613,451	5,950,475
R.R. Donnelley & Sons Co.	200,172	2,325,999
Spice PLC	528,783	639,397
Steelcase, Inc. Class A	100	582
Taiwan Secom Co.	2,000	3,086
The Brink's Co.	147,700	4,287,731
		<u>37,620,370</u>

Construction & Engineering – 0.1%

	Shares	Value
China Communications Construction Co. Ltd. (H Shares)	1,000	1,169
Insituform Technologies, Inc. Class A (a)	222,367	3,773,568
Midas Holdings Ltd.	1,000	542
Orascom Construction Industries SAE GDR	200	6,502
		<u>3,781,781</u>

Electrical Equipment – 1.1%

	Shares	Value
AstroPower, Inc. (a)	100	0
Cooper Industries Ltd. Class A	1,326,184	41,178,013
Fortune Electric Co. Ltd.	1,921,500	1,897,525
PowerSecure International, Inc. (a)	316,345	1,347,630
Q-Cells SE (a)(d)	1,092,600	22,222,555
Vestas Wind Systems AS (a)	200	14,336
		<u>66,660,059</u>

Industrial Conglomerates – 0.4%

	Shares	Value
Hutchison Whampoa Ltd. ADR	100	3,255
Max India Ltd. (a)	4,953,349	21,991,832
		<u>21,995,087</u>

Machinery – 1.9%

	Shares	Value
3D Systems Corp. (a)	100	721
AGCO Corp. (a)	3,499,247	101,723,110
Bell Equipment Ltd. (a)	30,078	27,303
Energy Recovery, Inc.	100	708
EVA Precision Industrial Holdings Ltd.	11,056,000	941,555
K-Tron International, Inc. (a)	62,700	4,995,936
KCI Konecranes Oyj	100	2,350
Komax Holding AG (Reg.)	100	5,173
Nippon Thompson Co. Ltd.	989,000	5,174,194
R. STAHL AG (d)	47,627	931,949
Spirax-Sarco Engineering PLC	100	1,388
Uzel Makina Sanayi AS (a)	456,690	115,584
		<u>113,919,971</u>

Professional Services – 1.0%

	Shares	Value
51job, Inc. sponsored ADR (a)	100	1,183
Hays PLC	7,622,098	10,752,617

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

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Professional Services – continued		
IHS, Inc. Class A (a)	100	\$ 4,987
JobStreet Corp. Bhd	2,617,600	848,951
Manpower, Inc.	316,435	13,397,858
Michael Page International PLC	4,281,645	16,782,207
Randstad Holdings NV (a)	586,000	16,205,379
SGS Societe Generale de Surveillance Holding SA (Reg.)	100	123,895
		<u>58,117,077</u>
Road & Rail – 0.3%		
CSX Corp.	428,734	14,847,058
Guangshen Railway Co. Ltd. sponsored ADR	100	2,352
Old Dominion Freight Lines, Inc. (a)	100	3,357
		<u>14,852,767</u>
Trading Companies & Distributors – 0.0%		
Richelieu Hardware Ltd.	100	1,500
		<u>328,827,233</u>
INFORMATION TECHNOLOGY – 18.8%		
Communications Equipment – 2.1%		
Airvana, Inc. (a)	100	637
BYD Electronic International Co. Ltd. ...	1,278,600	785,318
Comtech Telecommunications Corp. (a) .	1,059,543	33,778,231
Juniper Networks, Inc. (a)	3,126,484	73,785,022
MIC Electronics Ltd.	1,883,689	1,443,833
Option NV (a)	360	949
Polycom, Inc. (a)	611,671	12,398,571
ZTE Corp. (H Shares)	236,600	821,242
		<u>123,013,803</u>
Computers & Peripherals – 1.2%		
Acer, Inc.	1,000	1,738
ASUSTeK Computer, Inc.	2,186,820	2,835,013
Gemalto NV (a)	1,923,926	66,549,721
Lenovo Group Ltd.	2,000	751
Lenovo Group Ltd. ADR	10,700	80,464
Logitech International SA (a)	56	784
		<u>69,468,471</u>
Electronic Equipment & Components – 0.5%		
Digital China Holdings Ltd. (H Shares) ..	1,434,000	999,187
Ingenico SA (d)	770,074	14,690,486
Ingenico SA	396,730	7,568,307
Inspur International Ltd.	5,000	858
L-1 Identity Solutions, Inc. (a)	100	774
Lumax International Corp. Ltd.	467,500	735,537
MTS Systems Corp.	309,990	6,401,294
RadiSys Corp. (a)	16,368	147,476
Trimble Navigation Ltd. (a)	700	13,741
		<u>30,557,660</u>

Internet Software & Services – 3.7%

	Shares	Value
Answers Corp. (a)	100	\$ 806
Constant Contact, Inc. (a)	200	3,968
eBay, Inc. (a)	10,084,763	172,751,990
F@N Communications, Inc. (d)	325	472,310
GigaMedia Ltd. (a)	1,361,921	8,008,095
INFO Edge India Ltd.	7,084	91,921
LoopNet, Inc. (a)	694	5,379
Rediff.com India Ltd. sponsored ADR (a)	1,100	3,014
ValueClick, Inc. (a)	1,103,527	11,609,104
VeriSign, Inc. (a)	706,097	13,048,673
Vocus, Inc. (a)	100	1,976
Web.com, Inc. (a)	43	242
WebMD Health Corp. Class A (a)	262,088	7,841,673
		<u>213,839,151</u>

IT Services – 2.0%

Affiliated Computer Services, Inc. Class A (a)	1,838,115	81,649,068
CyberSource Corp. (a)	100	1,530
Datacash Group PLC	184,200	839,411
Paracon Holdings Ltd.	32,405	5,043
Perot Systems Corp. Class A (a)	2,162,573	30,989,671
SRA International, Inc. Class A (a)	229,100	4,022,996
WNS Holdings Ltd. sponsored ADR (a) .	100	888
		<u>117,508,607</u>

Semiconductors & Semiconductor Equipment – 2.3%

Aixtron AG	624,600	7,674,868
Aixtron AG sponsored ADR	100	1,236
Cree, Inc. (a)	658	19,339
Disco Corp.	156,000	6,639,331
KLA-Tencor Corp.	100	2,525
Kontron AG	2,137,445	27,433,476
PMC-Sierra, Inc. (a)	5,998,030	47,744,319
Richtek Technology Corp.	1,269,845	7,980,006
Samco, Inc.	120	987
Silicon Laboratories, Inc. (a)	100	3,794
Siliconware Precision Industries Co. Ltd. sponsored ADR (d)	5,214,973	32,332,833
Varian Semiconductor Equipment Associates, Inc. (a)	100	2,399
Veeco Instruments, Inc. (a)	452,107	5,239,920
		<u>135,075,033</u>

Software – 7.0%

Autonomy Corp. PLC (a)	1,144,464	27,056,051
Citrix Systems, Inc. (a)	100	3,189
Concur Technologies, Inc. (a)	100	3,108
DemandTec, Inc. (a)	38,200	336,160
Electronic Arts, Inc. (a)	629,566	13,674,174
Epicor Software Corp. (a)	711,865	3,772,885
Financial Technologies India Ltd.	78	2,132
Kingdee International Software Group Co. Ltd.	15,696,000	2,713,924

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
INFORMATION TECHNOLOGY – continued		
Software – continued		
Longtop Financial Technologies Ltd. ADR (a)(d)	3,900,345	\$ 95,792,473
Manhattan Associates, Inc. (a)	338,785	6,172,663
MICROS Systems, Inc. (a)	100	2,532
NetSuite, Inc. (a)	100	1,181
PROS Holdings, Inc. (a)	100	812
Salesforce.com, Inc. (a)	100	3,817
Shanda Interactive Entertainment Ltd. sponsored ADR (a)(d)	3,536,934	184,946,279
Solera Holdings, Inc. (a)	582,353	14,791,766
Tata Elxsi Ltd.	100	294
Ubisoft Entertainment SA (a)	2,518,974	61,286,213
Yedang Online Corp. (a)	202,840	1,352,479
		<u>411,912,132</u>
TOTAL INFORMATION TECHNOLOGY		<u>1,101,374,857</u>
MATERIALS – 6.1%		
Chemicals – 1.0%		
Asian Paints India Ltd.	482	11,990
Calgon Carbon Corp. (a)	100	1,389
Ecolab, Inc.	100	3,899
FMC Corp.	436,907	20,665,701
Recticel SA	100	440
Sensient Technologies Corp.	1,586,468	35,806,583
		<u>56,490,002</u>
Construction Materials – 0.0%		
CRH PLC	1	23
Containers & Packaging – 1.0%		
Aptargroup, Inc.	100	3,377
Ball Corp.	1,233,736	55,715,518
		<u>55,718,895</u>
Metals & Mining – 4.1%		
Africa Cellular Towers Ltd. (a)	290,317	40,659
Agnico-Eagle Mines Ltd. (Canada)	265,500	13,986,059
Barrick Gold Corp.	440,600	14,830,616
Centerra Gold, Inc. (a)	469,400	2,138,956
Eldorado Gold Corp. (a)	6,697,600	60,348,077
Franco-Nevada Corp.	39,900	959,164
Great Basin Gold Ltd. (a)	4,733,400	6,470,730
IAMGOLD Corp.	3,801,700	38,504,020

	Shares	Value
Inmet Mining Corp.	100	\$ 3,669
Kinross Gold Corp.	868,600	15,832,104
Lihir Gold Ltd. (a)	3,500,494	8,320,027
Minefinders Corp. Ltd. (a)	1,317,300	9,128,568
Newcrest Mining Ltd.	2,396,379	58,907,566
Northgate Minerals Corp. (a)	12,600	26,758
Yamana Gold, Inc.	1,492,554	13,268,858
		<u>242,765,831</u>

Paper & Forest Products – 0.0%

Pope Resources, Inc. LP	100	2,261
TOTAL MATERIALS		<u>354,977,012</u>

TELECOMMUNICATION SERVICES – 1.6%

Diversified Telecommunication Services – 1.6%

LG Dacom Corp.	111,840	1,548,460
Verizon Communications, Inc.	3,030,143	93,116,294
		<u>94,664,754</u>

Wireless Telecommunication Services – 0.0%

Telemig Celular Participacoes SA sponsored ADR	61	3,094
TOTAL TELECOMMUNICATION SERVICES		<u>94,667,848</u>

UTILITIES – 0.4%

Independent Power Producers & Energy Traders – 0.3%

Calpine Corp. (a)	1,268,715	14,146,172
-------------------------	-----------	------------

Multi-Utilities – 0.1%

Sempra Energy	128,900	6,397,307
---------------------	---------	-----------

Water Utilities – 0.0%

Cadiz, Inc. (a)	100	963
-----------------------	-----	-----

TOTAL UTILITIES		<u>20,544,442</u>
-----------------------	--	-------------------

TOTAL COMMON STOCKS

(Cost \$5,362,140,437)		<u>5,396,313,967</u>
------------------------------	--	----------------------

Investment Companies – 0.0%

Templeton Emerging Markets Income Fund (Cost \$230,258)	23,300	<u>267,717</u>
---	--------	----------------

Floating Rate Loans – 0.1%

	Principal Amount	
MATERIALS – 0.1%		
Chemicals – 0.1%		
Lyondell Chemical Co. term loan 8.6678% 12/15/09 (g)(h) (Cost \$6,238,435)	\$ 6,200,000	<u>6,386,000</u>

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

Money Market Funds – 17.3%

	Shares	Value
Fidelity Cash Central Fund, 0.40% (b)	585,324,607	\$ 585,324,607
Fidelity Securities Lending Cash Central Fund, 0.22% (b)(c)	431,395,617	<u>431,395,617</u>
TOTAL MONEY MARKET FUNDS (Cost \$1,016,720,224)		<u>1,016,720,224</u>
TOTAL INVESTMENT PORTFOLIO – 109.5% (Cost \$6,385,329,354)		<u>6,419,687,908</u>
NET OTHER ASSETS – (9.5)%		<u>(559,006,939)</u>
NET ASSETS – 100%		<u>\$ 5,860,680,969</u>

Legend

(a) Non-income producing

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	\$ 1,049,440
Fidelity Securities Lending Cash Central Fund	<u>4,696,100</u>
Total	<u>\$ 5,745,540</u>

Other Affiliated Issuers

An affiliated company is a company in which the fund has ownership of at least 5% of the voting securities. Fiscal year to date transactions with companies which are or were affiliates are as follows:

Affiliates	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Value, end of period
Aeropostale, Inc.	\$ 55,532,120	\$ —	\$ 69,046,625	\$ —	\$ —
Comtech Telecommunications Corp.	84,416,935	—	32,742,008	—	—
Formosa Epitaxy, Inc.	3,684,482	—	12,887,744	—	—
Fuel Systems Solutions, Inc.	40,714,128	13,520,719	7,606,771	—	31,162,962
Harvard Bioscience, Inc.	4,989,354	—	—	—	7,436,961
Hot Topic, Inc.	8,805,953	13,167,315	—	—	19,642,599
Nefflix, Inc.	145,464,826	—	—	—	201,188,222
Newpark Resources, Inc.	20,431,785	5,182,888	—	—	21,293,322
ResCare, Inc.	10,919,555	14,911,285	—	—	25,443,618
Sally Beauty Holdings, Inc.	32,867,932	18,399,292	—	—	59,687,398
Sensient Technologies Corp.	34,605,439	22,228,560	21,128,038	637,223	—
Total	<u>\$442,432,509</u>	<u>\$ 87,410,059</u>	<u>\$143,411,186</u>	<u>\$ 637,223</u>	<u>\$365,855,082</u>

(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.

(e) Affiliated company

(f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$252,745 or 0.0% of net assets.

(g) The coupon rate shown on floating or adjustable rate securities represents the rate at period end.

(h) Position or a portion of the position represents an unfunded loan commitment. At period end, the total principal amount and market value of unfunded commitments totaled \$2,066,031 and \$2,128,012, respectively. The coupon rate will be determined at time of settlement.

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

Investments (Unaudited) – continued

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	\$ 1,091,787,132	\$ 1,091,447,570	\$ 339,562	\$ —
Consumer Staples	457,952,931	457,952,931	—	—
Energy	374,153,239	374,153,239	—	—
Financials	533,665,573	527,646,838	6,018,735	—
Health Care	1,038,363,700	1,038,363,700	—	—
Industrials	328,827,233	328,711,649	—	115,584
Information Technology	1,101,374,857	1,101,374,857	—	—
Materials	354,977,012	354,977,012	—	—
Telecommunication Services	94,667,848	94,667,848	—	—
Utilities	20,544,442	20,544,442	—	—
Floating Rate Loans	6,386,000	—	6,386,000	—
Investment Companies	267,717	267,717	—	—
Money Market Funds	1,016,720,224	1,016,720,224	—	—
Total Investments in Securities	\$ 6,419,687,908	\$ 6,406,828,027	\$ 12,744,297	\$ 115,584

The following is a reconciliation of assets or liabilities for which level 3 inputs were used in determining value:

Investments in Securities:	
Beginning Balance	\$ 189,938
Total Realized Gain (Loss)	(1,767,642)
Total Unrealized Gain (Loss)	1,797,951
Cost of Purchases	—
Proceeds of Sales	(97,677)
Amortization/Accretion	—
Transfers in/out of Level 3	(6,986)
Ending Balance	\$ 115,584
Total unrealized gain (loss) on investments held at June 30, 2009	\$ (34)

The information used in the above reconciliation represents fiscal year to date activity for any Investment Security identified as using Level 3 inputs at either the beginning or the end of the current fiscal period. Transfers in or out of Level 3 represents either the beginning value (for transfers in), or the ending value (for transfers out) of any Security or Instrument where a change in the pricing level occurred from the beginning to the end of the period.

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

United States of America	74.8%
China	3.5%
Canada	3.0%
Cayman Islands	2.8%
Japan	2.5%
Netherlands	1.9%
India	1.5%
France	1.4%
Bermuda	1.3%
United Kingdom	1.3%
Australia	1.0%
Switzerland	1.0%
Germany	1.0%
Others (individually less than 1%)	3.0%
	<u>100.0%</u>

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

Income Tax Information

At December 31, 2008, the fund had a capital loss carryforward of approximately \$603,016,473 all of which will expire on December 31, 2016.

The fund intends to elect to defer to its fiscal year ending December 31, 2009 approximately \$546,563,416 of losses recognized during the period November 1, 2008 to December 31, 2008.

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 \$412,244,393) — See accompanying schedule:	
Unaffiliated issuers (cost \$5,044,867,182)	\$5,037,112,602
Fidelity Central Funds (cost \$1,016,720,224)	1,016,720,224
Other affiliated issuers (cost \$323,741,948)	<u>365,855,082</u>
Total Investments (cost \$6,385,329,354)	\$6,419,687,908
Cash	47,770
Receivable for investments sold	17,037,770
Receivable for fund shares sold	2,788,188
Dividends receivable	4,086,338
Interest receivable	8,879
Distributions receivable from Fidelity Central Funds	1,010,054
Prepaid expenses	30,573
Other receivables	<u>396,888</u>
Total assets	6,445,094,368

Liabilities

Payable for investments purchased	\$ 138,743,870
Payable for fund shares redeemed	6,491,651
Accrued management fee	2,766,723
Distribution fees payable	931,233
Other affiliated payables	444,908
Other payables and accrued expenses	3,639,397
Collateral on securities loaned, at value	<u>431,395,617</u>
Total liabilities	584,413,399

Net Assets	<u>\$5,860,680,969</u>
Net Assets consist of:	
Paid in capital	\$7,508,708,779
Undistributed net investment income	13,654,307
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions	(1,692,648,656)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies	<u>30,966,539</u>
Net Assets	<u>\$5,860,680,969</u>

Statement of Assets and Liabilities – continued

June 30, 2009 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$865,201,411 ÷ 41,028,287 shares)	<u>\$ 21.09</u>
--	-----------------

Service Class:

Net Asset Value , offering price and redemption price per share (\$606,917,891 ÷ 28,943,214 shares)	<u>\$ 20.97</u>
--	-----------------

Service Class 2:

Net Asset Value , offering price and redemption price per share (\$4,202,307,696 ÷ 202,882,320 shares)	<u>\$ 20.71</u>
---	-----------------

Investor Class:

Net Asset Value , offering price and redemption price per share (\$186,253,971 ÷ 8,859,613 shares)	<u>\$ 21.02</u>
---	-----------------

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 (including \$637,223 earned from other affiliated issuers)		\$ 30,262,040
Interest		960,986
Income from Fidelity Central Funds (including \$4,696,100 from security lending)		5,745,540
Total income		<u>36,968,566</u>
Expenses		
Management fee	\$ 14,830,321	
Transfer agent fees	2,313,171	
Distribution fees	4,952,282	
Accounting and security lending fees	636,223	
Custodian fees and expenses	231,094	
Independent trustees' compensation	20,604	
Registration fees	6,138	
Audit	49,967	
Legal	4,722	
Miscellaneous	233,968	
Total expenses before reductions	23,278,490	
Expense reductions	(67,328)	
		<u>23,211,162</u>
Net investment income (loss)		<u>13,757,404</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers (net of foreign taxes of \$5,476)	(471,084,490)	
Other affiliated issuers	12,183,927	
Foreign currency transactions	(180,306)	
Total net realized gain (loss)		(459,080,869)
Change in net unrealized appreciation (depreciation) on:		
Investment securities (net of increase in deferred foreign taxes of \$3,397,722)	1,162,837,225	
Assets and liabilities in foreign currencies	37,566	
Total change in net unrealized appreciation (depreciation)		1,162,874,791
Net gain (loss)		<u>703,793,922</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 717,551,326</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)	\$ 13,757,404	\$ 26,822,190
Net realized gain (loss)	(459,080,869)	(1,220,793,087)
Change in net unrealized appreciation (depreciation)	1,162,874,791	(2,282,704,994)
Net increase (decrease) in net assets resulting from operations	<u>717,551,326</u>	<u>(3,476,675,891)</u>
Distributions to shareholders from net investment income	(3,452,582)	(21,746,451)
Distributions to shareholders from net realized gain	—	(1,220,206,564)
Total distributions	<u>(3,452,582)</u>	<u>(1,241,953,015)</u>
Share transactions – net increase (decrease)	(121,347,612)	1,119,979,992
Total increase (decrease) in net assets	<u>592,751,132</u>	<u>(3,598,648,914)</u>
Net Assets		
Beginning of period	5,267,929,837	8,866,578,751
End of period (including undistributed net investment income of \$13,654,307 and undistributed net investment income of \$3,349,485, respectively)	<u>\$5,860,680,969</u>	<u>\$5,267,929,837</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	\$ 18.43	\$ 36.16	\$ 34.77	\$ 35.11	\$ 30.18	\$ 24.16
Income from Investment Operations						
Net investment income (loss) ^E . . . . .	.07	.14	.21	.19	.16 ^H	.01
Net realized and unrealized gain (loss)	2.60	(12.75)	4.80	3.93	5.28	6.01
Total from investment operations	2.67	(12.61)	5.01	4.12	5.44	6.02
Distributions from net investment income	(.01)	(.13)	(.33)	(.13)	—	—
Distributions from net realized gain	—	(4.99)	(3.29)	(4.33)	(.51)	—
Total distributions	(.01)	(5.12)	(3.62)	(4.46)	(.51)	—
Net asset value, end of period	\$ 21.09	\$ 18.43	\$ 36.16	\$ 34.77	\$ 35.11	\$ 30.18
Total Return ^{B, C, D}	14.51%	(39.44)%	15.63%	12.70%	18.30%	24.92%
Ratios to Average Net Assets ^{F, I}						
Expenses before reductions . . . . .	.70% ^A	.68%	.67%	.68%	.69%	.71%
Expenses net of fee waivers, if any . . . . .	.70% ^A	.68%	.67%	.68%	.69%	.71%
Expenses net of all reductions . . . . .	.69% ^A	.67%	.66%	.66%	.64%	.68%
Net investment income (loss) . . . . .	.71% ^A	.55%	.59%	.58%	.50% ^H	.03%
Supplemental Data						
Net assets, end of period (000 omitted)	\$865,201	\$809,243	\$1,532,407	\$1,352,385	\$1,276,302	\$979,533
Portfolio turnover rate ^G	90% ^A	145%	113%	149%	107%	55%

^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 \$.04 per share. Excluding the special dividend, the ratio of net investment income (loss) to average net assets would have been .36%. ^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 June 30, 2009 (Unaudited)			Years ended December 31,		
	2008	2007	2006	2005	2004	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 18.33	\$ 35.98	\$ 34.59	\$ 34.95	\$ 30.07	\$ 24.10
Income from Investment Operations						
Net investment income (loss) ^E . . . . .	.06	.12	.17	.16	.12 ^H	(.02)
Net realized and unrealized gain (loss)	2.59	(12.68)	4.77	3.91	5.27	5.99
Total from investment operations	2.65	(12.56)	4.94	4.07	5.39	5.97
Distributions from net investment income	(.01)	(.10)	(.26)	(.10)	—	—
Distributions from net realized gain	—	(4.99)	(3.29)	(4.33)	(.51)	—
Total distributions	(.01)	(5.09)	(3.55)	(4.43)	(.51)	—
Net asset value, end of period	\$ 20.97	\$ 18.33	\$ 35.98	\$ 34.59	\$ 34.95	\$ 30.07
Total Return ^{B, C, D}	14.48%	(39.51)%	15.49%	12.59%	18.20%	24.77%
Ratios to Average Net Assets ^{F, I}						
Expenses before reductions . . . . .	.80% ^A	.78%	.76%	.78%	.79%	.81%
Expenses net of fee waivers, if any . . . . .	.80% ^A	.78%	.76%	.78%	.79%	.81%
Expenses net of all reductions . . . . .	.79% ^A	.77%	.75%	.76%	.74%	.78%
Net investment income (loss) . . . . .	.62% ^A	.45%	.49%	.48%	.40% ^H	(.07)%
Supplemental Data						
Net assets, end of period (000 omitted)	\$606,918	\$573,499	\$1,138,873	\$1,091,396	\$990,561	\$819,412
Portfolio turnover rate ^G	90% ^A	145%	113%	149%	107%	55%

^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 \$.04 per share. Excluding the special dividend, the ratio of net investment income (loss) to average net assets would have been .26%. ^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	\$ 18.12	\$ 35.63	\$ 34.25	\$ 34.67	\$ 29.88	\$ 23.98
Income from Investment Operations						
Net investment income (loss) ^E	.04	.08	.12	.11	.08 ^H	(.06)
Net realized and unrealized gain (loss)	2.56	(12.53)	4.73	3.87	5.22	5.96
Total from investment operations	2.60	(12.45)	4.85	3.98	5.30	5.90
Distributions from net investment income	(.01)	(.07)	(.18)	(.07)	—	—
Distributions from net realized gain	—	(4.99)	(3.29)	(4.33)	(.51)	—
Total distributions	(.01)	(5.06)	(3.47)	(4.40)	(.51)	—
Net asset value, end of period	\$ 20.71	\$ 18.12	\$ 35.63	\$ 34.25	\$ 34.67	\$ 29.88
Total Return ^{B, C, D}	14.37%	(39.61)%	15.34%	12.40%	18.02%	24.60%
Ratios to Average Net Assets ^{F, I}						
Expenses before reductions	.94% ^A	.93%	.91%	.93%	.94%	.96%
Expenses net of fee waivers, if any	.94% ^A	.93%	.91%	.93%	.94%	.96%
Expenses net of all reductions	.94% ^A	.92%	.90%	.91%	.89%	.93%
Net investment income (loss)	.47% ^A	.30%	.34%	.33%	.26% ^H	(.22)%
Supplemental Data						
Net assets, end of period (000 omitted)	\$4,202,308	\$3,721,868	\$5,939,927	\$4,701,583	\$3,542,952	\$2,201,298
Portfolio turnover rate ^G	90% ^A	145%	113%	149%	107%	55%

^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 \$.05 per share. Excluding the special dividend, the ratio of net investment income (loss) to average net assets would have been .11%. ^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 — Investor Class

	Six months ended		Years ended December 31,		
	June 30, 2009 (Unaudited)	2008	2007	2006	2005 ^I
Selected Per-Share Data					
Net asset value, beginning of period	\$ 18.38	\$ 36.07	\$ 34.69	\$ 35.08	\$ 31.81
Income from Investment Operations					
Net investment income (loss) ^E	.06	.12	.17	.15	.07 ^H
Net realized and unrealized gain (loss)	2.59	(12.71)	4.78	3.93	3.20
Total from investment operations	2.65	(12.59)	4.95	4.08	3.27
Distributions from net investment income	(.01)	(.11)	(.28)	(.14)	—
Distributions from net realized gain	—	(4.99)	(3.29)	(4.33)	—
Total distributions	(.01)	(5.10)	(3.57)	(4.47)	—
Net asset value, end of period	\$ 21.02	\$ 18.38	\$ 36.07	\$ 34.69	\$ 35.08
Total Return ^{B, C, D}	14.44%	(39.50)%	15.46%	12.59%	10.28%
Ratios to Average Net Assets ^{F, I}					
Expenses before reductions	.80% ^A	.77%	.78%	.80%	.86% ^A
Expenses net of fee waivers, if any	.80% ^A	.77%	.78%	.80%	.86% ^A
Expenses net of all reductions	.80% ^A	.76%	.77%	.78%	.80% ^A
Net investment income (loss)	.61% ^A	.46%	.47%	.45%	.45% ^{A, H}
Supplemental Data					
Net assets, end of period (000 omitted)	\$186,254	\$163,319	\$255,371	\$163,646	\$ 50,760
Portfolio turnover rate ^G	90% ^A	145%	113%	149%	107%

^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 \$.04 per share. Excluding the special dividend, the ratio of net investment income (loss) to average net assets would have been .17%. ^IFor the period July 21, 2005 (commencement of sale of shares) to December 31, 2005. ^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. 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.

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 Mid Cap Portfolio (the Fund) is a fund of Variable Insurance Products Fund III (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, 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. The Fund's investments in emerging markets can be subject to social, economic, regulatory, and political uncertainties and can be extremely volatile.

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, as well as a reconciliation of assets and liabilities for which significant unobservable inputs (Level 3) were used in determining value, 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. 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.

3. Significant Accounting Policies – continued

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.

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.

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. The Fund is subject to a tax imposed on short term capital gains on securities of certain issuers domiciled in India. The Fund records an estimated deferred tax liability included in Other payables and accrued expenses in the accompanying Statement of Assets & Liabilities for net unrealized gains on these securities in an amount that would be payable if the securities were disposed of at period end.

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 foreign currency transactions, certain foreign taxes, passive foreign investment companies (PFIC), market discount, partnerships, capital loss carryforwards and losses deferred due to wash sales and excise tax regulations.

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

Unrealized appreciation	\$ 790,660,517
Unrealized depreciation	(805,805,888)
Net unrealized appreciation (depreciation)	\$ (15,145,371)
Cost for federal income tax purposes	\$ 6,434,833,279

4. Operating Policies.

Restricted Securities. The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities is included at the end of the Fund's Schedule of Investments.

Notes to Financial Statements (Unaudited) – continued

4. Operating Policies – continued

Loans and Other Direct Debt Instruments. The Fund may invest in loans and loan participations, trade claims or other receivables. These investments may include standby financing commitments, including revolving credit facilities, that obligate the Fund to supply additional cash to the borrower on demand. Loan participations involve a risk of insolvency of the lending bank or other financial intermediary. The Fund may be contractually obligated to receive approval from the agent bank and/or borrower prior to the sale of these investments.

5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$2,225,277,148 and \$2,597,411,244, respectively.

6. Fees and Other Transactions with Affiliates.

Management Fee. FMR and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .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. 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 .56% 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 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	\$	278,591
Service Class 2		4,673,691
	\$	<u>4,952,282</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	\$	339,730
Service Class		237,683
Service Class 2		1,578,647
Investor Class		157,111
	\$	<u>2,313,171</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 \$12,566 for the period.

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 \$15,544 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.

9. 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 \$66,305 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 \$1,023.

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	\$ 521,506	\$ 5,464,109
Service Class	368,168	3,078,295
Service Class 2	2,456,785	12,335,314
Investor Class	106,123	868,733
Total	<u>\$ 3,452,582</u>	<u>\$ 21,746,451</u>
From net realized gain		
Initial Class	\$ —	\$ 206,531,480
Service Class	—	153,533,231
Service Class 2	—	825,115,604
Investor Class	—	35,026,249
Total	<u>\$ —</u>	<u>\$ 1,220,206,564</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	4,211,076	6,860,401	\$ 79,920,280	\$ 173,479,709
Reinvestment of distributions	29,397	7,762,568	521,506	211,995,589
Shares redeemed	(7,130,573)	(13,087,697)	(130,502,908)	(310,728,896)
Net increase (decrease)	<u>(2,890,100)</u>	<u>1,535,272</u>	<u>\$ (50,061,122)</u>	<u>\$ 74,746,402</u>
Service Class				
Shares sold	1,218,005	2,527,386	\$ 23,069,089	\$ 63,369,313
Reinvestment of distributions	20,859	5,749,302	368,168	156,611,526
Shares redeemed	(3,580,431)	(8,641,709)	(64,701,131)	(222,601,125)
Net increase (decrease)	<u>(2,341,567)</u>	<u>(365,021)</u>	<u>\$ (41,263,874)</u>	<u>\$ (2,620,286)</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	13,787,649	34,184,754	\$ 259,255,872	\$ 818,444,462
Reinvestment of distributions	140,871	31,025,325	2,456,785	837,450,918
Shares redeemed	(16,433,284)	(26,541,656)	(292,705,289)	(666,646,681)
Net increase (decrease)	<u>(2,504,764)</u>	<u>38,668,423</u>	<u>\$ (30,992,632)</u>	<u>\$ 989,248,699</u>
Investor Class				
Shares sold	604,844	2,706,779	\$ 11,896,281	\$ 73,907,310
Reinvestment of distributions	5,996	1,317,060	106,123	35,894,982
Shares redeemed	(637,358)	(2,217,377)	(11,032,388)	(51,197,115)
Net increase (decrease)	<u>(26,518)</u>	<u>1,806,462</u>	<u>\$ 970,016</u>	<u>\$ 58,605,177</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, one unaffiliated shareholder was the owner of record of 29% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

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

Brown Brothers Harriman & Co.
Boston, MA