

Fidelity® Variable Insurance Products: Value Strategies 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.

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

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This report and the financial statements contained herein are submitted for the general information of the shareholders of the fund. This report is not authorized for distribution to prospective investors in the fund unless preceded or accompanied by an effective prospectus.

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

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	.77%			
Actual		\$ 1,000.00	\$ 1,187.10	\$ 4.18
Hypothetical ^A		\$ 1,000.00	\$ 1,020.98	\$ 3.86
Service Class	.86%			
Actual		\$ 1,000.00	\$ 1,185.50	\$ 4.66
Hypothetical ^A		\$ 1,000.00	\$ 1,020.53	\$ 4.31
Service Class 2	1.01%			
Actual		\$ 1,000.00	\$ 1,186.00	\$ 5.47
Hypothetical ^A		\$ 1,000.00	\$ 1,019.79	\$ 5.06
Investor Class	.88%			
Actual		\$ 1,000.00	\$ 1,185.90	\$ 4.77
Hypothetical ^A		\$ 1,000.00	\$ 1,020.43	\$ 4.41

^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
Wells Fargo & Co.	1.2	0.0
Everest Re Group Ltd.	1.2	1.2
JPMorgan Chase & Co.	1.1	0.9
PNC Financial Services Group, Inc.	1.1	0.0
ON Semiconductor Corp.	1.1	0.7
Celanese Corp. Class A	1.0	0.6
Bank of America Corp.	1.0	0.5
AES Corp.	1.0	0.4
Denbury Resources, Inc.	1.0	0.9
GeoEye, Inc.	1.0	1.3
	<u>10.7</u>	

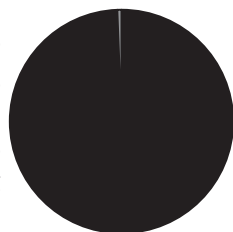
Top Five Market Sectors as of June 30, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Financials	21.7	22.5
Consumer Discretionary	19.5	18.1
Information Technology	14.1	14.4
Industrials	12.8	17.0
Health Care	8.6	7.3

Asset Allocation (% of fund's net assets)

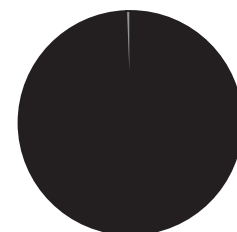
As of June 30, 2009*

■ Stocks	100.2%
■ Bonds	0.1%
Short-Term Investments and Net Other Assets [†]	(0.3)%
* Foreign investments	13.8%



As of December 31, 2008**

■ Stocks	99.2%
■ Bonds	0.2%
□ Short-Term Investments and Net Other Assets	0.6%
** Foreign investments	16.1%



[†] Short-Term Investments and Net Other Assets are not included in the pie chart.

Investments June 30, 2009 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 99.9%

	Shares	Value
CONSUMER DISCRETIONARY – 19.3%		
Auto Components – 2.5%		
Autoliv, Inc.	42,500	\$ 1,222,725
BorgWarner, Inc.	23,800	812,770
Johnson Controls, Inc.	85,900	1,865,748
The Goodyear Tire & Rubber Co. (a) ...	161,320	1,816,463
		<u>5,717,706</u>
Automobiles – 0.4%		
Harley-Davidson, Inc.	18,500	299,885
Renault SA (a)	14,500	532,276
		<u>832,161</u>
Diversified Consumer Services – 1.3%		
H&R Block, Inc.	102,200	1,760,906
Princeton Review, Inc. (a)	72,285	391,062
Regis Corp.	43,568	758,519
		<u>2,910,487</u>
Hotels, Restaurants & Leisure – 2.3%		
Burger King Holdings, Inc.	25,750	444,703
McCormick & Schmick's Seafood Restaurants (a)	56,100	426,921
Starwood Hotels & Resorts Worldwide, Inc.	47,113	1,045,909
Vail Resorts, Inc. (a)	25,194	675,703
WMS Industries, Inc. (a)(d)	47,600	1,499,876
Wyndham Worldwide Corp.	96,000	1,163,520
		<u>5,256,632</u>
Household Durables – 4.8%		
Black & Decker Corp.	22,000	630,520
Centex Corp.	132,400	1,120,104
Ethan Allen Interiors, Inc.	43,970	455,529
Furniture Brands International, Inc.	41,000	124,230
Harman International Industries, Inc. ...	44,400	834,720
KB Home	16,700	228,456
Lennar Corp. Class A	33,800	327,522
Mohawk Industries, Inc. (a)	36,600	1,305,888
Newell Rubbermaid, Inc.	130,000	1,353,300
Pulte Homes, Inc.	106,500	940,395
Stanley Furniture Co., Inc.	40,100	432,679
The Stanley Works	39,900	1,350,216
Whirlpool Corp.	39,875	1,697,080
		<u>10,800,639</u>
Internet & Catalog Retail – 0.1%		
Liberty Media Corp. Interactive Series A (a)	53,400	267,534
Leisure Equipment & Products – 0.1%		
Brunswick Corp.	71,700	309,744
Media – 2.6%		
Cablevision Systems Corp. – NY Group Class A	65,329	1,268,036
DISH Network Corp. Class A (a)	60,815	985,811

	Shares	Value
Grupo Televisa SA de CV (CPO) sponsored ADR	23,100	\$ 392,700
Liberty Media Corp. Capital Series A (a)	45,300	614,268
McGraw-Hill Companies, Inc.	36,600	1,102,026
Time Warner Cable, Inc.	15,600	494,052
Virgin Media, Inc.	112,100	1,048,135
		<u>5,905,028</u>
Multiline Retail – 0.1%		
Macy's, Inc.	23,400	275,184
Specialty Retail – 4.5%		
Advance Auto Parts, Inc.	24,400	1,012,356
Asbury Automotive Group, Inc.	157,059	1,608,284
Dick's Sporting Goods, Inc. (a)	32,600	560,720
Gamestop Corp. Class A (a)	14,800	325,748
Group 1 Automotive, Inc. (d)	12,624	328,476
Jos. A. Bank Clothiers, Inc. (a)	20,342	700,985
Lowe's Companies, Inc.	46,700	906,447
Lumber Liquidators, Inc. (a)(d)	69,296	1,092,105
MarineMax, Inc. (a)	44,500	153,080
OfficeMax, Inc.	157,983	992,133
Pacific Sunwear of California, Inc. (a) ..	56,400	190,068
Sonic Automotive, Inc. Class A (sub. vtg.) (d)	141,634	1,439,001
Staples, Inc.	48,400	976,228
		<u>10,285,631</u>
Textiles, Apparel & Luxury Goods – 0.6%		
Hanesbrands, Inc. (a)	85,700	1,286,357
Heelys, Inc.	44,955	89,460
		<u>1,375,817</u>
TOTAL CONSUMER DISCRETIONARY		
		<u>43,936,563</u>
CONSUMER STAPLES – 4.0%		
Beverages – 0.0%		
Heckmann Corp. (a)	3,500	13,125
Food & Staples Retailing – 0.6%		
CVS Caremark Corp.	19,900	634,213
Winn-Dixie Stores, Inc. (a)	55,970	701,864
		<u>1,336,077</u>
Food Products – 2.7%		
Corn Products International, Inc.	64,600	1,730,634
Marine Harvest ASA (a)	3,006,000	2,018,892
Nestle SA sponsored ADR	6,500	244,530
Ralcorp Holdings, Inc. (a)	23,600	1,437,712
Smithfield Foods, Inc. (a)	48,300	674,751
		<u>6,106,519</u>
Personal Products – 0.4%		
Avon Products, Inc.	23,100	595,518
Estee Lauder Companies, Inc. Class A ..	6,500	212,355
		<u>807,873</u>

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
CONSUMER STAPLES – continued		
Tobacco – 0.3%		
Lorillard, Inc.	11,200	\$ 759,024
TOTAL CONSUMER STAPLES		<u>9,022,618</u>
ENERGY – 5.9%		
Energy Equipment & Services – 1.5%		
Helix Energy Solutions Group, Inc. (a) ..	48,400	526,108
Helmerich & Payne, Inc.	20,600	635,922
National Oilwell Varco, Inc. (a)	17,169	560,740
Weatherford International Ltd. (a)	82,800	<u>1,619,568</u>
		<u>3,342,338</u>
Oil, Gas & Consumable Fuels – 4.4%		
Berry Petroleum Co. Class A	22,900	425,711
Canadian Natural Resources Ltd.	15,200	799,663
Concho Resources, Inc. (a)	20,828	597,555
Denbury Resources, Inc. (a)	152,642	2,248,417
El Paso Corp.	126,800	1,170,364
EXCO Resources, Inc. (a)	43,400	560,728
Marathon Oil Corp.	9,300	280,209
Petrohawk Energy Corp. (a)	74,670	1,665,141
Plains Exploration & Production Co. (a) .	30,900	845,424
Quicksilver Resources, Inc. (a)(d)	54,300	504,447
Range Resources Corp.	5,400	223,614
Southwestern Energy Co. (a)	9,300	361,305
Venoco, Inc. (a)	46,200	<u>354,354</u>
		<u>10,036,932</u>
TOTAL ENERGY		<u>13,379,270</u>
FINANCIALS – 21.6%		
Capital Markets – 2.3%		
Ameriprise Financial, Inc.	35,200	854,304
Deutsche Bank AG (NY Shares)	10,100	616,100
EFG International	51,026	551,874
Fortress Investment Group LLC (d)	80,500	275,310
Janus Capital Group, Inc.	18,900	215,460
Lazard Ltd. Class A	21,208	570,919
Morgan Stanley	44,200	1,260,142
State Street Corp.	17,400	<u>821,280</u>
		<u>5,165,389</u>
Commercial Banks – 5.2%		
Associated Banc-Corp.	68,100	851,250
CapitalSource, Inc.	285,472	1,393,103
China Citic Bank Corp. Ltd. Class H	641,000	416,035
Comerica, Inc.	30,400	642,960
Fifth Third Bancorp	38,858	275,892
Huntington Bancshares, Inc.	208,400	871,112
KeyCorp	69,100	362,084
Marshall & Ilsley Corp.	39,000	<u>187,200</u>

	Shares	Value
PNC Financial Services Group, Inc.	63,900	\$ 2,479,959
Sumitomo Mitsui Financial Group, Inc. .	10,400	424,269
SunTrust Banks, Inc.	25,600	421,120
U.S. Bancorp, Delaware	37,600	673,792
Wells Fargo & Co.	118,779	<u>2,881,578</u>
		<u>11,880,354</u>
Consumer Finance – 1.1%		
Capital One Financial Corp.	88,000	1,925,440
Discover Financial Services	56,966	<u>585,041</u>
		<u>2,510,481</u>
Diversified Financial Services – 2.4%		
Bank of America Corp.	173,800	2,294,160
CIT Group, Inc. (d)	129,100	277,565
JPMorgan Chase & Co.	74,300	2,534,373
PHH Corp. (a)	13,900	<u>252,702</u>
		<u>5,358,800</u>
Insurance – 7.0%		
ACE Ltd.	39,400	1,742,662
Allied World Assurance Co. Holdings Ltd.	24,000	979,920
Assurant, Inc.	29,100	701,019
Axis Capital Holdings Ltd.	31,600	827,288
CNA Financial Corp.	52,900	818,363
Everest Re Group Ltd.	39,700	2,841,329
Genworth Financial, Inc. Class A (non-vtg.)	99,900	698,301
Lincoln National Corp.	72,000	1,239,120
Loews Corp.	5,800	158,920
MetLife, Inc.	17,900	537,179
Principal Financial Group, Inc.	19,500	367,380
Protective Life Corp.	18,600	212,784
Reinsurance Group of America, Inc. ...	16,700	582,997
Unum Group	54,100	858,026
Validus Holdings Ltd.	88,258	1,939,911
W.R. Berkley Corp.	28,200	605,454
XL Capital Ltd. Class A	75,488	<u>865,092</u>
		<u>15,975,745</u>
Real Estate Investment Trusts – 2.2%		
Alexandria Real Estate Equities, Inc. (d)	41,399	1,481,670
Brandywine Realty Trust (SBI)	30,900	230,205
CBL & Associates Properties, Inc.	83,919	452,323
Developers Diversified Realty Corp. ...	71,728	350,033
Duke Realty LP	138,843	1,217,653
ProLogis Trust	78,600	633,516
SL Green Realty Corp.	11,800	270,692
The Macerich Co.	12,772	224,915
U-Store-It Trust	51,427	<u>251,992</u>
		<u>5,112,999</u>
Real Estate Management & Development – 1.4%		
CB Richard Ellis Group, Inc. Class A (a)	191,029	1,788,031

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

Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Real Estate Management & Development – continued		
Forestar Group, Inc. (a)	60,028	\$ 713,133
Jones Lang LaSalle, Inc.	18,900	618,597
		<u>3,119,761</u>
Thrifts & Mortgage Finance – 0.0%		
MGIC Investment Corp.	25,600	112,640
TOTAL FINANCIALS		<u>49,236,169</u>
HEALTH CARE – 8.6%		
Biotechnology – 0.3%		
GTx, Inc. (a)(d)	54,727	505,130
Health Care Equipment & Supplies – 2.8%		
C.R. Bard, Inc.	21,500	1,600,675
Cooper Companies, Inc.	24,900	615,777
Covidien PLC	52,950	1,982,448
DENTSPLY International, Inc.	45,581	1,391,132
Orthofix International NV (a)	32,600	815,326
		<u>6,405,358</u>
Health Care Providers & Services – 2.3%		
Brookdale Senior Living, Inc.	65,917	642,032
Capital Senior Living Corp. (a)	115,225	524,274
Emeritus Corp. (a)(d)	146,215	1,931,500
Henry Schein, Inc. (a)	42,842	2,054,274
VCA Antech, Inc. (a)	1,215	32,441
		<u>5,184,521</u>
Life Sciences Tools & Services – 1.7%		
AMAG Pharmaceuticals, Inc. (a)	21,400	1,169,938
Bruker BioSciences Corp. (a)	28,900	267,614
Life Technologies Corp. (a)	28,800	1,201,536
PerkinElmer, Inc.	15,900	276,660
Thermo Fisher Scientific, Inc. (a)	24,400	994,788
		<u>3,910,536</u>
Pharmaceuticals – 1.5%		
Allergan, Inc.	20,800	989,664
Ardea Biosciences, Inc. (a)	400	6,296
Cadence Pharmaceuticals, Inc. (a)	42,924	428,811
King Pharmaceuticals, Inc. (a)	35,100	338,013
Perrigo Co.	1,000	27,780
Teva Pharmaceutical Industries Ltd. sponsored ADR	14,700	725,298
XenoPort, Inc. (a)	39,900	924,483
		<u>3,440,345</u>
TOTAL HEALTH CARE		<u>19,445,890</u>

INDUSTRIALS – 12.7%

Aerospace & Defense – 0.3%

Heico Corp. Class A	400	\$ 11,704
Stanley, Inc. (a)	18,500	608,280
		<u>619,984</u>

Building Products – 1.3%

Masco Corp.	155,400	1,488,732
Owens Corning (a)	105,689	1,350,705
		<u>2,839,437</u>

Commercial Services & Supplies – 2.9%

Cenveo, Inc. (a)	97,954	414,345
Clean Harbors, Inc. (a)	5,034	271,786
Consolidated Graphics, Inc. (a)	33,930	591,061
GeoEye, Inc. (a)(d)	94,300	2,221,708
R.R. Donnelley & Sons Co.	114,400	1,329,328
Republic Services, Inc.	71,220	1,738,480
		<u>6,566,708</u>

Construction & Engineering – 1.1%

MYR Group, Inc. (a)(e)	63,900	1,292,058
MYR Group, Inc. (a)	64,500	1,304,190
		<u>2,596,248</u>

Electrical Equipment – 0.9%

AMETEK, Inc.	13,600	470,288
Energy Conversion Devices, Inc. (a)(d) .	23,000	325,450
Renewable Energy Corp. AS (a)	21,800	169,121
Renewable Energy Corp. AS rights 7/13/09 (a)	7,517	26,879
Sunpower Corp.:		
Class A (a)	6,400	170,496
Class B (a)	40,800	977,160
		<u>2,139,394</u>

Industrial Conglomerates – 0.3%

Rheinmetall AG	2,600	112,511
Textron, Inc.	59,413	573,930
		<u>686,441</u>

Machinery – 2.5%

Altra Holdings, Inc. (a)	32,300	241,927
Blount International, Inc. (a)	68,300	588,063
Cummins, Inc.	46,400	1,633,744
Deere & Co.	22,250	888,888
Navistar International Corp. (a)	36,400	1,587,040
PACCAR, Inc.	5,900	191,809
Vallourec SA (d)	4,300	521,915
		<u>5,653,386</u>

Marine – 0.3%

Ultrapetrol (Bahamas) Ltd. (a)	148,247	656,734
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Professional Services – 1.1%

CoStar Group, Inc. (a)	588	23,444
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See accompanying notes which are an integral part of the financial statements.

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Professional Services – continued		
Experian PLC	155,270	\$ 1,160,347
Monster Worldwide, Inc. (a)(d)	112,600	1,329,806
		<u>2,513,597</u>
Road & Rail – 2.0%		
Con-way, Inc.	53,600	1,892,616
Ryder System, Inc.	62,900	1,756,168
Saia, Inc. (a)	39,600	713,196
Union Pacific Corp.	4,300	223,858
		<u>4,585,838</u>
Transportation Infrastructure – 0.0%		
Aegean Marine Petroleum Network, Inc.	5,800	87,580
		<u>87,580</u>
TOTAL INDUSTRIALS		<u>28,945,347</u>
INFORMATION TECHNOLOGY – 14.1%		
Communications Equipment – 1.0%		
Comverse Technology, Inc. (a)	96,000	820,800
Juniper Networks, Inc. (a)	59,500	1,404,200
		<u>2,225,000</u>
Computers & Peripherals – 0.4%		
NCR Corp. (a)	43,700	516,971
Seagate Technology	40,200	420,492
		<u>937,463</u>
Electronic Equipment & Components – 3.7%		
Agilent Technologies, Inc. (a)	85,700	1,740,567
Arrow Electronics, Inc. (a)	52,000	1,104,480
Avnet, Inc. (a)	64,950	1,365,899
Bell Microproducts, Inc. (a)	246,115	283,032
Digital China Holdings Ltd. (H Shares)	63,000	43,897
Ingram Micro, Inc. Class A (a)	68,300	1,195,250
Itron, Inc. (a)	17,630	970,884
Tyco Electronics Ltd.	93,550	1,739,095
		<u>8,443,104</u>
Internet Software & Services – 1.1%		
Dice Holdings, Inc. (a)	155,926	725,056
Move, Inc. (a)	619,150	1,337,364
VeriSign, Inc. (a)	17,465	322,753
		<u>2,385,173</u>
IT Services – 1.5%		
Affiliated Computer Services, Inc. Class A (a)	13,500	599,670
infoGROUP, Inc. (a)	67,701	386,573
Metavante Technologies, Inc. (a)	48,800	1,261,968
Perot Systems Corp. Class A (a)	55,988	802,308
SRA International, Inc. Class A (a)	18,800	330,128
		<u>3,380,647</u>
Office Electronics – 0.5%		
Xerox Corp.	167,552	1,085,737

	Shares	Value
Semiconductors & Semiconductor Equipment – 3.7%		
ASML Holding NV (NY Shares)	56,409	\$ 1,221,255
Atmel Corp. (a)	179,300	668,789
Globe Specialty Metals, Inc. (Reg. S) (a)	101,055	707,385
International Rectifier Corp. (a)	16,900	250,289
KLA-Tencor Corp.	41,900	1,057,975
Lam Research Corp. (a)	59,600	1,549,600
LTX-Credence Corp. (a)	169,015	79,437
ON Semiconductor Corp. (a)	351,791	2,413,286
Verigy Ltd. (a)	47,073	572,878
		<u>8,520,894</u>
Software – 2.2%		
ANSYS, Inc. (a)	23,000	716,680
Ariba, Inc. (a)	38,332	377,187
BMC Software, Inc. (a)	34,500	1,165,755
Electronic Arts, Inc. (a)	16,400	356,208
Epicor Software Corp. (a)	61,529	326,104
Gameloft (a)	275,843	1,025,351
Intuit, Inc. (a)	1,600	45,056
Mentor Graphics Corp. (a)	35,076	191,866
Misys PLC	302,221	857,668
		<u>5,061,875</u>
TOTAL INFORMATION TECHNOLOGY		<u>32,039,893</u>
MATERIALS – 8.2%		
Chemicals – 5.2%		
Albemarle Corp.	50,100	1,281,057
Ashland, Inc.	33,300	934,065
Calgon Carbon Corp. (a)	30,300	420,867
Celanese Corp. Class A	97,122	2,306,648
Dow Chemical Co.	64,200	1,036,188
H.B. Fuller Co.	58,700	1,101,799
OMNOVA Solutions, Inc. (a)	32,377	105,549
Rockwood Holdings, Inc. (a)	54,299	794,937
Solutia, Inc. (a)	198,564	1,143,729
Terra Industries, Inc.	49,864	1,207,706
W.R. Grace & Co. (a)	129,436	1,601,123
		<u>11,933,668</u>
Construction Materials – 0.1%		
Vulcan Materials Co.	2,800	120,680
Containers & Packaging – 1.5%		
Ball Corp.	20,000	903,200
Owens-Illinois, Inc. (a)	42,100	1,179,221
Sealed Air Corp.	17,700	326,565
Temple-Inland, Inc.	71,500	938,080
		<u>3,347,066</u>
Metals & Mining – 1.0%		
Agnico-Eagle Mines Ltd. (Canada)	25,200	1,327,490
Gulf Resources, Inc. (a)	78,650	45,617
Newcrest Mining Ltd.	36,377	894,216
		<u>2,267,323</u>

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

Common Stocks – continued

	Shares	Value
MATERIALS – continued		
Paper & Forest Products – 0.4%		
Weyerhaeuser Co.	31,400	\$ 955,502
TOTAL MATERIALS		<u>18,624,239</u>
TELECOMMUNICATION SERVICES – 0.8%		
Diversified Telecommunication Services – 0.6%		
Global Crossing Ltd. (a)	149,665	<u>1,373,925</u>
Wireless Telecommunication Services – 0.2%		
Sprint Nextel Corp. (a)	107,500	<u>517,075</u>
TOTAL TELECOMMUNICATION SERVICES		<u>1,891,000</u>
UTILITIES – 4.7%		
Electric Utilities – 2.6%		
Allegheny Energy, Inc.	46,573	1,194,597
American Electric Power Co., Inc.	29,500	852,255
Entergy Corp.	26,100	2,023,272
Exelon Corp.	7,500	384,075
FirstEnergy Corp.	36,100	<u>1,398,875</u>
		<u>5,853,074</u>
Gas Utilities – 0.0%		
Xiniao Gas Holdings Ltd.	16,000	<u>27,335</u>
Independent Power Producers & Energy Traders – 1.7%		
AES Corp.	197,392	2,291,721
Constellation Energy Group, Inc.	30,200	802,716
NRG Energy, Inc. (a)	33,276	<u>863,845</u>
		<u>3,958,282</u>
Multi-Utilities – 0.4%		
Sempra Energy	19,100	<u>947,933</u>
TOTAL UTILITIES		<u>10,786,624</u>
TOTAL COMMON STOCKS		
(Cost \$270,852,679)		<u>227,307,613</u>

Preferred Stocks – 0.3%

Convertible Preferred Stocks – 0.1%

ENERGY – 0.0%

Oil, Gas & Consumable Fuels – 0.0%

SandRidge Energy, Inc. 8.50% (a)(e) ...	900	<u>108,810</u>
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FINANCIALS – 0.1%

Commercial Banks – 0.0%

UCBH Holdings, Inc. Series B, 8.50% ...	117	<u>34,810</u>
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	Shares	Value
Diversified Financial Services – 0.1%		
CIT Group, Inc. Series C, 8.75%	5,300	\$ 91,410
TOTAL FINANCIALS		<u>126,220</u>
TOTAL CONVERTIBLE PREFERRED STOCKS		
		<u>235,030</u>
Nonconvertible Preferred Stocks – 0.2%		
CONSUMER DISCRETIONARY – 0.2%		
Automobiles – 0.2%		
Fiat SpA (a)	76,300	<u>470,647</u>
TOTAL PREFERRED STOCKS		
(Cost \$983,900)		<u>705,677</u>

Corporate Bonds – 0.1%

	Principal Amount	
Convertible Bonds – 0.0%		
CONSUMER DISCRETIONARY – 0.0%		
Auto Components – 0.0%		
BorgWarner, Inc. 3.5% 4/15/12 ..	\$ 90,000	<u>114,300</u>
Nonconvertible Bonds – 0.1%		
ENERGY – 0.0%		
Oil, Gas & Consumable Fuels – 0.0%		
OPTI Canada, Inc.:		
7.875% 12/15/14	10,000	6,500
8.25% 12/15/14	5,000	<u>3,275</u>
		<u>9,775</u>
INDUSTRIALS – 0.1%		
Industrial Conglomerates – 0.1%		
Textron, Inc. 4.5% 8/1/10	180,000	<u>172,912</u>
TOTAL NONCONVERTIBLE BONDS		
		<u>182,687</u>
TOTAL CORPORATE BONDS		
(Cost \$245,278)		<u>296,987</u>

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

Investments (Unaudited) – continued

Money Market Funds – 3.1%

	Shares	Value
Fidelity Cash Central Fund, 0.40% (b)	302,263	\$ 302,263
Fidelity Securities Lending Cash Central Fund, 0.22% (b)(c)	6,801,020	6,801,020

TOTAL MONEY MARKET FUNDS
(Cost \$7,103,283) **7,103,283**

TOTAL INVESTMENT PORTFOLIO – 103.4%
(Cost \$279,185,140) **235,413,560**

NET OTHER ASSETS – (3.4)% **(7,763,692)**

NET ASSETS – 100% **\$ 227,649,868**

Legend

- (a) Non-income producing
- (b) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.
- (c) Investment made with cash collateral received from securities on loan.
- (d) Security or a portion of the security is on loan at period end.
- (e) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$ 1,400,868 or 0.6% of net assets.

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	\$ 2,572
Fidelity Securities Lending Cash Central Fund	76,219
Total	<u>\$ 78,791</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	\$ 44,407,210	\$ 44,407,210	\$ —	\$ —
Consumer Staples	9,022,618	9,022,618	—	—
Energy	13,488,080	13,379,270	108,810	—
Financials	49,362,389	49,236,169	126,220	—
Health Care	19,445,890	19,445,890	—	—
Industrials	28,945,347	28,945,347	—	—
Information Technology	32,039,893	32,039,893	—	—
Materials	18,624,239	18,624,239	—	—
Telecommunication Services	1,891,000	1,891,000	—	—
Utilities	10,786,624	10,786,624	—	—
Corporate Bonds	296,987	—	296,987	—
Money Market Funds	7,103,283	7,103,283	—	—
Total Investments in Securities:	<u>\$235,413,560</u>	<u>\$234,881,543</u>	<u>\$ 532,017</u>	<u>\$ —</u>

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

The following is a reconciliation of Investments in Securities for which level 3 inputs were used in determining value:

Investments in Securities

Beginning Balance	\$ 190,937
Total Realized Gain (Loss)	(319,266)
Total Unrealized Gain (Loss)	295,746
Cost of Purchases	425,890
Proceeds of Sales	(169,038)
Amortization/Accretion	—
Transfer in/out of Level 3	(424,269)
Ending Balance	<u>\$ —</u>
Total unrealized gain (loss) on investments held at June 30, 2009	<u>\$ —</u>

The information used in the above reconciliation represents fiscal year to date activity for any Investment Securities 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	86.2%
Bermuda	4.4%
Switzerland	1.8%
Norway	1.0%
Others (individually less than 1%)	6.6%
	<u>100.0%</u>

Income Tax Information

At December 31, 2008, the fund had a capital loss carryforward of approximately \$78,241,293 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 \$20,327,166 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 \$6,584,650) — See accompanying schedule:		
Unaffiliated issuers (cost \$272,081,857)	\$	228,310,277
Fidelity Central Funds (cost \$7,103,283)		<u>7,103,283</u>
Total Investments (cost \$279,185,140)	\$	235,413,560
Cash		18,829
Foreign currency held at value (cost \$164)		166
Receivable for investments sold		4,006,876
Receivable for fund shares sold		212,122
Dividends receivable		267,574
Interest receivable		4,100
Distributions receivable from Fidelity Central Funds		5,883
Prepaid expenses		<u>1,173</u>
Total assets		<u>239,930,283</u>

Liabilities

Payable for investments purchased . . .	\$	3,836,147
Payable for fund shares redeemed . . .		1,432,678
Accrued management fee		108,465
Distribution fees payable		23,799
Other affiliated payables		22,893
Other payables and accrued expenses		55,413
Collateral on securities loaned, at value		<u>6,801,020</u>
Total liabilities		<u>12,280,415</u>

Net Assets	\$	<u>227,649,868</u>
Net Assets consist of:		
Paid in capital	\$	429,343,092
Undistributed net investment income		330,450
Accumulated undistributed net real- ized gain (loss) on investments and foreign currency transactions		(158,251,578)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies		<u>(43,772,096)</u>
Net Assets	\$	<u>227,649,868</u>

Statement of Assets and Liabilities – continued

June 30, 2009 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$61,485,275 ÷ 10,518,446 shares)	\$	<u>5.85</u>
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Service Class:

Net Asset Value , offering price and redemption price per share (\$26,039,674 ÷ 4,466,942 shares)	\$	<u>5.83</u>
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Service Class 2:

Net Asset Value , offering price and redemption price per share (\$101,959,276 ÷ 17,351,157 shares)	\$	<u>5.88</u>
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Investor Class:

Net Asset Value , offering price and redemption price per share (\$38,165,643 ÷ 6,556,715 shares)	\$	<u>5.82</u>
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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		\$ 1,509,180
Interest		14,808
Income from Fidelity Central Funds		78,791
Total income		<u>1,602,779</u>
Expenses		
Management fee	\$ 528,109	
Transfer agent fees	101,260	
Distribution fees	116,839	
Accounting and security lending fees	37,110	
Custodian fees and expenses	27,880	
Independent trustees' compensation	722	
Registration fees	359	
Audit	28,547	
Legal	146	
Miscellaneous	8,639	
Total expenses before reductions	849,611	
Expense reductions	(1,617)	847,994
Net investment income (loss)		<u>754,785</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	(55,856,890)	
Foreign currency transactions	(49,731)	
Total net realized gain (loss)		(55,906,621)
Change in net unrealized appreciation (depreciation) on:		
Investment securities	87,299,234	
Assets and liabilities in foreign currencies	47,374	
Total change in net unrealized appreciation (depreciation)		87,346,608
Net gain (loss)		<u>31,439,987</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 32,194,772</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)	\$ 754,785	\$ 2,511,060
Net realized gain (loss)	(55,906,621)	(95,896,025)
Change in net unrealized appreciation (depreciation)	87,346,608	(116,672,399)
Net increase (decrease) in net assets resulting from operations	<u>32,194,772</u>	<u>(210,057,364)</u>
Distributions to shareholders from net investment income	(74,962)	(2,064,359)
Distributions to shareholders from net realized gain	—	(75,949,524)
Total distributions	<u>(74,962)</u>	<u>(78,013,883)</u>
Share transactions – net increase (decrease)	6,727,246	(4,671,196)
Total increase (decrease) in net assets	<u>38,847,056</u>	<u>(292,742,443)</u>
Net Assets		
Beginning of period	188,802,812	481,545,255
End of period (including undistributed net investment income of \$330,450 and distributions in excess of net investment income of \$349,373, respectively)	<u>\$ 227,649,868</u>	<u>\$ 188,802,812</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	\$ 4.93	\$ 12.57	\$ 13.47	\$ 14.01	\$ 14.13	\$ 12.41
Income from Investment Operations						
Net investment income (loss) ^E	.02	.07	.06	.09	.07	.01
Net realized and unrealized gain (loss)	.90	(5.52)	.71	1.89	.28	1.74
Total from investment operations	.92	(5.45)	.77	1.98	.35	1.75
Distributions from net investment income	— ^I	(.07)	(.15)	(.08)	—	—
Distributions from net realized gain	—	(2.13)	(1.52)	(2.44)	(.47)	(.03)
Total distributions	— ^I	(2.19) ^J	(1.67)	(2.52)	(.47)	(.03)
Net asset value, end of period	\$ 5.85	\$ 4.93	\$ 12.57	\$ 13.47	\$ 14.01	\$ 14.13
Total Return^{B, C, D}	18.71%	(51.12)%	5.64%	16.33%	2.66%	14.13%
Ratios to Average Net Assets^{F, H}						
Expenses before reductions	.77% ^A	.74%	.70%	.73%	.72%	.71%
Expenses net of fee waivers, if any	.77% ^A	.74%	.70%	.73%	.72%	.71%
Expenses net of all reductions	.77% ^A	.74%	.70%	.72%	.66%	.70%
Net investment income (loss)	.95% ^A	.90%	.46%	.69%	.54%	.10%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 61,485	\$ 52,414	\$ 131,665	\$ 130,035	\$ 144,685	\$ 229,764
Portfolio turnover rate ^G	149% ^A	138%	197%	183%	109%	41%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.01 per share.
^J Total distributions of \$2.19 per share is comprised of distributions from net investment income of \$.067 and distributions from net realized gain of \$.2125 per share.

Financial Highlights — Service Class

	Six months ended June 30, 2009 (Unaudited)		Years ended December 31,			
	2008	2007	2006	2005	2004	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 4.92	\$ 12.54	\$ 13.42	\$ 13.97	\$ 14.09	\$ 12.39
Income from Investment Operations						
Net investment income (loss) ^E	.02	.07	.05	.07	.06	— ^I
Net realized and unrealized gain (loss)	.89	(5.51)	.71	1.89	.27	1.73
Total from investment operations	.91	(5.44)	.76	1.96	.33	1.73
Distributions from net investment income	— ^I	(.06)	(.12)	(.07)	—	—
Distributions from net realized gain	—	(2.13)	(1.52)	(2.44)	(.45)	(.03)
Total distributions	— ^I	(2.18) ^J	(1.64)	(2.51)	(.45)	(.03)
Net asset value, end of period	\$ 5.83	\$ 4.92	\$ 12.54	\$ 13.42	\$ 13.97	\$ 14.09
Total Return^{B, C, D}	18.55%	(51.17)%	5.60%	16.20%	2.55%	13.99%
Ratios to Average Net Assets^{F, H}						
Expenses before reductions	.86% ^A	.83%	.80%	.83%	.82%	.81%
Expenses net of fee waivers, if any	.86% ^A	.83%	.80%	.83%	.82%	.81%
Expenses net of all reductions	.86% ^A	.83%	.79%	.82%	.76%	.80%
Net investment income (loss)	.86% ^A	.80%	.36%	.59%	.44%	—%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 26,040	\$ 21,294	\$ 63,242	\$ 66,109	\$ 74,698	\$ 98,542
Portfolio turnover rate ^G	149% ^A	138%	197%	183%	109%	41%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.01 per share.
^J Total distributions of \$2.18 per share is comprised of distributions from net investment income of \$.057 and distributions from net realized gain of \$.2125 per share.

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

Financial Highlights — Service Class 2

	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	\$ 4.96	\$ 12.62	\$ 13.49	\$ 14.02	\$ 14.14	\$ 12.45
Income from Investment Operations						
Net investment income (loss) ^E	.02	.05	.03	.05	.04	(.02)
Net realized and unrealized gain (loss)	.90	(5.54)	.70	1.91	.28	1.74
Total from investment operations	.92	(5.49)	.73	1.96	.32	1.72
Distributions from net investment income	— ^I	(.05)	(.08)	(.05)	—	—
Distributions from net realized gain	—	(2.13)	(1.52)	(2.44)	(.44)	(.03)
Total distributions	— ^I	(2.17) ^J	(1.60)	(2.49)	(.44)	(.03)
Net asset value, end of period	\$ 5.88	\$ 4.96	\$ 12.62	\$ 13.49	\$ 14.02	\$ 14.14
Total Return^{B, C, D}	18.60%	(51.28)%	5.36%	16.09%	2.43%	13.84%
Ratios to Average Net Assets^{F, H}						
Expenses before reductions	1.01% ^A	.99%	.95%	.98%	.97%	.97%
Expenses net of fee waivers, if any	1.01% ^A	.99%	.95%	.98%	.97%	.97%
Expenses net of all reductions	1.01% ^A	.98%	.95%	.97%	.91%	.95%
Net investment income (loss)	.70% ^A	.65%	.21%	.43%	.29%	(.15)%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 101,959	\$ 85,974	\$ 216,166	\$ 215,401	\$ 191,845	\$ 206,828
Portfolio turnover rate ^G	149% ^A	138%	197%	183%	109%	41%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower had certain expenses not been reduced during the periods shown.

^E Calculated based on average shares outstanding during the period.

^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

^I Amount represents less than \$.01 per share.

^J Total distributions of \$2.17 per share is comprised of distributions from net investment income of \$.045 and distributions from net realized gain of \$2.125 per share.

Financial Highlights — Investor Class

	Six months ended June 30, 2009 (Unaudited)		Years ended December 31,		
	2008	2007	2006	2005 ^H	
Selected Per-Share Data					
Net asset value, beginning of period	\$ 4.91	\$ 12.53	\$ 13.43	\$ 14.00	\$ 13.59
Income from Investment Operations					
Net investment income (loss) ^E	.02	.07	.05	.07	.02
Net realized and unrealized gain (loss)	.89	(5.51)	.70	1.89	.39
Total from investment operations	.91	(5.44)	.75	1.96	.41
Distributions from net investment income	— ^J	(.06)	(.13)	(.09)	—
Distributions from net realized gain	—	(2.13)	(1.52)	(2.44)	—
Total distributions	— ^J	(2.18) ^K	(1.65)	(2.53)	—
Net asset value, end of period	\$ 5.82	\$ 4.91	\$ 12.53	\$ 13.43	\$ 14.00
Total Return^{B, C, D}	18.59%	(51.20)%	5.53%	16.18%	3.02%
Ratios to Average Net Assets^{F, I}					
Expenses before reductions	.88% ^A	.83%	.82%	.86%	.93% ^A
Expenses net of fee waivers, if any	.88% ^A	.83%	.82%	.86%	.93% ^A
Expenses net of all reductions	.87% ^A	.83%	.81%	.85%	.87% ^A
Net investment income (loss)	.84% ^A	.81%	.35%	.55%	.35% ^A
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 38,166	\$ 29,121	\$ 70,472	\$ 38,485	\$ 8,360
Portfolio turnover rate ^G	149% ^A	138%	197%	183%	109%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower had certain expenses not been reduced during the periods shown.

^E Calculated based on average shares outstanding during the period.

^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

^H For the period July 21, 2005 (commencement of sale of shares) to December 31, 2005.

^I Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

^J Amount represents less than \$.01 per share.

^K Total distributions of \$2.18 per share is comprised of distributions from net investment income of \$.059 and distributions from net realized gain of \$2.125 per share.

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

Notes to Financial Statements

For the period ended June 30, 2009 (Unaudited)

1. Organization.

VIP Value Strategies Portfolio (the Fund) is a fund of Variable Insurance Products Fund (the trust) and is authorized to issue an unlimited number of shares. The trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, Service Class 2 shares, and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class. Investment income, realized and unrealized capital gains and losses, the common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred. Certain expense reductions also differ by class.

2. Investments in Fidelity Central Funds.

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

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

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the SEC's web site at www.sec.gov. In addition, the financial statements of the Fidelity Central Funds are available on the SEC's web site or upon request.

3. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Events or transactions occurring after period end through the date that the financial statements were issued, August 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, 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. For corporate bonds, 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. 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.

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, passive foreign investment companies (PFIC), partnerships 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	\$	21,446,525
Unrealized depreciation		(70,986,354)
Net unrealized appreciation (depreciation)	\$	<u>(49,539,829)</u>
Cost for federal income tax purposes	\$	284,953,389

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

5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$149,036,364 and \$139,846,487, 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	\$	10,752
Service Class 2		<u>106,087</u>
	\$	<u>116,839</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	\$	24,136
Service Class		9,048
Service Class 2		38,136
Investor Class		<u>29,940</u>
	\$	<u>101,260</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 \$4,075 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 \$547 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

8. Security Lending – continued

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 \$76,219.

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 \$984 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 \$633.

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	\$ 20,621	\$ 703,108
Service Class	8,487	245,091
Service Class 2	34,139	770,754
Investor Class	11,715	345,406
Total	<u>\$ 74,962</u>	<u>\$ 2,064,359</u>
From net realized gain		
Initial Class	\$ —	\$ 20,733,448
Service Class	—	10,035,783
Service Class 2	—	33,658,172
Investor Class	—	11,522,121
Total	<u>\$ —</u>	<u>\$ 75,949,524</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	1,292,441	1,949,334	\$ 6,959,340	\$ 13,004,668
Reinvestment of distributions	4,592	2,381,610	20,620	21,436,556
Shares redeemed	(1,407,896)	(4,172,207)	(6,477,254)	(35,671,856)
Net increase (decrease)	<u>(110,863)</u>	<u>158,737</u>	<u>\$ 502,706</u>	<u>\$ (1,230,632)</u>
Service Class				
Shares sold	1,167,092	515,125	\$ 6,242,352	\$ 4,497,402
Reinvestment of distributions	1,894	1,136,439	8,486	10,280,874
Shares redeemed	(1,030,461)	(2,366,493)	(5,216,766)	(20,664,315)
Net increase (decrease)	<u>138,525</u>	<u>(714,929)</u>	<u>\$ 1,034,072</u>	<u>\$ (5,886,039)</u>
Service Class 2				
Shares sold	2,564,419	2,919,602	\$ 13,395,689	\$ 21,803,271
Reinvestment of distributions	7,553	3,771,632	34,139	34,428,926
Shares redeemed	(2,543,656)	(6,497,468)	(12,263,860)	(55,744,051)
Net increase (decrease)	<u>28,316</u>	<u>193,766</u>	<u>\$ 1,165,968</u>	<u>\$ 488,146</u>
Investor Class				
Shares sold	1,283,154	1,416,819	\$ 7,009,805	\$ 10,218,875
Reinvestment of distributions	2,621	1,319,547	11,715	11,867,527
Shares redeemed	(656,407)	(2,433,148)	(2,997,020)	(20,129,073)
Net increase (decrease)	<u>629,368</u>	<u>303,218</u>	<u>\$ 4,024,500</u>	<u>\$ 1,957,329</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 of its affiliates were the owners of record of 31% of the total outstanding shares of the Fund and two otherwise unaffiliated shareholders were the owners of record of 42% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

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

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