

# **Fidelity® Variable Insurance Products: Asset Manager: Growth Portfolio**



**Annual Report**  
December 31, 2009



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

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

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

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

## Note to Shareholders:

Fidelity has made several important changes to the VIP Asset Manager: Growth Portfolio's investment policies, underlying fund lineup and composite benchmark.

First, in conjunction with an adjustment to Fidelity's planning and guidance methodology, Fidelity modified the international equity exposure within the VIP Asset Manager: Growth Portfolio's target asset allocation. Effective October 2, 2009, the fund increased the international equity exposure within its target asset mix to 30% of total equity, and modified its composite performance benchmark accordingly. Fidelity believes this change improves the risk and return characteristics of the fund.

In addition, the fund began investing in a new underlying fund with dedicated exposure to commodities — Fidelity® Commodity Strategy Central Fund — in an effort to seek further diversification benefits.

# Performance: The Bottom Line

Average annual total return reflects the change in the value of an investment, assuming reinvestment of the class' dividend income and capital gains (the profits earned upon the sale of securities that have grown in value, if any) and assuming a constant rate of performance each year. During periods of reimbursement by Fidelity, a fund's total return will be greater than it would be had the reimbursement not occurred. Performance numbers are net of all underlying fund operating expenses, but do not include any insurance charges imposed by your insurance company's separate account. If performance information included the effect of these additional charges, the total returns would have been lower. How a fund did yesterday is no guarantee of how it will do tomorrow.

## Average Annual Total Returns

Periods ended December 31, 2009

	Past 1 year	Past 5 years	Past 10 years
VIP Asset Manager: Growth – Initial Class	32.91%	2.44%	0.10%
VIP Asset Manager: Growth – Service Class <sup>A</sup>	32.79%	2.34%	-0.01%
VIP Asset Manager: Growth – Service Class 2 <sup>B</sup>	32.55%	2.14%	-0.19%
VIP Asset Manager: Growth – Investor Class <sup>C</sup>	32.68%	2.31%	0.03%

<sup>A</sup> Performance of Service Class shares reflects an asset-based service fee (12b-1 fee).

<sup>B</sup> The initial offering of Service Class 2 shares took place on January 12, 2000. Performance of Service Class 2 shares reflects an asset-based service fee (12b-1 fee). Returns prior to January 12, 2000 are those of Service Class which reflect a different 12b-1 fee. Had Service Class 2's 12b-1 fee been reflected, returns prior to January 12, 2000 would have been lower.

<sup>C</sup> The initial offering of Investor Class shares took place on July 21, 2005. Returns prior to July 21, 2005 are those of Initial Class. Had Investor Class's transfer agent fee been reflected, returns prior to July 21, 2005 would have been lower.

## \$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP Asset Manager: Growth Portfolio – Initial Class on December 31, 1999. The chart shows how the value of your investment would have changed, and also shows how the Standard & Poor's 500<sup>SM</sup> Index (S&P 500<sup>®</sup>) performed over the same period.



# Management's Discussion of Fund Performance

**Market Recap:** U.S. financial markets experienced one of their most abrupt turnarounds ever in 2009. Equities sustained significant declines in the first quarter, as fallout from the global financial crisis continued. Companies initially hurt by the collapse of the housing market, fading consumer confidence, weak corporate earnings and evaporating credit began to show improvement in March after both sharp cost-cutting and unprecedented government intervention began to take hold. From March 9 through the end of the year, a roughly 65% rise in the Standard & Poor's 500<sup>SM</sup> Index wiped out the period's earlier losses and netted a gain of 26.46% by December 31, 2009 — the best calendar-year advance for the index since 2003. The Dow Jones U.S. Total Stock Market Index<sup>SM</sup> — the broadest gauge of U.S. stocks — climbed 28.57%, while the Dow Jones Industrial Average<sup>SM</sup> rose 22.68% for the period. The return-to-risk theme also was present in fixed-income markets, with higher-yielding bonds posting the strongest results. The BofA Merrill Lynch US High Yield Constrained Index<sup>SM</sup> was up 58.10% for the year. The broad investment-grade bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index, returned 5.93%, restrained by weakness in government securities.

**Comments from Geoff Stein, Lead Portfolio Manager of VIP Asset Manager: Growth Portfolio:** For the year ending December 31, 2009, the fund significantly outperformed the Fidelity Asset Manager 70% Composite Index, which returned 21.32%. *(For specific portfolio results, please see the performance section of this report.)* Solid domestic equity and investment-grade bond security selection fueled the fund's outperformance for the year. The domestic equity subportfolio surpassed its benchmark significantly, as did the investment-grade bond central fund. Favorable asset allocation also boosted the fund's results. A key part of my strategy was to underweight cash and investment-grade bonds in favor of credit-sensitive, non-benchmark asset classes, such as high-yield bonds and floating-rate bank loans. Even though the high-yield bond and floating-rate central funds lagged their respective indexes, their absolute returns were quite robust. Consequently, moderate exposure to these strong-performing asset classes, along with substantially underweighting cash, contributed the most to the fund's results from an asset allocation perspective. Modestly overweighting domestic equities and maintaining a small out-of-benchmark stake in emerging-markets stocks helped as well. Within the domestic equity subportfolio, stock selection in financials, energy and materials, along with overweightings in these sectors, contributed the most versus its benchmark. Lower-than-benchmark exposure to the lagging consumer staples, telecommunication services and utilities categories also helped. On the flip side, an underweighted stake in the strong-performing technology sector and adverse stock picks in this area detracted, as did security selection within health care. Top individual contributors included an underweighting in integrated oil company Exxon Mobil and an overweighting in chemical producer Dow Chemical. Exxon Mobil was sold during the period. Investments in financial firms Bank of America and Wells Fargo also aided results. Detractors included software giant Microsoft and airline Delta Air. As for international equity, the central fund that represents the developed-markets portion of the foreign equity component trailed its benchmark. Similar to equities, the investment-grade central fund also benefited from the return-to-risk theme that was prevalent during most of the year. It held a diversified mix of securities that rose in value as investors snapped up bonds across the credit-risk spectrum. The fund's overweighted positions in corporate bonds and securitized products rebounded sharply following the bond market's low point in March.

*The views expressed above reflect those of the portfolio manager(s) only through the end of the period as stated on the cover of this report and do not necessarily represent the views of Fidelity or any other person in the Fidelity organization. Any such views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund.*

# 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 (July 1, 2009 to December 31, 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 July 1, 2009	Ending Account Value December 31, 2009	Expenses Paid During Period* July 1, 2009 to December 31, 2009
<b>Initial Class</b>	.78%			
Actual .....		\$ 1,000.00	\$ 1,219.80	\$ 4.36
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,021.27	\$ 3.97
<b>Service Class</b>	.89%			
Actual .....		\$ 1,000.00	\$ 1,219.30	\$ 4.98
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,020.72	\$ 4.53
<b>Service Class 2</b>	1.06%			
Actual .....		\$ 1,000.00	\$ 1,217.70	\$ 5.93
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,019.86	\$ 5.40
<b>Investor Class</b>	.88%			
Actual .....		\$ 1,000.00	\$ 1,218.60	\$ 4.92
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,020.77	\$ 4.48

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

\* Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period). The fees and expenses of the underlying Fidelity Central Funds in which the Fund invests are not included in the Fund's annualized expense ratio.

# Investment Changes (Unaudited)

The information in the following tables is based on the combined investments of the Fund and its pro-rata share of its investments in each of Fidelity's International Equity and Fixed-Income Central Funds.

## Top Ten Stocks as of December 31, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Google, Inc. Class A	1.9	0.3
Microsoft Corp.	1.7	0.2
Wells Fargo & Co.	1.6	2.7
Delta Air Lines, Inc.	1.4	1.2
Bank of America Corp.	1.4	2.2
JPMorgan Chase & Co.	1.3	2.0
Apple, Inc.	1.3	1.4
Express Scripts, Inc.	1.2	1.8
Dow Chemical Co.	1.1	1.1
Occidental Petroleum Corp.	0.9	0.5
	<u>13.8</u>	

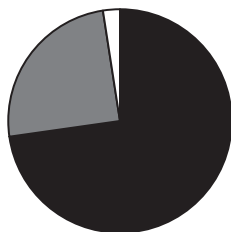
## Market Sectors as of December 31, 2009

(stocks only)	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	16.6	9.1
Financials	15.0	20.2
Industrials	7.5	4.9
Health Care	7.0	7.3
Consumer Discretionary	6.0	8.0
Energy	6.0	8.2
Materials	4.9	7.9
Consumer Staples	3.1	2.5
Telecommunication Services	1.5	2.1
Utilities	1.0	0.6

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

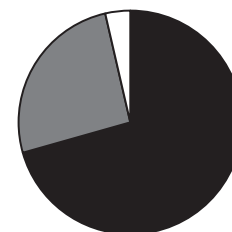
As of December 31, 2009\*

■ Stock class***	72.8%
■ Bond class	24.8%
□ Short-term class	2.4%
* Foreign investments	27.6%



As of June 30, 2009\*\*

■ Stock class	70.6%
■ Bond class	25.8%
□ Short-term class	3.6%
** Foreign investments	23.7%



\*\*\* Includes Commodities & Related Investments of 1.5%.

Asset allocations in the pie charts reflect the categorization of assets as defined in the fund's prospectus in effect as of the time periods indicated above. Financial Statement categorizations conform to accounting standards and will differ from the pie chart. Percentages are adjusted for the effect of futures contracts and swap contracts, if applicable.

A holdings listing for the Fund, which presents direct holdings as well as the pro rata share of securities and other investments held indirectly through its investment in underlying International Equity and Fixed-Income Fidelity Central Funds, is available at [advisor.fidelity.com](http://advisor.fidelity.com).

# Investments December 31, 2009

Showing Percentage of Net Assets

## Common Stocks – 50.9%

	Shares	Value
<b>CONSUMER DISCRETIONARY – 4.5%</b>		
<b>Auto Components – 0.5%</b>		
Autoliv, Inc. ....	10,800	\$ 468,288
The Goodyear Tire & Rubber Co. (a) ...	27,500	387,750
		<u>856,038</u>
<b>Hotels, Restaurants &amp; Leisure – 0.8%</b>		
Ctrip.com International Ltd. sponsored ADR (a) .....	18,700	1,343,782
<b>Household Durables – 0.7%</b>		
Cyrela Brazil Realty SA .....	31,200	432,110
Gafisa SA sponsored ADR (c) .....	24,600	796,056
Lennar Corp. Class A .....	3,100	39,587
		<u>1,267,753</u>
<b>Internet &amp; Catalog Retail – 1.2%</b>		
Amazon.com, Inc. (a) .....	11,800	1,587,336
Priceline.com, Inc. (a) .....	2,400	524,400
		<u>2,111,736</u>
<b>Media – 0.1%</b>		
VisionChina Media, Inc. ADR (a) .....	7,900	86,268
<b>Multiline Retail – 0.4%</b>		
Nordstrom, Inc. (c) .....	13,300	499,814
Target Corp. ....	4,800	232,176
		<u>731,990</u>
<b>Specialty Retail – 0.8%</b>		
Best Buy Co., Inc. ....	6,000	236,760
TJX Companies, Inc. ....	9,700	354,535
Williams-Sonoma, Inc. ....	34,900	725,222
		<u>1,316,517</u>
<b>Textiles, Apparel &amp; Luxury Goods – 0.0%</b>		
Fuqi International, Inc. (a)(c) .....	3,500	62,825
		<u>7,776,909</u>
<b>CONSUMER STAPLES – 1.5%</b>		
<b>Food &amp; Staples Retailing – 0.7%</b>		
Costco Wholesale Corp. ....	16,100	952,637
Wal-Mart Stores, Inc. ....	1,800	96,210
Whole Foods Market, Inc. (a) .....	5,300	145,485
		<u>1,194,332</u>
<b>Personal Products – 0.8%</b>		
Estee Lauder Companies, Inc. Class A ..	17,800	860,808
Hengan International Group Co. Ltd. ...	78,000	577,509
		<u>1,438,317</u>
		<u>2,632,649</u>
<b>ENERGY – 4.3%</b>		
<b>Energy Equipment &amp; Services – 2.3%</b>		
Dril-Quip, Inc. (a) .....	6,200	350,176
Halliburton Co. ....	8,300	249,747

	Shares	Value
Noble Corp. ....	8,800	\$ 358,160
Schlumberger Ltd. ....	2,500	162,725
Seadrill Ltd. (c) .....	42,400	1,082,687
Seahawk Drilling, Inc. (a) .....	6,546	147,547
Transocean Ltd. (a) .....	15,300	1,266,840
Weatherford International Ltd. (a) .....	27,700	496,107
		<u>4,113,989</u>
<b>Oil, Gas &amp; Consumable Fuels – 2.0%</b>		
Chesapeake Energy Corp. ....	8,400	217,392
Concho Resources, Inc. (a) .....	14,600	655,540
EXCO Resources, Inc. ....	10,200	216,546
Occidental Petroleum Corp. ....	19,700	1,602,595
SandRidge Energy, Inc. (a) .....	6,700	63,181
Southwestern Energy Co. (a) .....	13,900	669,980
		<u>3,425,234</u>
		<u>7,539,223</u>
<b>FINANCIALS – 10.6%</b>		
<b>Capital Markets – 1.0%</b>		
Franklin Resources, Inc. ....	2,400	252,840
Janus Capital Group, Inc. ....	9,500	127,775
Morgan Stanley .....	30,500	902,800
State Street Corp. ....	3,300	143,682
The Blackstone Group LP .....	27,800	364,736
		<u>1,791,833</u>
<b>Commercial Banks – 3.0%</b>		
China Merchants Bank Co. Ltd. (H Shares) .....	123,500	321,322
Itau Unibanco Banco Multiplo SA ADR ..	30,600	698,904
PNC Financial Services Group, Inc. ....	27,600	1,457,004
Wells Fargo & Co. ....	103,600	2,796,164
		<u>5,273,394</u>
<b>Consumer Finance – 0.9%</b>		
American Express Co. ....	37,500	1,519,500
<b>Diversified Financial Services – 3.9%</b>		
Apollo Global Management LLC (a)(d) ..	50,700	304,200
Bank of America Corp. ....	160,683	2,419,886
Citigroup, Inc. ....	9,100	30,121
CME Group, Inc. ....	3,500	1,175,825
Hong Kong Exchanges and Clearing Ltd.	20,100	357,613
IntercontinentalExchange, Inc. (a) .....	2,600	291,980
JPMorgan Chase & Co. ....	54,300	2,262,681
		<u>6,842,306</u>
<b>Insurance – 1.7%</b>		
Assured Guaranty Ltd. ....	14,300	311,168
Hartford Financial Services Group, Inc. ..	41,100	955,986
Lincoln National Corp. ....	31,700	788,696
XL Capital Ltd. Class A .....	50,600	927,498
		<u>2,983,348</u>

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

## Common Stocks – continued

	Shares	Value
<b>FINANCIALS – continued</b>		
<b>Real Estate Management &amp; Development – 0.1%</b>		
Indiabulls Real Estate Ltd. (a) .....	34,218	\$ 167,883
TOTAL FINANCIALS .....		<u>18,578,264</u>
<b>HEALTH CARE – 5.7%</b>		
<b>Biotechnology – 1.1%</b>		
Dendreon Corp. (a) .....	11,200	294,336
Myriad Genetics, Inc. (a) .....	7,900	206,190
United Therapeutics Corp. (a) .....	21,000	1,105,650
Vertex Pharmaceuticals, Inc. (a) .....	9,100	389,935
		<u>1,996,111</u>
<b>Health Care Equipment &amp; Supplies – 0.1%</b>		
Sonova Holding AG Class B .....	2,021	<u>244,952</u>
<b>Health Care Providers &amp; Services – 3.2%</b>		
Aetna, Inc. ....	13,500	427,950
CIGNA Corp. ....	22,700	800,629
Emergency Medical Services Corp. Class A (a) .....	4,500	243,675
Express Scripts, Inc. (a) .....	24,900	2,152,605
Humana, Inc. (a) .....	13,500	592,515
Medco Health Solutions, Inc. (a) .....	7,900	504,889
UnitedHealth Group, Inc. ....	27,000	822,960
		<u>5,545,223</u>
<b>Health Care Technology – 0.3%</b>		
Cerner Corp. (a) .....	6,900	<u>568,836</u>
<b>Life Sciences Tools &amp; Services – 0.4%</b>		
Life Technologies Corp. (a) .....	12,000	<u>626,760</u>
<b>Pharmaceuticals – 0.6%</b>		
Merck & Co., Inc. ....	27,000	<u>986,580</u>
TOTAL HEALTH CARE .....		<u>9,968,462</u>
<b>INDUSTRIALS – 5.8%</b>		
<b>Air Freight &amp; Logistics – 0.3%</b>		
FedEx Corp. ....	6,300	<u>525,735</u>
<b>Airlines – 3.0%</b>		
AMR Corp. (a) .....	52,500	405,825
Continental Airlines, Inc. Class B (a) ....	60,500	1,084,160
Delta Air Lines, Inc. (a) .....	213,900	2,434,182
Southwest Airlines Co. ....	111,900	1,279,017
		<u>5,203,184</u>
<b>Industrial Conglomerates – 0.3%</b>		
Textron, Inc. ....	25,500	<u>479,655</u>
<b>Machinery – 1.2%</b>		
Cummins, Inc. ....	12,200	559,492
Danaher Corp. ....	4,200	315,840
Kennametal, Inc. ....	7,300	189,216
Parker Hannifin Corp. ....	11,800	635,784

	Shares	Value
SmartHeat, Inc. (a) .....	4,600	\$ 66,792
Timken Co. ....	17,000	403,070
		<u>2,170,194</u>
<b>Road &amp; Rail – 0.9%</b>		
CSX Corp. ....	15,900	770,991
Union Pacific Corp. ....	11,500	734,850
		<u>1,505,841</u>
<b>Trading Companies &amp; Distributors – 0.1%</b>		
MSC Industrial Direct Co., Inc. Class A ..	4,700	<u>220,900</u>
TOTAL INDUSTRIALS .....		<u>10,105,509</u>
<b>INFORMATION TECHNOLOGY – 15.3%</b>		
<b>Communications Equipment – 1.5%</b>		
Cisco Systems, Inc. (a) .....	60,700	1,453,158
Juniper Networks, Inc. (a) .....	24,700	658,749
Riverbed Technology, Inc. (a) .....	9,800	225,106
ZTE Corp. (H Shares) .....	45,800	281,576
		<u>2,618,589</u>
<b>Computers &amp; Peripherals – 2.5%</b>		
Apple, Inc. (a) .....	10,600	2,235,116
Hewlett-Packard Co. ....	26,400	1,359,864
Seagate Technology .....	39,500	718,505
		<u>4,313,485</u>
<b>Electronic Equipment &amp; Components – 0.4%</b>		
Agilent Technologies, Inc. (a) .....	23,000	<u>714,610</u>
<b>Internet Software &amp; Services – 3.7%</b>		
Baidu.com, Inc. sponsored ADR (a) .....	800	328,984
eBay, Inc. (a) .....	63,800	1,501,852
Google, Inc. Class A (a) .....	5,300	3,285,896
Tencent Holdings Ltd. ....	65,500	1,416,561
		<u>6,533,293</u>
<b>IT Services – 0.9%</b>		
MasterCard, Inc. Class A .....	1,900	486,362
Visa, Inc. Class A .....	12,100	1,058,266
		<u>1,544,628</u>
<b>Semiconductors &amp; Semiconductor Equipment – 2.8%</b>		
Aixtron AG .....	9,600	322,980
Analog Devices, Inc. ....	17,900	565,282
Broadcom Corp. Class A (a) .....	22,300	701,335
Intel Corp. ....	52,400	1,068,960
Marvell Technology Group Ltd. (a) .....	59,200	1,228,400
NVIDIA Corp. (a) .....	26,400	493,152
PMC-Sierra, Inc. (a) .....	66,000	571,560
		<u>4,951,669</u>
<b>Software – 3.5%</b>		
Citrix Systems, Inc. (a) .....	35,700	1,485,477
Informatica Corp. (a) .....	36,900	954,234
Microsoft Corp. ....	97,500	2,972,775
Rovi Corp. (a) .....	5,100	162,537

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

## Investments – continued

### Common Stocks – continued

	Shares	Value
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Software – continued</b>		
Taleo Corp. Class A (a) .....	11,800	\$ 277,536
VMware, Inc. Class A (a) .....	4,100	173,758
		<u>6,026,317</u>
TOTAL INFORMATION TECHNOLOGY .....		<u>26,702,591</u>
<b>MATERIALS – 2.9%</b>		
<b>Chemicals – 1.9%</b>		
Dow Chemical Co. ....	71,000	1,961,730
Ferro Corp. ....	20,600	169,744
Monsanto Co. ....	2,200	179,850
Rockwood Holdings, Inc. (a) .....	15,200	358,112
The Mosaic Co. ....	4,700	280,731
Westlake Chemical Corp. ....	12,400	309,132
		<u>3,259,299</u>
<b>Metals &amp; Mining – 0.8%</b>		
Agnico-Eagle Mines Ltd. (Canada) .....	5,200	281,715
Alcoa, Inc. ....	50,800	818,896
Freeport-McMoRan Copper & Gold, Inc. ....	3,700	297,073
		<u>1,397,684</u>
<b>Paper &amp; Forest Products – 0.2%</b>		
Sino-Forest Corp. (a) .....	20,000	368,914
TOTAL MATERIALS .....		<u>5,025,897</u>
<b>TELECOMMUNICATION SERVICES – 0.3%</b>		
<b>Wireless Telecommunication Services – 0.3%</b>		
Vivo Participacoes SA sponsored ADR ..	18,100	561,100
<b>TOTAL COMMON STOCKS</b> (Cost \$68,765,324) .....		<b>88,890,604</b>

### U.S. Treasury Obligations – 0.3%

	Principal Amount	
U.S. Treasury Bills, yield at date of purchase 0% 1/21/10 (e) (Cost \$499,999) .....	\$ 500,000	<u>499,994</u>

### Equity Funds – 19.4%

	Shares	Value
<b>Commodity Funds – 1.5%</b>		
Fidelity Commodity Strategy Central Fund (f) .....	240,015	<u>2,625,759</u>

### International Equity Funds – 17.9%

	Shares	Value
Fidelity Emerging Markets Equity Central Fund (f) .....	32,359	\$ 5,984,150
Fidelity International Equity Central Fund (f) .....	379,644	25,242,554
<b>TOTAL INTERNATIONAL EQUITY FUNDS .....</b>		<b>31,226,704</b>

### TOTAL EQUITY FUNDS

(Cost \$39,096,555) ..... **33,852,463**

### Fixed-Income Funds – 25.8%

Fidelity Floating Rate Central Fund (f) ...	23,535	2,194,656
Fidelity High Income Central Fund 1 (f) ..	74,379	6,801,191
Fidelity VIP Investment Grade Central Fund (f) .....	346,089	36,173,232

### TOTAL FIXED-INCOME FUNDS

(Cost \$43,932,696) ..... **45,169,079**

### Money Market Funds – 4.9%

Fidelity Cash Central Fund, 0.16% (g) ..	6,097,199	6,097,199
Fidelity Securities Lending Cash Central Fund, 0.15% (b)(g) .....	2,465,955	2,465,955

### TOTAL MONEY MARKET FUNDS

(Cost \$8,563,154) ..... **8,563,154**

### TOTAL INVESTMENT PORTFOLIO – 101.3%

(Cost \$160,857,728) ..... **176,975,294**

**NET OTHER ASSETS – (1.3)% .....** **(2,211,858)**

**NET ASSETS – 100% .....** **\$ 174,763,436**

### Futures Contracts

	Expiration Date	Underlying Face Amount at Value	Unrealized Appreciation/Depreciation
<b>Purchased</b>			
<b>Equity Index Contracts</b>			
56 CME E-mini MSCI EAFE Index Contracts	March 2010	\$ 4,392,640	\$ 13,740

The face value of futures purchased as a percentage of net assets – 2.5%

### Legend

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

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

- (d) 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 \$304,200 or 0.2% of net assets.
- (e) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At the period end, the value of securities pledged amounted to \$499,994.
- (f) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. A complete unaudited schedule of portfolio holdings for each Fidelity Central Fund is filed with the SEC for the first and third quarters of each fiscal year on Form N-Q and is available upon request or at the SEC's web site at [www.sec.gov](http://www.sec.gov). An unaudited holdings listing for the Fund, which presents direct holdings as well as the pro rata share of securities and other investments held indirectly through its investment in underlying International Equity and Fixed-Income Fidelity Central Funds, is available at [advisor.fidelity.com](http://advisor.fidelity.com). In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's web site or upon request.
- (g) 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.

## 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	\$ 33,867
Fidelity Commodity Strategy Central Fund	1,200
Fidelity Emerging Markets Equity Central Fund	49,599
Fidelity Floating Rate Central Fund	124,930
Fidelity High Income Central Fund 1	475,184
Fidelity International Equity Central Fund	408,646
Fidelity Securities Lending Cash Central Fund	50,913
Fidelity VIP Investment Grade Central Fund	1,477,506
Total	<u>\$ 2,621,845</u>

Additional information regarding the Fund's fiscal year to date purchases and sales, including the ownership percentage, of the non Money Market Central Funds is as follows:

Fund	Value, beginning of period	Purchases	Sales Proceeds	Value, end of period	% ownership, end of period
Fidelity Commodity Strategy Central Fund	\$ —	\$ 2,497,739	\$ —	\$ 2,625,759	1.6%
Fidelity Emerging Markets Equity Central Fund	1,519,757	2,964,916	—	5,984,150	1.7%
Fidelity Floating Rate Central Fund	4,420,699	124,930	3,341,714	2,194,656	0.1%
Fidelity High Income Central Fund 1	3,472,399	1,878,174	—	6,801,191	1.3%
Fidelity International Equity Central Fund	13,336,235	9,179,054	892,785	25,242,554	1.5%
Fidelity VIP Investment Grade Central Fund	36,813,116	6,359,702	9,988,864	36,173,232	0.9%
Total	<u>\$ 59,562,206</u>	<u>\$ 23,004,515</u>	<u>\$ 14,223,363</u>	<u>\$ 79,021,542</u>	

## Other Information

The following is a summary of the inputs used, as of December 31, 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 table below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

## Investments – continued

Description	Valuation Inputs at Reporting Date:			
	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Consumer Discretionary	\$ 7,776,909	\$ 7,776,909	\$ —	\$ —
Consumer Staples	2,632,649	2,055,140	577,509	—
Energy	7,539,223	7,539,223	—	—
Financials	18,578,264	17,595,129	983,135	—
Health Care	9,968,462	9,968,462	—	—
Industrials	10,105,509	10,105,509	—	—
Information Technology	26,702,591	25,004,454	1,698,137	—
Materials	5,025,897	5,025,897	—	—
Telecommunication Services	561,100	561,100	—	—
U.S. Government and Government Agency Obligations	499,994	—	499,994	—
Fixed-Income Funds	45,169,079	45,169,079	—	—
Money Market Funds	8,563,154	8,563,154	—	—
Equity Funds	33,852,463	33,852,463	—	—
<b>Total Investments in Securities:</b>	<u>\$176,975,294</u>	<u>\$173,216,519</u>	<u>\$ 3,758,775</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 13,740	\$ 13,740	\$ —	\$ —

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by risk exposure as of December 31, 2009. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Risk Exposure / Derivative Type	Value	
	Asset	Liability
<b>Equity Risk (a)</b>		
Futures Contracts	\$ 13,740	\$ —
Total Value of Derivatives	<u>\$ 13,740</u>	<u>\$ —</u>

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

The information in the following tables is based on the combined investments of the Fund and its pro-rata share of its investments of Fidelity's International Equity and Fixed-Income Central Funds.

The composition of credit quality ratings as a percentage of net assets is as follows (ratings are unaudited):

U.S. Government and U.S. Government Agency Obligations . . . . .	12.5%
AAA,AA,A . . . . .	4.5%
BBB . . . . .	3.2%
BB . . . . .	2.3%
B . . . . .	1.5%
CCC,CC,C . . . . .	0.9%
D . . . . .	0.0%
Not Rated . . . . .	0.4%
Equities . . . . .	72.8%
Short-Term Investments and Net Other Assets . . . . .	1.9%
	<u>100.0%</u>

We have used ratings from Moody's® Investors Service, Inc. Where Moody's ratings are not available, we have used S&P® ratings. All ratings are as of the report date and do not reflect subsequent downgrades. Percentages are adjusted for the effect of futures contracts, if applicable.

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

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

United States of America .....	72.4%
United Kingdom .....	3.6%
Japan .....	2.8%
Switzerland .....	2.7%
Brazil .....	2.2%
Cayman Islands .....	2.0%
China .....	1.9%
Bermuda .....	1.9%
France .....	1.9%
Germany .....	1.2%
Others (individually less than 1%) .....	7.4%
	<u>100.0%</u>

### **Income Tax Information**

At December 31, 2009, the fund had a capital loss carryforward of approximately \$61,350,992 of which \$7,030,969, \$8,613,887, \$24,334,072 and \$21,372,064 will expire on December 31, 2010, 2011, 2016 and 2017, respectively.

# Financial Statements

## Statement of Assets and Liabilities

December 31, 2009

### Assets

Investment in securities, at value (including securities loaned of \$2,377,116) — See accompanying schedule:		
Unaffiliated issuers (cost \$69,265,323) .....	\$	89,390,598
Fidelity Central Funds (cost \$91,592,405) .....		87,584,696
Total Investments (cost \$160,857,728) .....	\$	176,975,294
Cash .....		26,889
Receivable for fund shares sold .....		685,611
Dividends receivable .....		50,940
Distributions receivable from Fidelity Central Funds .....		2,937
Prepaid expenses .....		563
Other receivables .....		11,606
<b>Total assets</b> .....		<u>177,753,840</u>

### Liabilities

Payable for fund shares redeemed . . .	\$	342,140
Accrued management fee .....		80,567
Distribution fees payable .....		2,019
Payable for daily variation on futures contracts .....		37,240
Other affiliated payables .....		18,392
Other payables and accrued expenses .....		44,091
Collateral on securities loaned, at value .....		2,465,955
<b>Total liabilities</b> .....		<u>2,990,404</u>

<b>Net Assets</b> .....	\$	<u>174,763,436</u>
Net Assets consist of:		
Paid in capital .....	\$	214,809,479
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions .....		(56,179,215)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies .....		16,133,172
<b>Net Assets</b> .....	\$	<u>174,763,436</u>

## Statement of Assets and Liabilities – continued

December 31, 2009

### Initial Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$136,479,180 ÷ 10,783,119 shares) .....	\$	<u>12.66</u>
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### Service Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$3,837,881 ÷ 305,167 shares) .....	\$	<u>12.58</u>
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### Service Class 2:

<b>Net Asset Value</b> , offering price and redemption price per share (\$8,139,455 ÷ 650,469 shares) .....	\$	<u>12.51</u>
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### Investor Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$26,306,920 ÷ 2,085,746 shares) .....	\$	<u>12.61</u>
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See accompanying notes which are an integral part of the financial statements.

## Statement of Operations

Year ended December 31, 2009

<b>Investment Income</b>		
Dividends		\$ 968,603
Interest		395
Income from Fidelity Central Funds		2,621,845
<b>Total income</b>		<u>3,590,843</u>
<b>Expenses</b>		
Management fee	\$ 862,912	
Transfer agent fees	153,591	
Distribution fees	20,793	
Accounting and security lending fees	76,136	
Custodian fees and expenses	42,405	
Independent trustees' compensation	574	
Audit	54,457	
Legal	1,723	
Miscellaneous	32,083	
Total expenses before reductions	1,244,674	
Expense reductions	(22,862)	1,221,812
<b>Net investment income (loss)</b>		<u>2,369,031</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	685,001	
Fidelity Central Funds	(2,251,150)	
Foreign currency transactions	(13,644)	
Futures contracts	(2,135,768)	
Capital gain distributions from Fidelity Central Funds	89,469	
Total net realized gain (loss)		(3,626,092)
Change in net unrealized appreciation (depreciation) on:		
Investment securities	45,450,114	
Assets and liabilities in foreign currencies	304	
Futures contracts	(249,130)	
Total change in net unrealized appreciation (depreciation)		45,201,288
<b>Net gain (loss)</b>		<u>41,575,196</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ 43,944,227</u>

## Statement of Changes in Net Assets

	Year ended December 31, 2009	Year ended December 31, 2008
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 2,369,031	\$ 4,019,097
Net realized gain (loss)	(3,626,092)	(36,724,964)
Change in net unrealized appreciation (depreciation)	45,201,288	(56,957,566)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>43,944,227</u>	<u>(89,663,433)</u>
Distributions to shareholders from net investment income	(2,373,235)	(3,919,898)
Distributions to shareholders from net realized gain	(313,149)	(155,222)
<b>Total distributions</b>	<u>(2,686,384)</u>	<u>(4,075,120)</u>
Share transactions – net increase (decrease)	(14,759,164)	31,697
<b>Total increase (decrease) in net assets</b>	<u>26,498,679</u>	<u>(93,706,856)</u>
<b>Net Assets</b>		
Beginning of period	148,264,757	241,971,613
End of period (including undistributed net investment income of \$0 and undistributed net investment income of \$72,273, respectively)	<u>\$ 174,763,436</u>	<u>\$ 148,264,757</u>

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

## Financial Highlights — Initial Class

Years ended December 31,	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 9.68	\$ 15.51	\$ 13.60	\$ 12.97	\$ 12.78
Income from Investment Operations					
Net investment income (loss) <sup>C</sup>	.17	.26	.29	.26	.24
Net realized and unrealized gain (loss)	3.01	(5.82)	2.24	.63	.25
Total from investment operations	3.18	(5.56)	2.53	.89	.49
Distributions from net investment income	(.18)	(.26)	(.62)	(.26)	(.30)
Distributions from net realized gain	(.02)	(.01)	—	—	—
Total distributions	(.20)	(.27)	(.62)	(.26)	(.30)
Net asset value, end of period	\$ 12.66	\$ 9.68	\$ 15.51	\$ 13.60	\$ 12.97
<b>Total Return<sup>A, B</sup></b>	32.91%	(35.81)%	18.97%	6.99%	3.89%
<b>Ratios to Average Net Assets<sup>D, F</sup></b>					
Expenses before reductions	.78%	.74%	.74%	.77%	.74%
Expenses net of fee waivers, if any	.78%	.74%	.74%	.77%	.74%
Expenses net of all reductions	.77%	.73%	.73%	.73%	.72%
Net investment income (loss)	1.57%	1.90%	1.98%	2.01%	1.93%

### Supplemental Data

Net assets, end of period (000 omitted)	\$ 136,479	\$ 118,672	\$ 211,867	\$ 212,222	\$ 260,968
Portfolio turnover rate <sup>E</sup>	126%	110%	132%	233%	43%

<sup>A</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

<sup>B</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown.

<sup>C</sup> Calculated based on average shares outstanding during the period.

<sup>D</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>E</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

<sup>F</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. 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

Years ended December 31,	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 9.62	\$ 15.41	\$ 13.51	\$ 12.88	\$ 12.69
Income from Investment Operations					
Net investment income (loss) <sup>C</sup>	.16	.24	.27	.25	.23
Net realized and unrealized gain (loss)	2.99	(5.77)	2.22	.63	.24
Total from investment operations	3.15	(5.53)	2.49	.88	.47
Distributions from net investment income	(.17)	(.25)	(.59)	(.25)	(.28)
Distributions from net realized gain	(.02)	(.01)	—	—	—
Total distributions	(.19)	(.26)	(.59)	(.25)	(.28)
Net asset value, end of period	\$ 12.58	\$ 9.62	\$ 15.41	\$ 13.51	\$ 12.88
<b>Total Return<sup>A, B</sup></b>	32.79%	(35.88)%	18.79%	6.93%	3.79%
<b>Ratios to Average Net Assets<sup>D, F</sup></b>					
Expenses before reductions	.88%	.84%	.84%	.87%	.84%
Expenses net of fee waivers, if any	.88%	.84%	.84%	.87%	.84%
Expenses net of all reductions	.87%	.83%	.83%	.83%	.82%
Net investment income (loss)	1.47%	1.80%	1.88%	1.91%	1.83%

### Supplemental Data

Net assets, end of period (000 omitted)	\$ 3,838	\$ 2,911	\$ 5,113	\$ 4,977	\$ 5,604
Portfolio turnover rate <sup>E</sup>	126%	110%	132%	233%	43%

<sup>A</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

<sup>B</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown.

<sup>C</sup> Calculated based on average shares outstanding during the period.

<sup>D</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>E</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

<sup>F</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. 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

Years ended December 31,	2009	2008	2007	2006	2005
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 9.57	\$ 15.34	\$ 13.42	\$ 12.81	\$ 12.61
Income from Investment Operations					
Net investment income (loss) <sup>C</sup>	.14	.22	.25	.22	.20
Net realized and unrealized gain (loss)	2.97	(5.75)	2.21	.62	.25
Total from investment operations	3.11	(5.53)	2.46	.84	.45
Distributions from net investment income	(.15)	(.23)	(.54)	(.23)	(.25)
Distributions from net realized gain	(.02)	(.01)	—	—	—
Total distributions	(.17)	(.24)	(.54)	(.23)	(.25)
Net asset value, end of period	\$ 12.51	\$ 9.57	\$ 15.34	\$ 13.42	\$ 12.81
<b>Total Return<sup>A, B</sup></b>	32.55%	(36.05)%	18.68%	6.64%	3.65%
<b>Ratios to Average Net Assets<sup>D, F</sup></b>					
Expenses before reductions	1.06%	1.01%	1.02%	1.05%	1.03%
Expenses net of fee waivers, if any	1.06%	1.01%	1.02%	1.05%	1.03%
Expenses net of all reductions	1.05%	1.01%	1.01%	1.02%	1.02%
Net investment income (loss)	1.29%	1.62%	1.70%	1.73%	1.64%

### Supplemental Data

Net assets, end of period (000 omitted)	\$ 8,139	\$ 6,545	\$ 8,622	\$ 6,205	\$ 5,854
Portfolio turnover rate <sup>E</sup>	126%	110%	132%	233%	43%

<sup>A</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

<sup>B</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown.

<sup>C</sup> Calculated based on average shares outstanding during the period.

<sup>D</sup> Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>E</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

<sup>F</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. 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

Years ended December 31,	2009	2008	2007	2006	2005 <sup>H</sup>
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 9.65	\$ 15.46	\$ 13.56	\$ 12.96	\$ 12.60
Income from Investment Operations					
Net investment income (loss) <sup>E</sup>	.16	.24	.27	.24	.10
Net realized and unrealized gain (loss)	2.99	(5.78)	2.23	.63	.26
Total from investment operations	3.15	(5.54)	2.50	.87	.36
Distributions from net investment income	(.17)	(.26)	(.60)	(.27)	—
Distributions from net realized gain	(.02)	(.01)	—	—	—
Total distributions	(.19)	(.27)	(.60)	(.27)	—
Net asset value, end of period	\$ 12.61	\$ 9.65	\$ 15.46	\$ 13.56	\$ 12.96
<b>Total Return<sup>B, C, D</sup></b>	32.68%	(35.85)%	18.78%	6.80%	2.86%
<b>Ratios to Average Net Assets<sup>F, I</sup></b>					
Expenses before reductions	.89%	.83%	.86%	.92%	.96% <sup>A</sup>
Expenses net of fee waivers, if any	.89%	.83%	.86%	.92%	.96% <sup>A</sup>
Expenses net of all reductions	.87%	.83%	.86%	.89%	.94% <sup>A</sup>
Net investment income (loss)	1.47%	1.81%	1.86%	1.86%	1.83% <sup>A</sup>

### Supplemental Data

Net assets, end of period (000 omitted)	\$ 26,307	\$ 20,137	\$ 16,370	\$ 6,882	\$ 1,330
Portfolio turnover rate <sup>G</sup>	126%	110%	132%	233%	43%

<sup>A</sup> Annualized

<sup>B</sup> Total returns for periods of less than one year are not annualized.

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

<sup>D</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown.

<sup>E</sup> Calculated based on average shares outstanding during the period.

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

<sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

<sup>H</sup> For the period July 21, 2005 (commencement of sale of shares) to December 31, 2005.

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

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

# Notes to Financial Statements

For the period ended December 31, 2009

## 1. Organization.

VIP Asset Manager: Growth Portfolio (the Fund) is a fund of Variable Insurance Products Fund V (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.

Based on their investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the Fund. These strategies are consistent with the investment objectives of the Fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the Fund. The following summarizes the Fund's investment in each Fidelity Central Fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices
Fidelity Commodity Strategy Central Fund	FMR Co., Inc. (FMRC)	Seeks to provide investment returns that correspond to the performance of the commodities market.	Investment in wholly-owned subsidiary organized under the laws of the Cayman Islands Futures Repurchase Agreements Restricted Securities Swap Agreements Indexed Securities
Fidelity Emerging Markets Equity Central Fund	FMRC	Seeks capital appreciation by investing primarily in equity securities of issuers in emerging markets.	Foreign Securities Repurchase Agreements
Fidelity International Equity Central Fund	FMRC	Seeks capital appreciation by investing primarily in non-U.S. based common stocks, including securities of issuers located in emerging markets.	Foreign Securities Repurchase Agreements
Fidelity Floating Rate Central Fund	FMRC	Seeks a high level of income by normally investing in floating rate loans and other floating rate securities.	Loans & Direct Debt Instruments Repurchase Agreements Restricted Securities
Fidelity High Income Central Fund 1	FMRC	Seeks a high level of income and may also seek capital appreciation by investing primarily in debt securities, preferred stocks, and convertible securities, with an emphasis on lower-quality debt securities.	Loans & Direct Debt Instruments Repurchase Agreements Restricted Securities
VIP Investment Grade Central Fund	Fidelity Investments Money Management, Inc. (FIMM)	Seeks a high level of current income by normally investing in investment-grade debt securities and repurchase agreements.	Delayed Delivery & When Issued Securities Repurchase Agreements Restricted Securities Swap Agreements
Fidelity Money Market Central Funds	FIMM	Seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments

## 2. Investments in Fidelity Central Funds – continued

An unaudited holdings listing for the Fund, which presents direct holdings as well as the pro-rata share of any securities and other investments held indirectly through its investment in each of Fidelity's International Equity and Fixed-Income Central Funds, is available at [advisor.fidelity.com](http://advisor.fidelity.com). A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission (the SEC) web site at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC web site or upon request.

## 3. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, 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, February 22, 2010, 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. 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. The frequency with which these procedures are used cannot be predicted and may be utilized to a significant extent. The value used for net asset value (NAV) calculation under these procedures may differ from published prices for the same securities.

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

Level 1 – quoted prices in active markets for identical investments

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level, as of December 31, 2009 is included at the end of the Fund's Schedule of Investments. Valuation techniques used to value the Fund's investments by major category are as follows.

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

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Investments in open-end mutual funds, including the Fidelity Fixed-Income, Equity and Money Market Central Funds, are valued at their closing net asset value each business day and are categorized as Level 1 in the hierarchy. Short-term securities with remaining maturities of sixty days or less for which quotations are not readily available are valued at amortized cost, which approximates value and are categorized as level 2 in the hierarchy.

**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.

## Notes to Financial Statements – continued

### 3. Significant Accounting Policies – continued

**Investment Transactions and Income.** For financial reporting purposes, the Fund's investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per share for processing shareholder transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds received from litigation. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Fund is informed of the ex-dividend date. Non-cash dividends included in dividend income, if any, are recorded at the fair market value of the securities received. Distributions received on securities that represent a return of capital or capital gain are recorded as a reduction of cost of investments and/or as a realized gain. The Fund estimates the components of distributions received that may be considered return of capital distributions or capital gain distributions. Interest income and distributions from the Fidelity Central Funds are accrued as earned. Interest income includes coupon interest and amortization of premium and accretion of discount on debt securities. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain.

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

**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. As of December 31, 2009, the Fund did not have any 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 the short-term gain distributions from the Fidelity Central Funds, futures transactions, foreign currency transactions, partnerships (including allocations from Fidelity Central Funds), deferred trustees compensation, capital loss carryforwards and losses deferred due to wash sales and excise tax regulations.

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

Gross unrealized appreciation	\$	30,899,895
Gross unrealized depreciation		(8,657,278)
Net unrealized appreciation (depreciation)	\$	<u>22,242,617</u>
Tax Cost	\$	<u>154,732,677</u>

The tax-based components of distributable earnings as of period end were as follows:

Capital loss carryforward	\$	(61,350,992)
Net unrealized appreciation (depreciation)	\$	<u>22,244,483</u>

The tax character of distributions paid was as follows:

	December 31, 2009	December 31, 2008
Ordinary Income	\$ <u>2,686,384</u>	\$ <u>4,075,120</u>

### 4. Operating Policies.

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

## 5. Investments in Derivative Instruments.

**Objectives and Strategies for Investing in Derivative Instruments.** The Fund uses derivative instruments (“derivatives”), including futures contracts, in order to meet its investment objectives. The Fund’s strategy is to use derivatives as a risk management tool and as an additional way to gain exposure to certain types of assets. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the Fund may not achieve its objectives. While utilizing derivatives in pursuit of its investment objectives, the Fund is exposed to certain financial risk relative to those derivatives. This risk is further explained below:

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

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

**Futures Contracts.** The Fund uses futures contracts to manage its exposure to the stock market. A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. Buying futures tends to increase a fund’s exposure to the underlying instrument, while selling futures tends to decrease a fund’s exposure to the underlying instrument. Risks of loss may exceed any futures variation margin reflected in the Fund’s Statement of Assets and Liabilities and may include equity risk and potential lack of liquidity in the market. Futures have minimal counterparty risk to the Fund since the exchange’s clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. The underlying face amount at value of any open futures contracts at period end is shown in the Schedule of Investments under the caption “Futures Contracts.” This amount reflects each contract’s exposure to the underlying instrument at period end.

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

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

Risk Exposure / Derivative Type	Realized Gain (Loss)	Change in Unrealized Gain (Loss)
<b>Equity Risk</b>		
Futures Contracts .....	\$ (2,135,768)	\$ (249,130)
Total Derivatives Realized and Change in Unrealized Gain (Loss) (a)(b) .....	<u>\$ (2,135,768)</u>	<u>\$ (249,130)</u>

(a) Total derivatives realized gain (loss) included in the Statement of Operations is comprised of \$(2,135,768) for futures contracts.

(b) Total derivatives change in unrealized gain (loss) included in the Statement of Operations is comprised of \$(249,130) for futures contracts.

## 6. Purchases and Sales of Investments.

Purchases and sales of securities (including the Equity and Fixed-Income Central Funds), other than short-term securities, aggregated \$183,878,394 and \$190,575,345, respectively.

## 7. 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 .26% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by FMR. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the period, the total annual management fee rate was .56% of the Fund’s average net assets.

## Notes to Financial Statements – continued

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

#### Management Fee – continued

The Fund has invested in the Fidelity Commodity Strategy Central Fund, which in turn invests in a wholly-owned subsidiary that invests in commodity-linked derivative instruments. FMR has contractually agreed to waive the Fund's management fee in an amount equal to its proportionate share of the management fee paid to FMR by the subsidiary based on the Fund's proportionate ownership of the Fidelity Commodity Strategy Central Fund. Fees waived totaled \$175 for the period.

**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 .....	\$	3,339
Service Class 2 .....		17,454
	\$	<u>20,793</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 .....	\$	102,018
Service Class .....		2,839
Service Class 2 .....		8,255
Investor Class .....		40,479
	\$	<u>153,591</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 \$3,483 for the period.

#### 8. 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 \$784 and is reflected in Miscellaneous Expense on the Statement of Operations. During the period, there were no borrowings on this line of credit.

#### 9. Security Lending.

The Fund lends portfolio securities from time to time in order to earn additional income. On the settlement date of the loan, the Fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. The value of loaned securities and cash collateral at period end are disclosed on the Fund's Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less fees and expenses associated with the loan, plus any premium payments that may be received on the loan of certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Net income from lending portfolio securities during the period amounted to \$50,913.

## 10. Expense Reductions.

Many of the brokers with whom FMR places trades on behalf of the Fund provided services to the Fund in addition to trade execution. These services included payments of certain expenses on behalf of the Fund totaling \$22,687 for the period.

## 11. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

Years ended December 31, From net investment income	2009	2008
Initial Class	\$ 1,895,178	\$ 3,156,178
Service Class	50,128	74,386
Service Class 2	95,786	154,880
Investor Class	332,143	534,454
Total	<u>\$ 2,373,235</u>	<u>\$ 3,919,898</u>
<b>From net realized gain</b>		
Initial Class	\$ 245,240	\$ 134,082
Service Class	6,924	3,340
Service Class 2	14,984	5,826
Investor Class	46,001	11,974
Total	<u>\$ 313,149</u>	<u>\$ 155,222</u>

## 12. Share Transactions.

Transactions for each class of shares were as follows:

Years ended December 31, Initial Class	Shares		Dollars	
	2009	2008	2009	2008
Shares sold	350,542	788,921	\$ 3,746,567	\$ 11,612,217
Reinvestment of distributions	173,751	341,444	2,140,418	3,290,259
Shares redeemed	(2,002,699)	(2,528,396)	(20,833,637)	(32,539,541)
Net increase (decrease)	<u>(1,478,406)</u>	<u>(1,398,031)</u>	<u>\$ (14,946,652)</u>	<u>\$ (17,637,065)</u>
<b>Service Class</b>				
Shares sold	62,715	35,332	\$ 622,397	\$ 498,951
Reinvestment of distributions	4,662	8,103	57,052	77,726
Shares redeemed	(64,785)	(72,605)	(674,309)	(983,626)
Net increase (decrease)	<u>2,592</u>	<u>(29,170)</u>	<u>\$ 5,140</u>	<u>\$ (406,949)</u>
<b>Service Class 2</b>				
Shares sold	271,353	560,755	\$ 2,822,295	\$ 8,209,547
Reinvestment of distributions	9,100	16,882	110,770	160,705
Shares redeemed	(313,536)	(456,264)	(3,220,944)	(6,362,669)
Net increase (decrease)	<u>(33,083)</u>	<u>121,373</u>	<u>\$ (287,879)</u>	<u>\$ 2,007,583</u>
<b>Investor Class</b>				
Shares sold	445,595	1,603,388	\$ 5,121,887	\$ 23,239,995
Reinvestment of distributions	30,780	57,262	378,144	546,428
Shares redeemed	(477,991)	(631,891)	(5,029,804)	(7,718,295)
Net increase (decrease)	<u>(1,616)</u>	<u>1,028,759</u>	<u>\$ 470,227</u>	<u>\$ 16,068,128</u>

## 13. Other.

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

At the end of the period, FMR or its affiliates were the owners of record of 74% of the total outstanding shares of the Fund.

# Report of Independent Registered Public Accounting Firm

To the Trustees of Variable Insurance Products Fund V and Shareholders of VIP Asset Manager: Growth Portfolio:

We have audited the accompanying statement of assets and liabilities of VIP Asset Manager: Growth Portfolio (the Fund), a fund of Variable Insurance Products Fund V, including the schedule of investments, as of December 31, 2009, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2009, by correspondence with the custodians and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of VIP Asset Manager: Growth Portfolio as of December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts

February 22, 2010

# Trustees and Officers

The Trustees and executive officers of the trust and fund, as applicable, are listed below. The Board of Trustees governs the fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee the fund's activities, review contractual arrangements with companies that provide services to the fund, and review the fund's performance. Except for James C. Curvey, each of the Trustees oversees 188 funds advised by FMR or an affiliate. Mr. Curvey oversees 410 funds advised by FMR or an affiliate.

The Trustees hold office without limit in time except that (a) any Trustee may resign; (b) any Trustee may be removed by written instrument, signed by at least two-thirds of the number of Trustees prior to such removal; (c) any Trustee who requests to be retired or who has become incapacitated by illness or injury may be retired by written instrument signed by a majority of the other Trustees; and (d) any Trustee may be removed at any special meeting of shareholders by a two-thirds vote of the outstanding voting securities of the trust. Each Trustee who is not an interested person (as defined in the 1940 Act) (Independent Trustee), shall retire not later than the last day of the calendar year in which his or her 72nd birthday occurs. The Independent Trustees may waive this mandatory retirement age policy with respect to individual Trustees. The executive officers hold office without limit in time, except that any officer may resign or may be removed by a vote of a majority of the Trustees at any regular meeting or any special meeting of the Trustees. Except as indicated, each individual has held the office shown or other offices in the same company for the past five years.

The fund's Statement of Additional Information (SAI) includes more information about the Trustees. To request a free copy, call Fidelity at 1-877-208-0098.

## Interested Trustees\*:

Correspondence intended for each Trustee who is an interested person may be sent to Fidelity Investments, 82 Devonshire Street, Boston, Massachusetts 02109.

### Name, Age; Principal Occupation

Abigail P. Johnson (48)

Year of Election or Appointment: 2009

Ms. Johnson is Trustee and Chairman of the Board of Trustees of certain Trusts. Ms. Johnson serves as President of Personal and Workplace Investing (2005-present). Ms. Johnson is a Director of FMR LLC. Previously, Ms. Johnson served as President and a Director of FMR (2001-2005), a Trustee of other investment companies advised by FMR, Fidelity Investments Money Management, Inc., and FMR Co., Inc. (2001-2005), Senior Vice President of the Fidelity funds (2001-2005), and managed a number of Fidelity funds. Ms. Abigail P. Johnson and Mr. Arthur E. Johnson are not related.

James C. Curvey (74)

Year of Election or Appointment: 2007

Mr. Curvey also serves as Trustee (2007-present) of other investment companies advised by FMR. Mr. Curvey is a Director of FMR and FMR Co., Inc. (2007-present). Mr. Curvey is also Vice Chairman (2006-present) and Director of FMR LLC. In addition, Mr. Curvey serves as an Overseer for the Boston Symphony Orchestra and a member of the Trustees of Villanova University.

\* Trustees have been determined to be "Interested Trustees" by virtue of, among other things, their affiliation with the trust or various entities under common control with FMR.

## Independent Trustees:

Correspondence intended for each Independent Trustee (that is, the Trustees other than the Interested Trustees) may be sent to Fidelity Investments, P.O. Box 55235, Boston, Massachusetts 02205-5235.

### Name, Age; Principal Occupation

Albert R. Gamper, Jr. (67)

Year of Election or Appointment: 2007

Prior to his retirement in December 2004, Mr. Gamper served as Chairman of the Board of CIT Group Inc. (commercial finance). During his tenure with CIT Group Inc. Mr. Gamper served in numerous senior management positions, including Chairman (1987-1989; 1999-2001; 2002-2004), Chief Executive Officer (1987-2004), and President. Mr. Gamper currently serves as a member of the Board of Directors of Public Service Enterprise Group (utilities), a member of the Board of Trustees, Rutgers University (2004-present), and Chairman of the Board of Saint Barnabas Health Care System. Previously, Mr. Gamper served as Chairman of the Board of Governors, Rutgers University (2004-2007).

## Trustees and Officers – continued

### Name, Age; Principal Occupation

Arthur E. Johnson (62)

Year of Election or Appointment: 2008

Mr. Johnson serves as a member of the Board of Directors of Eaton Corporation (diversified power management, 2009-present) and AGL Resources, Inc. (holding company). Prior to his retirement, Mr. Johnson served as Senior Vice President of Corporate Strategic Development of Lockheed Martin Corporation (defense contractor, 1999-2009). He previously served on the Board of Directors of IKON Office Solutions, Inc. (1999-2008) and Delta Airlines (2005-2007). Mr. Arthur E. Johnson and Ms. Abigail P. Johnson are not related.

Michael E. Kennelly (55)

Year of Election or Appointment: 2009

Previously, Mr. Kennelly served as a Member of the Advisory Board for certain Fidelity Fixed Income and Asset Allocation Funds (2008-2009). Mr. Kennelly served as Chairman and Global Chief Executive Officer of Credit Suisse Asset Management (2003-2005). Mr. Kennelly was a Director of The Credit Suisse Funds (U.S. Mutual Fund, 2004-2008) and was awarded the Chartered Financial Analyst (CFA) designation in 1991.

James H. Keyes (69)

Year of Election or Appointment: 2007

Mr. Keyes serves as a member of the Boards of Navistar International Corporation (manufacture and sale of trucks, buses, and diesel engines) and Pitney Bowes, Inc. (integrated mail, messaging, and document management solutions). Previously, Mr. Keyes served as a member of the Board of LSI Logic Corporation (semiconductor technologies, 1984-2008).

Marie L. Knowles (63)

Year of Election or Appointment: 2001

Prior to Ms. Knowles' retirement in June 2000, she served as Executive Vice President and Chief Financial Officer of Atlantic Richfield Company (ARCO) (diversified energy, 1996-2000). From 1993 to 1996, she was a Senior Vice President of ARCO and President of ARCO Transportation Company. She served as a Director of ARCO from 1996 to 1998. Ms. Knowles currently serves as a Director of McKesson Corporation (healthcare service). Ms. Knowles is an Honorary Trustee of the Brookings Institution and a member of the Board of the Catalina Island Conservancy and of the Santa Catalina Island Company (2009-present). She also serves as a member of the Advisory Board for the School of Engineering of the University of Southern California and the Foundation Board of the School of Architecture at the University of Virginia (2007-present). Previously, Ms. Knowles served as a Director of Phelps Dodge Corporation (copper mining and manufacturing, 1994-2007).

Kenneth L. Wolfe (70)

Year of Election or Appointment: 2007

Mr. Wolfe served as Chairman and a Director (2007-2009) and Chairman and Chief Executive Officer of Hershey Foods Corporation, and as a member of the Boards of Adelphia Communications Corporation (telecommunications, 2003-2006), Bausch & Lomb, Inc. (medical/pharmaceutical, 1993-2007), and Revlon, Inc. (2004-2009).

### Executive Officers:

Correspondence intended for each executive officer may be sent to Fidelity Investments, 82 Devonshire Street, Boston, Massachusetts 02109.

### Name, Age; Principal Occupation

John R. Hebble (51)

Year of Election or Appointment: 2008

President and Treasurer of Fidelity's Fixed Income and Asset Allocation Funds. Mr. Hebble also serves as Assistant Treasurer of other Fidelity funds (2009-present) and is an employee of Fidelity Investments.

Boyce I. Greer (53)

Year of Election or Appointment: 2005 or 2006

Vice President of Fidelity's Fixed Income Funds (2006) and Asset Allocation Funds (2005). Mr. Greer is also a Trustee of other investment companies advised by FMR. Mr. Greer is President of the Asset Allocation Division (2008-present), President and a Director of Strategic Advisers, Inc. (2008-present), President and a Director of Fidelity Investments Money Management, Inc. (2007-present), and an Executive Vice President of FMR and FMR Co., Inc. (2005-present). Previously, Mr. Greer served as a Director and Managing Director of Strategic Advisers, Inc. (2002-2005).

Derek L. Young (45)

Year of Election or Appointment: 2009

Vice President of Fidelity's Asset Allocation Funds. Mr. Young also serves as Chief Investment Officers of the Global Asset Allocation Group (2009-present). Previously, Mr. Young served as a portfolio manager.

Name, Age; Principal Occupation

Scott C. Goebel (41)

Year of Election or Appointment: 2008

Secretary and Chief Legal Officer (CLO) of the Fidelity funds. Mr. Goebel also serves as General Counsel, Secretary, and Senior Vice President of FMR (2008-present) and FMR Co., Inc. (2008-present); Deputy General Counsel of FMR LLC; Chief Legal Officer of Fidelity Management & Research (Hong Kong) Limited (2008-present) and Assistant Secretary of Fidelity Management & Research (Japan) Inc. (2008-present), Fidelity Investments Money Management, Inc. (2008-present), Fidelity Management & Research (U.K.) Inc. (2008-present), and Fidelity Research and Analysis Company (2008-present). Previously, Mr. Goebel served as Assistant Secretary of the Funds (2007-2008) and as Vice President and Secretary of Fidelity Distributors Corporation (FDC) (2005-2007).

Holly C. Laurent (55)

Year of Election or Appointment: 2008

Anti-Money Laundering (AML) Officer of the Fidelity funds. Ms. Laurent is an employee of Fidelity Investments. Previously, Ms. Laurent was Senior Vice President and Head of Legal for Fidelity Business Services India Pvt. Ltd. (2006-2008), and Senior Vice President, Deputy General Counsel and Group Head for FMR LLC (2005-2006).

Christine Reynolds (51)

Year of Election or Appointment: 2008

Chief Financial Officer of the Fidelity funds. Ms. Reynolds became President of Fidelity Pricing and Cash Management Services (FPCMS) in August 2008. Ms. Reynolds served as Chief Operating Officer of FPCMS (2007-2008). Previously, Ms. Reynolds served as President, Treasurer, and Anti-Money Laundering officer of the Fidelity funds (2004-2007).

Michael H. Whitaker (42)

Year of Election or Appointment: 2008

Chief Compliance Officer of Fidelity's Fixed Income and Asset Allocation Funds. Mr. Whitaker is an employee of Fidelity Investments (2007-present). Prior to joining Fidelity Investments, Mr. Whitaker worked at MFS Investment Management where he served as Senior Vice President and Chief Compliance Officer (2004-2006), and Assistant General Counsel.

Jeffrey S. Christian (48)

Year of Election or Appointment: 2009

Deputy Treasurer of the Fidelity funds. Mr. Christian is an employee of Fidelity Investments. Previously, Mr. Christian served as Chief Financial Officer (2008-2009) of certain Fidelity funds, Senior Vice President of Fidelity Pricing and Cash Management Services (FPCMS) (2004-2009), and as Vice President of Business Analysis (2003-2004).

Bryan A. Mehrmann (48)

Year of Election or Appointment: 2005

Deputy Treasurer of the Fidelity funds. Mr. Mehrmann is an employee of Fidelity Investments. Previously, Mr. Mehrmann served as Vice President of Fidelity Investments Institutional Services Group (FIIS)/Fidelity Investments Institutional Operations Company, Inc. (FIIOC) Client Services (1998-2004).

Stephanie J. Dorsey (40)

Year of Election or Appointment: 2008

Deputy Treasurer of Fidelity's Fixed Income and Asset Allocation Funds. Ms. Dorsey is an employee of Fidelity Investments (2008-present). Previously, Ms. Dorsey served as Treasurer (2004-2008) of the JPMorgan Mutual Funds and Vice President (2004-2008) of JPMorgan Chase Bank.

Paul M. Murphy (62)

Year of Election or Appointment: 2007

Assistant Treasurer of the Fidelity funds. Mr. Murphy is an employee of Fidelity Investments. Previously, Mr. Murphy served as Chief Financial Officer of the Fidelity funds (2005-2006), Vice President and Associate General Counsel of FMR (2007), and Senior Vice President of Fidelity Pricing and Cash Management Services (FPCMS) (1994-2007).

Kenneth B. Robins (40)

Year of Election or Appointment: 2009

Assistant Treasurer of the Fidelity Fixed Income and Asset Allocation Funds. Mr. Robins also serves as President and Treasurer of other Fidelity funds and is an employee of Fidelity Investments (2004-present). Before joining Fidelity Investments, Mr. Robins worked at KPMG LLP, where he was a partner in KPMG's department of professional practice (2002-2004).

Gary W. Ryan (51)

Year of Election or Appointment: 2005

Assistant Treasurer of the Fidelity funds. Mr. Ryan is an employee of Fidelity Investments. Previously, Mr. Ryan served as Vice President of Fund Reporting in Fidelity Pricing and Cash Management Services (FPCMS) (1999-2005).

## **Distributions (Unaudited)**

Initial Class designates 11% and 27%; Service Class designates 11% and 29%; Service Class 2 designates 11% and 32%; and Investor Class designates 11% and 29% of the dividends distributed in February and December 2009, respectively, as qualifying for the dividends-received deduction for corporate shareholders.

A total of 2.45% of the dividends distributed during the fiscal year was derived from interest on U.S. Government securities which is generally exempt from state income tax.

# Proxy Voting Results

A special meeting of the fund's shareholders was held on July 15, 2009. The results of votes taken among shareholders on the proposals before them are reported below. Each vote reported represents one dollar of net asset value held on the record date for the meeting.

## PROPOSAL 1

To elect a Board of Trustees.<sup>A</sup>

	# of Votes	% of Votes
<b>James C. Curvey</b>		
Affirmative .....	5,552,872,469.31	95.061
Withheld .....	288,502,726.49	4.939
TOTAL .....	5,841,375,195.80	100.000

### Albert R. Gamper, Jr.

Affirmative .....	5,561,890,244.04	95.215
Withheld .....	279,484,951.76	4.785
TOTAL .....	5,841,375,195.80	100.000

### Abigail P. Johnson

Affirmative .....	5,555,939,213.33	95.114
Withheld .....	285,435,982.47	4.886
TOTAL .....	5,841,375,195.80	100.000

### Arthur E. Johnson

Affirmative .....	5,553,678,620.69	95.075
Withheld .....	287,696,575.11	4.925
TOTAL .....	5,841,375,195.80	100.000

### Michael E. Kenneally

Affirmative .....	5,569,390,062.35	95.344
Withheld .....	271,985,133.45	4.656
TOTAL .....	5,841,375,195.80	100.000

### James H. Keyes

Affirmative .....	5,566,176,180.94	95.289
Withheld .....	275,199,014.86	4.711
TOTAL .....	5,841,375,195.80	100.000

### Marie L. Knowles

Affirmative .....	5,555,399,073.27	95.104
Withheld .....	285,976,122.53	4.896
TOTAL .....	5,841,375,195.80	100.000

### Kenneth L. Wolfe

Affirmative .....	5,541,935,763.09	94.874
Withheld .....	299,439,432.71	5.126
TOTAL .....	5,841,375,195.80	100.000

## PROPOSAL 2

To amend the Declaration of Trust to reduce the required quorum for future shareholder meetings.<sup>A</sup>

	# of Votes	% of Votes
Affirmative .....	4,850,324,304.70	83.034
Against .....	674,248,578.58	11.543
Abstain .....	316,802,312.52	5.423
TOTAL .....	5,841,375,195.80	100.000

<sup>A</sup> Denotes trust-wide proposal and voting results.

# Board Approval of Investment Advisory Contracts and Management Fees

## VIP Asset Manager: Growth Portfolio

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract and sub-advisory agreements (together, the Advisory Contracts) for the fund. The Board, assisted by the advice of fund counsel and Independent Trustees' counsel, requests and considers a broad range of information throughout the year.

The Board meets regularly and considers at each of its meetings factors that are relevant to its annual consideration of the renewal of the fund's Advisory Contracts, including the services and support provided to the fund and its shareholders. The Board has established three standing committees, each composed of Independent Trustees with varying backgrounds, to which the Board has assigned specific subject matter responsibilities in order to enhance effective decision-making by the Board. The Operations Committee meets regularly throughout the year and, among other matters, considers matters specifically related to the annual consideration of the renewal of the fund's Advisory Contracts. The Board, acting directly and through its Committees, requests and receives information concerning the annual consideration of the renewal of the fund's Advisory Contracts. The Board also meets as needed to consider matters specifically related to the Board's annual consideration of the renewal of Advisory Contracts.

At its September 2009 meeting, the Board of Trustees, including the Independent Trustees, unanimously determined to renew the fund's Advisory Contracts. In reaching its determination, the Board considered all factors it believed relevant, including (i) the nature, extent, and quality of the services to be provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness of the fund's management fee and total expenses; (iii) the total costs of the services to be provided by and the profits to be realized by Fidelity from its relationship with the fund; (iv) the extent to which economies of scale would be realized as the fund grows; and (v) whether fee levels reflect these economies of scale, if any, for the benefit of fund shareholders.

In considering whether to renew the Advisory Contracts for the fund, the Board ultimately reached a determination, with the assistance of fund counsel and Independent Trustees' counsel and through the exercise of its business judgment, that the renewal of the Advisory Contracts and the compensation to be received by Fidelity under the management contract is consistent with Fidelity's fiduciary duty under applicable law. The Board's decision to renew the Advisory Contracts was not based on any single factor noted above, but rather was based on a comprehensive consideration of all the information provided to the Board at its meetings throughout the year. The Board, in reaching its determination to renew the Advisory Contracts, is aware that shareholders in the fund have a broad range of investment choices available to them, including a wide choice among mutual funds offered by competitors to Fidelity, and that the fund's shareholders, with the opportunity to review and weigh the disclosure provided by the fund in its prospectus and other public disclosures, have chosen to invest in this fund, managed by Fidelity.

**Nature, Extent, and Quality of Services Provided.** The Board considered staffing within the investment adviser, FMR, and the sub-advisers (together, the Investment Advisers), including the backgrounds of the fund's investment personnel and the fund's investment objective and discipline. The Independent Trustees also had discussions with senior management of Fidelity's investment operations and investment groups. The Board considered the structure of the portfolio manager compensation program and whether this structure provides appropriate incentives.

**Resources Dedicated to Investment Management and Support Services.** The Board reviewed the size, education, and experience of the Investment Advisers' investment staff, their use of technology, and the Investment Advisers' approach to recruiting, training, and retaining portfolio managers and other research, advisory, and management personnel. In response to the recent financial crisis, Fidelity took a number of actions intended to cut costs and improve efficiency without weakening the investment teams or resources. The Board specifically noted Fidelity's response to the 2008 credit market crisis. The Board noted that Fidelity's analysts have access to a variety of technological tools and market and securities data that enable them to perform both fundamental and quantitative analysis and to specialize in various disciplines. The Board considered Fidelity's extensive global research capabilities that enable the Investment Advisers to aggregate data from various sources in an effort to produce positive investment results. The Board also considered that Fidelity's portfolio managers and analysts have access to daily portfolio attribution that allows for monitoring of a fund's portfolio, as well as an electronic communication system that provides immediate real-time access to research concerning issuers and credit enhancers.

**Shareholder and Administrative Services.** The Board considered (i) the nature, extent, quality, and cost of advisory, administrative, distribution, and shareholder services performed by the Investment Advisers and their affiliates under the Advisory Contracts and under separate agreements covering transfer agency, pricing and bookkeeping, and securities lending services for the fund; (ii) the nature and extent of the Investment Advisers' supervision of third party service providers, principally custodians and subcustodians; and (iii) the resources devoted to, and the record of compliance with, the fund's compliance policies and procedures. The Board also reviewed the allocation of fund brokerage, including allocations to brokers affiliated with the Investment Advisers, the use of brokerage commissions to pay fund expenses, and the use of "soft" commission dollars to pay for research services.

The Board noted that the growth of fund assets over time across the complex allows Fidelity to reinvest in the development of services designed to enhance the value or convenience of the Fidelity funds as investment vehicles. These services include 24-hour access to account information and market information through phone representatives and over the Internet, and investor education materials and asset allocation tools.

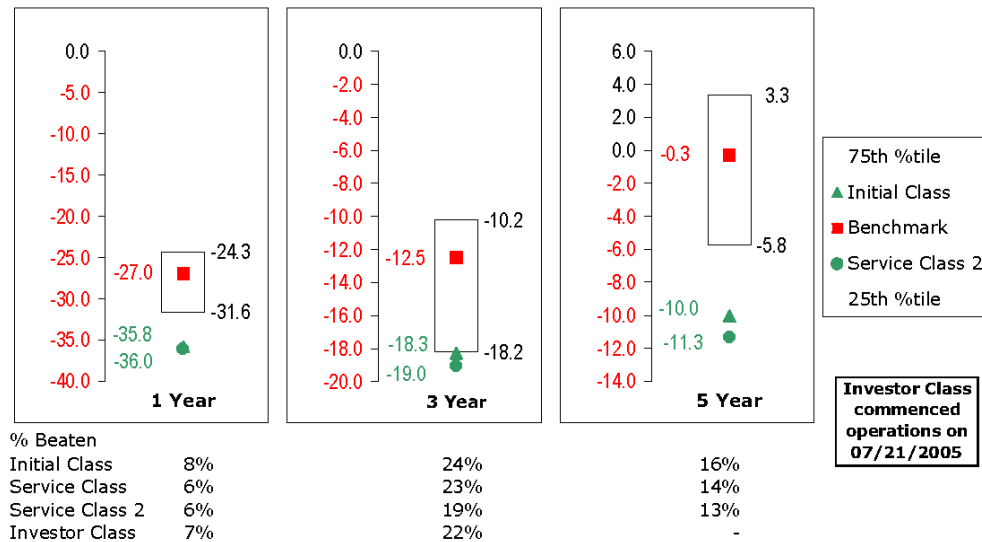
**Investment in a Large Fund Family.** The Board considered the benefits to shareholders of investing in a Fidelity fund, including the benefits of investing in a fund that is part of a large family of funds offering a variety of investment disciplines and providing a large variety of mutual fund investor services.

The Board noted that Fidelity had taken a number of actions over the previous year that benefited particular funds, including (i) dedicating additional resources to investment research and to restructure and broaden the focus of the investment research teams; (ii) bolstering the senior management team that oversees asset management; (iii) contractually agreeing to reduce the management fee on Fidelity U.S. Bond Index Fund; and (iv) expanding Class A and Class T load waiver categories to increase rollover retention opportunities and create consistent policies across the classes.

**Investment Performance.** The Board considered whether the fund has operated in accordance with its investment objective, as well as its record of compliance with its investment restrictions. It also reviewed the fund's absolute investment performance for each class, as well as the fund's relative investment performance for each class measured against (i) a proprietary custom index, and (ii) a peer group of mutual funds deemed appropriate by the Board over multiple periods. The following charts considered by the Board show, over the one-, three-, and five-year periods ended December 31, 2008, the cumulative total returns of Initial Class and Service Class 2 of the fund, the cumulative total returns of a proprietary custom index ("benchmark"), and a range of cumulative total returns of a peer group of mutual funds identified by Morningstar, Inc. as having an investment style similar to that of the fund based on underlying portfolio holdings. The returns of Initial Class and Service Class 2 show the performance of the highest and lowest performing classes, respectively (based on five-year performance). The box within each chart shows the 25th percentile return (bottom of box) and the 75th percentile return (top of box) of the peer group. Returns shown above the box are in the first quartile and returns shown below the box are in the fourth quartile. The percentage beaten numbers noted below each chart correspond to the percentile box and represent the percentage of funds in the peer group whose performance was equal to or lower than that of the class indicated. The fund's proprietary custom index is an index developed by FMR that represents the performance of the fund's three asset classes according to their respective weightings in the fund's neutral mix.

### VIP Asset Manager: Growth Portfolio

**2008 Total Return % vs. Morningstar VIP Moderate Allocation and Custom Index:**



The Board reviewed the fund's relative investment performance against its peer group and stated that the performance of Initial Class of the fund was in the fourth quartile for all the periods shown. The Board also stated that the investment performance of the fund was lower than its benchmark for all the periods shown. The Board considered that the variations in performance among the fund's classes reflect the variations in class expenses, which result in lower performance for higher expense classes. The Board discussed with FMR actions that have been taken by FMR to improve the fund's disappointing performance relative to its peer group and benchmark. The Board also reviewed the fund's performance during 2009. The Board will continue to closely monitor the performance of the fund in the coming year and discuss with FMR other appropriate actions to address the performance of the fund.

The Board considered that FMR has taken steps to refocus and strengthen equity research, equity portfolio management, and compliance.

Based on its review, and giving particular weight to the nature and quality of the resources dedicated by the Investment Advisers to maintain and improve relative performance and factoring in the unprecedented recent market events, the Board concluded that the nature, extent, and quality of the services provided to the fund will benefit the fund's shareholders, particularly in light of the Board's view that the fund's shareholders benefit from investing in a fund that is part of a large family of funds offering a variety of investment disciplines and services.

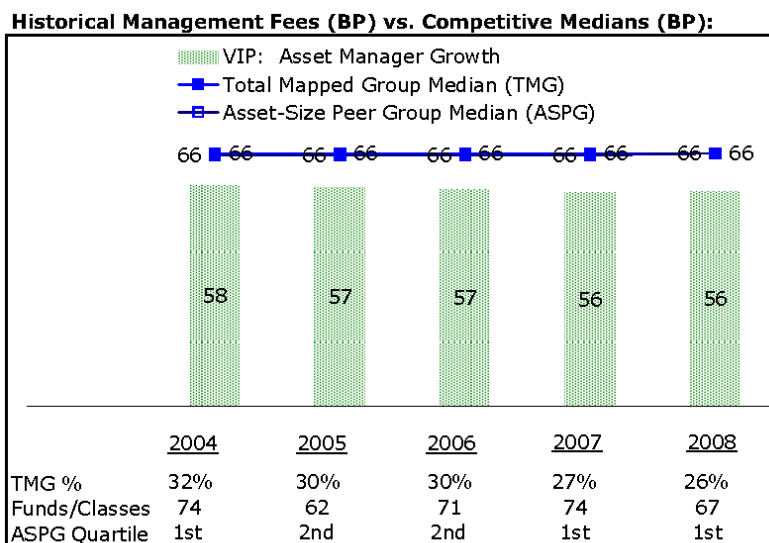
**Competitiveness of Management Fee and Total Fund Expenses.** The Board considered the fund's management fee and total expenses compared to "mapped groups" of competitive funds and classes. Fidelity creates "mapped groups" by combining similar Lipper investment objective categories that have comparable management fee characteristics. Combining Lipper investment objective categories aids the Board's management fee

## Board Approval of Investment Advisory Contracts and Management Fees – continued

and total expense comparisons by broadening the competitive group used for comparison and by reducing the number of universes to which various Fidelity funds are compared.

The Board considered two proprietary management fee comparisons for the 12-month periods shown in the chart below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the “Total Mapped Group.” The Total Mapped Group comparison focuses on a fund’s standing relative to the total universe of comparable funds available to investors, in terms of gross management fees before expense reimbursements or caps. “TMG %” represents the percentage of funds in the Total Mapped Group that had management fees that were lower than the fund’s. For example, a TMG % of 26% means that 74% of the funds in the Total Mapped Group had higher management fees than the fund. The “Asset-Size Peer Group” (ASPG) comparison focuses on a fund’s standing relative to non-Fidelity funds similar in size to the fund within the Total Mapped Group. The ASPG represents at least 15% of the funds in the Total Mapped Group with comparable asset size and management fee characteristics, subject to a minimum of 50 funds (or all funds in the Total Mapped Group if fewer than 50). Additional information, such as the ASPG quartile in which the fund’s management fee ranked, is also included in the chart and considered by the Board.

### VIP Asset Manager: Growth Portfolio



The Board noted that the fund’s management fee ranked below the median of its Total Mapped Group and below the median of its ASPG for 2008.

Based on its review, the Board concluded that the fund’s management fee was fair and reasonable in light of the services that the fund receives and the other factors considered.

In its review of each class’s total expenses, the Board considered the fund’s management fee as well as other fund or class expenses, as applicable, such as transfer agent fees, pricing and bookkeeping fees, fund-paid 12b-1 fees, and custodial, legal, and audit fees. The Board also noted the effects of any waivers and reimbursements on fees and expenses. As part of its review, the Board also considered current and historical total expenses of each class of the fund compared to competitive fund median expenses. Each class of the fund is compared to those funds and classes in the Total Mapped Group (used by the Board for management fee comparisons) that have a similar sales load structure.

The Board noted that the total expenses of each of Initial Class, Investor Class, and Service Class ranked below its competitive median for 2008 and the total expenses of Service Class 2 ranked above its competitive median for 2008. The Board noted that the fund offers multiple classes, each of which has a different 12b-1 fee structure, and that the multiple structures are intended to offer a range of pricing options for the intermediary market. The Board also noted that the total expenses of the classes vary primarily by the level of their 12b-1 fees, although differences in transfer agent fees may also cause expenses to vary from class to class.

In its review, the Board also considered Fidelity fee structures and other information on clients that FMR and its affiliates service in other competitive markets, such as other mutual funds advised or subadvised by FMR or its affiliates, pension plan clients, and other institutional clients.

Based on its review, the Board concluded that the total expenses of each class of the fund were reasonable, although in one case above the median of the universe presented for comparison, in light of the services that the fund and its shareholders receive and the other factors considered.

**Costs of the Services and Profitability.** The Board considered the revenues earned and the expenses incurred by Fidelity in conducting the business of developing, marketing, distributing, managing, administering and servicing the fund and its shareholders. The Board also considered the level of Fidelity’s profits in respect of all the Fidelity funds.

On an annual basis, FMR presents to the Board Fidelity's profitability for the fund. Fidelity calculates the profitability for each fund, as well as aggregate profitability for groups of Fidelity funds and all Fidelity funds, using a series of detailed revenue and cost allocation methodologies which originate with the audited books and records of Fidelity. The Audit Committee of the Board reviews any significant changes from the prior year's methodologies.

PricewaterhouseCoopers LLP (PwC), independent registered public accounting firm and auditor to Fidelity and certain Fidelity funds, has been engaged annually by the Board as part of the Board's assessment of Fidelity's profitability analysis. PwC's engagement includes the review and assessment of Fidelity's methodologies used in determining the revenues and expenses attributable to Fidelity's mutual fund business, and completion of agreed-upon procedures surrounding the mathematical accuracy of fund profitability and its conformity to allocation methodologies. After considering PwC's reports issued under the engagement and information provided by Fidelity, the Board believes that while other allocation methods may also be reasonable, Fidelity's profitability methodologies are reasonable in all material respects.

The Board has also reviewed Fidelity's non-fund businesses and any fall-out benefits related to the mutual fund business as well as cases where Fidelity's affiliates may benefit from or be related to the fund's business.

The Board considered the costs of the services provided by and the profits realized by Fidelity in connection with the operation of the fund and determined that the amount of profit is a fair entrepreneurial profit for the management of the fund.

**Economies of Scale.** The Board considered whether there have been economies of scale in respect of the management of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is potential for realization of any further economies of scale. The Board considered the extent to which the fund will benefit from economies of scale through increased services to the fund, through waivers or reimbursements, or through fee or expense reductions.

In February 2009, the Board created an Ad Hoc Committee (the "Committee") to analyze economies of scale. The Committee was formed to consider whether FMR attains economies of scale in respect of the management and servicing of the Fidelity funds, whether the Fidelity funds have appropriately benefited from such economies of scale, and whether there is potential for realization of any further economies of scale.

The Board recognized that the fund's management contract incorporates a "group fee" structure, which provides for lower group fee rates as total fund assets under FMR's management increase, and for higher group fee rates as total fund assets under FMR's management decrease. FMR determines the group fee rates based on a tiered asset "breakpoint" schedule that varies based on asset class. The Board considered that the group fee is designed to deliver the benefits of economies of scale to fund shareholders when total fund assets increase, even if assets of any particular fund are unchanged or have declined, because some portion of Fidelity's costs are attributable to services provided to all Fidelity funds, and all funds benefit if those costs can be allocated among more assets. The Board concluded that, given the group fee structure, fund shareholders will achieve a certain level of economies of scale as assets under FMR's management increase at the fund complex level, regardless of whether Fidelity achieves any such economies of scale.

The Board concluded, considering the findings of the Committee, that any potential economies of scale are being shared between fund shareholders and Fidelity in an appropriate manner.

**Additional Information Requested by the Board.** In order to develop fully the factual basis for consideration of the Fidelity funds' Advisory Contracts, the Board requested and received additional information on certain topics, including (i) fund performance trends, actions to be taken by FMR to improve certain funds' overall performance and Fidelity's long-term strategies for certain funds; (ii) portfolio manager changes that have occurred during the past year; (iii) Fidelity's fund profitability methodology, the profitability of certain fund service providers, and profitability trends for certain funds; (iv) Fidelity's compensation structure for portfolio managers and key personnel, including its effects on fund profitability, and the extent to which current market conditions have affected retention and recruitment; (v) the selection of and compensation paid by FMR to fund sub-advisers; (vi) Fidelity's fee structures and rationale for recommending different fees among categories of funds; (vii) the rationale for any differences between fund fee structures and fee structures in place for other Fidelity clients; and (viii) explanations for the relative total expenses borne by certain funds and classes, total expense competitive trends, and actions that might be taken by FMR to reduce total expenses for certain funds and classes.

Based on its evaluation of all of the conclusions noted above, and after considering all material factors, the Board ultimately concluded that the advisory fee structures are fair and reasonable, and that the fund's Advisory Contracts should be renewed.





**Investment Adviser**

Fidelity Management & Research Company  
Boston, MA

**Investment Sub-Advisers**

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

JPMorgan Chase Bank  
New York, NY