

Fidelity® Variable Insurance Products: Index 500 Portfolio



Semiannual Report
June 30, 2010



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

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

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

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Neither the fund nor Fidelity Distributors Corporation is a bank.

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, and (2) ongoing costs, including management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2010 to June 30, 2010).

Actual Expenses

The first line of the accompanying table for each class of the Fund provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000.00 (for example, an \$8,600 account value divided by \$1,000.00 = 8.6), then multiply the result by the number in the first line for a class of the Fund under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The estimate of expenses does not include any fees or other expenses of any variable annuity or variable life insurance product. If they were, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower. In addition, the Fund, as a shareholder in the underlying Fidelity Central Funds, will indirectly bear its pro-rata share of the fees and expenses incurred by the underlying Fidelity Central Funds. These fees and expenses are not included in the Fund's annualized expense ratio used to calculate the expense estimate in the table below.

Hypothetical Example for Comparison Purposes

The second line of the accompanying table for each class of the Fund provides information about hypothetical account values and hypothetical expenses based on a Class' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Class' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The estimate of expenses does not include any fees or other expenses of any variable annuity or variable life insurance product. If they were, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower. In addition, the Fund, as a shareholder in the underlying Fidelity Central Funds, will indirectly bear its pro-rata share of the fees and expenses incurred by the underlying Fidelity Central Funds. These fees and expenses are not included in the Fund's annualized expense ratio used to calculate the expense estimate in the table below.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	Annualized Expense Ratio	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period ^a January 1, 2010 to June 30, 2010
Initial Class	.10%			
Actual		\$ 1,000.00	\$ 933.40	\$.48
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class	.20%			
Actual		\$ 1,000.00	\$ 932.90	\$.96
Hypothetical ^A		\$ 1,000.00	\$ 1,023.80	\$ 1.00
Service Class 2	.35%			
Actual		\$ 1,000.00	\$ 932.20	\$ 1.68
Hypothetical ^A		\$ 1,000.00	\$ 1,023.06	\$ 1.76

^A 5% return per year before expenses

* Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Investment Changes (Unaudited)

Top Ten Stocks as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Exxon Mobil Corp.	3.1	3.2
Apple, Inc.	2.4	1.9
Microsoft Corp.	1.9	2.3
Procter & Gamble Co.	1.8	1.7
Johnson & Johnson	1.7	1.8
International Business Machines Corp.	1.7	1.7
General Electric Co.	1.6	1.6
JPMorgan Chase & Co.	1.6	1.6
Bank of America Corp.	1.5	1.5
AT&T, Inc.	1.5	1.6
	<u>18.8</u>	

Market Sectors as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	18.5	19.4
Financials	16.2	14.1
Health Care	12.0	12.3
Consumer Staples	11.4	11.1
Energy	10.6	11.2
Industrials	10.3	10.0
Consumer Discretionary	10.0	9.4
Utilities	3.6	3.6
Materials	3.4	3.5
Telecommunication Services	3.0	3.1

Asset Allocation

To match the S&P 500 Index®, the VIP Index 500 Portfolio seeks 100% investment exposure to stocks at all times.

Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 99.0%

	Shares	Value
CONSUMER DISCRETIONARY – 10.0%		
Auto Components – 0.2%		
Johnson Controls, Inc.	130,969	\$ 3,519,137
The Goodyear Tire & Rubber Co. (a) ...	47,294	470,102
		<u>3,989,239</u>
Automobiles – 0.4%		
Ford Motor Co. (a)(c)	663,229	6,685,348
Harley-Davidson, Inc. (c)	45,840	1,019,023
		<u>7,704,371</u>
Distributors – 0.1%		
Genuine Parts Co.	30,915	1,219,597
Diversified Consumer Services – 0.2%		
Apollo Group, Inc. Class A (non-vtg.) (a)	24,497	1,040,388
DeVry, Inc. (c)	12,066	633,344
H&R Block, Inc.	64,099	1,005,713
		<u>2,679,445</u>
Hotels, Restaurants & Leisure – 1.6%		
Carnival Corp. unit	84,283	2,548,718
Darden Restaurants, Inc.	27,373	1,063,441
International Game Technology	58,037	911,181
Marriott International, Inc. Class A (c) ..	49,947	1,495,413
McDonald's Corp.	209,447	13,796,274
Starbucks Corp. (c)	145,064	3,525,055
Starwood Hotels & Resorts Worldwide, Inc. (c)	36,893	1,528,477
Wyndham Worldwide Corp. (c)	35,041	705,726
Wynn Resorts Ltd. (c)	13,444	1,025,374
Yum! Brands, Inc.	91,006	3,552,874
		<u>30,152,533</u>
Household Durables – 0.4%		
D.R. Horton, Inc. (c)	53,896	529,798
Fortune Brands, Inc.	29,656	1,161,922
Harman International Industries, Inc. (a)	13,536	404,591
Leggett & Platt, Inc.	28,831	578,350
Lennar Corp. Class A (c)	31,683	440,711
Newell Rubbermaid, Inc. (c)	54,163	792,946
Pulte Group, Inc. (a)(c)	61,824	511,903
Stanley Black & Decker, Inc.	31,227	1,577,588
Whirlpool Corp. (c)	14,624	1,284,280
		<u>7,282,089</u>
Internet & Catalog Retail – 0.5%		
Amazon.com, Inc. (a)	66,811	7,299,770
Expedia, Inc.	40,369	758,130
Priceline.com, Inc. (a)(c)	9,237	1,630,700
		<u>9,688,600</u>
Leisure Equipment & Products – 0.2%		
Eastman Kodak Co. (a)(c)	52,307	227,012
Hasbro, Inc. (c)	25,486	1,047,475
Mattel, Inc. (c)	71,011	1,502,593
		<u>2,777,080</u>

Media – 3.1%

	Shares	Value
CBS Corp. Class B (c)	132,382	\$ 1,711,699
Comcast Corp. Class A	549,342	9,542,071
DIRECTV (a)	176,935	6,001,635
Discovery Communications, Inc. (a)(c) ..	55,351	1,976,584
Gannett Co., Inc.	46,370	624,140
Interpublic Group of Companies, Inc. (a)(c)	95,265	679,239
McGraw-Hill Companies, Inc. (c)	61,425	1,728,500
Meredith Corp. (c)	7,160	222,891
News Corp. Class A	438,794	5,247,976
Omnicom Group, Inc.	59,761	2,049,802
Scripps Networks Interactive, Inc. Class A	17,483	705,264
The New York Times Co. Class A (a)(c) .	22,678	196,165
The Walt Disney Co.	381,313	12,011,360
Time Warner Cable, Inc.	68,920	3,589,354
Time Warner, Inc.	221,892	6,414,898
Viacom, Inc. Class B (non-vtg.)	118,251	3,709,534
Washington Post Co. Class B (c)	1,182	485,187
		<u>56,896,299</u>

Multiline Retail – 0.8%

	Shares	Value
Big Lots, Inc. (a)(c)	15,654	502,337
Family Dollar Stores, Inc.	26,297	991,134
JCPenney Co., Inc.	45,992	987,908
Kohl's Corp. (a)	59,949	2,847,578
Macy's, Inc.	82,180	1,471,022
Nordstrom, Inc. (c)	32,418	1,043,535
Sears Holdings Corp. (a)(c)	9,393	607,257
Target Corp.	143,384	7,050,191
		<u>15,500,962</u>

Specialty Retail – 2.0%

	Shares	Value
Abercrombie & Fitch Co. Class A (c) ...	17,173	527,039
AutoNation, Inc. (a)(c)	17,357	338,462
AutoZone, Inc. (a)(c)	5,696	1,100,581
Bed Bath & Beyond, Inc. (a)	51,254	1,900,498
Best Buy Co., Inc.	67,355	2,280,640
CarMax, Inc. (a)	43,441	864,476
GameStop Corp. Class A (a)(c)	29,753	559,059
Gap, Inc.	87,398	1,700,765
Home Depot, Inc.	327,149	9,183,072
Limited Brands, Inc.	52,549	1,159,756
Lowe's Companies, Inc.	278,251	5,681,885
O'Reilly Automotive, Inc. (a)(c)	26,891	1,278,936
Office Depot, Inc. (a)	53,638	216,698
RadioShack Corp. (c)	24,411	476,259
Ross Stores, Inc.	23,855	1,271,233
Staples, Inc.	142,108	2,707,157
Tiffany & Co., Inc. (c)	24,756	938,500
TJX Companies, Inc.	79,430	3,332,089
Urban Outfitters, Inc. (a)	25,358	872,062
		<u>36,389,167</u>

Textiles, Apparel & Luxury Goods – 0.5%

	Shares	Value
Coach, Inc.	59,401	2,171,107

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
CONSUMER DISCRETIONARY – continued		
Textiles, Apparel & Luxury Goods – continued		
NIKE, Inc. Class B	75,649	\$ 5,110,090
Polo Ralph Lauren Corp. Class A	12,809	934,545
VF Corp.	17,149	1,220,666
		<u>9,436,408</u>
TOTAL CONSUMER DISCRETIONARY		<u>183,715,790</u>

CONSUMER STAPLES – 11.4%

Beverages – 2.6%

Brown-Forman Corp. Class B (non-vtg.) (c)	21,162	1,211,101
Coca-Cola Enterprises, Inc.	63,328	1,637,662
Constellation Brands, Inc. Class A (sub. vtg.) (a)	37,343	583,298
Dr Pepper Snapple Group, Inc.	47,834	1,788,513
Molson Coors Brewing Co. Class B	30,718	1,301,214
PepsiCo, Inc.	313,981	19,137,142
The Coca-Cola Co.	449,161	22,511,949
		<u>48,170,879</u>

Food & Staples Retailing – 2.5%

Costco Wholesale Corp.	85,853	4,707,320
CVS Caremark Corp.	264,951	7,768,363
Kroger Co.	125,813	2,477,258
Safeway, Inc.	75,657	1,487,417
SUPERVALU, Inc. (c)	41,318	447,887
Sysco Corp.	115,176	3,290,578
Wal-Mart Stores, Inc.	404,451	19,441,960
Walgreen Co.	190,491	5,086,110
Whole Foods Market, Inc. (a)(c)	33,379	1,202,312
		<u>45,909,205</u>

Food Products – 1.9%

Archer Daniels Midland Co.	125,196	3,232,561
Campbell Soup Co.	36,436	1,305,502
ConAgra Foods, Inc.	86,746	2,022,917
Dean Foods Co. (a)(c)	35,339	355,864
General Mills, Inc.	129,188	4,588,758
H.J. Heinz Co.	61,568	2,660,969
Hershey Co. (c)	32,296	1,547,947
Hormel Foods Corp. (c)	13,489	546,035
Kellogg Co.	49,654	2,497,596
Kraft Foods, Inc. Class A	339,440	9,504,320
McCormick & Co., Inc. (non-vtg.)	25,794	979,140
Mead Johnson Nutrition Co. Class A ...	39,818	1,995,678
Sara Lee Corp.	128,743	1,815,276
The J.M. Smucker Co.	23,192	1,396,622
Tyson Foods, Inc. Class A (c)	59,448	974,353
		<u>35,423,538</u>

Household Products – 2.6%

Clorox Co. (c)	27,420	1,704,427
Colgate-Palmolive Co.	95,487	7,520,556

	Shares	Value
Kimberly-Clark Corp.	80,596	\$ 4,886,535
Procter & Gamble Co.	560,690	33,630,186
		<u>47,741,704</u>

Personal Products – 0.2%

Avon Products, Inc.	83,406	2,210,259
Estee Lauder Companies, Inc. Class A (c)	23,296	1,298,286
		<u>3,508,545</u>

Tobacco – 1.6%

Altria Group, Inc.	405,456	8,125,338
Lorillard, Inc.	29,759	2,142,053
Philip Morris International, Inc.	360,543	16,527,291
Reynolds American, Inc.	32,911	1,715,321
		<u>28,510,003</u>

TOTAL CONSUMER STAPLES

209,263,874

ENERGY – 10.6%

Energy Equipment & Services – 1.7%

Baker Hughes, Inc. (c)	83,531	3,472,384
Cameron International Corp. (a)(c)	47,544	1,546,131
Diamond Offshore Drilling, Inc. (c)	13,534	841,679
FMC Technologies, Inc. (a)(c)	23,673	1,246,620
Halliburton Co.	176,248	4,326,888
Helmerich & Payne, Inc. (c)	20,585	751,764
Nabors Industries Ltd. (a)(c)	55,528	978,403
National Oilwell Varco, Inc.	81,579	2,697,818
Rowan Companies, Inc. (a)(c)	22,278	488,779
Schlumberger Ltd. (c)	232,229	12,851,553
Smith International, Inc.	48,384	1,821,658
		<u>31,023,677</u>

Oil, Gas & Consumable Fuels – 8.9%

Anadarko Petroleum Corp.	96,322	3,476,261
Apache Corp. (c)	65,663	5,528,168
Cabot Oil & Gas Corp.	20,230	633,604
Chesapeake Energy Corp.	126,727	2,654,931
Chevron Corp.	391,063	26,537,535
ConocoPhillips	289,761	14,224,367
CONSOL Energy, Inc.	43,944	1,483,549
Denbury Resources, Inc. (a)	77,730	1,137,967
Devon Energy Corp.	87,007	5,300,466
El Paso Corp.	137,012	1,522,203
EOG Resources, Inc.	49,286	4,848,264
Exxon Mobil Corp.	995,279	56,800,571
Hess Corp.	56,893	2,863,994
Marathon Oil Corp.	138,133	4,294,555
Massey Energy Co.	20,046	548,258
Murphy Oil Corp.	37,280	1,847,224
Noble Energy, Inc. (c)	33,998	2,051,099
Occidental Petroleum Corp.	158,122	12,199,112
Peabody Energy Corp. (c)	52,331	2,047,712
Pioneer Natural Resources Co. (c)	22,570	1,341,787
QEP Resources, Inc. (a)	34,089	1,050,964

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

Common Stocks – continued

	Shares	Value
ENERGY – continued		
Oil, Gas & Consumable Fuels – continued		
Range Resources Corp. (c)	31,038	\$ 1,246,176
Southwestern Energy Co. (a)	67,400	2,604,336
Spectra Energy Corp.	126,157	2,531,971
Sunoco, Inc.	23,472	816,121
Tesoro Corp. (c)	27,497	320,890
Valero Energy Corp.	110,093	1,979,472
Williams Companies, Inc.	113,752	2,079,387
		<u>163,970,944</u>
TOTAL ENERGY		<u>194,994,621</u>

FINANCIALS – 16.2%

Capital Markets – 2.4%

Ameriprise Financial, Inc.	49,793	1,799,021
Bank of New York Mellon Corp.	236,148	5,830,494
Charles Schwab Corp.	190,539	2,701,843
E*TRADE Financial Corp. (a)	38,555	455,720
Federated Investors, Inc. Class B (non-vtg.) (c)	17,284	357,952
Franklin Resources, Inc.	28,769	2,479,600
Goldman Sachs Group, Inc.	100,225	13,156,536
Invesco Ltd.	90,956	1,530,789
Janus Capital Group, Inc.	35,770	317,638
Legg Mason, Inc. (c)	32,059	898,614
Morgan Stanley	272,142	6,316,416
Northern Trust Corp.	47,086	2,198,916
State Street Corp.	97,679	3,303,504
T. Rowe Price Group, Inc. (c)	50,534	2,243,204
		<u>43,590,247</u>

Commercial Banks – 3.1%

BB&T Corp.	134,746	3,545,167
Comerica, Inc. (c)	34,328	1,264,300
Fifth Third Bancorp	154,743	1,901,791
First Horizon National Corp. (c)	44,504	509,571
Huntington Bancshares, Inc.	139,510	772,885
KeyCorp (c)	171,163	1,316,243
M&T Bank Corp. (c)	16,199	1,376,105
Marshall & Ilsley Corp.	102,650	737,027
PNC Financial Services Group, Inc.	102,417	5,786,561
Regions Financial Corp.	232,163	1,527,633
SunTrust Banks, Inc. (c)	97,323	2,267,626
U.S. Bancorp, Delaware	373,201	8,341,042
Wells Fargo & Co.	1,014,367	25,967,795
Zions Bancorporation	31,201	673,006
		<u>55,986,752</u>

Consumer Finance – 0.8%

American Express Co.	233,874	9,284,798
Capital One Financial Corp.	88,883	3,581,985

	Shares	Value
Discover Financial Services	105,877	\$ 1,480,160
SLM Corp. (a)	94,573	982,613
		<u>15,329,556</u>

Diversified Financial Services – 4.5%

Bank of America Corp.	1,953,319	28,069,194
Citigroup, Inc. (a)	4,400,842	16,547,166
CME Group, Inc.	12,789	3,600,743
IntercontinentalExchange, Inc. (a)(c) ...	14,396	1,627,180
JPMorgan Chase & Co.	774,614	28,358,619
Leucadia National Corp. (a)(c)	36,949	720,875
Moody's Corp. (c)	38,298	762,896
NYSE Euronext	50,814	1,403,991
The NASDAQ Stock Market, Inc. (a) ...	28,380	504,596
		<u>81,595,260</u>

Insurance – 4.0%

AFLAC, Inc.	91,419	3,900,849
Allstate Corp.	104,725	3,008,749
American International Group, Inc. (a)(c)	26,297	905,669
Aon Corp. (c)	52,453	1,947,055
Assurant, Inc.	21,772	755,488
Berkshire Hathaway, Inc. Class B (a)(c) .	322,287	25,683,051
Cincinnati Financial Corp.	31,731	820,881
Genworth Financial, Inc. Class A (a) ...	95,219	1,244,512
Hartford Financial Services Group, Inc.	86,463	1,913,426
Lincoln National Corp.	58,891	1,430,462
Loews Corp.	68,441	2,279,770
Marsh & McLennan Companies, Inc. ...	105,374	2,376,184
MetLife, Inc.	159,676	6,029,366
Principal Financial Group, Inc. (c)	62,248	1,459,093
Progressive Corp. (c)	130,525	2,443,428
Prudential Financial, Inc.	90,726	4,868,357
The Chubb Corp.	63,619	3,181,586
The Travelers Companies, Inc.	96,438	4,749,572
Torchmark Corp.	16,065	795,378
Unum Group	64,797	1,406,095
XL Capital Ltd. Class A	66,600	1,066,266
		<u>72,265,237</u>

Real Estate Investment Trusts – 1.3%

Apartment Investment & Management Co. Class A (c)	22,747	440,609
AvalonBay Communities, Inc.	16,156	1,508,486
Boston Properties, Inc.	27,065	1,930,817
Equity Residential (SBI)	55,086	2,293,781
HCP, Inc. (c)	57,231	1,845,700
Health Care REIT, Inc.	24,163	1,017,746
Host Hotels & Resorts, Inc.	128,146	1,727,408
Kimco Realty Corp.	78,970	1,061,357
Plum Creek Timber Co., Inc. (c)	31,728	1,095,568
ProLogis Trust (c)	92,786	939,922
Public Storage	26,452	2,325,395
Simon Property Group, Inc. (c)	56,982	4,601,297

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Real Estate Investment Trusts – continued		
Ventas, Inc. (c)	30,540	\$ 1,433,853
Vornado Realty Trust	30,813	2,247,808
		<u>24,469,747</u>
Real Estate Management & Development – 0.0%		
CB Richard Ellis Group, Inc. Class A (a)(c)	52,623	716,199
Thriffs & Mortgage Finance – 0.1%		
Hudson City Bancorp, Inc.	92,270	1,129,385
People's United Financial, Inc.	72,960	984,960
		<u>2,114,345</u>
TOTAL FINANCIALS		<u>296,067,343</u>
HEALTH CARE – 12.0%		
Biotechnology – 1.4%		
Amgen, Inc. (a)	186,501	9,809,953
Biogen Idec, Inc. (a)	51,982	2,466,546
Celgene Corp. (a)	89,726	4,559,875
Cephalon, Inc. (a)(c)	14,639	830,763
Genzyme Corp. (a)(c)	51,957	2,637,857
Gilead Sciences, Inc. (a)	173,258	5,939,284
		<u>26,244,278</u>
Health Care Equipment & Supplies – 1.8%		
Baxter International, Inc.	116,124	4,719,279
Becton, Dickinson & Co.	45,427	3,071,774
Boston Scientific Corp. (a)	295,214	1,712,241
C. R. Bard, Inc.	18,514	1,435,390
CareFusion Corp. (a)	34,624	785,965
DENTSPLY International, Inc.	28,494	852,256
Hospira, Inc. (a)	32,296	1,855,405
Intuitive Surgical, Inc. (a)(c)	7,625	2,406,603
Medtronic, Inc.	214,458	7,778,392
St. Jude Medical, Inc. (a)	63,620	2,296,046
Stryker Corp.	54,836	2,745,090
Varian Medical Systems, Inc. (a)(c)	24,052	1,257,439
Zimmer Holdings, Inc. (a)	39,485	2,134,164
		<u>33,050,044</u>
Health Care Providers & Services – 2.1%		
Aetna, Inc.	82,724	2,182,259
AmerisourceBergen Corp.	55,004	1,746,377
Cardinal Health, Inc.	70,492	2,369,236
CIGNA Corp.	53,866	1,673,078
Coventry Health Care, Inc. (a)	28,802	509,219
DaVita, Inc. (a)	20,228	1,263,036
Express Scripts, Inc. (a)(c)	106,709	5,017,457
Humana, Inc. (a)	33,136	1,513,321
Laboratory Corp. of America Holdings (a)(c)	20,248	1,525,687
McKesson Corp.	52,837	3,548,533
Medco Health Solutions, Inc. (a)	88,945	4,899,091

	Shares	Value
Patterson Companies, Inc.	18,164	\$ 518,219
Quest Diagnostics, Inc.	29,426	1,464,532
Tenet Healthcare Corp. (a)(c)	84,842	368,214
UnitedHealth Group, Inc.	221,301	6,284,948
WellPoint, Inc. (a)	83,169	4,069,459
		<u>38,952,666</u>
Health Care Technology – 0.1%		
Cerner Corp. (a)(c)	13,284	1,008,123
Life Sciences Tools & Services – 0.5%		
Life Technologies Corp. (a)(c)	35,552	1,679,832
Millipore Corp. (a)	10,908	1,163,338
PerkinElmer, Inc. (c)	22,937	474,108
Thermo Fisher Scientific, Inc. (a)	79,902	3,919,193
Waters Corp. (a)	18,096	1,170,811
		<u>8,407,282</u>
Pharmaceuticals – 6.1%		
Abbott Laboratories	300,517	14,058,185
Allergan, Inc.	59,870	3,488,026
Bristol-Myers Squibb Co.	334,804	8,350,012
Eli Lilly & Co. (c)	197,565	6,618,428
Forest Laboratories, Inc. (a)	58,873	1,614,886
Johnson & Johnson	536,970	31,713,448
King Pharmaceuticals, Inc. (a)	48,600	368,874
Merck & Co., Inc.	607,094	21,230,077
Mylan, Inc. (a)(c)	60,129	1,024,598
Pfizer, Inc.	1,570,399	22,393,890
Watson Pharmaceuticals, Inc. (a)	20,857	846,168
		<u>111,706,592</u>
TOTAL HEALTH CARE		<u>219,368,985</u>
INDUSTRIALS – 10.3%		
Aerospace & Defense – 2.8%		
General Dynamics Corp.	75,098	4,397,739
Goodrich Corp.	24,371	1,614,579
Honeywell International, Inc.	149,168	5,822,027
ITT Corp.	35,726	1,604,812
L-3 Communications Holdings, Inc.	22,534	1,596,309
Lockheed Martin Corp.	60,673	4,520,139
Northrop Grumman Corp. (c)	58,640	3,192,362
Precision Castparts Corp.	27,684	2,849,237
Raytheon Co.	74,190	3,590,054
Rockwell Collins, Inc. (c)	30,643	1,628,063
The Boeing Co. (c)	147,777	9,273,007
United Technologies Corp.	181,662	11,791,680
		<u>51,880,008</u>
Air Freight & Logistics – 1.0%		
C.H. Robinson Worldwide, Inc. (c)	32,297	1,797,651
Expeditors International of Washington, Inc.	41,447	1,430,336

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

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Air Freight & Logistics – continued		
FedEx Corp.	60,975	\$ 4,274,957
United Parcel Service, Inc. Class B	192,836	10,970,440
		<u>18,473,384</u>
Airlines – 0.1%		
Southwest Airlines Co.	144,937	1,610,250
Building Products – 0.1%		
Masco Corp.	69,835	751,425
Commercial Services & Supplies – 0.5%		
Avery Dennison Corp. (c)	21,502	690,859
Cintas Corp.	25,596	613,536
Iron Mountain, Inc. (c)	35,226	791,176
Pitney Bowes, Inc. (c)	40,404	887,272
R.R. Donnelley & Sons Co.	40,165	657,501
Republic Services, Inc.	63,188	1,878,579
Stericycle, Inc. (a)(c)	16,476	1,080,496
Waste Management, Inc. (c)	94,039	2,942,480
		<u>9,541,899</u>
Construction & Engineering – 0.2%		
Fluor Corp.	34,798	1,478,915
Jacobs Engineering Group, Inc. (a)	24,340	886,950
Quanta Services, Inc. (a)(c)	41,065	847,992
		<u>3,213,857</u>
Electrical Equipment – 0.6%		
Emerson Electric Co.	146,635	6,406,483
First Solar, Inc. (a)(c)	9,465	1,077,401
Rockwell Automation, Inc. (c)	27,762	1,362,837
Roper Industries, Inc.	18,279	1,022,893
		<u>9,869,614</u>
Industrial Conglomerates – 2.3%		
3M Co.	138,828	10,966,024
General Electric Co.	2,078,616	29,973,643
Textron, Inc. (c)	53,212	903,008
		<u>41,842,675</u>
Machinery – 1.7%		
Caterpillar, Inc.	122,216	7,341,515
Cummins, Inc. (c)	39,051	2,543,392
Danaher Corp.	102,393	3,800,828
Deere & Co.	82,712	4,605,404
Dover Corp.	36,360	1,519,484
Eaton Corp.	32,630	2,135,307
Flowserve Corp.	10,915	925,592
Illinois Tool Works, Inc.	75,328	3,109,540
PACCAR, Inc. (c)	71,042	2,832,445
Pall Corp.	22,762	782,330
Parker Hannifin Corp.	31,352	1,738,782
Snap-On, Inc.	11,256	460,483
		<u>31,795,102</u>
Professional Services – 0.1%		
Dun & Bradstreet Corp. (c)	9,810	658,447

	Shares	Value
Equifax, Inc.	24,650	\$ 691,679
Robert Half International, Inc. (c)	29,209	687,872
		<u>2,037,998</u>
Road & Rail – 0.8%		
CSX Corp.	75,779	3,760,912
Norfolk Southern Corp.	72,046	3,822,040
Ryder System, Inc.	10,317	415,053
Union Pacific Corp.	98,537	6,849,307
		<u>14,847,312</u>
Trading Companies & Distributors – 0.1%		
Fastenal Co. (c)	25,546	1,282,154
W.W. Grainger, Inc. (c)	12,063	1,199,665
		<u>2,481,819</u>
TOTAL INDUSTRIALS		
		<u>188,345,343</u>
INFORMATION TECHNOLOGY – 18.5%		
Communications Equipment – 2.3%		
Cisco Systems, Inc. (a)	1,111,907	23,694,738
Harris Corp.	25,278	1,052,829
JDS Uniphase Corp. (a)(c)	43,715	430,156
Juniper Networks, Inc. (a)	102,434	2,337,544
Motorola, Inc. (a)	452,477	2,950,150
QUALCOMM, Inc.	319,365	10,487,947
Tellabs, Inc.	75,009	479,308
		<u>41,432,672</u>
Computers & Peripherals – 4.5%		
Apple, Inc. (a)	177,156	44,560,049
Dell, Inc. (a)	335,478	4,045,865
EMC Corp. (a)	400,207	7,323,788
Hewlett-Packard Co.	454,504	19,670,933
Lexmark International, Inc. Class A (a)(c)	15,284	504,831
NetApp, Inc. (a)	67,099	2,503,464
QLogic Corp. (a)(c)	21,714	360,887
SanDisk Corp. (a)	44,775	1,883,684
Teradata Corp. (a)	32,494	990,417
Western Digital Corp. (a)	44,618	1,345,679
		<u>83,189,597</u>
Electronic Equipment & Components – 0.6%		
Agilent Technologies, Inc. (a)(c)	67,765	1,926,559
Amphenol Corp. Class A	33,789	1,327,232
Corning, Inc.	303,865	4,907,420
FLIR Systems, Inc. (a)(c)	29,854	868,453
Jabil Circuit, Inc.	37,721	501,689
Molex, Inc.	26,428	482,047
		<u>10,013,400</u>
Internet Software & Services – 1.7%		
Akamai Technologies, Inc. (a)(c)	33,510	1,359,501
eBay, Inc. (a)	221,375	4,341,164
Google, Inc. Class A (a)	47,125	20,968,269
Monster Worldwide, Inc. (a)(c)	24,554	286,054

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
INFORMATION TECHNOLOGY – continued		
Internet Software & Services – continued		
VeriSign, Inc. (a)(c)	35,530	\$ 943,322
Yahoo!, Inc. (a)	229,210	3,169,974
		<u>31,068,284</u>
IT Services – 3.1%		
Automatic Data Processing, Inc.	97,927	3,942,541
Cognizant Technology Solutions Corp. Class A (a)	58,294	2,918,198
Computer Sciences Corp.	30,029	1,358,812
Fidelity National Information Services, Inc.	64,520	1,730,426
Fiserv, Inc. (a)	29,712	1,356,650
International Business Machines Corp.	249,661	30,828,140
MasterCard, Inc. Class A	18,846	3,760,342
Paychex, Inc.	62,625	1,626,371
SAIC, Inc. (a)(c)	56,964	953,577
The Western Union Co.	130,860	1,951,123
Total System Services, Inc.	38,432	522,675
Visa, Inc. Class A (c)	88,114	6,234,066
		<u>57,182,921</u>
Office Electronics – 0.1%		
Xerox Corp.	268,486	2,158,627
Semiconductors & Semiconductor Equipment – 2.5%		
Advanced Micro Devices, Inc. (a)(c)	110,122	806,093
Altera Corp. (c)	58,730	1,457,091
Analog Devices, Inc.	58,014	1,616,270
Applied Materials, Inc.	261,522	3,143,494
Broadcom Corp. Class A	84,081	2,772,151
Intel Corp.	1,083,258	21,069,368
KLA-Tencor Corp.	33,096	922,716
Linear Technology Corp. (c)	43,638	1,213,573
LSI Corp. (a)(c)	127,253	585,364
MEMC Electronic Materials, Inc. (a)(c)	44,276	437,447
Microchip Technology, Inc. (c)	36,123	1,002,052
Micron Technology, Inc. (a)(c)	166,321	1,412,065
National Semiconductor Corp.	46,348	623,844
Novellus Systems, Inc. (a)	18,700	474,232
NVIDIA Corp. (a)(c)	111,402	1,137,414
Teradyne, Inc. (a)(c)	35,091	342,137
Texas Instruments, Inc. (c)	237,956	5,539,616
Xilinx, Inc. (c)	53,318	1,346,813
		<u>45,901,740</u>
Software – 3.7%		
Adobe Systems, Inc. (a)	102,490	2,708,811
Autodesk, Inc. (a)(c)	44,674	1,088,259
BMC Software, Inc. (a)	35,341	1,223,859
CA, Inc.	76,034	1,399,026
Citrix Systems, Inc. (a)	36,163	1,527,163
Compuware Corp. (a)	43,810	349,604
Electronic Arts, Inc. (a)	63,826	919,094
Intuit, Inc. (a)(c)	61,156	2,126,394

	Shares	Value
McAfee, Inc. (a)	30,375	\$ 933,120
Microsoft Corp.	1,484,425	34,156,619
Novell, Inc. (a)	68,116	386,899
Oracle Corp.	762,192	16,356,640
Red Hat, Inc. (a)(c)	36,727	1,062,879
Salesforce.com, Inc. (a)(c)	22,029	1,890,529
Symantec Corp. (a)	155,536	2,158,840
		<u>68,287,736</u>
TOTAL INFORMATION TECHNOLOGY		<u>339,234,977</u>

MATERIALS – 3.4%

Chemicals – 1.9%

Air Products & Chemicals, Inc.	41,343	2,679,440
Airgas, Inc. (c)	16,251	1,010,812
CF Industries Holdings, Inc.	13,833	877,704
Dow Chemical Co.	224,848	5,333,395
E.I. du Pont de Nemours & Co. (c)	176,398	6,101,607
Eastman Chemical Co.	14,094	752,056
Ecolab, Inc.	45,435	2,040,486
FMC Corp.	14,154	812,864
International Flavors & Fragrances, Inc.	15,484	656,831
Monsanto Co.	106,215	4,909,257
PPG Industries, Inc. (c)	32,382	1,956,197
Praxair, Inc. (c)	59,565	4,526,344
Sherwin-Williams Co.	17,946	1,241,684
Sigma Aldrich Corp. (c)	23,633	1,177,632
		<u>34,076,309</u>

Construction Materials – 0.1%

Vulcan Materials Co. (c)	24,861	1,089,658
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Containers & Packaging – 0.2%

Ball Corp.	17,976	949,672
Bemis Co., Inc.	21,234	573,318
Owens-Illinois, Inc. (a)(c)	32,117	849,495
Pactiv Corp. (a)	25,872	720,535
Sealed Air Corp.	31,048	612,267
		<u>3,705,287</u>

Metals & Mining – 1.0%

AK Steel Holding Corp. (c)	21,398	255,064
Alcoa, Inc. (c)	198,783	1,999,757
Allegheny Technologies, Inc. (c)	19,185	847,785
Cliffs Natural Resources, Inc.	26,367	1,243,468
Freeport-McMoRan Copper & Gold, Inc.	91,841	5,430,558
Newmont Mining Corp.	95,652	5,905,554
Nucor Corp.	61,352	2,348,555
Titanium Metals Corp. (a)(c)	16,430	289,004
United States Steel Corp. (c)	27,915	1,076,123
		<u>19,395,868</u>

Paper & Forest Products – 0.2%

International Paper Co.	85,001	1,923,573
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See accompanying notes which are an integral part of the financial statements.

Common Stocks – continued

	Shares	Value
MATERIALS – continued		
Paper & Forest Products – continued		
MeadWestvaco Corp. (c)	33,262	\$ 738,416
Weyerhaeuser Co.	41,197	1,450,134
		<u>4,112,123</u>
TOTAL MATERIALS		<u>62,379,245</u>
TELECOMMUNICATION SERVICES – 3.0%		
Diversified Telecommunication Services – 2.6%		
AT&T, Inc.	1,150,426	27,828,805
CenturyTel, Inc.	58,486	1,948,169
Frontier Communications Corp. (c)	60,807	432,338
Qwest Communications International, Inc.	290,703	1,526,191
Verizon Communications, Inc.	550,338	15,420,471
Windstream Corp.	94,055	993,221
		<u>48,149,195</u>
Wireless Telecommunication Services – 0.4%		
American Tower Corp. Class A (a)	78,545	3,495,253
MetroPCS Communications, Inc. (a)(c) ..	50,884	416,740
Sprint Nextel Corp. (a)	580,378	2,460,803
		<u>6,372,796</u>
TOTAL TELECOMMUNICATION SERVICES		<u>54,521,991</u>
UTILITIES – 3.6%		
Electric Utilities – 1.9%		
Allegheny Energy, Inc.	33,015	682,750
American Electric Power Co., Inc.	93,232	3,011,394
Duke Energy Corp.	255,655	4,090,480
Edison International	63,432	2,012,063
Entergy Corp.	36,855	2,639,555
Exelon Corp.	128,608	4,883,246
FirstEnergy Corp. (c)	59,348	2,090,830
NextEra Energy, Inc.	80,733	3,936,541
Northeast Utilities	34,265	873,072
Pepco Holdings, Inc. (c)	43,457	681,406
Pinnacle West Capital Corp. (c)	21,114	767,705
PPL Corp.	91,231	2,276,213
Progress Energy, Inc. (c)	55,910	2,192,790
Southern Co.	160,529	5,342,405
		<u>35,480,450</u>
Gas Utilities – 0.1%		
EQT Corp.	28,011	1,012,318
Nicor, Inc.	8,814	356,967
ONEOK, Inc.	20,695	895,059
		<u>2,264,344</u>

	Shares	Value
Independent Power Producers & Energy Traders – 0.2%		
AES Corp. (a)	130,076	\$ 1,201,902
Constellation Energy Group, Inc.	39,265	1,266,296
NRG Energy, Inc. (a)(c)	49,707	1,054,285
		<u>3,522,483</u>
Multi-Utilities – 1.4%		
Ameren Corp.	46,392	1,102,738
CenterPoint Energy, Inc. (c)	81,071	1,066,894
CMS Energy Corp. (c)	44,759	655,719
Consolidated Edison, Inc. (c)	54,897	2,366,061
Dominion Resources, Inc.	116,046	4,495,622
DTE Energy Co.	32,788	1,495,461
Integrus Energy Group, Inc.	14,994	655,838
NiSource, Inc.	54,015	783,218
PG&E Corp.	72,492	2,979,421
Public Service Enterprise Group, Inc.	98,504	3,086,130
SCANA Corp.	22,079	789,545
Sempra Energy	48,193	2,254,950
TECO Energy, Inc. (c)	41,648	627,635
Wisconsin Energy Corp.	22,760	1,154,842
Xcel Energy, Inc.	89,473	1,844,039
		<u>25,358,113</u>
TOTAL UTILITIES		<u>66,625,390</u>

TOTAL COMMON STOCKS

(Cost \$1,370,679,499) **1,814,517,559**

U.S. Treasury Obligations – 0.2%

	Principal Amount	
U.S. Treasury Bills, yield at date of purchase 0.28% to 0.38% 11/18/10 to 12/16/10 (d) (Cost \$3,095,725)	\$ 3,100,000	3,097,780

Money Market Funds – 12.9%

	Shares	
Fidelity Cash Central Fund, 0.20% (e)	5,754,664	5,754,664
Fidelity Securities Lending Cash Central Fund, 0.24% (b)(e)	230,367,364	<u>230,367,364</u>

TOTAL MONEY MARKET FUNDS

(Cost \$236,122,028) **236,122,028**

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

Investments (Unaudited) – continued

Cash Equivalents – 0.2%

	Maturity Amount	Value
Investments in repurchase agreements in a joint trading account at 0.04%, dated 6/30/10 due 7/1/10 (Collateralized by U.S. Treasury Obligations) # (Cost \$4,748,000)	\$ 4,748,005	<u>\$ 4,748,000</u>
TOTAL INVESTMENT PORTFOLIO – 112.3% (Cost \$1,614,645,252)		2,058,485,367
NET OTHER ASSETS (LIABILITIES) – (12.3)%		<u>(225,598,278)</u>
NET ASSETS – 100%		<u>\$ 1,832,887,089</u>

Futures Contracts

	Expiration Date	Underlying Face Amount at Value	Unrealized Appreciation/ (Depreciation)
Purchased			
Equity Index Contracts			
62 CME S&P 500 Index Contracts	Sept. 2010	<u>\$ 15,912,300</u>	<u>\$ (634,582)</u>

The face value of futures purchased as a percentage of net assets is 0.9%

Additional information on each counterparty to the repurchase agreement is as follows:

Repurchase Agreement / Counterparty	Value
\$4,748,000 due 7/01/10 at 0.04%	
BNP Paribas Securities Corp.	\$ 2,233,944
Banc of America Securities LLC	850,481
Barclays Capital, Inc.	1,188,268
Morgan Stanley & Co., Inc.	475,307
	<u>\$ 4,748,000</u>

Affiliated Central Funds

Information regarding fiscal year to date income earned by the Fund from investments in Fidelity Central Funds is as follows:

Fund	Income earned
Fidelity Cash Central Fund	\$ 18,472
Fidelity Securities Lending Cash Central Fund	218,600
Total	<u>\$ 237,072</u>

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.
- (d) 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 \$2,098,513.
- (e) 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.

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

Other Information

The following is a summary of the inputs used, as of June 30, 2010, 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.

Description	Valuation Inputs at Reporting Date:			
	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Equities:				
Consumer Discretionary	\$ 183,715,790	\$ 183,715,790	\$ —	\$ —
Consumer Staples	209,263,874	209,263,874	—	—
Energy	194,994,621	194,994,621	—	—
Financials	296,067,343	296,067,343	—	—
Health Care	219,368,985	219,368,985	—	—
Industrials	188,345,343	188,345,343	—	—
Information Technology	339,234,977	339,234,977	—	—
Materials	62,379,245	62,379,245	—	—
Telecommunication Services	54,521,991	54,521,991	—	—
Utilities	66,625,390	66,625,390	—	—
U.S. Government and Government Agency Obligations	3,097,780	—	3,097,780	—
Money Market Funds	236,122,028	236,122,028	—	—
Cash Equivalents	4,748,000	—	4,748,000	—
Total Investments in Securities:	\$ 2,058,485,367	\$ 2,050,639,587	\$ 7,845,780	\$ —
Derivative Instruments:				
Liabilities				
Futures Contracts	\$ (634,582)	\$ (634,582)	\$ —	\$ —

Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by risk exposure as of June 30, 2010. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Risk Exposure / Derivative Type	Value	
	Asset	Liability
Equity Risk		
Futures Contracts (a)	\$ —	\$ (634,582)
Total Value of Derivatives	\$ —	\$ (634,582)

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

Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets

Investment in securities, at value (including securities loaned of \$222,823,698 and repurchase agreements of \$4,748,000) — See accompanying schedule:	
Unaffiliated issuers (cost \$1,378,523,224)	\$1,822,363,339
Fidelity Central Funds (cost \$236,122,028)	236,122,028
Total Investments (cost \$1,614,645,252)	\$2,058,485,367
Cash	7,015
Receivable for investments sold	1,550,682
Receivable for fund shares sold	2,661,200
Dividends receivable	2,480,835
Distributions receivable from Fidelity Central Funds	34,317
Other receivables	42,537
Total assets	<u>2,065,261,953</u>

Liabilities

Payable for investments purchased . . . \$	1,050,793
Payable for fund shares redeemed . . .	590,802
Accrued management fee	160,838
Distribution fees payable	46,940
Payable for daily variation on futures contracts	125,421
Other payables and accrued expenses	32,706
Collateral on securities loaned, at value	230,367,364
Total liabilities	<u>232,374,864</u>

Net Assets	<u>\$1,832,887,089</u>
Net Assets consist of:	
Paid in capital	\$1,349,301,676
Undistributed net investment income	17,995,158
Accumulated undistributed net realized gain (loss) on investments	22,384,723
Net unrealized appreciation (depreciation) on investments	443,205,532
Net Assets	<u>\$1,832,887,089</u>

Statement of Assets and Liabilities – continued

June 30, 2010 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$1,599,882,294 ÷ 14,624,607 shares)	<u>\$ 109.40</u>
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Service Class:

Net Asset Value , offering price and redemption price per share (\$30,195,892 ÷ 276,797 shares)	<u>\$ 109.09</u>
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Service Class 2:

Net Asset Value , offering price and redemption price per share (\$202,808,903 ÷ 1,870,835 shares)	<u>\$ 108.41</u>
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See accompanying notes which are an integral part of the financial statements.

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income		
Dividends		\$ 19,366,015
Interest		5,939
Income from Fidelity Central Funds		237,072
Total income		<u>19,609,026</u>
Expenses		
Management fee	\$ 1,013,204	
Distribution fees	294,304	
Independent trustees' compensation	5,812	
Miscellaneous	7,751	
Total expenses before reductions	<u>1,321,071</u>	
Expense reductions	(25)	<u>1,321,046</u>
Net investment income (loss)		<u>18,287,980</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	24,751,512	
Futures contracts	(513,670)	
Total net realized gain (loss)		24,237,842
Change in net unrealized appreciation (depreciation) on:		
Investment securities		(173,019,564)
Futures contracts		(299,730)
Total change in net unrealized appreciation (depreciation)		<u>(173,319,294)</u>
Net gain (loss)		<u>(149,081,452)</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ (130,793,472)</u>

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 18,287,980	\$ 40,497,671
Net realized gain (loss)	24,237,842	40,366,359
Change in net unrealized appreciation (depreciation)	(173,319,294)	353,513,910
Net increase (decrease) in net assets resulting from operations	<u>(130,793,472)</u>	<u>434,377,940</u>
Distributions to shareholders from net investment income	(669,985)	(45,093,392)
Distributions to shareholders from net realized gain	(38,021,665)	(38,913,306)
Total distributions	<u>(38,691,650)</u>	<u>(84,006,698)</u>
Share transactions – net increase (decrease)	(18,306,432)	(50,449,549)
Total increase (decrease) in net assets	<u>(187,791,554)</u>	<u>299,921,693</u>
Net Assets		
Beginning of period	2,020,678,643	1,720,756,950
End of period (including undistributed net investment income of \$17,995,158 and undistributed net investment income of \$377,163, respectively)	<u>\$1,832,887,089</u>	<u>\$2,020,678,643</u>

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

Financial Highlights — Initial Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 119.62	\$ 99.19	\$ 164.03	\$ 161.36	\$ 141.88	\$ 137.76
Income from Investment Operations						
Net investment income (loss) ^F	1.10	2.37	3.03	3.11	2.71	2.36
Net realized and unrealized gain (loss)	(9.01)	23.03	(63.32)	5.59	19.26	4.15
Total from investment operations	(7.91)	25.40	(60.29)	8.70	21.97	6.51
Distributions from net investment income	(.04)	(2.72)	(3.07)	(6.03)	(2.49)	(2.39)
Distributions from net realized gain	(2.27)	(2.25)	(1.48)	—	—	—
Total distributions	(2.31)	(4.97)	(4.55)	(6.03)	(2.49)	(2.39)
Net asset value, end of period	\$ 109.40	\$ 119.62	\$ 99.19	\$ 164.03	\$ 161.36	\$ 141.88
Total Return ^{B, C, D}	(6.66)%	26.61%	(37.00)%	5.45%	15.73%	4.82%
Ratios to Average Net Assets ^{F, H}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.14%
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.13%
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.13%
Net investment income (loss)	1.83% ^A	2.31%	2.22%	1.86%	1.83%	1.73%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 1,599,882	\$ 1,767,750	\$ 1,525,779	\$ 2,626,891	\$ 2,780,085	\$ 2,641,527
Portfolio turnover rate ^G	6% ^A	6%	6%	5%	6%	7%

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense 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

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 119.35	\$ 98.99	\$ 163.66	\$ 160.88	\$ 141.48	\$ 137.41
Income from Investment Operations						
Net investment income (loss) ^F	1.04	2.27	2.88	2.93	2.55	2.22
Net realized and unrealized gain (loss)	(8.99)	22.96	(63.14)	5.58	19.22	4.14
Total from investment operations	(7.95)	25.23	(60.26)	8.51	21.77	6.36
Distributions from net investment income	(.04)	(2.62)	(2.93)	(5.73)	(2.37)	(2.29)
Distributions from net realized gain	(2.27)	(2.25)	(1.48)	—	—	—
Total distributions	(2.31)	(4.87)	(4.41)	(5.73)	(2.37)	(2.29)
Net asset value, end of period	\$ 109.09	\$ 119.35	\$ 98.99	\$ 163.66	\$ 160.88	\$ 141.48
Total Return ^{B, C, D}	(6.71)%	26.48%	(37.07)%	5.34%	15.61%	4.71%
Ratios to Average Net Assets ^{F, H}						
Expenses before reductions	.20% ^A	.20%	.20%	.20%	.20%	.24%
Expenses net of fee waivers, if any	.20% ^A	.20%	.20%	.20%	.20%	.23%
Expenses net of all reductions	.20% ^A	.20%	.20%	.20%	.20%	.23%
Net investment income (loss)	1.73% ^A	2.21%	2.12%	1.76%	1.73%	1.63%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 30,196	\$ 32,708	\$ 24,340	\$ 38,960	\$ 35,953	\$ 27,178
Portfolio turnover rate ^G	6% ^A	6%	6%	5%	6%	7%

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense 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

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 118.71	\$ 98.50	\$ 162.79	\$ 159.90	\$ 140.68	\$ 136.71
Income from Investment Operations						
Net investment income (loss) ^E	.94	2.11	2.66	2.67	2.32	2.01
Net realized and unrealized gain (loss)	(8.93)	22.82	(62.74)	5.54	19.11	4.11
Total from investment operations	(7.99)	24.93	(60.08)	8.21	21.43	6.12
Distributions from net investment income	(.04)	(2.47)	(2.73)	(5.32)	(2.21)	(2.15)
Distributions from net realized gain	(2.27)	(2.25)	(1.48)	—	—	—
Total distributions	(2.31)	(4.72)	(4.21)	(5.32)	(2.21)	(2.15)
Net asset value, end of period	\$ 108.41	\$ 118.71	\$ 98.50	\$ 162.79	\$ 159.90	\$ 140.68
Total Return^{B, C, D}	(6.78)%	26.30%	(37.16)%	5.17%	15.44%	4.55%
Ratios to Average Net Assets^{F, H}						
Expenses before reductions	.35% ^A	.35%	.35%	.35%	.35%	.39%
Expenses net of fee waivers, if any	.35% ^A	.35%	.35%	.35%	.35%	.38%
Expenses net of all reductions	.35% ^A	.35%	.35%	.35%	.35%	.38%
Net investment income (loss)	1.58% ^A	2.06%	1.97%	1.61%	1.58%	1.48%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 202,809	\$ 220,221	\$ 170,637	\$ 269,769	\$ 219,346	\$ 156,295
Portfolio turnover rate ^G	6% ^A	6%	6%	5%	6%	7%

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense 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.

Notes to Financial Statements

For the period ended June 30, 2010 (Unaudited)

1. Organization.

VIP Index 500 Portfolio (the Fund) is a fund of Variable Insurance Products Fund II (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares and Service Class 2 shares. All classes have equal rights and voting privileges, except for matters affecting a single class. Investment income, realized and unrealized capital gains and losses, the common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to distribution and service plan fees incurred. Certain expense reductions also differ by class.

2. Investments in Fidelity Central Funds.

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

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

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission (the SEC) web site at www.sec.gov. In addition, the financial statements of the Fidelity Central Funds 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 (GAAP), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. 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 market or security specific events, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they 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 June 30, 2010 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 are generally categorized as Level 2 in the hierarchy. For foreign equity securities, when significant market or security specific 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. Utilizing these techniques may result in transfers between Level 1 and Level 2. For restricted equity 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.

3. Significant Accounting Policies – continued

Security Valuation – continued

Debt securities, including restricted securities, are valued based on evaluated prices received from independent pricing services or from dealers who make markets in such securities. For U.S. government and government agency obligations, pricing services utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and are generally categorized as Level 2 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 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.

When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing matrices which consider similar factors that would be used by independent pricing services. These are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

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.

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

Deferred Trustee Compensation. Under a Deferred Compensation Plan (the Plan), independent Trustees may elect to defer receipt of a portion of their annual compensation. Deferred amounts are invested in a cross-section of Fidelity funds, are marked-to-market and remain in the Fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees are included in the accompanying Statement of Assets and Liabilities.

Income Tax Information and Distributions to Shareholders. Each year, the Fund intends to qualify as a regulated investment company by distributing substantially all of its taxable income and realized gains under Subchapter M of the Internal Revenue Code and filing its U.S. federal tax return. As a result, no provision for income taxes is required. A fund's federal tax return is subject to examination by the Internal Revenue Service (IRS) for a period of three years.

Distributions are recorded on the ex-dividend date. Income dividends and capital gain distributions are declared separately for each class. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP.

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, deferred trustees compensation and losses deferred due to wash sales.

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

Gross unrealized appreciation	\$	733,494,020
Gross unrealized depreciation		(295,628,892)
Net unrealized appreciation (depreciation)	\$	<u>437,865,128</u>
Tax cost	\$	<u>1,620,620,239</u>

Notes to Financial Statements (Unaudited) – continued

4. Operating Policies.

Repurchase Agreements. FMR has received an Exemptive Order from the SEC which permits the Fund and other affiliated entities of FMR to transfer uninvested cash balances into joint trading accounts which are then invested in repurchase agreements. The Fund may also invest directly with institutions in repurchase agreements. Repurchase agreements are collateralized by government or non-government securities. Upon settlement date, collateral is held in segregated accounts with custodian banks and may be obtained in the event of a default of the counterparty. The Fund monitors, on a daily basis, the value of the collateral to ensure it is at least equal to the principal amount of the repurchase agreement (including accrued interest). In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the value of the collateral may decline.

5. Derivative Instruments.

Risk Exposures and the Use of Derivative Instruments. The Fund uses derivative instruments (derivatives), including futures contracts in order to meet its investment objectives. The strategy is to use derivatives to increase returns and to manage exposure to certain risks as defined below. 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.

The Fund's use of derivatives may increase or decrease its exposure to the following risk:

Equity Risk Equity risk relates to the fluctuations in the value of financial instruments 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 Fund is also exposed to additional risks from investing in derivatives, such as liquidity risk and counterparty credit risk. Liquidity risk is the risk that the Fund will be unable to sell the derivative in the open market in a timely manner. Counterparty credit risk is the risk that the counterparty will not be able to fulfill its obligation to the Fund. The Fund's maximum risk of loss from counterparty credit risk is generally the aggregate unrealized appreciation and unpaid counterparty fees in excess of any collateral pledged by the counterparty to the Fund. Counterparty risk related to exchange-traded futures contracts is minimal because of the protection provided by the exchange on which they trade. Risk of loss may exceed the amounts recognized in the Statement of Assets and Liabilities.

Futures Contracts. 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. The Fund uses futures contracts to manage its exposure to the stock market, and to fluctuations in interest rates.

Upon entering into a futures contract, a fund is required to deposit either cash or securities (initial margin) with a clearing broker in an amount equal to a certain percentage of the face value of the contract. 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 contracts and are recorded as unrealized appreciation or (depreciation). Realized gain or (loss) is recorded upon the expiration or closing of a futures contract.

The underlying face amount at value of open futures contracts at period end, if any, 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 and is representative of activity for the period. Securities deposited to meet initial margin requirements are identified in the Schedule of Investments. The receivable and/or payable for the variation margin are reflected in the Statement of Assets and Liabilities.

Certain risks may arise upon entering into futures contracts, including the risk that an illiquid market may limit the ability to close out a futures contract prior to settlement date.

During the period the Fund recognized net realized gain (loss) of \$(513,670) and a change in net unrealized appreciation (depreciation) of \$(299,730) related to its investment in futures contracts. These amounts are included in the Statement of Operations.

6. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$61,113,626 and \$71,430,331, 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 that is based on an annual rate of .10% of the Fund's average net assets. Under the management contract, FMR pays all other fund-level expenses, except the compensation of the independent Trustees and certain other expenses such as interest expense, including commitment fees. In addition, under an expense contract, FMR pays all class-level expenses except distribution and service fees so that total expenses do not exceed .10% of each class' average net assets plus the distribution and service fee applicable to each class, with certain exceptions.

7. Fees and Other Transactions with Affiliates – continued

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

Distribution and Service Plan. In accordance with Rule 12b-1 of the 1940 Act, the Fund has adopted separate 12b-1 Plans for each Service Class of shares. Each Service Class pays Fidelity Distributors Corporation (FDC), an affiliate of FMR, a service fee. For the period, the service fee is based on an annual rate of .10% of Service Class' average net assets and .25% of Service Class 2's average net assets.

For the period, each class paid FDC the following amounts, all of which were re-allowed to insurance companies for the distribution of shares and providing shareholder support services:

Service Class	\$	16,508
Service Class 2		277,796
	\$	<u>294,304</u>

Transfer Agent Fees. Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of FMR, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. Under the expense contract, the classes do not pay transfer agent fees.

8. Committed Line of Credit.

The Fund participates with other funds managed by FMR in a \$3.75 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 \$4,037 and is reflected in Miscellaneous expenses 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 \$218,600.

10. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of uninvested cash balances were used to reduce the Fund's expenses. During the period, these credits reduced the Fund's expenses by \$25.

11. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2010	Year ended December 31, 2009
From net investment income		
Initial Class	\$ 585,260	\$ 39,932,619
Service Class	10,913	698,024
Service Class 2	73,812	4,462,749
Total	<u>\$ 669,985</u>	<u>\$ 45,093,392</u>
From net realized gain		
Initial Class	\$ 33,213,569	\$ 34,477,306
Service Class	619,294	558,901
Service Class 2	4,188,802	3,877,099
Total	<u>\$ 38,021,665</u>	<u>\$ 38,913,306</u>

Notes to Financial Statements (Unaudited) – continued

12. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
Initial Class				
Shares sold	610,822	1,252,280	\$ 73,189,999	\$ 123,147,859
Reinvestment of distributions	301,184	739,759	33,798,829	74,409,925
Shares redeemed	(1,065,309)	(2,597,037)	(127,414,080)	(262,287,759)
Net increase (decrease)	<u>(153,303)</u>	<u>(604,998)</u>	<u>\$ (20,425,252)</u>	<u>\$ (64,729,975)</u>
Service Class				
Shares sold	16,541	47,919	\$ 1,972,057	\$ 4,752,568
Reinvestment of distributions	5,629	12,448	630,207	1,256,925
Shares redeemed	(19,422)	(32,204)	(2,331,441)	(3,225,111)
Net increase (decrease)	<u>2,748</u>	<u>28,163</u>	<u>\$ 270,823</u>	<u>\$ 2,784,382</u>
Service Class 2				
Shares sold	196,063	409,323	\$ 23,349,218	\$ 40,430,372
Reinvestment of distributions	38,295	83,582	4,262,614	8,339,848
Shares redeemed	(218,712)	(370,073)	(25,763,835)	(37,274,176)
Net increase (decrease)	<u>15,646</u>	<u>122,832</u>	<u>\$ 1,847,997</u>	<u>\$ 11,496,044</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 33% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

FMR Co., Inc.
Geode Capital Management, LLC

General Distributor

Fidelity Distributors Corporation
Boston, MA

Transfer and Service Agents

Fidelity Investments Institutional Operations Company, Inc.
Boston, MA
Fidelity Service Company, Inc.
Boston, MA

Custodian

The Bank of New York Mellon
New York, NY