

# Fidelity® Variable Insurance Products: Overseas Portfolio

**Semiannual Report**  
June 30, 2011



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

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

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

*A fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Forms N-Q are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. For a complete list of a fund's portfolio holdings, view the most recent holdings listing, semiannual report, or annual report on Fidelity's web site at <http://www.fidelity.com>, <http://www.advisor.fidelity.com>, or <http://www.401k.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, including redemption fees, 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, 2011 to June 30, 2011).

## 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. In addition, if these transactional costs were included, your costs would have been higher.

	Annualized Expense Ratio	Beginning Account Value January 1, 2011	Ending Account Value June 30, 2011	Expenses Paid During Period* January 1, 2011 to June 30, 2011
<b>Initial Class</b>	.85%			
Actual		\$ 1,000.00	\$ 1,054.90	\$ 4.33
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.58	\$ 4.26
<b>Service Class</b>	.95%			
Actual		\$ 1,000.00	\$ 1,053.90	\$ 4.84
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.08	\$ 4.76
<b>Service Class 2</b>	1.10%			
Actual		\$ 1,000.00	\$ 1,053.60	\$ 5.60
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,019.34	\$ 5.51
<b>Initial Class R</b>	.85%			
Actual		\$ 1,000.00	\$ 1,054.40	\$ 4.33
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.58	\$ 4.26
<b>Service Class R</b>	.95%			
Actual		\$ 1,000.00	\$ 1,053.40	\$ 4.84
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.08	\$ 4.76
<b>Service Class 2R</b>	1.10%			
Actual		\$ 1,000.00	\$ 1,053.40	\$ 5.60
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,019.34	\$ 5.51
<b>Investor Class R</b>	.93%			
Actual		\$ 1,000.00	\$ 1,053.80	\$ 4.74
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,020.18	\$ 4.66

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

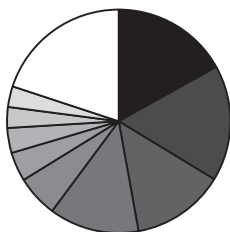
\* Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# Investment Changes (Unaudited)

## Geographic Diversification (% of fund's net assets)

As of June 30, 2011

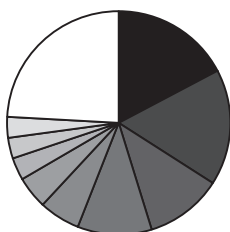
Japan	16.9%
United Kingdom	16.8%
Germany	13.5%
France	13.0%
Switzerland	6.1%
Cayman Islands	4.2%
Italy	3.6%
Denmark	3.0%
United States of America	3.0%
Other	19.9%



Percentages are adjusted for the effect of futures contracts, if applicable.

As of December 31, 2010

Japan	17.3%
United Kingdom	16.8%
Germany	11.1%
France	10.7%
Switzerland	6.0%
Cayman Islands	4.7%
Denmark	3.2%
United States of America	3.0%
Italy	3.0%
Other	24.2%



Percentages are adjusted for the effect of futures contracts, if applicable.

## Asset Allocation as of June 30, 2011

	% of fund's net assets	% of fund's net assets 6 months ago
Stocks	99.1	98.9
Short-Term Investments and Net Other Assets	0.9	1.1

## Top Ten Stocks as of June 30, 2011

	% of fund's net assets	% of fund's net assets 6 months ago
LVMH Moet Hennessy – Louis Vuitton (France, Textiles, Apparel & Luxury Goods)	2.9	2.8
Volkswagen AG (Germany, Automobiles)	2.3	1.7
The Swatch Group AG (Bearer) (Switzerland, Textiles, Apparel & Luxury Goods)	1.9	2.1
Novo Nordisk A/S Series B (Denmark, Pharmaceuticals)	1.9	1.8
Compagnie Financiere Richemont SA Series A (Switzerland, Textiles, Apparel & Luxury Goods)	1.6	1.5
Alstom SA (France, Electrical Equipment)	1.5	0.4
Saipem SpA (Italy, Energy Equipment & Services)	1.5	1.5
BHP Billiton PLC (United Kingdom, Metals & Mining)	1.5	1.6
HSBC Holdings PLC sponsored ADR (United Kingdom, Commercial Banks)	1.4	1.5
Bayerische Motoren Werke AG (BMW) (Germany, Automobiles)	1.3	1.8
	<u>17.8</u>	

## Market Sectors as of June 30, 2011

	% of fund's net assets	% of fund's net assets 6 months ago
Consumer Discretionary	25.7	27.4
Financials	20.1	21.3
Materials	11.0	10.6
Industrials	10.4	9.5
Information Technology	9.1	8.9
Health Care	7.1	6.0
Energy	6.9	6.8
Consumer Staples	4.4	4.3
Telecommunication Services	4.0	3.7
Utilities	0.4	0.4

# Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 96.1%

	Shares	Value
<b>Australia – 1.7%</b>		
AMP Ltd. ....	169,593	\$ 889,435
Aristocrat Leisure Ltd. ....	1,050,218	2,725,788
BHP Billiton Ltd. ....	318,002	15,028,363
Newcrest Mining Ltd. ....	258,132	10,439,884
Rio Tinto Ltd. ....	24,301	2,162,954
TOTAL AUSTRALIA .....		<u>31,246,424</u>
<b>Austria – 0.2%</b>		
Zumtobel AG .....	158,200	4,152,818
<b>Bailiwick of Jersey – 1.2%</b>		
Informa PLC .....	1,151,821	7,987,617
WPP PLC .....	1,075,303	13,470,820
TOTAL BAILIWICK OF JERSEY .....		<u>21,458,437</u>
<b>Belgium – 0.7%</b>		
Ageas .....	1,039,800	2,821,509
Anheuser-Busch InBev SA NV .....	125,919	7,308,769
Hamon & Compagnie International SA ..	73,974	2,921,357
TOTAL BELGIUM .....		<u>13,051,635</u>
<b>Bermuda – 1.6%</b>		
Clear Media Ltd. (a) .....	2,035,000	1,145,411
GOME Electrical Appliances Holdings Ltd. ....	25,542,000	10,207,938
Huabao International Holdings Ltd. ....	2,642,000	2,403,747
Signet Jewelers Ltd. (a) .....	336,100	15,732,841
TOTAL BERMUDA .....		<u>29,489,937</u>
<b>Brazil – 0.1%</b>		
Drogasil SA .....	66,000	450,259
Marisa Lojas SA .....	58,600	893,396
TOTAL BRAZIL .....		<u>1,343,655</u>
<b>British Virgin Islands – 0.0%</b>		
Mail.ru Group Ltd. GDR (a)(e) .....	6,600	219,252
<b>Canada – 1.0%</b>		
Barrick Gold Corp. ....	73,000	3,314,672
Potash Corp. of Saskatchewan, Inc. ....	64,700	3,695,226
Suncor Energy, Inc. ....	183,800	7,204,106
Yamana Gold, Inc. ....	288,100	3,363,756
TOTAL CANADA .....		<u>17,577,760</u>
<b>Cayman Islands – 4.2%</b>		
Boshiwa International Holding Ltd. ....	9,774,000	5,966,074
Bosideng International Holdings Ltd. ....	10,884,000	3,356,777
China ZhengTong Auto Services Holdings Ltd. ....	602,000	689,282
E-Commerce China Dangdang, Inc. ADR (d) .....	59,800	693,082
Hengdeli Holdings Ltd. ....	29,546,000	15,604,981
Natural Beauty Bio-Technology Ltd. ....	8,580,000	2,039,773
Noah Holdings Ltd. ADR .....	111,200	1,249,888
Peak Sport Products Co. Ltd. ....	3,547,000	2,493,281

	Shares	Value
<b>Perfect World Co. Ltd. sponsored ADR</b>		
Class B (a) .....	439,200	\$ 8,239,392
Renren, Inc. ADR .....	25,900	229,215
Shenguan Holdings Group Ltd. ....	5,328,000	3,765,734
Silver Base Group Holdings Ltd. ....	12,587,000	12,988,545
Tencent Holdings Ltd. ....	681,500	18,496,199
The United Laboratories International Holdings Ltd. ....	1,014,000	1,495,900
TOTAL CAYMAN ISLANDS .....		<u>77,308,123</u>
<b>China – 0.5%</b>		
Baidu.com, Inc. sponsored ADR (a) ....	71,400	10,005,282
<b>Denmark – 3.0%</b>		
Carlsberg A/S Series B .....	107,200	11,662,823
Danske Bank A/S (a) .....	96,100	1,779,906
<b>Novo Nordisk A/S:</b>		
Series B .....	51,925	6,506,015
Series B sponsored ADR .....	236,100	29,578,608
William Demant Holding A/S (a) .....	62,971	5,684,006
TOTAL DENMARK .....		<u>55,211,358</u>
<b>France – 13.0%</b>		
Alstom SA (d) .....	458,203	28,255,893
Atos Origin SA .....	72,705	4,108,101
AXA SA .....	209,420	4,759,321
AXA SA sponsored ADR .....	158,600	3,612,908
BNP Paribas SA .....	231,299	17,856,160
Carrefour SA (d) .....	130,903	5,376,513
Club Mediterranee SA (a) .....	85,000	2,034,046
<b>Compagnie Generale de Geophysique SA (a) .....</b>		
	184,500	6,762,483
Credit Agricole SA (d) .....	270,547	4,068,921
Danone .....	206,912	15,439,346
Iliad SA .....	28,200	3,784,335
Ingenico SA .....	104,788	5,109,367
Ipsos SA .....	113,100	5,297,314
Lafarge SA (Bearer) (d) .....	85,200	5,430,089
Laurent-Perrier Group .....	21,000	2,969,794
LVMH Moet Hennessy – Louis Vuitton ...	291,187	52,408,493
Pernod-Ricard SA (d) .....	75,700	7,462,271
Safran SA .....	160,300	6,846,627
Sanofi-Aventis .....	47,517	3,822,694
Sanofi-Aventis sponsored ADR (d) ....	515,600	20,711,652
Schneider Electric SA .....	83,268	13,911,965
Societe Generale Series A (d) .....	150,943	8,957,906
Total SA .....	150,100	8,678,702
TOTAL FRANCE .....		<u>237,664,901</u>
<b>Germany – 10.5%</b>		
Allianz AG .....	77,600	10,841,294
BASF AG .....	146,767	14,382,692
Bayer AG .....	121,877	9,799,475
Bayerische Motoren Werke AG (BMW) .	232,651	23,217,440
Deutsche Bank AG .....	91,246	5,385,947

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

## Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>Germany – continued</b>		
Deutsche Boerse AG	180,720	\$ 13,733,947
Deutsche Post AG	273,501	5,255,725
Fresenius Medical Care AG & Co. KGaA	272,500	20,383,726
Hugo Boss AG	66,900	6,403,655
K&S AG	37,600	2,890,158
Kabel Deutschland Holding AG (a)	150,300	9,242,356
Linde AG	69,387	12,166,405
MAN SE	69,538	9,274,254
Munich Re Group	23,549	3,601,446
Puma AG (d)	51,183	16,193,428
Rheinmetall AG	35,400	3,134,345
SAP AG	189,513	11,491,045
SAP AG sponsored ADR (d)	129,900	7,878,435
Siemens AG sponsored ADR	31,200	4,290,936
Tom Tailor Holding AG (a)	92,300	1,874,078
TOTAL GERMANY		<u>191,440,787</u>

### Hong Kong – 2.3%

AIA Group Ltd.	1,274,400	4,413,542
China Unicom (Hong Kong) Ltd. sponsored ADR	221,600	4,491,832
Emperor Watch & Jewellery Ltd.	35,210,000	6,560,799
Hang Seng Bank Ltd.	222,400	3,552,455
Henderson Land Development Co. Ltd.	814,919	5,251,799
Hong Kong Exchanges and Clearing Ltd.	168,000	3,521,162
Television Broadcasts Ltd.	1,125,000	7,430,848
Wharf Holdings Ltd.	1,050,000	7,293,025
TOTAL HONG KONG		<u>42,515,462</u>

### Ireland – 1.4%

CRH PLC	657,156	14,565,358
Kingspan Group PLC (United Kingdom)	1,050,400	10,511,426
TOTAL IRELAND		<u>25,076,784</u>

### Israel – 0.3%

Israel Chemicals Ltd.	116,100	1,842,316
Teva Pharmaceutical Industries Ltd. sponsored ADR	59,700	2,878,734
TOTAL ISRAEL		<u>4,721,050</u>

### Italy – 3.6%

Assicurazioni Generali SpA	158,500	3,344,646
Intesa Sanpaolo SpA	2,976,774	7,926,407
Saipem SpA	546,772	28,230,210
Sorin SpA (a)	3,810,700	10,799,090
Tod's SpA	83,315	11,146,728
UniCredit SpA	2,417,338	5,118,563
TOTAL ITALY		<u>66,565,644</u>

### Japan – 16.9%

Aozora Bank Ltd.	1,825,000	4,229,366
Asahi Glass Co. Ltd.	421,000	4,925,437
Calbee, Inc.	2,700	97,305
Canon, Inc. (d)	139,500	6,633,855

	Shares	Value
Canon, Inc. sponsored ADR	53,200	\$ 2,531,788
Dai-ichi Mutual Life Insurance Co.	1,893	2,653,967
Denso Corp.	87,400	3,249,814
eAccess Ltd. (d)	3,575	1,602,005
East Japan Railway Co.	43,300	2,479,211
Fanuc Corp.	56,200	9,395,602
Fuji Media Holdings, Inc.	1,691	2,502,425
Honda Motor Co. Ltd.	235,000	9,051,580
Japan Retail Fund Investment Corp.	3,506	5,401,523
Japan Tobacco, Inc.	916	3,534,948
JFE Holdings, Inc.	123,900	3,406,609
JSR Corp.	121,600	2,356,406
Kakaku.com, Inc.	522	3,669,711
KDDI Corp.	1,499	10,782,533
Keyence Corp.	30,200	8,572,579
Konica Minolta Holdings, Inc.	114,000	951,947
Mazda Motor Corp.	3,002,000	7,908,909
Mitsubishi Corp.	496,100	12,388,439
Mitsubishi Electric Corp.	1,084,000	12,588,734
Mitsubishi Estate Co. Ltd.	313,000	5,491,772
Mitsubishi UFJ Financial Group, Inc.	2,944,500	14,345,976
Mitsubishi UFJ Financial Group, Inc. sponsored ADR (d)	489,200	2,362,836
Mitsui & Co. Ltd.	611,300	10,566,829
Mizuho Financial Group, Inc.	1,836,800	3,018,267
MS&AD Insurance Group Holdings, Inc.	141,900	3,320,608
Murata Manufacturing Co. Ltd.	64,300	4,297,931
Nintendo Co. Ltd.	10,100	1,896,190
NKSJ Holdings, Inc. (a)	380,000	2,507,447
Nomura Holdings, Inc.	1,041,300	5,137,219
NSK Ltd.	587,000	5,858,704
ORIX Corp.	110,910	10,785,737
Rakuten, Inc.	9,640	9,975,158
Shin-Etsu Chemical Co., Ltd.	121,400	6,505,638
SMC Corp.	54,700	9,858,322
SOFTBANK CORP.	491,200	18,598,253
Sony Corp.	89,900	2,371,446
Sony Corp. sponsored ADR	34,500	910,455
Start Today Co. Ltd.	354,900	7,085,266
Sumitomo Corp.	400,800	5,451,233
Sumitomo Mitsui Financial Group, Inc.	346,200	10,672,319
T&D Holdings, Inc.	97,400	2,317,755
Tokio Marine Holdings, Inc.	158,300	4,430,412
Tokyo Electron Ltd.	146,000	7,981,716
Toshiba Corp.	1,394,000	7,347,825
Toyota Motor Corp.	412,300	16,973,963
Toyota Motor Corp. sponsored ADR (d)	47,600	3,923,192
Yahoo! Japan Corp.	12,647	4,351,332
TOTAL JAPAN		<u>309,258,494</u>

### Korea (South) – 0.3%

Samsung Electronics Co. Ltd.	7,985	<u>6,181,452</u>
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### Luxembourg – 0.2%

ArcelorMittal SA Class A unit (d)	117,100	<u>4,070,396</u>
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See accompanying notes which are an integral part of the financial statements.

## Common Stocks – continued

	Shares	Value
<b>Netherlands – 1.3%</b>		
AEGON NV (a) .....	308,300	\$ 2,100,982
ASML Holding NV .....	69,800	2,579,808
ING Groep NV:		
(Certificaten Van Aandelen) (a) .....	574,784	7,084,089
sponsored ADR (a) .....	174,500	2,158,565
Koninklijke Philips Electronics NV .....	268,116	6,891,310
Koninklijke Philips Electronics NV (depository receipt) (NY Reg.) .....	138,500	3,556,680
TOTAL NETHERLANDS .....		<u>24,371,434</u>
<b>Norway – 0.9%</b>		
Aker Solutions ASA .....	437,400	8,757,081
DnB NOR ASA .....	303,800	4,235,088
StatoilHydro ASA .....	14,100	357,005
StatoilHydro ASA sponsored ADR (d) ..	103,300	2,628,985
TOTAL NORWAY .....		<u>15,978,159</u>
<b>Poland – 0.3%</b>		
Eurocash SA .....	500,600	5,384,857
<b>Russia – 0.2%</b>		
Uralkali JSC GDR (Reg. S) .....	99,400	4,473,000
<b>Singapore – 0.2%</b>		
United Overseas Bank Ltd. ....	180,974	2,899,592
<b>South Africa – 0.2%</b>		
Impala Platinum Holdings Ltd. ....	121,100	3,262,919
<b>Spain – 2.7%</b>		
Banco Bilbao Vizcaya Argentaria SA ..	493,103	5,789,033
Banco Santander SA .....	1,326,197	15,279,558
Banco Santander SA sponsored ADR ..	324,500	3,734,995
EDP Renovaveis SA (a) .....	628,538	4,146,726
NH Hoteles SA (a) .....	842,300	6,315,608
Telefonica SA .....	540,906	13,212,318
Telefonica SA sponsored ADR .....	74,300	1,819,607
TOTAL SPAIN .....		<u>50,297,845</u>
<b>Sweden – 1.1%</b>		
Elekta AB (B Shares) .....	372,600	17,650,838
Swedbank AB (A Shares) .....	102,432	1,721,669
TOTAL SWEDEN .....		<u>19,372,507</u>
<b>Switzerland – 6.1%</b>		
Compagnie Financiere Richemont SA		
Series A .....	451,163	29,542,671
Credit Suisse Group .....	71,082	2,770,389
Credit Suisse Group sponsored ADR (d)	109,200	4,260,984
GAM Holding Ltd. ....	228,269	3,747,011
Glencore International AG .....	210,800	1,661,116
Julius Baer Group Ltd. ....	144,820	5,982,632
Kuehne & Nagel International AG .....	33,380	5,066,359
Swiss Re Ltd. ....	64,556	3,625,180
The Swatch Group AG (Bearer) .....	68,060	34,309,299
Transocean Ltd. (United States) .....	69,100	4,461,096
UBS AG (a) .....	447,317	8,163,829

	Shares	Value
UBS AG (NY Shares) (a) .....	139,643	\$ 2,549,881
Zurich Financial Services AG .....	25,658	6,488,511
TOTAL SWITZERLAND .....		<u>112,628,958</u>
<b>Taiwan – 1.5%</b>		
Hon Hai Precision Industry Co. Ltd.		
(Foxconn) .....	645,360	2,207,336
HTC Corp. ....	666,900	22,370,103
Taiwan Semiconductor Manufacturing Co. Ltd. sponsored ADR .....	192,267	2,424,487
TOTAL TAIWAN .....		<u>27,001,926</u>
<b>United Kingdom – 16.8%</b>		
Anglo American PLC:		
ADR .....	238,400	5,924,240
(United Kingdom) .....	259,780	12,872,433
ARM Holdings PLC .....	219,900	2,067,789
Aviva PLC .....	431,600	3,037,956
Barclays PLC .....	2,049,776	8,408,640
Barclays PLC sponsored ADR (d) .....	501,600	8,241,288
BG Group PLC .....	966,338	21,929,385
BHP Billiton PLC .....	706,682	27,767,335
BP PLC .....	1,601,793	11,793,620
BP PLC sponsored ADR .....	105,295	4,663,516
British Sky Broadcasting Group PLC ....	360,800	4,901,641
Burberry Group PLC .....	391,500	9,110,616
Centrica PLC .....	854,600	4,434,213
Diageo PLC .....	440,717	9,016,319
Dunelm Group PLC .....	501,800	3,132,768
Hays PLC .....	1,754,300	2,899,940
HSBC Holdings PLC:		
(United Kingdom) .....	1,223,822	12,133,488
sponsored ADR .....	524,570	26,029,163
Imperial Tobacco Group PLC .....	205,889	6,843,231
International Personal Finance PLC ....	713,300	4,211,628
Johnson Matthey PLC .....	248,370	7,836,653
Legal & General Group PLC .....	1,128,633	2,141,008
Lloyds Banking Group PLC (a) .....	6,235,644	4,900,024
Lloyds Banking Group PLC sponsored		
ADR (a)(d) .....	1,021,200	3,186,144
Man Group PLC .....	1,135,453	4,318,824
Prudential PLC .....	614,157	7,091,334
Rio Tinto PLC .....	176,515	12,744,998
Rio Tinto PLC sponsored ADR .....	103,200	7,463,424
Rolls-Royce Group PLC .....	266,000	2,753,527
Royal Bank of Scotland Group PLC (a) .	1,668,800	1,032,225
Royal Dutch Shell PLC:		
Class A (United Kingdom) .....	281,700	10,027,585
Class B .....	286,299	10,216,532
Standard Chartered PLC (United		
Kingdom) .....	213,140	5,603,080
Sihree PLC .....	229,400	1,461,611
Vodafone Group PLC .....	6,973,198	18,489,847
Vodafone Group PLC sponsored ADR ..	137,000	3,660,640

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

## Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>United Kingdom – continued</b>		
William Hill PLC .....	1,563,400	\$ 5,730,786
Xstrata PLC .....	425,700	9,370,169
TOTAL UNITED KINGDOM .....		<u>307,447,620</u>
<b>United States of America – 2.1%</b>		
Apple, Inc. (a) .....	26,500	8,895,255
Deckers Outdoor Corp. (a) .....	196,600	17,328,324
Google, Inc. Class A (a) .....	14,200	7,190,596
Republic Services, Inc. ....	145,100	4,476,335
TOTAL UNITED STATES OF AMERICA .....		<u>37,890,510</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$1,428,961,025) .....		<b>1,759,568,978</b>

### Nonconvertible Preferred Stocks – 3.0%

<b>Germany – 3.0%</b>		
Hugo Boss AG (non-vtg.) .....	117,900	11,971,036
Volkswagen AG .....	204,347	42,187,480
<b>TOTAL NONCONVERTIBLE PREFERRED STOCKS</b>		
(Cost \$28,038,888) .....		<b>54,158,516</b>

### 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	\$ 9,890
Fidelity Securities Lending Cash Central Fund	1,221,091
Total	<u>\$ 1,230,981</u>

### Money Market Funds – 5.3%

	Shares	Value
Fidelity Cash Central Fund, 0.11% (b) .....	18,070,648	\$ 18,070,648
Fidelity Securities Lending Cash Central Fund, 0.11% (b)(c) .....	78,606,213	78,606,213
<b>TOTAL MONEY MARKET FUNDS</b>		<b>96,676,861</b>
(Cost \$96,676,861) .....		
<b>TOTAL INVESTMENT PORTFOLIO – 104.4%</b>		<b>1,910,404,355</b>
(Cost \$1,553,676,774) .....		
<b>NET OTHER ASSETS (LIABILITIES) – (4.4%)</b>		<b>(80,512,169)</b>
<b>NET ASSETS – 100%</b> .....		<b>\$ 1,829,892,186</b>

### Legend

- (a) Non-income producing
- (b) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.
- (c) Investment made with cash collateral received from securities on loan.
- (d) Security or a portion of the security is on loan at period end.
- (e) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$219,252 or 0.0% of net assets.

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, 2011, involving the Fund's assets and liabilities carried at fair 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.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Japan	\$ 309,258,494	\$ 9,728,271	\$299,530,223	\$ —
United Kingdom	307,447,620	178,747,513	128,700,107	—
Germany	245,599,303	208,338,585	37,260,718	—
France	237,664,901	218,401,022	19,263,879	—
Switzerland	112,628,958	101,694,740	10,934,218	—
Cayman Islands	77,308,123	77,308,123	—	—
Italy	66,565,644	66,565,644	—	—
Denmark	55,211,358	48,705,343	6,506,015	—
Spain	50,297,845	16,016,936	34,280,909	—
Other	351,745,248	284,938,552	66,806,696	—
Money Market Funds	96,676,861	96,676,861	—	—
<b>Total Investments in Securities:</b>	<u>\$ 1,910,404,355</u>	<u>\$ 1,307,121,590</u>	<u>\$603,282,765</u>	<u>\$ —</u>

## Income Tax Information

At December 31, 2010, the Fund had a capital loss carryforward of approximately \$461,114,094 of which \$180,666,624 and \$280,447,470 will expire in fiscal 2016 and 2017, respectively. Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited.

# Financial Statements

## Statement of Assets and Liabilities

June 30, 2011 (Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$76,074,400) — See accompanying schedule:		
Unaffiliated issuers (cost \$1,456,999,913)	\$1,813,727,494	
Fidelity Central Funds (cost \$96,676,861)	96,676,861	
Total Investments (cost \$1,553,676,774)		\$1,910,404,355
Foreign currency held at value (cost \$11)	11	
Receivable for investments sold	8,842,643	
Receivable for fund shares sold	585,823	
Dividends receivable	5,594,909	
Distributions receivable from Fidelity Central Funds	109,358	
Other receivables	377,051	
<b>Total assets</b>		<u>1,925,914,150</u>

### Liabilities

Payable for investments purchased	\$ 13,136,724	
Payable for fund shares redeemed	2,070,031	
Accrued management fee	1,057,362	
Distribution and service plan fees payable	125,734	
Other affiliated payables	179,432	
Other payables and accrued expenses	846,468	
Collateral on securities loaned, at value	78,606,213	
<b>Total liabilities</b>		<u>96,021,964</u>

<b>Net Assets</b>		<u>\$1,829,892,186</u>
Net Assets consist of:		
Paid in capital	\$1,870,503,975	
Undistributed net investment income	19,159,833	
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions	(416,608,142)	
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies	356,836,520	
<b>Net Assets</b>		<u>\$1,829,892,186</u>

## Statement of Assets and Liabilities – continued

June 30, 2011 (Unaudited)

### Initial Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$779,775,195 ÷ 44,167,161 shares)	\$ 17.66
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### Service Class:

<b>Net Asset Value</b> , offering price and redemption price per share (\$151,827,664 ÷ 8,640,112 shares)	\$ 17.57
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### Service Class 2:

<b>Net Asset Value</b> , offering price and redemption price per share (\$450,156,997 ÷ 25,758,311 shares)	\$ 17.48
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### Initial Class R:

<b>Net Asset Value</b> , offering price and redemption price per share (\$118,058,947 ÷ 6,703,010 shares)	\$ 17.61
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### Service Class R:

<b>Net Asset Value</b> , offering price and redemption price per share (\$59,888,422 ÷ 3,413,530 shares)	\$ 17.54
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### Service Class 2R:

<b>Net Asset Value</b> , offering price and redemption price per share (\$70,158,716 ÷ 4,048,660 shares)	\$ 17.33
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### Investor Class R:

<b>Net Asset Value</b> , offering price and redemption price per share (\$200,026,245 ÷ 11,364,867 shares)	\$ 17.60
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See accompanying notes which are an integral part of the financial statements.

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>		
Dividends		\$ 29,394,552
Interest		13
Income from Fidelity Central Funds		1,230,981
Income before foreign taxes withheld		<u>30,625,546</u>
Less foreign taxes withheld		<u>(2,925,683)</u>
<b>Total income</b>		<u>27,699,863</u>
<b>Expenses</b>		
Management fee	\$ 6,531,692	
Transfer agent fees	767,600	
Distribution and service plan fees	781,587	
Accounting and security lending fees	417,512	
Custodian fees and expenses	143,599	
Independent trustees' compensation	4,788	
Appreciation in deferred trustee compensation account	75	
Audit	41,406	
Legal	1,608	
Miscellaneous	11,373	
Total expenses before reductions	<u>8,701,240</u>	
Expense reductions	<u>(134,535)</u>	<u>8,566,705</u>
<b>Net investment income (loss)</b>		<u>19,133,158</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	69,184,145	
Foreign currency transactions	<u>(126,916)</u>	
Total net realized gain (loss)		69,057,229
Change in net unrealized appreciation (depreciation) on:		
Investment securities		8,016,840
Assets and liabilities in foreign currencies	<u>65,213</u>	
Total change in net unrealized appreciation (depreciation)		<u>8,082,053</u>
<b>Net gain (loss)</b>		<u>77,139,282</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ 96,272,440</u>

## Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 19,133,158	\$ 22,420,360
Net realized gain (loss)	69,057,229	69,919,431
Change in net unrealized appreciation (depreciation)	8,082,053	119,052,072
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>96,272,440</u>	<u>211,391,863</u>
Distributions to shareholders from net investment income	—	(22,348,246)
Distributions to shareholders from net realized gain	(3,263,788)	(3,258,162)
<b>Total distributions</b>	<u>(3,263,788)</u>	<u>(25,606,408)</u>
Share transactions – net increase (decrease)	(96,708,923)	(147,181,149)
Redemption fees	16,067	21,072
<b>Total increase (decrease) in net assets</b>	<u>(3,684,204)</u>	<u>38,625,378</u>
<b>Net Assets</b>		
Beginning of period	1,833,576,390	1,794,951,012
End of period (including undistributed net investment income of \$19,159,833 and undistributed net investment income of \$26,675, respectively)	<u>\$1,829,892,186</u>	<u>\$1,833,576,390</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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.77	\$ 15.05	\$ 12.17	\$ 25.33	\$ 23.96	\$ 20.60
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.19	.21	.28	.46	.45	.38
Net realized and unrealized gain (loss)	.73	1.76	2.93	(10.67)	3.42	3.30
Total from investment operations	.92	1.97	3.21	(10.21)	3.87	3.68
Distributions from net investment income	—	(.22)	(.29)	(.49)	(.84)	(.19)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.25)	(.33)	(2.95)	(2.50)	(.32)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.66	\$ 16.77	\$ 15.05	\$ 12.17	\$ 25.33	\$ 23.96
<b>Total Return<sup>B,C,D</sup></b>	5.49%	13.11%	26.53%	(43.83)%	17.41%	18.09%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.85% <sup>A</sup>	.86%	.88%	.87%	.85%	.88%
Expenses net of fee waivers, if any	.85% <sup>A</sup>	.85%	.88%	.87%	.85%	.88%
Expenses net of all reductions	.83% <sup>A</sup>	.83%	.84%	.84%	.82%	.81%
Net investment income (loss)	2.16% <sup>A</sup>	1.41%	2.17%	2.45%	1.85%	1.76%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 779,775	\$ 779,501	\$ 758,018	\$ 703,357	\$ 1,702,235	\$ 1,624,901
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

## Financial Highlights – Service Class

	Six months ended	Years ended December 31,				
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.70	\$ 14.99	\$ 12.12	\$ 25.23	\$ 23.86	\$ 20.52
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.18	.19	.26	.44	.43	.36
Net realized and unrealized gain (loss)	.72	1.75	2.93	(10.61)	3.39	3.28
Total from investment operations	.90	1.94	3.19	(10.17)	3.82	3.64
Distributions from net investment income	—	(.20)	(.28)	(.48)	(.79)	(.17)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.23)	(.32)	(2.94)	(2.45)	(.30)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.57	\$ 16.70	\$ 14.99	\$ 12.12	\$ 25.23	\$ 23.86
<b>Total Return<sup>B,C,D</sup></b>	5.39%	12.99%	26.44%	(43.89)%	17.25%	17.95%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.95% <sup>A</sup>	.96%	.98%	.97%	.95%	.98%
Expenses net of fee waivers, if any	.95% <sup>A</sup>	.95%	.98%	.97%	.95%	.98%
Expenses net of all reductions	.93% <sup>A</sup>	.93%	.94%	.94%	.92%	.91%
Net investment income (loss)	2.06% <sup>A</sup>	1.31%	2.07%	2.35%	1.75%	1.66%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 151,828	\$ 162,394	\$ 171,252	\$ 165,608	\$ 366,777	\$ 362,060
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.62	\$ 14.92	\$ 12.07	\$ 25.12	\$ 23.75	\$ 20.43
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.16	.17	.24	.40	.39	.33
Net realized and unrealized gain (loss)	.73	1.74	2.91	(10.54)	3.37	3.27
Total from investment operations	.89	1.91	3.15	(10.14)	3.76	3.60
Distributions from net investment income	—	(.18)	(.26)	(.45)	(.73)	(.15)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.21)	(.30)	(2.91)	(2.39)	(.28)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.48	\$ 16.62	\$ 14.92	\$ 12.07	\$ 25.12	\$ 23.75
<b>Total Return</b> <sup>B,C,D</sup>	5.36%	12.83%	26.22%	(43.96)%	17.05%	17.83%
<b>Ratios to Average Net Assets</b> <sup>F,H</sup>						
Expenses before reductions	1.10% <sup>A</sup>	1.11%	1.12%	1.12%	1.10%	1.13%
Expenses net of fee waivers, if any	1.10% <sup>A</sup>	1.10%	1.12%	1.12%	1.10%	1.13%
Expenses net of all reductions	1.08% <sup>A</sup>	1.08%	1.09%	1.09%	1.07%	1.06%
Net investment income (loss)	1.91% <sup>A</sup>	1.16%	1.93%	2.21%	1.60%	1.51%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 450,157	\$ 461,033	\$ 457,971	\$ 414,492	\$ 821,943	\$ 703,421
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

## Financial Highlights — Initial Class R

	Six months ended	Years ended December 31,				
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.73	\$ 15.02	\$ 12.14	\$ 25.28	\$ 23.92	\$ 20.57
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.19	.21	.28	.46	.45	.38
Net realized and unrealized gain (loss)	.72	1.75	2.93	(10.65)	3.41	3.29
Total from investment operations	.91	1.96	3.21	(10.19)	3.86	3.67
Distributions from net investment income	—	(.22)	(.29)	(.49)	(.84)	(.19)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.25)	(.33)	(2.95)	(2.50)	(.32)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.61	\$ 16.73	\$ 15.02	\$ 12.14	\$ 25.28	\$ 23.92
<b>Total Return</b> <sup>B,C,D</sup>	5.44%	13.07%	26.60%	(43.84)%	17.40%	18.08%
<b>Ratios to Average Net Assets</b> <sup>F,H</sup>						
Expenses before reductions	.85% <sup>A</sup>	.86%	.88%	.87%	.85%	.88%
Expenses net of fee waivers, if any	.85% <sup>A</sup>	.85%	.88%	.87%	.85%	.88%
Expenses net of all reductions	.83% <sup>A</sup>	.83%	.84%	.84%	.82%	.81%
Net investment income (loss)	2.16% <sup>A</sup>	1.41%	2.17%	2.46%	1.85%	1.76%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 118,059	\$ 122,655	\$ 128,689	\$ 118,749	\$ 275,678	\$ 240,693
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

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

## Financial Highlights — Service Class R

	Six months ended	Years ended December 31,				
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.68	\$ 14.97	\$ 12.10	\$ 25.19	\$ 23.83	\$ 20.50
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.18	.19	.27	.43	.43	.36
Net realized and unrealized gain (loss)	.71	1.75	2.92	(10.58)	3.38	3.27
Total from investment operations	.89	1.94	3.19	(10.15)	3.81	3.63
Distributions from net investment income	—	(.20)	(.28)	(.48)	(.79)	(.17)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.23)	(.32)	(2.94)	(2.45)	(.30)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.54	\$ 16.68	\$ 14.97	\$ 12.10	\$ 25.19	\$ 23.83
<b>Total Return<sup>B,C,D</sup></b>	5.34%	13.01%	26.49%	(43.88)%	17.23%	17.95%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	.95% <sup>A</sup>	.96%	.97%	.96%	.94%	.98%
Expenses net of fee waivers, if any	.95% <sup>A</sup>	.95%	.97%	.96%	.94%	.98%
Expenses net of all reductions	.93% <sup>A</sup>	.93%	.94%	.94%	.92%	.91%
Net investment income (loss)	2.07% <sup>A</sup>	1.31%	2.08%	2.36%	1.75%	1.66%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 59,888	\$ 60,617	\$ 66,014	\$ 61,825	\$ 135,038	\$ 133,934
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

## Financial Highlights — Service Class 2R

	Six months ended	Years ended December 31,				
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.48	\$ 14.80	\$ 11.98	\$ 24.95	\$ 23.61	\$ 20.32
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.16	.17	.25	.40	.39	.32
Net realized and unrealized gain (loss)	.72	1.73	2.87	(10.46)	3.35	3.26
Total from investment operations	.88	1.90	3.12	(10.06)	3.74	3.58
Distributions from net investment income	—	(.19)	(.26)	(.45)	(.74)	(.16)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.22)	(.30)	(2.91)	(2.40)	(.29)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.33	\$ 16.48	\$ 14.80	\$ 11.98	\$ 24.95	\$ 23.61
<b>Total Return<sup>B,C,D</sup></b>	5.34%	12.82%	26.20%	(43.94)%	17.06%	17.81%
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions	1.10% <sup>A</sup>	1.11%	1.12%	1.11%	1.09%	1.13%
Expenses net of fee waivers, if any	1.10% <sup>A</sup>	1.10%	1.12%	1.11%	1.09%	1.13%
Expenses net of all reductions	1.08% <sup>A</sup>	1.08%	1.09%	1.09%	1.07%	1.06%
Net investment income (loss)	1.92% <sup>A</sup>	1.16%	1.93%	2.21%	1.60%	1.51%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 70,159	\$ 69,393	\$ 64,200	\$ 46,323	\$ 95,871	\$ 68,729
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

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

## Financial Highlights — Investor Class R

	Six months ended	Years ended December 31,				
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 16.73	\$ 15.01	\$ 12.14	\$ 25.27	\$ 23.91	\$ 20.59
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	.18	.20	.27	.43	.42	.36
Net realized and unrealized gain (loss)	.72	1.76	2.92	(10.62)	3.41	3.29
Total from investment operations	.90	1.96	3.19	(10.19)	3.83	3.65
Distributions from net investment income	—	(.21)	(.28)	(.48)	(.81)	(.20)
Distributions from net realized gain	(.03)	(.03)	(.04)	(2.46)	(1.66)	(.13)
Total distributions	(.03)	(.24)	(.32)	(2.94)	(2.47)	(.33)
Redemption fees added to paid in capital <sup>E,I</sup>	—	—	—	—	—	—
Net asset value, end of period	\$ 17.60	\$ 16.73	\$ 15.01	\$ 12.14	\$ 25.27	\$ 23.91
<b>Total Return</b> <sup>B,C,D</sup>	5.38%	13.07%	26.42%	(43.89)%	17.25%	17.94%
<b>Ratios to Average Net Assets</b> <sup>F,H</sup>						
Expenses before reductions	.93% <sup>A</sup>	.95%	.97%	.96%	.96%	1.01%
Expenses net of fee waivers, if any	.93% <sup>A</sup>	.94%	.97%	.96%	.96%	1.01%
Expenses net of all reductions	.92% <sup>A</sup>	.92%	.94%	.93%	.94%	.93%
Net investment income (loss)	2.08% <sup>A</sup>	1.32%	2.08%	2.36%	1.74%	1.64%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 200,026	\$ 177,984	\$ 148,806	\$ 124,111	\$ 229,829	\$ 122,018
Portfolio turnover rate <sup>G</sup>	34% <sup>A</sup>	50%	78%	77%	62%	123%

<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 if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Fees and expenses of any 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>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. <sup>I</sup>Amount represents less than \$.01 per share.

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

# Notes to Financial Statements

For the period ended June 30, 2011 (Unaudited)

## 1. Organization.

VIP Overseas Portfolio (the Fund) is a fund of Variable Insurance Products Fund (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, Service Class 2 shares, Initial Class R shares, Service Class R shares, Service Class 2R shares and Investor Class R 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 may also differ by class.

## 2. Investments in Fidelity Central Funds.

The Fund invests 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](http://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. Subsequent events, if any, through the date that the financial statements were issued 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 market or security specific events. 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, 2011, 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.

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.

### 3. Significant Accounting Policies – continued

**Foreign Currency.** The Fund may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rate at period end. Purchases and sales of investment securities, income and dividends received and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

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

**Expenses.** Expenses directly attributable to a fund are charged to that fund. Expenses attributable to more than one fund are allocated among the respective funds on the basis of relative net assets or other appropriate methods. 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, including 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. 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 declared and 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 certain foreign taxes, foreign currency transactions, passive foreign investment companies (PFIC), deferred trustees compensation, capital loss carryforwards 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	\$	479,552,722
Gross unrealized depreciation		(145,589,545)
Net unrealized appreciation (depreciation) on securities and other investments	\$	333,963,177
Tax cost	\$	1,576,441,178

Under the recently enacted Regulated Investment Company Modernization Act of 2010 (the Act), the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to any losses incurred in pre-enactment taxable years, which generally expire after eight years from when they are incurred. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law. The Fund's first fiscal year end subject to the Act will be December 31, 2011.

## Notes to Financial Statements (Unaudited) – continued

### 3. Significant Accounting Policies – continued

**Trading (Redemption) Fees.** Initial Class R shares, Service Class R shares, Service Class 2 R shares and Investor Class R shares held by investors less than 60 days are subject to a redemption fee equal to 1% of the net asset value of shares redeemed. All redemption fees, which reduce the proceeds of the shareholder redemption, are retained by the Fund and accounted for as an addition to paid in capital.

**New Accounting Pronouncement.** In May 2011, the Financial Accounting Standards Board issued Accounting Standard Update No. 2011-04, *Fair Value Measurement (Topic 820) — Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The update changes the wording used to describe the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. The update is effective during interim and annual periods beginning after December 15, 2011. Management is currently evaluating the impact of the update's adoption on the Fund's financial statement disclosures.

### 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. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$314,453,592 and \$390,462,180, respectively.

### 6. Fees and Other Transactions with Affiliates.

**Management Fee.** FMR and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .45% 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 annualized management fee rate was .71% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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' and Service Class R's average net assets and .25% of Service Class 2's and Service Class 2R's average net assets.

For the period, total fees, all of which were re-allowed to insurance companies for the distribution of shares and providing shareholder support services were as follows:

Service Class .....	\$	78,652
Service Class 2 .....		585,976
Service Class R .....		30,487
Service Class 2 R .....		86,472
	\$	<u>781,587</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 R Class) pays a transfer agent fee, excluding out of pocket expenses, equal to an annual rate of .07% of average net assets. Investor Class R pays a monthly asset-based transfer agent fee of .15% of average net assets. In addition, FIIOC receives an asset-based fee of .0045% of average net assets for typesetting, printing and mailing of shareholder reports, except proxy statements. For the period, transfer agent fees for each class, including printing and out of pocket expenses, were as follows:

Initial Class .....	\$	294,639
Service Class .....		58,438
Service Class 2 .....		172,299
Initial Class R .....		44,912
Service Class R .....		21,921
Service Class 2R .....		24,867
Investor Class R .....		150,524
	\$	<u>767,600</u>

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

**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 \$925 for the period.

## 7. Committed Line of Credit.

The Fund participates with other funds managed by FMR or an affiliate in a \$4.0 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 \$3,180 and is reflected in Miscellaneous expenses on the Statement of Operations. During the period, there were no borrowings on this line of credit.

## 8. Security Lending.

The Fund lends portfolio securities through a lending agent from time to time in order to earn additional income. The lending agent may loan securities to certain qualified borrowers, including Fidelity Capital Markets (FCM), a broker-dealer affiliated with the Fund. 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 rebates paid to borrowers and lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Total security lending income during the period amounted to \$1,221,091. During the period, there were no securities loaned to FCM.

## 9. Expense Reductions.

Many of the brokers with whom FMR places trades on behalf of the Fund provided services to the Fund in addition to trade execution. These services included payments of certain expenses on behalf of the Fund totaling \$134,535 for the period.

## 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2011	Year ended December 31, 2010
<b>From net investment income</b>		
Initial Class	\$ —	\$ 10,110,257
Service Class	—	1,970,639
Service Class 2	—	4,977,207
Initial Class R	—	1,595,066
Service Class R	—	737,292
Service Class 2R	—	764,839
Investor Class R	—	2,192,946
Total	<u>\$ —</u>	<u>\$ 22,348,246</u>
<b>From net realized gain</b>		
Initial Class	\$ 1,379,086	\$ 1,378,672
Service Class	286,878	289,800
Service Class 2	827,775	824,951
Initial Class R	215,214	217,509
Service Class R	108,589	108,425
Service Class 2R	125,027	124,028
Investor Class R	321,219	314,777
Total	<u>\$ 3,263,788</u>	<u>\$ 3,258,162</u>

## Notes to Financial Statements (Unaudited) – continued

### 11. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2011	Year ended December 31, 2010	Six months ended June 30, 2011	Year ended December 31, 2010
<b>Initial Class</b>				
Shares sold	2,196,423	6,240,893	\$ 38,025,505	\$ 91,816,123
Reinvestment of distributions	79,670	695,035	1,379,086	11,488,929
Shares redeemed	(4,585,029)	(10,822,191)	(79,282,838)	(162,039,161)
Net increase (decrease)	<u>(2,308,936)</u>	<u>(3,886,263)</u>	<u>\$ (39,878,247)</u>	<u>\$ (58,734,109)</u>
<b>Service Class</b>				
Shares sold	223,854	784,984	\$ 3,841,705	\$ 11,710,566
Reinvestment of distributions	16,640	137,329	286,878	2,260,439
Shares redeemed	(1,323,436)	(2,623,870)	(22,784,583)	(38,868,573)
Net increase (decrease)	<u>(1,082,942)</u>	<u>(1,701,557)</u>	<u>\$ (18,656,000)</u>	<u>\$ (24,897,568)</u>
<b>Service Class 2</b>				
Shares sold	1,212,767	2,715,745	\$ 20,831,496	\$ 39,743,530
Reinvestment of distributions	48,267	354,006	827,775	5,802,158
Shares redeemed	(3,237,295)	(6,027,184)	(55,059,170)	(88,461,595)
Net increase (decrease)	<u>(1,976,261)</u>	<u>(2,957,433)</u>	<u>\$ (33,399,899)</u>	<u>\$ (42,915,907)</u>
<b>Initial Class R</b>				
Shares sold	172,289	408,250	\$ 2,974,195	\$ 6,248,778
Reinvestment of distributions	12,462	109,920	215,214	1,812,575
Shares redeemed	(812,350)	(1,757,857)	(13,989,283)	(26,056,661)
Net increase (decrease)	<u>(627,599)</u>	<u>(1,239,687)</u>	<u>\$ (10,799,874)</u>	<u>\$ (17,995,308)</u>
<b>Service Class R</b>				
Shares sold	142,876	220,630	\$ 2,477,653	\$ 3,280,664
Reinvestment of distributions	6,310	51,443	108,589	845,717
Shares redeemed	(370,807)	(1,047,945)	(6,393,351)	(15,463,802)
Net increase (decrease)	<u>(221,621)</u>	<u>(775,872)</u>	<u>\$ (3,807,109)</u>	<u>\$ (11,337,421)</u>
<b>Service Class 2R</b>				
Shares sold	236,901	861,942	\$ 4,035,612	\$ 12,744,208
Reinvestment of distributions	7,350	54,700	125,027	888,867
Shares redeemed	(405,535)	(1,044,322)	(6,874,396)	(15,533,067)
Net increase (decrease)	<u>(161,284)</u>	<u>(127,680)</u>	<u>\$ (2,713,757)</u>	<u>\$ (1,899,992)</u>
<b>Investor Class R</b>				
Shares sold	1,221,549	2,450,123	\$ 21,154,836	\$ 36,039,937
Reinvestment of distributions	18,611	152,075	321,219	2,507,723
Shares redeemed	(515,665)	(1,872,670)	(8,930,092)	(27,948,504)
Net increase (decrease)	<u>724,495</u>	<u>729,528</u>	<u>\$ 12,545,963</u>	<u>\$ 10,599,156</u>

### 12. Other.

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

At the end of the period, FMR or its affiliates were the owners of record of 17% of the total outstanding shares of the Fund and two otherwise unaffiliated shareholders were the owners of record of 32% of the total outstanding shares of the Fund.







**Investment Adviser**

Fidelity Management & Research Company  
Boston, MA

**Investment Sub-Advisers**

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

**General Distributor**

Fidelity Distributors Corporation  
Boston, MA

**Transfer and Service Agents**

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

**Custodian**

JPMorgan Chase Bank  
New York, NY