

# Fidelity® Variable Insurance Products:

**Index 500 Portfolio**

**Semi-Annual Report  
June 30, 2021**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.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.*

## Note to Shareholders:

Early in 2020, the outbreak and spread of a new coronavirus emerged as a public health emergency that had a major influence on financial markets, primarily based on its impact on the global economy and the outlook for corporate earnings. The virus causes a respiratory disease known as COVID-19. On March 11, 2020 the World Health Organization declared the COVID-19 outbreak a pandemic, citing sustained risk of further global spread.

In the weeks following, as the crisis worsened, we witnessed an escalating human tragedy with wide-scale social and economic consequences from coronavirus-containment measures. The outbreak of COVID-19 prompted a number of measures to limit the spread, including travel and border restrictions, quarantines, and restrictions on large gatherings. In turn, these resulted in lower consumer activity, diminished demand for a wide range of products and services, disruption in manufacturing and supply chains, and — given the wide variability in outcomes regarding the outbreak — significant market uncertainty and volatility. Amid the turmoil, global governments and central banks took unprecedented action to help support consumers, businesses, and the broader economies, and to limit disruption to financial systems.

The situation continues to unfold, and the extent and duration of its impact on financial markets and the economy remain highly uncertain. Extreme events such as the coronavirus crisis are “exogenous shocks” that can have significant adverse effects on mutual funds and their investments. Although multiple asset classes may be affected by market disruption, the duration and impact may not be the same for all types of assets.

Fidelity is committed to helping you stay informed amid news about COVID-19 and during increased market volatility, and we’re taking extra steps to be responsive to customer needs. We encourage you to visit our websites, where we offer ongoing updates, commentary, and analysis on the markets and our funds.

# Investment Summary (Unaudited)

## Top Ten Stocks as of June 30, 2021

	% of fund's net assets
Apple, Inc.	5.9
Microsoft Corp.	5.6
Amazon.com, Inc.	4.0
Facebook, Inc. Class A	2.3
Alphabet, Inc. Class A	2.0
Alphabet, Inc. Class C	1.9
Berkshire Hathaway, Inc. Class B	1.4
Tesla, Inc.	1.4
NVIDIA Corp.	1.4
JPMorgan Chase & Co.	1.3
	<u>27.2</u>

## Top Market Sectors as of June 30, 2021

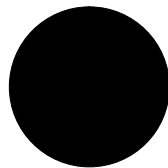
	% of fund's net assets
Information Technology	27.2
Health Care	12.9
Consumer Discretionary	12.2
Financials	11.2
Communication Services	11.0
Industrials	8.5
Consumer Staples	5.8
Energy	2.8
Materials	2.6
Real Estate	2.6

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

As of June 30, 2021\*

■ Stocks and Equity Futures

100.0%



\* Foreign investments – 3.4%

# Schedule of Investments June 30, 2021 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.2%

	Shares	Value
<b>COMMUNICATION SERVICES – 11.0%</b>		
<b>Diversified Telecommunication Services – 1.2%</b>		
AT&T, Inc.	2,294,698	\$ 66,041,408
Lumen Technologies, Inc.	319,709	4,344,845
Verizon Communications, Inc.	1,330,561	74,551,333
		<u>144,937,586</u>
<b>Entertainment – 1.9%</b>		
Activision Blizzard, Inc.	249,723	23,833,563
Electronic Arts, Inc.	91,978	13,229,196
Live Nation Entertainment, Inc. (a)	46,431	4,066,891
Netflix, Inc. (a)	142,504	75,272,038
Take-Two Interactive Software, Inc. (a)	37,170	6,579,833
The Walt Disney Co. (a)	583,937	102,638,606
		<u>225,620,127</u>
<b>Interactive Media &amp; Services – 6.4%</b>		
Alphabet, Inc.:		
Class A (a)	96,656	236,013,654
Class C (a)	91,515	229,365,875
Facebook, Inc. Class A (a)	770,057	267,756,519
Twitter, Inc. (a)	256,507	17,650,247
		<u>750,786,295</u>
<b>Media – 1.3%</b>		
Charter Communications, Inc. Class A (a)	44,263	31,933,541
Comcast Corp. Class A	1,473,506	84,019,312
Discovery Communications, Inc.:		
Class A (a)	54,203	1,662,948
Class C (non-vtg.) (a)	96,555	2,798,164
DISH Network Corp. Class A (a)	79,852	3,337,814
Fox Corp.:		
Class A	105,073	3,901,360
Class B	48,838	1,719,098
Interpublic Group of Companies, Inc.	126,426	4,107,581
News Corp.:		
Class A	125,720	3,239,804
Class B	39,137	952,986
Omnicom Group, Inc.	69,124	5,529,229
ViacomCBS, Inc. Class B	194,627	8,797,140
		<u>151,998,977</u>
<b>Wireless Telecommunication Services – 0.2%</b>		
T-Mobile U.S., Inc.	188,340	27,277,282
		<u>1,300,620,267</u>
<b>CONSUMER DISCRETIONARY – 12.2%</b>		
<b>Auto Components – 0.2%</b>		
Aptiv PLC (a)	86,923	13,675,596
BorgWarner, Inc.	77,084	3,741,657
		<u>17,417,253</u>
<b>Automobiles – 1.8%</b>		
Ford Motor Co. (a)	1,260,089	18,724,923
General Motors Co. (a)	410,279	24,276,208
Tesla, Inc. (a)	247,681	168,348,776
		<u>211,349,907</u>
<b>Distributors – 0.2%</b>		
Genuine Parts Co.	46,431	5,872,129

	Shares	Value
LKQ Corp. (a)	89,341	\$ 4,397,364
Pool Corp.	12,898	5,915,797
		<u>16,185,290</u>
<b>Hotels, Restaurants &amp; Leisure – 2.0%</b>		
Booking Holdings, Inc. (a)	13,194	28,869,659
Caesars Entertainment, Inc. (a)	67,073	6,958,824
Carnival Corp. (a)	256,564	6,763,027
Chipotle Mexican Grill, Inc. (a)	9,047	14,025,926
Darden Restaurants, Inc.	42,051	6,139,025
Domino's Pizza, Inc.	12,479	5,821,329
Expedia, Inc. (a)	45,459	7,442,093
Hilton Worldwide Holdings, Inc. (a)	89,517	10,797,541
Las Vegas Sands Corp. (a)	105,577	5,562,852
Marriott International, Inc. Class A (a)	85,818	11,715,873
McDonald's Corp.	239,810	55,393,712
MGM Resorts International	130,851	5,580,795
Norwegian Cruise Line Holdings Ltd. (a) (b)	118,891	3,496,584
Penn National Gaming, Inc. (a)	47,739	3,651,556
Royal Caribbean Cruises Ltd. (a) (b)	70,361	6,000,386
Starbucks Corp.	378,689	42,341,217
Wynn Resorts Ltd. (a)	33,825	4,136,798
Yum! Brands, Inc.	95,741	11,013,087
		<u>235,710,284</u>
<b>Household Durables – 0.4%</b>		
D.R. Horton, Inc.	105,428	9,527,528
Garmin Ltd.	48,167	6,966,875
Leggett & Platt, Inc.	42,819	2,218,452
Lennar Corp. Class A	88,625	8,804,894
Mohawk Industries, Inc. (a)	18,819	3,616,824
Newell Brands, Inc.	121,650	3,341,726
NVR, Inc. (a)	1,099	5,465,657
PulteGroup, Inc.	84,999	4,638,395
Whirlpool Corp.	20,127	4,388,089
		<u>48,968,440</u>
<b>Internet &amp; Direct Marketing Retail – 4.2%</b>		
Amazon.com, Inc. (a)	137,770	473,950,843
eBay, Inc.	208,001	14,603,750
Etsy, Inc. (a)	40,849	8,408,358
		<u>496,962,951</u>
<b>Leisure Products – 0.0%</b>		
Hasbro, Inc.	41,118	3,886,473
<b>Multiline Retail – 0.5%</b>		
Dollar General Corp.	75,913	16,426,814
Dollar Tree, Inc. (a)	74,547	7,417,427
Target Corp.	158,997	38,435,935
		<u>62,280,176</u>
<b>Specialty Retail – 2.2%</b>		
Advance Auto Parts, Inc.	21,031	4,314,299
AutoZone, Inc. (a)	6,948	10,367,945
Best Buy Co., Inc.	71,644	8,237,627
CarMax, Inc. (a)	52,434	6,771,851
Gap, Inc.	66,746	2,246,003
L Brands, Inc.	75,293	5,425,614
Lowe's Companies, Inc.	227,185	44,067,074
O'Reilly Automotive, Inc. (a)	22,421	12,694,994
Ross Stores, Inc.	114,610	14,211,640

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

## Schedule of Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Specialty Retail – continued</b>		
The Home Depot, Inc.	341,716	\$ 108,969,815
TJX Companies, Inc.	387,590	26,131,318
Tractor Supply Co.	37,042	6,892,035
Ultra Beauty, Inc. (a)	17,598	6,084,860
		<u>256,415,075</u>
<b>Textiles, Apparel &amp; Luxury Goods – 0.7%</b>		
Hanesbrands, Inc.	112,201	2,094,793
NIKE, Inc. Class B	409,753	63,302,741
PVH Corp. (a)	22,904	2,464,241
Ralph Lauren Corp.	15,507	1,826,880
Tapestry, Inc. (a)	89,621	3,896,721
Under Armour, Inc.:		
Class A (sub. vtg.) (a)	60,620	1,282,113
Class C (non-vtg.) (a)	63,150	1,172,696
VF Corp.	103,346	8,478,506
		<u>84,518,691</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u>1,433,694,540</u>
<b>CONSUMER STAPLES – 5.8%</b>		
<b>Beverages – 1.4%</b>		
Brown-Forman Corp. Class B (non-vtg.)	58,703	4,399,203
Constellation Brands, Inc. Class A (sub. vtg.)	54,314	12,703,501
Molson Coors Beverage Co. Class B (a)	60,535	3,250,124
Monster Beverage Corp. (a)	118,911	10,862,520
PepsiCo, Inc.	444,037	65,792,962
The Coca-Cola Co.	1,247,144	67,482,962
		<u>164,491,272</u>
<b>Food &amp; Staples Retailing – 1.3%</b>		
Costco Wholesale Corp.	142,075	56,214,815
Kroger Co.	243,322	9,321,666
Sysco Corp.	164,415	12,783,266
Walgreens Boots Alliance, Inc.	230,578	12,130,709
Walmart, Inc.	441,280	62,229,306
		<u>152,679,762</u>
<b>Food Products – 0.9%</b>		
Archer Daniels Midland Co.	179,559	10,881,275
Campbell Soup Co. (b)	65,247	2,974,611
Conagra Brands, Inc.	154,248	5,611,542
General Mills, Inc.	196,036	11,944,473
Hormel Foods Corp.	90,592	4,325,768
Kellogg Co. (b)	80,979	5,209,379
Lamb Weston Holdings, Inc.	47,013	3,792,069
McCormick & Co., Inc. (non-vtg.)	80,026	7,067,896
Mondelez International, Inc.	451,455	28,188,850
The Hershey Co.	47,045	8,194,298
The J.M. Smucker Co. (b)	35,219	4,563,326
The Kraft Heinz Co.	208,344	8,496,268
Tyson Foods, Inc. Class A	94,736	6,987,727
		<u>108,237,482</u>
<b>Household Products – 1.3%</b>		
Church & Dwight Co., Inc.	78,819	6,716,955
Colgate-Palmolive Co.	271,883	22,117,682
Kimberly-Clark Corp.	108,446	14,507,906

	Shares	Value
Procter & Gamble Co.	786,828	\$ 106,166,702
The Clorox Co. (b)	39,971	7,191,183
		<u>156,700,428</u>
<b>Personal Products – 0.2%</b>		
Estee Lauder Companies, Inc. Class A	74,528	23,705,866
<b>Tobacco – 0.7%</b>		
Altria Group, Inc.	594,770	28,358,634
Philip Morris International, Inc.	500,892	49,643,406
		<u>78,002,040</u>
<b>TOTAL CONSUMER STAPLES</b>		<u>683,816,850</u>
<b>ENERGY – 2.8%</b>		
<b>Energy Equipment &amp; Services – 0.2%</b>		
Baker Hughes Co. Class A	233,781	5,346,571
Halliburton Co.	285,943	6,611,002
NOV, Inc. (a)	125,547	1,923,380
Schlumberger Ltd.	449,405	14,385,454
		<u>28,266,407</u>
<b>Oil, Gas &amp; Consumable Fuels – 2.6%</b>		
APA Corp.	121,475	2,627,504
Cabot Oil & Gas Corp. (b)	128,446	2,242,667
Chevron Corp.	621,162	65,060,508
ConocoPhillips Co.	433,685	26,411,417
Devon Energy Corp.	191,441	5,588,163
Diamondback Energy, Inc.	58,170	5,461,581
EOG Resources, Inc.	187,563	15,650,257
Exxon Mobil Corp.	1,360,601	85,826,711
Hess Corp.	88,219	7,703,283
Kinder Morgan, Inc.	625,913	11,410,394
Marathon Oil Corp.	253,302	3,449,973
Marathon Petroleum Corp.	204,741	12,370,451
Occidental Petroleum Corp.	269,989	8,442,556
ONEOK, Inc.	143,189	7,967,036
Phillips 66 Co.	140,724	12,076,934
Pioneer Natural Resources Co.	74,483	12,104,977
The Williams Companies, Inc. (b)	390,408	10,365,332
Valero Energy Corp.	131,370	10,257,370
		<u>305,017,114</u>
<b>TOTAL ENERGY</b>		<u>333,283,521</u>
<b>FINANCIALS – 11.2%</b>		
<b>Banks – 4.3%</b>		
Bank of America Corp.	2,423,573	99,923,915
Citigroup, Inc.	664,321	47,000,711
Citizens Financial Group, Inc.	136,888	6,279,053
Comerica, Inc.	44,870	3,201,026
Fifth Third Bancorp	226,245	8,649,346
First Republic Bank	56,561	10,586,522
Huntington Bancshares, Inc.	474,202	6,766,863
JPMorgan Chase & Co.	972,877	151,321,289
KeyCorp	311,911	6,440,962
M&T Bank Corp.	41,348	6,008,278
Peoples United Financial, Inc.	137,434	2,355,619
PNC Financial Services Group, Inc.	136,543	26,046,943

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

## Common Stocks – continued

	Shares	Value
<b>FINANCIALS – continued</b>		
<b>Banks – continued</b>		
Regions Financial Corp.	308,944	\$ 6,234,490
SVB Financial Group (a)	17,456	9,713,042
Truist Financial Corp.	432,215	23,987,933
U.S. Bancorp	435,673	24,820,291
Wells Fargo & Co.	1,328,473	60,166,542
Zions Bancorp NA	52,648	2,782,973
		<u>502,285,798</u>
<b>Capital Markets – 3.0%</b>		
Ameriprise Financial, Inc.	37,250	9,270,780
Bank of New York Mellon Corp.	259,293	13,283,580
BlackRock, Inc. Class A	45,588	39,888,132
Choe Global Markets, Inc.	34,287	4,081,867
Charles Schwab Corp.	482,032	35,096,750
CME Group, Inc.	115,408	24,544,973
Franklin Resources, Inc. (b)	87,525	2,799,925
Goldman Sachs Group, Inc.	109,341	41,498,190
Intercontinental Exchange, Inc.	180,865	21,468,676
Invesco Ltd.	121,609	3,250,609
MarketAxess Holdings, Inc.	12,207	5,659,043
Moody's Corp.	51,741	18,749,386
Morgan Stanley	478,374	43,862,112
MSCI, Inc.	26,490	14,121,289
NASDAQ, Inc.	36,916	6,489,833
Northern Trust Corp.	66,893	7,734,169
Raymond James Financial, Inc.	39,306	5,105,849
S&P Global, Inc.	77,422	31,777,860
State Street Corp.	111,768	9,196,271
T. Rowe Price Group, Inc.	72,908	14,433,597
		<u>352,312,891</u>
<b>Consumer Finance – 0.7%</b>		
American Express Co.	209,118	34,552,567
Capital One Financial Corp.	145,102	22,445,828
Discover Financial Services	97,987	11,590,882
Synchrony Financial	173,834	8,434,426
		<u>77,023,703</u>
<b>Diversified Financial Services – 1.4%</b>		
Berkshire Hathaway, Inc. Class B (a)	609,140	169,292,189
<b>Insurance – 1.8%</b>		
AFLAC, Inc.	203,145	10,900,761
Allstate Corp.	96,203	12,548,719
American International Group, Inc.	275,795	13,127,842
Aon PLC	72,520	17,314,875
Arthur J. Gallagher & Co.	65,848	9,223,988
Assurant, Inc.	19,465	3,040,044
Chubb Ltd.	144,524	22,970,645
Cincinnati Financial Corp.	48,150	5,615,253
Everest Re Group Ltd.	12,882	3,246,393
Globe Life, Inc.	30,470	2,902,268
Hartford Financial Services Group, Inc.	114,796	7,113,908
Lincoln National Corp. (b)	57,512	3,614,054
Loews Corp.	71,894	3,929,007
Marsh & McLennan Companies, Inc.	163,435	22,992,036
MetLife, Inc.	239,144	14,312,768
Principal Financial Group, Inc.	81,301	5,137,410

	Shares	Value
Progressive Corp.	188,060	\$ 18,469,373
Prudential Financial, Inc.	126,626	12,975,366
The Travelers Companies, Inc.	80,829	12,100,910
Unum Group	65,640	1,864,176
W.R. Berkley Corp.	45,036	3,352,029
Willis Towers Watson PLC	41,451	9,534,559
		<u>216,286,384</u>
<b>TOTAL FINANCIALS</b>		<u>1,317,200,965</u>
<b>HEALTH CARE – 12.9%</b>		
<b>Biotechnology – 1.7%</b>		
AbbVie, Inc.	567,639	63,938,857
Alexion Pharmaceuticals, Inc. (a)	71,032	13,049,289
Amgen, Inc.	184,654	45,009,413
Biogen, Inc. (a)	48,386	16,754,620
Gilead Sciences, Inc.	403,076	27,755,813
Incyte Corp. (a)	60,078	5,054,362
Regeneron Pharmaceuticals, Inc. (a)	33,648	18,793,754
Vertex Pharmaceuticals, Inc. (a)	83,196	16,774,809
		<u>207,130,917</u>
<b>Health Care Equipment &amp; Supplies – 3.6%</b>		
Abbott Laboratories	571,046	66,201,363
Abiomed, Inc. (a)	14,557	4,543,385
Align Technology, Inc. (a)	23,145	14,141,595
Baxter International, Inc.	161,610	13,009,605
Becton, Dickinson & Co.	93,465	22,729,753
Boston Scientific Corp. (a)	456,661	19,526,824
Danaher Corp.	204,022	54,751,344
Dentsply Sirona, Inc.	70,164	4,438,575
DexCom, Inc. (a)	31,080	13,271,160
Edwards Lifesciences Corp. (a)	199,786	20,691,836
Hologic, Inc. (a)	82,350	5,494,392
IDEXX Laboratories, Inc. (a)	27,408	17,309,522
Intuitive Surgical, Inc. (a)	38,056	34,997,820
Medtronic PLC	432,393	53,672,943
ResMed, Inc.	46,767	11,529,001
STERIS PLC	31,380	6,473,694
Stryker Corp.	105,341	27,360,218
Teleflex, Inc.	15,019	6,034,484
The Cooper Companies, Inc.	15,828	6,272,162
West Pharmaceutical Services, Inc.	23,726	8,520,007
Zimmer Biomet Holdings, Inc.	67,003	10,775,422
		<u>421,745,105</u>
<b>Health Care Providers &amp; Services – 2.6%</b>		
AmerisourceBergen Corp.	47,532	5,441,939
Anthem, Inc.	78,689	30,043,460
Cardinal Health, Inc.	93,250	5,323,643
Centene Corp. (a)	187,283	13,658,549
Cigna Corp.	110,282	26,144,554
CVS Health Corp.	423,127	35,305,717
DaVita HealthCare Partners, Inc. (a)	22,527	2,712,927
HCA Holdings, Inc.	84,464	17,462,087
Henry Schein, Inc. (a)	45,218	3,354,723
Humana, Inc.	41,463	18,356,499
Laboratory Corp. of America Holdings (a)	31,380	8,656,173

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

## Schedule of Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>HEALTH CARE – continued</b>		
<b>Health Care Providers &amp; Services – continued</b>		
McKesson Corp.	50,839	\$ 9,722,450
Quest Diagnostics, Inc.	41,985	5,540,760
UnitedHealth Group, Inc.	303,293	121,450,649
Universal Health Services, Inc. Class B	25,059	3,669,389
		<u>306,843,519</u>
<b>Health Care Technology – 0.1%</b>		
Cerner Corp.	96,839	7,568,936
<b>Life Sciences Tools &amp; Services – 1.3%</b>		
Agilent Technologies, Inc.	97,522	14,414,727
Bio-Rad Laboratories, Inc. Class A (a)	6,926	4,462,353
Charles River Laboratories International, Inc. (a)	16,151	5,974,578
illumina, Inc. (a)	46,922	22,203,960
IQVIA Holdings, Inc. (a)	61,597	14,926,185
Mettler-Toledo International, Inc. (a)	7,478	10,359,573
PerkinElmer, Inc.	36,024	5,562,466
Thermo Fisher Scientific, Inc.	126,314	63,721,624
Waters Corp. (a)	19,830	6,853,446
		<u>148,478,912</u>
<b>Pharmaceuticals – 3.6%</b>		
Bristol-Myers Squibb Co.	717,954	47,973,686
Catalent, Inc. (a)	54,746	5,919,138
Eli Lilly & Co.	255,820	58,715,806
Johnson & Johnson	846,337	139,425,557
Merck & Co., Inc.	813,769	63,286,815
Organon & Co. (a)	81,321	2,460,773
Perrigo Co. PLC	42,921	1,967,928
Pfizer, Inc.	1,799,022	70,449,702
Viatris, Inc.	388,445	5,550,879
Zoetis, Inc. Class A	152,584	28,435,554
		<u>424,185,838</u>
<b>TOTAL HEALTH CARE</b>		<u>1,515,953,227</u>
<b>INDUSTRIALS – 8.5%</b>		
<b>Aerospace &amp; Defense – 1.6%</b>		
General Dynamics Corp.	73,567	13,849,723
Hawmet Aerospace, Inc. (a)	125,627	4,330,363
Huntington Ingalls Industries, Inc.	12,930	2,724,998
L3Harris Technologies, Inc.	65,879	14,239,746
Lockheed Martin Corp.	78,605	29,740,202
Northrop Grumman Corp.	48,109	17,484,254
Raytheon Technologies Corp.	486,929	41,539,913
Teledyne Technologies, Inc. (a)	14,926	6,251,457
Textron, Inc.	72,540	4,988,576
The Boeing Co. (a)	176,673	42,323,784
TransDigm Group, Inc. (a)	17,642	11,419,490
		<u>188,892,506</u>
<b>Air Freight &amp; Logistics – 0.7%</b>		
C.H. Robinson Worldwide, Inc.	42,741	4,003,549
Expeditors International of Washington, Inc.	54,278	6,871,595
FedEx Corp.	78,455	23,405,480
United Parcel Service, Inc. Class B	232,464	48,345,538
		<u>82,626,162</u>

	Shares	Value
<b>Airlines – 0.3%</b>		
Alaska Air Group, Inc. (a)	40,007	\$ 2,412,822
American Airlines Group, Inc. (a) (b)	206,132	4,372,060
Delta Air Lines, Inc. (a)	205,574	8,893,131
Southwest Airlines Co. (a)	190,060	10,090,285
United Airlines Holdings, Inc. (a)	103,993	5,437,794
		<u>31,206,092</u>
<b>Building Products – 0.5%</b>		
A.O. Smith Corp.	43,216	3,114,145
Allegion PLC	28,918	4,028,277
Carrier Global Corp. (b)	262,527	12,758,812
Fortune Brands Home & Security, Inc.	44,489	4,431,549
Johnson Controls International PLC	230,342	15,808,371
Masco Corp.	81,563	4,804,876
Trane Technologies PLC	76,859	14,152,816
		<u>59,098,846</u>
<b>Commercial Services &amp; Supplies – 0.4%</b>		
Cintas Corp.	28,361	10,833,902
Copart, Inc. (a)	66,909	8,820,613
Republic Services, Inc.	67,672	7,444,597
Rollins, Inc.	71,173	2,434,117
Waste Management, Inc.	124,813	17,487,549
		<u>47,020,778</u>
<b>Construction &amp; Engineering – 0.0%</b>		
Quanta Services, Inc.	44,784	4,056,087
<b>Electrical Equipment – 0.6%</b>		
AMETEK, Inc.	74,214	9,907,569
Eaton Corp. PLC	128,072	18,977,709
Emerson Electric Co.	192,735	18,548,816
Generac Holdings, Inc. (a)	20,233	8,399,730
Rockwell Automation, Inc.	37,306	10,670,262
		<u>66,504,086</u>
<b>Industrial Conglomerates – 1.2%</b>		
3M Co.	186,300	37,004,769
General Electric Co.	2,821,335	37,975,169
Honeywell International, Inc.	223,221	48,963,526
Roper Technologies, Inc.	33,822	15,903,104
		<u>139,846,568</u>
<b>Machinery – 1.7%</b>		
Caterpillar, Inc.	176,051	38,313,979
Cummins, Inc.	46,988	11,456,144
Deere & Co. (b)	100,254	35,360,588
Dover Corp.	46,256	6,966,154
Fortive Corp.	108,798	7,587,573
IDEX Corp.	24,403	5,369,880
Illinois Tool Works, Inc.	92,384	20,653,367
Ingersoll Rand, Inc. (a)	119,978	5,856,126
Otis Worldwide Corp.	129,645	10,601,072
PACCAR, Inc.	111,571	9,957,712
Parker Hannifin Corp.	41,477	12,738,001
Pentair PLC (b)	53,415	3,604,978
Snap-On, Inc.	17,381	3,883,437
Stanley Black & Decker, Inc.	51,902	10,639,391
Westinghouse Air Brake Co.	57,097	4,699,083
Xylem, Inc.	57,863	6,941,245
		<u>194,628,730</u>

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



## Common Stocks – continued

	Shares	Value
<b>INDUSTRIALS – continued</b>		
<b>Professional Services – 0.4%</b>		
Equifax, Inc.	39,114	\$ 9,368,194
IHS Markit Ltd.	120,396	13,563,813
Jacobs Engineering Group, Inc.	41,849	5,583,494
Leidos Holdings, Inc.	42,723	4,319,295
Nielsen Holdings PLC	115,216	2,842,379
Robert Half International, Inc.	36,246	3,224,807
Verisk Analytics, Inc.	52,094	9,101,864
		<u>48,003,846</u>
<b>Road &amp; Rail – 0.9%</b>		
CSX Corp.	730,254	23,426,548
J.B. Hunt Transport Services, Inc.	26,829	4,371,786
Kansas City Southern	29,225	8,281,488
Norfolk Southern Corp.	80,424	21,345,334
Old Dominion Freight Lines, Inc.	30,561	7,756,382
Union Pacific Corp.	213,498	46,954,615
		<u>112,136,153</u>
<b>Trading Companies &amp; Distributors – 0.2%</b>		
Fastenal Co.	184,585	9,598,420
United Rentals, Inc. (a)	23,261	7,420,492
W.W. Grainger, Inc.	14,068	6,161,784
		<u>23,180,696</u>
TOTAL INDUSTRIALS		<u>997,200,550</u>
<b>INFORMATION TECHNOLOGY – 27.2%</b>		
<b>Communications Equipment – 0.8%</b>		
Arista Networks, Inc. (a)	17,661	6,398,757
Cisco Systems, Inc.	1,354,388	71,782,564
F5 Networks, Inc. (a)	19,159	3,576,219
Juniper Networks, Inc.	105,331	2,880,803
Motorola Solutions, Inc.	54,529	11,824,614
		<u>96,462,957</u>
<b>Electronic Equipment &amp; Components – 0.6%</b>		
Amphenol Corp. Class A	192,066	13,139,235
CDW Corp.	45,060	7,869,729
Corning, Inc.	248,989	10,183,650
IPG Photonics Corp. (a)	11,537	2,431,653
Keysight Technologies, Inc. (a)	59,208	9,142,307
TE Connectivity Ltd.	106,130	14,349,837
Trimble, Inc. (a)	80,657	6,600,162
Zebra Technologies Corp. Class A (a)	17,198	9,106,169
		<u>72,822,742</u>
<b>IT Services – 5.1%</b>		
Accenture PLC Class A	204,288	60,222,060
Akamai Technologies, Inc. (a) (b)	52,383	6,107,858
Automatic Data Processing, Inc.	136,756	27,162,477
Broadridge Financial Solutions, Inc.	37,321	6,028,461
Cognizant Technology Solutions Corp. Class A	169,503	11,739,778
DXC Technology Co. (a)	81,891	3,188,836
Fidelity National Information Services, Inc.	199,300	28,234,831
Fiserv, Inc. (a)	191,415	20,460,349
FleetCor Technologies, Inc. (a)	26,788	6,859,335
Gartner, Inc. (a)	27,664	6,700,221
Global Payments, Inc.	94,878	17,793,420

	Shares	Value
IBM Corp.	287,166	\$ 42,095,664
Jack Henry & Associates, Inc.	23,874	3,903,638
MasterCard, Inc. Class A	281,144	102,642,863
Paychex, Inc.	103,075	11,059,948
PayPal Holdings, Inc. (a)	377,541	110,045,651
The Western Union Co.	131,528	3,021,198
VeriSign, Inc. (a)	31,851	7,252,154
Visa, Inc. Class A	543,723	127,133,312
		<u>601,652,054</u>
<b>Semiconductors &amp; Semiconductor Equipment – 5.7%</b>		
Advanced Micro Devices, Inc. (a) (b)	390,491	36,678,820
Analog Devices, Inc. (b)	118,536	20,407,158
Applied Materials, Inc.	294,924	41,997,178
Broadcom, Inc.	131,223	62,572,375
Enphase Energy, Inc. (a)	43,612	8,008,472
Intel Corp.	1,297,758	72,856,134
KLA Corp.	49,263	15,971,557
Lam Research Corp.	45,836	29,825,485
Maxim Integrated Products, Inc.	86,248	9,087,089
Microchip Technology, Inc.	87,909	13,163,494
Micron Technology, Inc. (a)	360,408	30,627,472
Monolithic Power Systems, Inc.	13,822	5,161,826
NVIDIA Corp.	200,224	160,199,222
NXP Semiconductors NV	88,622	18,231,318
Qorvo, Inc. (a)	36,184	7,079,400
Qualcomm, Inc.	362,524	51,815,555
Skyworks Solutions, Inc.	53,059	10,174,063
Teradyne, Inc.	53,436	7,158,287
Texas Instruments, Inc.	296,808	57,076,178
Xilinx, Inc.	79,010	11,428,006
		<u>669,519,089</u>
<b>Software – 8.8%</b>		
Adobe, Inc. (a)	153,623	89,967,774
ANSYS, Inc. (a)	28,009	9,720,804
Autodesk, Inc. (a)	70,709	20,639,957
Cadence Design Systems, Inc. (a)	89,431	12,235,949
Citrix Systems, Inc. (b)	39,906	4,679,777
Fortinet, Inc. (a)	43,565	10,376,747
Intuit, Inc.	87,822	43,047,710
Microsoft Corp.	2,420,545	655,725,641
NortonLifeLock, Inc.	186,386	5,073,427
Oracle Corp.	583,839	45,446,028
Paycom Software, Inc. (a)	15,788	5,738,464
PTC, Inc. (a)	33,800	4,774,588
Salesforce.com, Inc. (a)	297,604	72,695,729
ServiceNow, Inc. (a)	63,457	34,872,794
Synopsys, Inc. (a)	49,029	13,521,708
Tyler Technologies, Inc. (a)	13,093	5,922,880
		<u>1,034,439,977</u>
<b>Technology Hardware, Storage &amp; Peripherals – 6.2%</b>		
Apple, Inc.	5,041,385	690,468,091
Hewlett Packard Enterprise Co.	419,707	6,119,328
HP, Inc.	386,067	11,655,363
NetApp, Inc.	71,541	5,853,485

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

## Schedule of Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Technology Hardware, Storage &amp; Peripherals – continued</b>		
Seagate Technology Holdings PLC	63,994	\$ 5,626,992
Western Digital Corp. (a)	98,490	7,009,533
		<u>726,732,792</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u>3,201,629,611</u>
<b>MATERIALS – 2.6%</b>		
<b>Chemicals – 1.8%</b>		
Air Products & Chemicals, Inc.	71,127	20,461,815
Albemarle Corp. U.S.	37,513	6,319,440
Celanese Corp. Class A	36,199	5,487,768
CF Industries Holdings, Inc.	68,942	3,547,066
Corteva, Inc.	236,894	10,506,249
Dow, Inc.	240,072	15,191,756
DuPont de Nemours, Inc.	171,023	13,238,890
Eastman Chemical Co.	43,874	5,122,290
Ecolab, Inc.	79,950	16,467,302
FMC Corp.	41,419	4,481,536
International Flavors & Fragrances, Inc.	79,999	11,951,851
Linde PLC	167,188	48,334,051
LyondellBasell Industries NV Class A	82,742	8,511,670
PPG Industries, Inc.	76,198	12,936,134
Sherwin-Williams Co.	76,925	20,958,216
The Mosaic Co.	111,073	3,544,339
		<u>207,060,373</u>
<b>Construction Materials – 0.1%</b>		
Martin Marietta Materials, Inc.	20,045	7,052,031
Vulcan Materials Co.	42,637	7,421,823
		<u>14,473,854</u>
<b>Containers &amp; Packaging – 0.3%</b>		
Arcor PLC	495,511	5,678,556
Avery Dennison Corp.	26,678	5,608,783
Ball Corp.	105,497	8,547,367
International Paper Co.	125,900	7,718,929
Packaging Corp. of America	30,530	4,134,373
Sealed Air Corp.	48,847	2,894,185
WestRock Co.	85,526	4,551,694
		<u>39,133,887</u>
<b>Metals &amp; Mining – 0.4%</b>		
Freeport-McMoRan, Inc.	471,000	17,478,810
Newmont Corp.	257,482	16,319,209
Nucor Corp.	96,172	9,225,780
		<u>43,023,799</u>
<b>TOTAL MATERIALS</b>		<u>303,691,913</u>
<b>REAL ESTATE – 2.6%</b>		
<b>Equity Real Estate Investment Trusts (REITs) – 2.5%</b>		
Alexandria Real Estate Equities, Inc.	44,087	8,021,189
American Tower Corp.	146,133	39,476,369
AvalonBay Communities, Inc.	44,867	9,363,294
Boston Properties, Inc.	45,646	5,230,575
Crown Castle International Corp.	138,900	27,099,390
Digital Realty Trust, Inc.	90,498	13,616,329

	Shares	Value
Duke Realty Corp.	120,515	\$ 5,706,385
Equinix, Inc.	28,790	23,106,854
Equity Residential (SBI)	110,584	8,514,968
Essex Property Trust, Inc.	20,890	6,267,209
Extra Space Storage, Inc.	42,978	7,040,656
Federal Realty Investment Trust (SBI)	22,740	2,664,446
Healthpeak Properties, Inc.	173,206	5,766,028
Host Hotels & Resorts, Inc. (a)	226,926	3,878,165
Iron Mountain, Inc.	92,794	3,927,042
Kimco Realty Corp.	139,308	2,904,572
Mid-America Apartment Communities, Inc.	36,795	6,197,014
Prologis (REIT), Inc.	237,753	28,418,616
Public Storage	48,925	14,711,258
Realty Income Corp.	120,060	8,012,804
Regency Centers Corp.	50,770	3,252,834
SBA Communications Corp. Class A	35,142	11,199,755
Simon Property Group, Inc.	105,585	13,776,731
UDR, Inc.	95,399	4,672,643
Ventas, Inc.	120,565	6,884,262
Vornado Realty Trust	50,458	2,354,875
Welltower, Inc.	134,185	11,150,774
Weyerhaeuser Co.	240,787	8,287,889
		<u>291,502,926</u>
<b>Real Estate Management &amp; Development – 0.1%</b>		
CBRE Group, Inc. (a)	107,876	9,248,209
<b>TOTAL REAL ESTATE</b>		<u>300,751,135</u>
<b>UTILITIES – 2.4%</b>		
<b>Electric Utilities – 1.5%</b>		
Alliant Energy Corp.	80,390	4,482,546
American Electric Power Co., Inc.	160,613	13,586,254
Duke Energy Corp.	247,216	24,405,164
Edison International	121,946	7,050,918
Entergy Corp.	64,489	6,429,553
Energy, Inc.	73,684	4,452,724
Eversource Energy	110,385	8,857,292
Exelon Corp.	314,051	13,915,600
FirstEnergy Corp.	174,802	6,504,382
NextEra Energy, Inc.	630,381	46,194,320
NRG Energy, Inc.	78,661	3,170,038
Pinnacle West Capital Corp.	36,237	2,970,347
PPL Corp.	247,284	6,916,533
Southern Co.	340,229	20,587,257
Xcel Energy, Inc.	172,972	11,395,395
		<u>180,918,323</u>
<b>Gas Utilities – 0.0%</b>		
Atmos Energy Corp.	41,996	4,036,236
<b>Independent Power and Renewable Electricity Producers – 0.1%</b>		
The AES Corp.	214,126	5,582,265
<b>Multi-Utilities – 0.7%</b>		
Ameren Corp.	82,131	6,573,765
CenterPoint Energy, Inc.	186,563	4,574,525
CMS Energy Corp.	93,028	5,496,094
Consolidated Edison, Inc.	110,175	7,901,751
Dominion Energy, Inc.	259,206	19,069,785

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

## Common Stocks – continued

	Shares	Value
<b>UTILITIES – continued</b>		
<b>Multi-Utilities – continued</b>		
DTE Energy Co.	62,261	\$ 8,069,026
NiSource, Inc.	126,053	3,088,299
Public Service Enterprise Group, Inc.	162,330	9,697,594
Sempra Energy	101,259	13,414,792
WEC Energy Group, Inc.	101,376	9,017,395
		<u>86,903,026</u>
<b>Water Utilities – 0.1%</b>		
American Water Works Co., Inc.	58,322	8,989,170
		<u>286,429,020</u>
<b>TOTAL UTILITIES</b>		<u>286,429,020</u>
<b>TOTAL COMMON STOCKS</b>		<b>11,674,271,599</b>
(Cost \$3,680,256,727)		

## Money Market Funds – 1.0%

Fidelity Cash Central Fund 0.06% (c)	88,290,731	88,308,389
Fidelity Securities Lending Cash Central Fund 0.06% (c) (d)	35,743,516	35,747,090

### TOTAL MONEY MARKET FUNDS

(Cost \$124,053,162) **124,055,479**

### TOTAL INVESTMENT IN SECURITIES – 100.2%

(Cost \$3,804,309,889) **11,798,327,078**

### NET OTHER ASSETS (LIABILITIES) – (0.2)%

**(26,007,755)**

### NET ASSETS – 100%

**\$11,772,319,323**

## Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	461	Sept. 2021	\$98,852,230	\$1,400,643	<u>\$ 1,400,643</u>

The notional amount of futures purchased as a percentage of Net Assets is 0.8%

### Legend

- (a) Non-income producing
- (b) Security or a portion of the security is on loan at period end.
- (c) Affiliated fund that is generally 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.

- (d) Investment made with cash collateral received from securities on loan.

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

## Schedule of Investments (Unaudited) – continued

### 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	\$ 20,425
Fidelity Securities Lending Cash Central Fund	54,442
Total	<u>\$ 74,867</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations, if applicable. Amount for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Fund	Value, beginning of period	Purchases	Sales Proceeds	Realized Gain/Loss	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Cash Central Fund 0.06%	\$ 72,153,345	\$ 452,284,785	\$ 436,130,088	\$347	\$ —	\$ 88,308,389	0.1%
Fidelity Securities Lending Cash Central Fund 0.06%	55,728,020	634,075,728	654,056,658	360	(360)	35,747,090	0.1%
Total	<u>\$127,881,365</u>	<u>\$1,086,360,513</u>	<u>\$1,090,186,746</u>	<u>\$707</u>	<u>\$ (360)</u>	<u>\$124,055,479</u>	

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2021, 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 below, please refer to the Investment 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>				
Communication Services	\$ 1,300,620,267	\$ 1,300,620,267	\$ —	\$ —
Consumer Discretionary	1,433,694,540	1,433,694,540	—	—
Consumer Staples	683,816,850	683,816,850	—	—
Energy	333,283,521	333,283,521	—	—
Financials	1,317,200,965	1,317,200,965	—	—
Health Care	1,515,953,227	1,515,953,227	—	—
Industrials	997,200,550	997,200,550	—	—
Information Technology	3,201,629,611	3,201,629,611	—	—
Materials	303,691,913	303,691,913	—	—
Real Estate	300,751,135	300,751,135	—	—
Utilities	286,429,020	286,429,020	—	—
Money Market Funds	124,055,479	124,055,479	—	—
<b>Total Investments in Securities:</b>	<u>\$11,798,327,078</u>	<u>\$11,798,327,078</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 1,400,643	\$ 1,400,643	\$ —	\$ —
Total Assets	\$ 1,400,643	\$ 1,400,643	\$ —	\$ —
<b>Total Derivative Instruments:</b>	<u>\$ 1,400,643</u>	<u>\$ 1,400,643</u>	<u>\$ —</u>	<u>\$ —</u>

### Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of June 30, 2021. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

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

Primary Risk Exposure / Derivative Type	Value	
	Asset	Liability
<b>Equity Risk</b>		
Futures Contracts <sup>(a)</sup>	\$1,400,643	\$0
<b>Total Equity Risk</b>	<u>1,400,643</u>	<u>0</u>
<b>Total Value of Derivatives</b>	<u>\$1,400,643</u>	<u>\$0</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in Total accumulated earnings (loss).

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

# Financial Statements

## Statement of Assets and Liabilities

June 30, 2021  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$35,327,014) — See accompanying schedule:

Unaffiliated issuers (cost \$3,680,256,727)	\$ 11,674,271,599	
Fidelity Central Funds (cost \$124,053,162)	<u>124,055,479</u>	
Total Investment in Securities (cost \$3,804,309,889)		\$ 11,798,327,078
Segregated cash with brokers for derivative instruments		5,016,000
Cash		21
Receivable for fund shares sold		2,538,362
Dividends receivable		6,754,498
Distributions receivable from Fidelity Central Funds		6,440
Receivable for daily variation margin on futures contracts		152,335
Other receivables		<u>20,958</u>
<b>Total assets</b>		<u>11,812,815,692</u>

### Liabilities

Payable for fund shares redeemed	\$ 3,272,588	
Accrued management fee	434,584	
Distribution and service plan fees payable	488,901	
Other affiliated payables	531,159	
Other payables and accrued expenses	42,988	
Collateral on securities loaned	<u>35,726,149</u>	
<b>Total liabilities</b>		<u>40,496,369</u>

**Net Assets** \$ 11,772,319,323

Net Assets consist of:

Paid in capital	\$ 3,680,937,427
Total accumulated earnings (loss)	<u>8,091,381,896</u>

**Net Assets** \$ 11,772,319,323

### Net Asset Value and Maximum Offering Price

#### Initial Class:

**Net Asset Value**, offering price and redemption price per share (\$9,294,833,825 ÷ 21,912,795 shares) \$ 424.17

#### Service Class:

**Net Asset Value**, offering price and redemption price per share (\$157,943,539 ÷ 373,988 shares) \$ 422.32

#### Service Class 2:

**Net Asset Value**, offering price and redemption price per share (\$2,319,541,959 ÷ 5,546,469 shares) \$ 418.20

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

## Statement of Operations

	Six months ended June 30, 2021 (Unaudited)
<b>Investment Income</b>	
Dividends	\$ 78,144,350
Interest	1,802
Income from Fidelity Central Funds (including \$54,442 from security lending)	<u>74,867</u>
<b>Total income</b>	<u>78,221,019</u>
<b>Expenses</b>	
Management fee	\$ 2,444,038
Transfer agent fees	2,987,157
Distribution and service plan fees	2,780,975
Independent trustees' fees and expenses	17,754
Legal	<u>1,713</u>
Total expenses before reductions	8,231,637
Expense reductions	<u>(15)</u>
Total expenses after reductions	<u>8,231,622</u>
<b>Net investment income (loss)</b>	<u>69,989,397</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment securities:	
Unaffiliated issuers	33,525,758
Fidelity Central Funds	707
Futures contracts	<u>14,954,429</u>
Total net realized gain (loss)	48,480,894
Change in net unrealized appreciation (depreciation) on:	
Investment securities:	
Unaffiliated issuers	1,415,599,984
Fidelity Central Funds	(360)
Futures contracts	<u>(385,216)</u>
Total change in net unrealized appreciation (depreciation)	<u>1,415,214,408</u>
<b>Net gain (loss)</b>	<u>1,463,695,302</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ 1,533,684,699</u>

## Statement of Changes in Net Assets

	Six months ended June 30, 2021 (Unaudited)	Year ended December 31, 2020
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 69,989,397	\$ 144,294,391
Net realized gain (loss)	48,480,894	72,709,353
Change in net unrealized appreciation (depreciation)	<u>1,415,214,408</u>	<u>1,242,113,335</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>1,533,684,699</u>	<u>1,459,117,079</u>
Distributions to shareholders	<u>(95,649,366)</u>	<u>(181,638,785)</u>
Share transactions — net increase (decrease)	<u>248,283,726</u>	<u>(466,996,900)</u>
<b>Total increase (decrease) in net assets</b>	<u>1,686,319,059</u>	<u>810,481,394</u>
<b>Net Assets</b>		
Beginning of period	10,086,000,264	9,275,518,870
End of period	<u>\$ 11,772,319,323</u>	<u>\$ 10,086,000,264</u>

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

# Financial Highlights

## VIP Index 500 Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2021	Years ended December 31, 2020	2019	2018	2017	2016
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 371.59	\$ 320.35	\$ 252.46	\$ 271.18	\$ 227.46	\$ 206.43
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	2.66	5.43	5.54	5.09	4.71	4.42
Net realized and unrealized gain (loss)	53.48	52.57	72.46	(17.22)	44.36	20.06
Total from investment operations	56.14	58.00	78.00	(12.13)	49.07	24.48
Distributions from net investment income	(.98)	(5.72)	(5.82)	(5.28) <sup>B</sup>	(4.57)	(3.23)
Distributions from net realized gain	(2.58)	(1.04)	(4.29)	(1.31) <sup>B</sup>	(.78)	(.22)
Total distributions	(3.56)	(6.76)	(10.11)	(6.59)	(5.35)	(3.45)
Net asset value, end of period	\$ 424.17	\$ 371.59	\$ 320.35	\$ 252.46	\$ 271.18	\$ 227.46
<b>Total Return</b> <sup>C,D,E</sup>	15.20%	18.24%	31.35%	(4.49)%	21.71%	11.86%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.10% <sup>H</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>H</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>H</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	1.34% <sup>H</sup>	1.70%	1.90%	1.82%	1.89%	2.07%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 9,294,834	\$ 7,930,738	\$ 7,294,879	\$ 5,719,086	\$ 6,139,813	\$ 5,001,375
Portfolio turnover rate <sup>I</sup>	2% <sup>H</sup>	8%	7%	5%	5%	6%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

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

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

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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



## VIP Index 500 Portfolio Service Class

	Six months ended (Unaudited) June 30,	Years ended December 31,	2019	2018	2017	2016
	2021	2020				
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 370.12	\$ 319.14	\$ 251.57	\$ 270.23	\$ 226.70	\$ 205.82
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	2.45	5.09	5.23	4.79	4.44	4.19
Net realized and unrealized gain (loss)	53.25	52.34	72.18	(17.13)	44.21	19.97
Total from investment operations	55.70	57.43	77.41	(12.34)	48.65	24.16
Distributions from net investment income	(.92)	(5.41)	(5.55)	(5.01) <sup>B</sup>	(4.34)	(3.07)
Distributions from net realized gain	(2.58)	(1.04)	(4.29)	(1.31) <sup>B</sup>	(.78)	(.22)
Total distributions	(3.50)	(6.45)	(9.84)	(6.32)	(5.12)	(3.28) <sup>C</sup>
Net asset value, end of period	\$ 422.32	\$ 370.12	\$ 319.14	\$ 251.57	\$ 270.23	\$ 226.70
<b>Total Return</b> <sup>D,E,F</sup>	15.14%	18.13%	31.22%	(4.59)%	21.59%	11.75%
<b>Ratios to Average Net Assets</b> <sup>G,H</sup>						
Expenses before reductions	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Expenses net of fee waivers, if any	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.24% <sup>I</sup>	1.60%	1.80%	1.72%	1.79%	1.97%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 157,944	\$ 138,695	\$ 117,666	\$ 89,704	\$ 92,965	\$ 77,697
Portfolio turnover rate <sup>J</sup>	2% <sup>I</sup>	8%	7%	5%	5%	6%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

<sup>C</sup> Total distributions per share do not sum due to rounding.

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

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

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights – continued

### VIP Index 500 Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2021	Years ended December 31, 2020	2019	2018	2017	2016
<b>Selected Per–Share Data</b>						
Net asset value, beginning of period	\$ 366.73	\$ 316.37	\$ 249.51	\$ 267.78	\$ 224.72	\$ 204.25
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	2.13	4.61	4.77	4.34	4.04	3.88
Net realized and unrealized gain (loss)	52.76	51.78	71.54	(16.96)	43.79	19.76
Total from investment operations	54.89	56.39	76.31	(12.62)	47.83	23.64
Distributions from net investment income	(.84)	(4.99)	(5.16)	(4.34) <sup>B</sup>	(3.99)	(2.95)
Distributions from net realized gain	(2.58)	(1.04)	(4.29)	(1.31) <sup>B</sup>	(.78)	(.22)
Total distributions	(3.42)	(6.03)	(9.45)	(5.65)	(4.77)	(3.17)
Net asset value, end of period	\$ 418.20	\$ 366.73	\$ 316.37	\$ 249.51	\$ 267.78	\$ 224.72
<b>Total Return</b> <sup>C,D,E</sup>	15.06%	17.95%	31.02%	(4.73)%	21.41%	11.58%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.35% <sup>H</sup>	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.35% <sup>H</sup>	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35% <sup>H</sup>	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.09% <sup>H</sup>	1.45%	1.65%	1.57%	1.64%	1.82%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 2,319,542	\$ 2,016,568	\$ 1,862,974	\$ 1,016,922	\$ 1,502,688	\$ 1,215,228
Portfolio turnover rate <sup>I</sup>	2% <sup>H</sup>	8%	7%	5%	5%	6%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

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

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

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2021

## 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.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

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

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>(a)</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005% to .01 %

(a) Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services – Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has delegated the day to day responsibility for the valuation of the Fund's investments to the Fair Value Committee (the Committee) established by the Fund's investment adviser. In accordance with valuation policies and procedures approved by the Board, the Fund attempts to obtain prices from one or more third party pricing vendors or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with procedures adopted by the Board. Factors used in determining fair value vary by investment type and may include market or investment specific events. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee oversees the Fund's valuation policies and procedures and reports to the Board on the Committee's activities and fair value determinations. The Board monitors the appropriateness of the procedures used in valuing the Fund's investments and ratifies the fair value determinations of the Committee.

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)

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 a third party pricing vendor 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 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 may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

## Notes to Financial Statements (Unaudited) – continued

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, 2021 is included at the end of the Fund's Schedule of Investments.

**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 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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. Expenses included in the accompanying financial statements reflect the expenses of that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds. Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund. 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) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

VIP Index 500 Portfolio

\$20,958

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to futures contracts, market discount, certain deemed dividends, deferred trustees compensation and losses deferred due to wash sales.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

Gross unrealized appreciation	\$8,086,996,945
Gross unrealized depreciation	(113,053,211)
Net unrealized appreciation (depreciation)	<u>\$7,973,943,734</u>
Tax cost	<u>\$3,825,783,987</u>

#### 4. Derivative Instruments.

**Risk Exposures and the Use of Derivative Instruments.** The Fund's investment objective allows the Fund to enter into various types of derivative contracts, including futures contracts.

Derivatives are investments whose value is primarily derived from underlying assets, indices or reference rates and may be transacted on an exchange or over-the-counter (OTC). Derivatives may involve a future commitment to buy or sell a specified asset based on specified terms, to exchange future cash flows at periodic intervals based on a notional principal amount, or for one party to make one or more payments upon the occurrence of specified events in exchange for periodic payments from the other party.

The Fund used 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 increased or decreased 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 close out 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. Counterparty credit risk related to exchange-traded futures contracts may be mitigated by the protection provided by the exchange on which they trade.

Investing in derivatives may involve greater risks than investing in the underlying assets directly and, to varying degrees, may involve risk of loss in excess of any initial investment and collateral received and amounts recognized in the Statement of Assets and Liabilities. In addition, there may be the risk that the change in value of the derivative contract does not correspond to the change in value of the underlying instrument.

**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 used futures contracts to manage its exposure to the stock market.

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 daily 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). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Statement of Assets and Liabilities. Realized gain or (loss) is recorded upon the expiration or closing of a futures contract. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on futures contracts during the period is presented in the Statement of Operations.

Any open futures contracts at period end are presented in the Schedule of Investments under the caption "Futures Contracts". The notional amount at value reflects each contract's exposure to the underlying instrument or index at period end and is representative of volume of activity during the period. Cash deposited to meet initial margin requirements is presented as segregated cash with brokers for derivative instruments in the Statement of Assets and Liabilities.

## 5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	Purchases (\$)	Sales (\$)
VIP Index 500 Portfolio	341,341,511	112,679,555

## 6. Fees and Other Transactions with Affiliates.

**Management Fee and Expense Contract.** Fidelity Management & Research Company LLC (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is based on an annual rate of .045% of the Fund's average net assets. Under the management contract, the investment adviser pays all other fund-level expenses, except the compensation of the independent Trustees and certain other expenses such as interest expense. In addition, under an expense contract, the investment adviser pays class-level expenses as necessary so that total expenses do not exceed an annual rate of .10% of each class' average net assets, excluding the distribution and service fee for each applicable class, with certain exceptions.

**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 the investment adviser for providing these services.

**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 Company LLC (FDC), an affiliate of the investment adviser, 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, 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	\$ 73,979
Service Class 2	2,706,996
	<u>\$2,780,975</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the transfer, dividend disbursing, and shareholder servicing agent for each class. FIIOC receives asset-based fees based on each class's average net assets for transfer agent services, typesetting, and printing and mailing of shareholder reports, excluding mailing of proxy statements, equal to an annual rate of .06% of average net assets. Under the expense contract, each class pays a portion of the transfer agent fees equal to an annual rate of .055% of class-level average net assets. For the period, transfer agent fees for each class were as follows:

## Notes to Financial Statements (Unaudited) – continued

Initial Class	\$2,350,929
Service Class	40,689
Service Class 2	595,539
	<u>\$2,987,157</u>

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note.

### 7. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 commitment fees on the pro-rata portion of the line of credit are borne by the investment adviser. During the period, there were no borrowings on this line of credit.

### 8. Security Lending.

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund’s daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a 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 a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any 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. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP Index 500 Portfolio	\$5,817	\$3	\$—

### 9. Expense Reductions.

Through arrangements with the Fund’s custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund’s expenses. During the period, custodian credits reduced the Fund’s expenses by \$15.

### 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2021	Year ended December 31, 2020
VIP Index 500 Portfolio		
Distributions to shareholders		
Initial Class	\$75,562,729	\$145,636,522
Service Class	1,310,270	2,382,180
Service Class 2	18,776,367	33,620,083
Total	<u>\$95,649,366</u>	<u>\$181,638,785</u>

### 11. Share Transactions.

Transactions for each class of shares were as follows and may contain in-kind transactions:

	Shares Six months ended June 30, 2021	Shares Year ended December 31, 2020	Dollars Six months ended June 30, 2021	Dollars Year ended December 31, 2020
<b>VIP Index 500 Portfolio</b>				
<b>Initial Class</b>				
Shares sold	1,546,146	3,059,684	\$ 614,897,329	\$ 932,410,160
Reinvestment of distributions	195,571	415,674	75,562,728	145,636,521
Shares redeemed	(1,171,399)	(4,904,628)	(460,221,370)	(1,523,166,500)
Net increase (decrease)	<u>570,318</u>	<u>(1,429,270)</u>	<u>\$ 230,238,687</u>	<u>\$ (445,119,819)</u>
<b>Service Class</b>				
Shares sold	12,313	34,884	\$ 4,832,917	\$ 10,894,556
Reinvestment of distributions	3,405	6,820	1,310,270	2,382,180
Shares redeemed	(16,461)	(35,666)	(6,442,098)	(11,130,854)
Net increase (decrease)	<u>(743)</u>	<u>6,038</u>	<u>\$ (298,911)</u>	<u>\$ 2,145,882</u>
<b>Service Class 2</b>				
Shares sold	251,326	1,893,648	\$ 97,593,812	\$ 579,777,299
Reinvestment of distributions	49,246	97,397	18,776,367	33,620,083
Shares redeemed	(252,848)	(2,380,870)	(98,026,229)	(637,420,345)
Net increase (decrease)	<u>47,724</u>	<u>(389,825)</u>	<u>\$ 18,343,950</u>	<u>\$ (24,022,963)</u>

## 12. Other.

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, the investment adviser or its affiliates were owners of record of more than 10% were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %
VIP: Index 500 Portfolio	40%

## 13. Coronavirus (COVID-19) Pandemic.

An outbreak of COVID-19 first detected in China during December 2019 has since spread globally and was declared a pandemic by the World Health Organization during March 2020. Developments that disrupt global economies and financial markets, such as the COVID-19 pandemic, may magnify factors that affect the Fund's performance.

# Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include 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 a 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, 2021 to June 30, 2021).

## Actual Expenses

The first line of the accompanying table 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/Fund under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. If any fund is a shareholder of any underlying mutual funds or exchange-traded funds (ETFs) (the Underlying Funds), such fund indirectly bears its proportional share of the expenses of the Underlying Funds in addition to the direct expenses incurred presented in the table. These fees and expenses are not included in the annualized expense ratio used to calculate the expense estimate in the table below. 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.

## Hypothetical Example for Comparison Purposes

The second line of the accompanying table provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the 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. If any fund is a shareholder of any Underlying Funds, such fund indirectly bears its proportional share of the expenses of the Underlying Funds in addition to the direct expenses as presented in the table. These fees and expenses are not included in the annualized expense ratio used to calculate the expense estimate in the table below. 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.

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- <sup>A</sup>	Beginning Account Value January 1, 2021	Ending Account Value June 30, 2021	Expenses Paid During Period- <sup>B</sup> January 1, 2021 to June 30, 2021
<b>VIP Index 500 Portfolio</b>				
Initial Class	.10%			
Actual		\$1,000.00	\$1,152.00	\$ .53
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.30	\$ .50
Service Class	.20%			
Actual		\$1,000.00	\$1,151.40	\$1.07
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.80	\$1.00
Service Class 2	.35%			
Actual		\$1,000.00	\$1,150.60	\$1.87
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.06	\$1.76

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The fees and expenses of any Underlying Funds are not included in each annualized expense ratio.

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



# Board Approval of Investment Advisory Contracts and Management Fees

## VIP Index 500 Portfolio

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract with Fidelity Management & Research Company LLC (FMR) and the sub-advisory agreement (Sub-Advisory Agreement) for the fund with Geode Capital Management, LLC (Geode) (together, the Advisory Contracts). FMR and Geode are referred to herein as the Investment Advisers. The Board, assisted by the advice of fund counsel and Independent Trustees' counsel, requests and considers a broad range of information relevant to the renewal of the Advisory Contracts throughout the year.

The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the fund's Advisory Contracts, including the services and support provided to the fund and its shareholders. The Board has established various standing committees (Committees), each composed of and chaired by Independent Trustees with varying backgrounds, to which the Board has assigned specific subject matter responsibilities in order to enhance effective decision-making by the Board. The Board, acting directly and through its Committees, requests and receives information concerning the annual consideration of the renewal of the fund's Advisory Contracts. The Board also meets as needed to review matters specifically related to the Board's annual consideration of the renewal of the Advisory Contracts. Members of the Board may also meet with trustees of other Fidelity funds through joint ad hoc committees to discuss certain matters relevant to all of the Fidelity funds.

**Approval of Stub Period Continuation.** At its January 2021 meeting, the Board of Trustees voted to continue the fund's management contract with FMR, and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts), without modification, for four months from February 1, 2021 through May 31, 2021, in connection with changes to the Board's meeting calendar. The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board also considered the findings of certain ad hoc committees that had been previously formed to discuss matters relevant to all of the Fidelity funds, including economies of scale, fall-out benefits and retail vs. institutional funds. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through May 31, 2021, with the understanding that the Board will consider the annual renewal for a full one year period in May 2021.

At its May 2021 meeting, the Board unanimously determined to renew the fund's Advisory Contracts. In reaching its determination, the Board considered all factors it believed relevant, including (i) the nature, extent, and quality of the services provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness of the fund's management fee and total expense ratio relative to peer funds; (iii) the total costs of the services provided by and the profits realized by Fidelity and Geode from their respective relationships with the fund; and (iv) the extent to which, if any, economies of scale exist and are realized as the fund grows, and whether any economies of scale are appropriately shared with fund shareholders.

In considering whether to renew the Advisory Contracts for the fund, the Board reached a determination, with the assistance of fund counsel and Independent Trustees' counsel and through the exercise of its business judgment, that the renewal of the Advisory Contracts was in the best interests of the fund and its shareholders and that the compensation payable under the Advisory Contracts was fair and reasonable. The Board's decision to renew the Advisory Contracts was not based on any single factor, but rather was based on a comprehensive consideration of all the information provided to the Board at its meetings throughout the year. The Board, in reaching its determination to renew the Advisory Contracts, was aware that shareholders of the fund have a broad range of investment choices available to them, including a wide choice among funds offered by Fidelity's competitors, and that the fund's shareholders, who have the opportunity to review and weigh the disclosure provided by the fund in its prospectus and other public disclosures, have chosen to invest in this fund, which is part of the Fidelity family of funds.

**Nature, Extent, and Quality of Services Provided.** The Board considered staffing as it relates to the fund, including the backgrounds of investment personnel of Fidelity and Geode, and also considered the fund's investment objective, strategies, and related investment philosophy. The Independent Trustees also had discussions with senior management of Fidelity's investment operations and investment groups and with senior management of Geode. The Board considered the structure of the investment personnel compensation programs and whether the structures provide appropriate incentives to act in the best interests of the fund. Additionally, the Board considered the portfolio managers' investments, if any, in the funds that they manage.

The Trustees also discussed with representatives of Fidelity, at meetings throughout the year, Fidelity's role in, among other things, overseeing compliance with federal securities laws and other applicable requirements by Geode with respect to the fund and monitoring and overseeing the performance and investment capabilities of Geode. The Trustees considered that the Board had received from Fidelity periodic reports about its oversight and due diligence processes, as well as periodic reports regarding the performance of Geode.

The Board also considered the nature, extent and quality of services provided by Geode. The Trustees noted that under the Sub-Advisory Agreement, subject to oversight by Fidelity, Geode is responsible for, among other things, identifying investments and arranging for execution of portfolio transactions to implement the fund's investment strategy. In addition, the Trustees noted that Geode is responsible for providing such reporting as may be requested by Fidelity to fulfill its oversight responsibilities discussed above.

**Resources Dedicated to Investment Management and Support Services.** The Board and the Fund Oversight and Research Committees reviewed the general qualifications and capabilities of Fidelity's and Geode's investment staffs, including their size, education, experience, and resources, as well as Fidelity's and Geode's approach to recruiting, training, managing, and compensating investment personnel. The Board considered that Fidelity's and Geode's investment professionals have extensive resources, tools and capabilities so as to provide competitive investment results over time, and that those professionals also have access to sophisticated tools that permit them to assess portfolio construction and risk and performance attribution characteristics continuously. Additionally, in its deliberations, the Board considered Fidelity's and Geode's trading, risk management, compliance, and technology and operations capabilities and resources, which are integral parts of the investment management process. The Board also considered Fidelity's and Geode's investments in business continuity planning, and their success in continuously providing services to the fund notwithstanding the severe disruptions caused by the COVID-19 pandemic.

**Shareholder and Administrative Services.** The Board considered (i) the nature, extent, quality, and cost of advisory, administrative, and shareholder services performed by the Investment Advisers and their affiliates under the Advisory Contracts and by FMR's affiliates under separate agreements covering transfer agency, pricing and bookkeeping, and securities lending services for the fund;

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

(ii) the nature and extent of the supervision of third party service providers, principally custodians, subcustodians, and pricing vendors; and (iii) the resources devoted to, and the record of compliance with, the fund's compliance policies and procedures. The Board also reviewed the allocation of fund brokerage, including allocations to brokers affiliated with the Investment Advisers.

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

The Board noted that, in the past, it and the boards of certain other Fidelity funds had formed an ad hoc Committee on Transfer Agency Fees to review the variety of transfer agency fee structures throughout the industry and Fidelity's competitive positioning with respect to industry participants.

**Investment in a Large Fund Family.** The Board considered the benefits to shareholders of investing in a Fidelity fund, including the benefits of investing in a fund that is part of a large family of funds offering a variety of investment disciplines and providing a large variety of mutual fund investor services. The Board noted that Fidelity had taken, or had made recommendations that resulted in the Fidelity funds taking, a number of actions over the previous year that benefited particular funds, including: (i) continuing to dedicate additional resources to Fidelity's investment research process, which includes meetings with management of issuers of securities in which the funds invest, and to the support of the senior management team that oversees asset management; (ii) continuing efforts to enhance Fidelity's global research capabilities; (iii) launching new funds and ETFs with innovative structures, strategies and pricing and making other enhancements to meet client needs; (iv) launching new share classes of existing funds; (v) eliminating purchase minimums and broadening eligibility requirements for certain funds and share classes; (vi) approving the reduction in the holding period for the Class C to Class A conversion policy; (vii) reducing management fees and total expenses for certain target date funds and classes and index funds; (viii) lowering expenses for certain existing funds and classes by implementing or lowering expense caps; (ix) rationalizing product lines and gaining increased efficiencies from fund mergers, liquidations, and share class consolidations; (x) continuing to develop, acquire and implement systems and technology to improve services to the funds and shareholders, strengthen information security, and increase efficiency; and (xi) continuing to implement enhancements to further strengthen Fidelity's product line to increase investors' probability of success in achieving their investment goals, including retirement income goals.

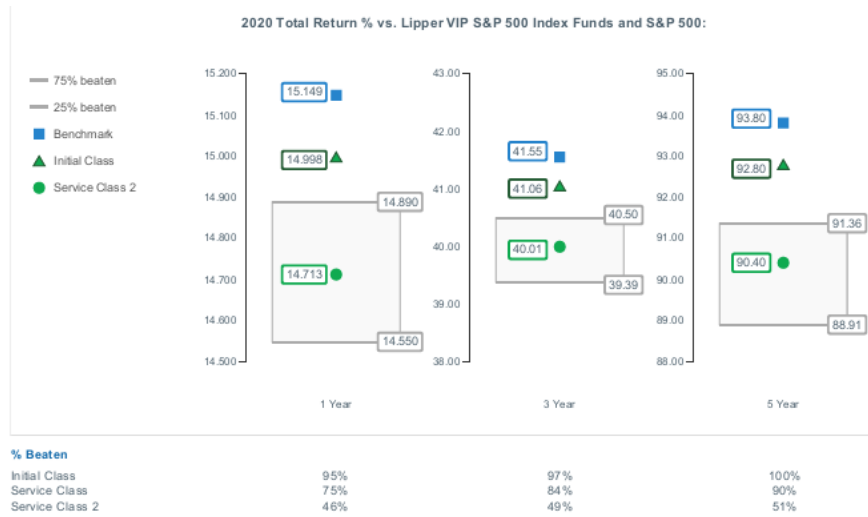
**Investment Performance.** The Board considered whether the fund has operated in accordance with its investment objective, as well as its record of compliance with its investment restrictions and its performance history.

The Board took into account discussions that occur at Board meetings throughout the year with representatives of the Investment Advisers about fund investment performance. In this regard the Board noted that as part of regularly scheduled fund reviews and other reports to the Board on fund performance, the Board considers annualized return information for the fund for different time periods, measured against the securities market index the fund seeks to track and an appropriate peer group of funds with similar objectives (peer group). The Board also periodically considers the fund's tracking error versus its benchmark index. In its evaluation of fund investment performance, the Board gave particular attention to information indicating changes in performance of certain Fidelity funds for specific time periods and discussed with the Investment Advisers the reasons for any overperformance or underperformance.

In addition to reviewing absolute and relative fund performance, the Independent Trustees periodically consider the appropriateness of fund performance metrics in evaluating the results achieved. In general, the Independent Trustees believe that an index fund's performance should be evaluated based on net performance (after fees and expenses) of both the highest performing and lowest performing fund share classes, where applicable, compared to a fund's benchmark index, over appropriate time periods taking into account relevant factors including the following: general market conditions; the characteristics of the fund's benchmark index; the extent to which statistical sampling is employed; any securities lending revenues; and fund cash flows and other factors.

The Independent Trustees recognize that shareholders evaluate performance on a net basis over their own holding periods, for which one-, three-, and five-year periods are often used as a proxy. For this reason, the performance information reviewed by the Board also included net cumulative total return information for the fund and an appropriate benchmark index and peer group for the most recent one-, three-, and five-year periods ended September 30, 2020, as shown below. Returns are shown compared to the 25th percentile (top of box, 75% beaten) and 75th percentile (bottom of box, 25% beaten) of the peer universe.

## VIP Index 500 Portfolio



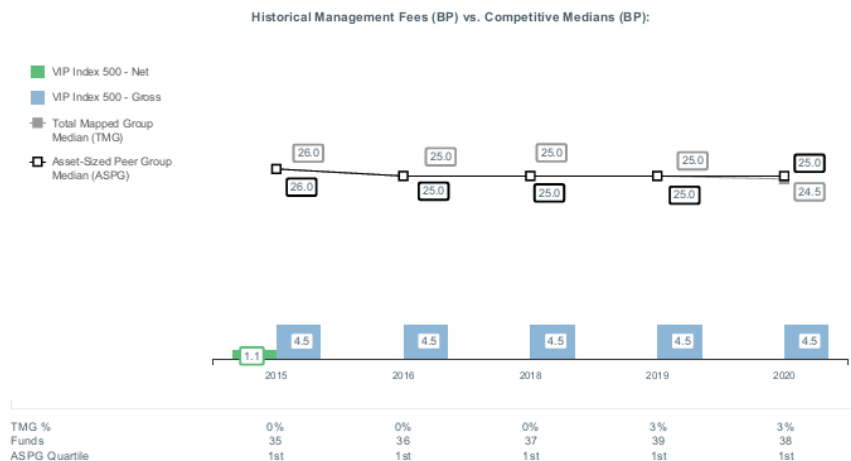
Based on its review, the Board concluded that the nature, extent, and quality of services provided to the fund under the Advisory Contracts should continue to benefit the shareholders of the fund.

**Competitiveness of Management Fee and Total Expense Ratio.** The Board considered the fund's management fee and total expense ratio compared to "mapped groups" of competitive funds and classes created for the purpose of facilitating the Trustees' competitive analysis of management fees and total expenses. Fidelity creates "mapped groups" by combining similar Lipper investment objective categories that have comparable investment mandates. Combining Lipper investment objective categories aids the Board's management fee and total expense ratio comparisons by broadening the competitive group used for comparison.

**Management Fee.** The Board considered two proprietary management fee comparisons for the 12-month periods ended September 30 (June 30 for periods ended 2019 and 2018 and December 31 for periods prior to 2018) shown in basis points (BP) in the chart below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the "Total Mapped Group." The Total Mapped Group is broader than the Lipper peer group used by the Board for performance comparisons because the Total Mapped Group combines several Lipper investment objective categories while the Lipper peer group does not. The Total Mapped Group comparison focuses on a fund's standing in terms of gross management fees before expense reimbursements or caps relative to the total universe of funds with comparable investment mandates, regardless of whether their management fee structures also are comparable. Funds with comparable investment mandates offer exposure to similar types of securities. Funds with comparable management fee structures have similar management fee contractual arrangements (*e.g.*, flat rate charged for advisory services, all-inclusive fee rate, *etc.*). "TMG %" represents the percentage of funds in the Total Mapped Group that had management fees that were lower than the fund's. For example, a hypothetical TMG % of 20% would mean that 80% of the funds in the Total Mapped Group had higher, and 20% had lower, management fees than the fund. The fund's actual TMG %s and the number of funds in the Total Mapped Group are in the chart below. The "Asset-Sized Peer Group" (ASPG) comparison focuses on a fund's standing relative to a subset of non-Fidelity funds within the Total Mapped Group that are similar in size and management fee structure. For example, if a fund is in the first quartile of the ASPG, the fund's management fee ranks in the least expensive or lowest 25% of funds in the ASPG. The ASPG represents at least 15% of the funds in the Total Mapped Group with comparable asset size and management fee structures, subject to a minimum of 50 funds (or all funds in the Total Mapped Group if fewer than 50). Additional information, such as the ASPG quartile in which the fund's management fee rate ranked, is also included in the chart and was considered by the Board. Because the vast majority of competitor funds' management fees do not cover expenses beyond portfolio management, in prior years, the fund was compared on the basis of a hypothetical "net management fee," which was derived by subtracting payments made by FMR for "fund-level" non-advisory expenses (including pricing and bookkeeping fees and fees paid to non-affiliated custodians), as well as "class-level" expenses paid by FMR under expense limitation agreements in effect for the fund, from the fund's management fee. Given the fund's competitive management fee rate, Fidelity no longer calculates a hypothetical net management fee for the fund and, as a result, the chart does not include hypothetical net management fees for periods after 2016.

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

### VIP Index 500 Portfolio



The Board noted that the fund’s management fee rate ranked below the median of its Total Mapped Group and below the median of its ASPG for the 12-month period ended September 30, 2019. The Board noted that, in the past, it and the boards of other Fidelity funds had formed an ad hoc Committee on Group Fee to conduct an in-depth review of the “group fee” component of the management fee of funds with such management fee structures. The Committee’s focus included the mechanics of the group fee, the competitive landscape of group fee structures, Fidelity funds with no group fee component (such as the fund) and investment products not included in group fee assets. The Board also considered that, for funds subject to the group fee, FMR agreed to voluntarily waive fees over a specified period of time in amounts designed to account for assets converted from certain funds to certain collective investment trusts.

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

**Total Expense Ratio.** In its review of each class’s total expense ratio, the Board considered the fund’s management fee rate as well as other “fund-level” expenses, such as pricing and bookkeeping fees and custodial, legal, and audit fees, paid by FMR under the fund’s management contract. The Board also considered other “class-level” expenses, such as transfer agent fees and fund-paid 12b-1 fees. The Board also noted that Fidelity may agree to waive fees or reimburse expenses from time to time, and the extent to which, if any, it has done so for the fund. As part of its review, the Board also considered the current and historical total expense ratios of each class of the fund compared to competitive fund median expenses. The fund’s representative class is compared to those funds and classes in the Total Mapped Group (used by the Board for management fee comparisons) that have a similar sales load structure (SLTG). The Board also considered a total expense ASPG comparison for the representative class, which focuses on the total expenses of the representative class relative to a subset of non-Fidelity funds within the total expense SLTG. The total expense ASPG is limited to 15 larger and 15 smaller classes in fund average assets for a total of 30 classes, where possible. The total expense ASPG comparison excludes performance adjustments and fund-paid 12b-1 fees to eliminate variability in fee structures.

The Board noted that the total expense ratio of the Initial Class ranked below the SLTG competitive median and below the ASPG competitive median for the 12-month period ended September 30, 2020.

The Board considered that current contractual arrangements for the fund oblige FMR to pay all “class-level” expenses of each class of the fund to the extent necessary to limit total operating expenses, with certain exceptions, as follows: Initial Class: 0.10%; Service Class: 0.20%; and Service Class 2: 0.35%. These contractual arrangements may not be amended to increase the fees or expenses payable except by a vote of a majority of the Board and by a vote of a majority of the outstanding voting securities of the applicable class.

**Fees Charged to Other Clients.** The Board also considered fee structures applicable to clients of Fidelity and Geode, such as other funds advised or subadvised by Fidelity or Geode, pension plan clients, and other institutional clients with similar mandates. The Board noted that a joint ad hoc committee created by it and the boards of other Fidelity funds periodically reviews and compares Fidelity’s institutional investment advisory business with its business of providing services to the Fidelity funds and also noted the most recent findings of the committee. The Board noted that the committee’s review included a consideration of the differences in services provided, fees charged, and costs incurred, as well as competition in the markets serving the different categories of clients.

Based on its review of total expense ratios and fees charged to other Fidelity clients, the Board concluded that the total expense ratio of each class of the fund was reasonable in light of the services that the fund and its shareholders receive and the other factors considered.

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

On an annual basis, Fidelity presents to the Board information about the profitability of its relationships with the fund. Fidelity calculates profitability information for each fund, as well as aggregate profitability information for groups of Fidelity funds and all Fidelity funds, using a series of detailed revenue and cost allocation methodologies which originate with the books and records of Fidelity on which Fidelity’s audited financial statements are based. The Audit Committee of the Board reviews any significant changes from the prior year’s methodologies and the full Board approves such changes.

A public accounting firm has been engaged annually by the Board as part of the Board’s assessment of Fidelity’s profitability analysis. The engagement includes the review and assessment of the methodologies used by Fidelity in determining the revenues and expenses attributable to Fidelity’s mutual fund business, and completion of agreed-upon procedures in respect of the mathematical

accuracy of certain fund profitability information and its conformity to established allocation methodologies. After considering the reports issued under the engagement and information provided by Fidelity, the Board concluded that while other allocation methods may also be reasonable, Fidelity's profitability methodologies are reasonable in all material respects.

The Board also reviewed Fidelity's and Geode's non-fund businesses and potential indirect benefits such businesses may have received as a result of their association with Fidelity's mutual fund business (i.e., fall-out benefits) as well as cases where Fidelity's and Geode's affiliates may benefit from the funds' business. The Board considered areas where potential indirect benefits to the Fidelity funds from their relationships with Fidelity and Geode may exist. The Board also considered that in 2019 a joint ad hoc committee created by it and the boards of other Fidelity funds evaluated potential fall-out benefits (PFOB Committee). The Board noted that it considered the PFOB Committee's findings in connection with its consideration of the renewal of the Advisory Contracts.

The Board considered the costs of the services provided by and the profits realized by Fidelity in connection with the operation of the fund, including the conclusions of the PFOB Committee, and was satisfied that the profitability was not excessive.

The Board also considered information regarding the profitability of Geode's relationship with the fund.

**Economies of Scale.** The Board considered whether there have been economies of scale in respect of the management of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is potential for realization of any further economies of scale. The Board considered the extent to which the fund will benefit from economies of scale as assets grow through increased services to the fund, through waivers or reimbursements, or through fee or expense ratio reductions. The Board recognized that, due to the fund's current contractual arrangements, the expense ratio of each class will not decline if the class's operating costs decrease as assets grow, or rise as assets decrease. The Board also noted that a committee (the Economies of Scale Committee) created by it and the boards of other Fidelity funds periodically analyzes whether Fidelity attains economies of scale in respect of the management and servicing of the Fidelity funds, whether the Fidelity funds have appropriately benefited from such economies of scale, and whether there is potential for realization of any further economies of scale.

The Board concluded, taking into account the analysis of the Economies of Scale Committee, that economies of scale, if any, are being appropriately shared between fund shareholders and Fidelity.

**Additional Information Requested by the Board.** In order to develop fully the factual basis for consideration of the Fidelity funds' advisory contracts, the Board requested and received additional information on certain topics, including: (i) fund flow and performance trends, in particular the underperformance of certain funds and strategies, and Fidelity's long-term strategies for certain funds; (ii) consideration of expanding the use of performance fees for additional funds; (iii) Fidelity's pricing philosophy compared to competitors; (iv) metrics for evaluating index fund and ETF performance and information about ETF trading characteristics; (v) the methodology with respect to evaluating competitive fund data and peer group classifications and fee and expense comparisons; (vi) the expense structures for different funds and classes and information about the differences between various expense structures; (vii) group fee breakpoints; (viii) information regarding other accounts managed by Fidelity and sub-advisory arrangements; and (ix) Fidelity's philosophies and strategies for evaluating funds and classes with lower or declining asset levels.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board concluded that the advisory and sub-advisory fee arrangements are fair and reasonable, and that the fund's Advisory Contracts should be renewed.

# Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program pursuant to the Liquidity Rule (the Program) effective December 1, 2018. The Program is reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) in the case of exchange-traded funds, certain additional factors including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four liquidity categories described below based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLIM). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLIM requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of implementation of the Program for the annual period from December 1, 2019 through November 30, 2020. The report concluded that the Program has been implemented and is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.



