

Fidelity® Variable Insurance Products: Contrafund Portfolio



Semiannual Report
June 30, 2009



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

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

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

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Neither the fund nor Fidelity Distributors Corporation is a bank.

Shareholder Expense Example

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

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2009 to June 30, 2009).

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Annualized Expense Ratio	Beginning Account Value January 1, 2009	Ending Account Value June 30, 2009	Expenses Paid During Period* January 1, 2009 to June 30, 2009
Initial Class	.68%			
Actual		\$ 1,000.00	\$ 1,086.90	\$ 3.52
Hypothetical ^A		\$ 1,000.00	\$ 1,021.42	\$ 3.41
Service Class	.78%			
Actual		\$ 1,000.00	\$ 1,086.60	\$ 4.04
Hypothetical ^A		\$ 1,000.00	\$ 1,020.93	\$ 3.91
Service Class 2	.93%			
Actual		\$ 1,000.00	\$ 1,086.40	\$ 4.81
Hypothetical ^A		\$ 1,000.00	\$ 1,020.18	\$ 4.66
Service Class 2R	.93%			
Actual		\$ 1,000.00	\$ 1,085.90	\$ 4.81
Hypothetical ^A		\$ 1,000.00	\$ 1,020.18	\$ 4.66
Investor Class	.79%			
Actual		\$ 1,000.00	\$ 1,086.50	\$ 4.09
Hypothetical ^A		\$ 1,000.00	\$ 1,020.88	\$ 3.96

^A 5% return per year before expenses

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

Investment Changes (Unaudited)

Top Ten Stocks as of June 30, 2009

	% of fund's net assets	% of fund's net assets 6 months ago
Microsoft Corp.	2.7	2.5
Royal Dutch Shell PLC Class B ADR	2.2	0.0
JPMorgan Chase & Co.	2.0	2.5
Verizon Communications, Inc.	1.7	1.5
ASML Holding NV (NY Shares)	1.6	1.3
Wells Fargo & Co.	1.6	2.0
Procter & Gamble Co.	1.5	2.2
Pfizer, Inc.	1.4	1.3
Intel Corp.	1.4	0.0
Chevron Corp.	1.3	1.0
	<u>17.4</u>	

Market Sectors as of June 30, 2009

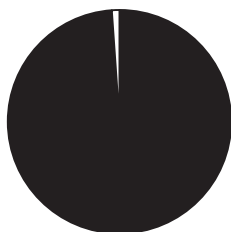
	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	17.3	14.7
Health Care	13.2	14.4
Financials	12.8	12.5
Consumer Staples	11.4	13.2
Energy	10.9	12.4
Industrials	9.7	11.7
Consumer Discretionary	8.5	7.3
Utilities	4.0	4.4
Telecommunication Services	3.0	4.1
Materials	2.9	2.8

Asset Allocation (% of fund's net assets)

As of June 30, 2009*

- Stocks and Equity Futures 98.9%
- Short-Term Investments and Net Other Assets 1.1%

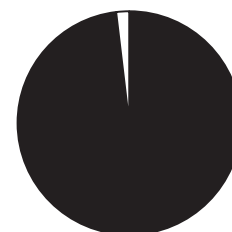
* Foreign investments 16.4%



As of December 31, 2008**

- Stocks and Equity Futures 98.1%
- Short-Term Investments and Net Other Assets 1.9%

** Foreign investments 13.2%



Investments June 30, 2009 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 93.1%

	Shares	Value
CONSUMER DISCRETIONARY – 8.5%		
Auto Components – 0.5%		
BorgWarner, Inc.	425,400	\$ 14,527,410
Gentex Corp.	1,265,992	14,685,507
Johnson Controls, Inc.	1,866,300	40,536,036
TRW Automotive Holdings Corp. (a) ..	221,100	2,498,430
		<u>72,247,383</u>
Automobiles – 0.1%		
Toyota Motor Corp. sponsored ADR ..	131,800	9,954,854
Distributors – 0.3%		
Li & Fung Ltd.	15,492,000	41,579,066
Diversified Consumer Services – 0.2%		
Educomp Solutions Ltd.	73,207	5,812,099
Regis Corp.	673,467	11,725,060
Sotheby's Class A (ltd. vtg.)	544,238	7,679,198
		<u>25,216,357</u>
Hotels, Restaurants & Leisure – 1.1%		
Burger King Holdings, Inc.	687,600	11,874,852
McDonald's Corp.	1,949,784	112,093,082
Royal Caribbean Cruises Ltd.	907,900	12,292,966
Starwood Hotels & Resorts Worldwide, Inc.	940,900	20,887,980
Wendy's/Arby's Group, Inc.	1,199,200	4,796,800
		<u>161,945,680</u>
Household Durables – 0.5%		
Centex Corp.	183,794	1,554,897
D.R. Horton, Inc.	1,307,200	12,235,392
Mohawk Industries, Inc. (a)	646,531	23,068,226
Newell Rubbermaid, Inc.	1,357,800	14,134,698
Pulte Homes, Inc.	516,500	4,560,695
Whirlpool Corp.	521,715	22,204,190
		<u>77,758,098</u>
Internet & Catalog Retail – 0.5%		
Amazon.com, Inc. (a)	632,285	52,896,963
Expedia, Inc. (a)	1,082,438	16,355,638
Priceline.com, Inc. (a)(d)	123,600	13,787,580
		<u>83,040,181</u>
Leisure Equipment & Products – 0.1%		
Hasbro, Inc.	424,900	10,299,576
Media – 2.8%		
Cablevision Systems Corp. – NY Group Class A	275,400	5,345,514
Central European Media Enterprises Ltd. Class A (a)	703,300	13,847,977
Comcast Corp.:		
Class A	2,179,693	31,583,752
Class A (special) (non-vtg.)	5,187,900	73,149,390
Discovery Communications, Inc. (a) ...	634,000	14,296,700
DreamWorks Animation SKG, Inc. Class A (a)	526,015	14,512,754
Interpublic Group of Companies, Inc. (a)	2,643,400	13,349,170

	Shares	Value
Liberty Global, Inc. Class A (a)	752,300	\$ 11,954,047
The DIRECTV Group, Inc. (a)(d)	3,274,700	80,917,837
The Walt Disney Co.	3,428,143	79,978,576
The Weinstein Co. II Holdings, LLC Class A-1 (a)(i)	11,499	4,312,125
Time Warner Cable, Inc.	1,227,443	38,873,120
Viacom, Inc. Class B (non-vtg.) (a)	1,468,200	33,328,140
		<u>415,449,102</u>
Multiline Retail – 0.5%		
Kohl's Corp. (a)	268,432	11,475,468
Target Corp.	1,687,800	66,617,466
		<u>78,092,934</u>
Specialty Retail – 1.7%		
Home Depot, Inc.	2,779,300	65,674,859
Lowe's Companies, Inc.	3,161,700	61,368,597
MarineMax, Inc. (a)	506,913	1,743,781
Ross Stores, Inc.	428,000	16,520,800
Sally Beauty Holdings, Inc. (a)	1,806,000	11,486,160
Staples, Inc.	1,442,600	29,097,242
Tiffany & Co., Inc.	420,300	10,658,808
TJX Companies, Inc.	1,395,852	43,913,504
Urban Outfitters, Inc. (a)	514,500	10,737,615
Zumiez, Inc. (a)	705,920	5,654,419
		<u>256,855,785</u>
Textiles, Apparel & Luxury Goods – 0.2%		
Carter's, Inc. (a)	507,400	12,487,114
Iconix Brand Group, Inc. (a)	220,000	3,383,600
LVMH Moet Hennessy – Louis Vuitton ..	157,000	11,980,180
Ports Design Ltd.	4,211,000	9,910,920
		<u>37,761,814</u>
TOTAL CONSUMER DISCRETIONARY		<u>1,270,200,830</u>
CONSUMER STAPLES – 11.4%		
Beverages – 3.5%		
Anheuser-Busch InBev NV	1,547,161	55,861,019
Coca-Cola Enterprises, Inc.	1,716,658	28,582,356
Coca-Cola FEMSA SAB de CV sponsored ADR	213,700	8,573,644
Coca-Cola Icecek AS	770,000	4,397,287
Companhia de Bebidas das Americas (AmBev) (PN) sponsored ADR	96,104	6,230,422
Constellation Brands, Inc. Class A (sub. vtg.) (a)	3,687,788	46,761,152
Diageo PLC sponsored ADR	437,235	25,031,704
Dr Pepper Snapple Group, Inc. (a) ...	832,045	17,631,034
Embotelladora Andina SA sponsored ADR	510,637	8,691,042
Fomento Economico Mexicano SAB de CV sponsored ADR	132,700	4,278,248
Molson Coors Brewing Co. Class B ...	1,250,121	52,917,622
Pepsi Bottling Group, Inc.	507,870	17,186,321

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
CONSUMER STAPLES – continued		
Beverages – continued		
PepsiCo, Inc.	2,039,801	\$ 112,107,463
The Coca-Cola Co.	2,700,152	129,580,294
		<u>517,829,608</u>
Food & Staples Retailing – 2.5%		
Costco Wholesale Corp.	473,900	21,657,230
CVS Caremark Corp.	4,511,461	143,780,262
Kroger Co.	1,534,245	33,830,102
Safeway, Inc.	2,615,569	53,279,141
Wal-Mart Stores, Inc.	2,050,897	99,345,451
Walgreen Co.	762,386	22,414,148
		<u>374,306,334</u>
Food Products – 1.9%		
Archer Daniels Midland Co.	1,126,900	30,167,113
Bunge Ltd.	93,000	5,603,250
Cadbury PLC sponsored ADR	313,092	10,770,365
General Mills, Inc.	835,829	46,823,141
Green Mountain Coffee Roasters, Inc. (a)(d)	687,135	40,623,421
Nestle SA (Reg.)	1,831,858	68,998,186
SLC Agricola SA	486,100	4,504,718
Tyson Foods, Inc. Class A	1,310,100	16,520,361
Unilever NV (NY Shares)	2,257,300	54,581,514
Viterra, Inc. (a)	519,500	4,511,177
		<u>283,103,246</u>
Household Products – 2.0%		
Colgate-Palmolive Co.	873,871	61,817,635
Energizer Holdings, Inc. (a)	173,800	9,079,312
Procter & Gamble Co.	4,450,217	227,406,089
		<u>298,303,036</u>
Personal Products – 0.4%		
Avon Products, Inc.	2,070,477	53,376,897
Mead Johnson Nutrition Co. Class A ..	275,300	8,746,281
		<u>62,123,178</u>
Tobacco – 1.1%		
Altria Group, Inc.	2,280,375	37,375,346
British American Tobacco PLC sponsored ADR	1,397,865	78,000,867
Philip Morris International, Inc.	1,099,429	47,957,093
Souza Cruz Industria Comerico	150,300	4,307,441
		<u>167,640,747</u>
TOTAL CONSUMER STAPLES		<u>1,703,306,149</u>
ENERGY – 10.9%		
Energy Equipment & Services – 2.9%		
Atwood Oceanics, Inc. (a)	670,194	16,694,533
BJ Services Co.	3,352,741	45,697,860

	Shares	Value
Global Industries Ltd. (a)	1,141,157	\$ 6,458,949
Halliburton Co.	880,500	18,226,350
Helmerich & Payne, Inc.	1,235,000	38,124,450
Nabors Industries Ltd. (a)	2,407,325	37,506,124
National Oilwell Varco, Inc. (a)	2,141,454	69,939,888
Noble Corp.	1,462,975	44,254,994
Pride International, Inc. (a)	941,900	23,604,014
Smith International, Inc.	1,080,350	27,819,013
Weatherford International Ltd. (a)	5,772,900	112,917,924
		<u>441,244,099</u>
Oil, Gas & Consumable Fuels – 8.0%		
Canadian Natural Resources Ltd.	1,447,994	76,178,104
Chesapeake Energy Corp.	229,000	4,541,070
Chevron Corp.	2,903,484	192,355,815
China Shenhua Energy Co. Ltd. (H Shares)	1,224,500	4,510,958
Comstock Resources, Inc. (a)	81,100	2,680,355
Concho Resources, Inc. (a)	2,850,530	81,781,706
Continental Resources, Inc. (a)(d)	20,549	570,235
Denbury Resources, Inc. (a)	3,291,308	48,480,967
El Paso Corp.	6,425,280	59,305,334
Energy Resources of Australia Ltd.	475,477	8,964,349
EXCO Resources, Inc. (a)	2,247,650	29,039,638
Marathon Oil Corp.	437,878	13,193,264
Occidental Petroleum Corp.	658,234	43,318,380
OPTI Canada, Inc. (a)(f)	226,700	341,063
Petro-Canada	694,800	26,833,820
Petrobank Energy & Resources Ltd. (a)	5,800	168,450
Petrohawk Energy Corp. (a)	4,129,843	92,095,499
Plains Exploration & Production Co. (a)	1,805,582	49,400,724
Quicksilver Resources, Inc. (a)(d)	587,088	5,454,048
Range Resources Corp.	263,466	10,910,127
Royal Dutch Shell PLC Class B ADR ...	6,330,100	321,948,886
Southwestern Energy Co. (a)	1,670,333	64,892,437
Suncor Energy, Inc.	1,338,900	40,716,097
Ultra Petroleum Corp. (a)	432,100	16,851,900
Uranium One, Inc. (a)	504,400	1,157,895
Venoco, Inc. (a)	408,149	3,130,503
		<u>1,198,821,624</u>
TOTAL ENERGY		<u>1,640,065,723</u>

FINANCIALS – 12.4%

Capital Markets – 2.0%

BlackRock, Inc. Class A	59,832	10,495,729
E*TRADE Financial Corp. (a)(d)	2,735,700	3,501,696
Franklin Resources, Inc.	109,100	7,856,291
GFI Group, Inc.	686,882	4,629,585
Goldman Sachs Group, Inc.	685,900	101,129,096
Greenhill & Co., Inc.	94,100	6,794,961
Janus Capital Group, Inc.	730,700	8,329,980

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

Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Capital Markets – continued		
Morgan Stanley	3,152,500	\$ 89,877,775
State Street Corp.	1,436,000	67,779,200
		<u>300,394,313</u>
Commercial Banks – 3.1%		
Bangkok Bank Ltd. PCL (For. Reg.)	3,493,700	11,488,385
Comerica, Inc.	215,700	4,562,055
DnB Nor ASA (a)	637,800	4,858,711
Huntington Bancshares, Inc.	466,900	1,951,642
Mitsubishi UFJ Financial Group, Inc. ..	2,877,300	17,766,741
PNC Financial Services Group, Inc. ..	1,219,280	47,320,257
Standard Chartered PLC (United Kingdom)	959,800	18,000,771
Sumitomo Mitsui Financial Group, Inc.	477,500	19,479,680
SunTrust Banks, Inc.	1,959,800	32,238,710
TCF Financial Corp. (d)	275,900	3,688,783
U.S. Bancorp, Delaware	4,199,500	75,255,040
Wells Fargo & Co.	9,469,461	229,729,124
		<u>466,339,899</u>
Consumer Finance – 0.4%		
American Express Co.	779,628	18,118,555
Capital One Financial Corp.	955,940	20,915,967
Discover Financial Services	1,370,393	14,073,936
VisaNet Brasil (a)	1,101,000	9,517,209
		<u>62,625,667</u>
Diversified Financial Services – 3.7%		
Bank of America Corp.	14,273,514	188,410,385
BM&F BOVESPA SA	878,100	5,245,600
CME Group, Inc.	121,300	37,737,643
IntercontinentalExchange, Inc. (a)	83,600	9,550,464
JPMorgan Chase & Co.	9,009,218	307,304,426
		<u>548,248,518</u>
Insurance – 2.4%		
ACE Ltd.	934,100	41,315,243
Assured Guaranty Ltd.	341,900	4,232,722
CNA Financial Corp.	1,462,119	22,618,981
eHealth, Inc. (a)	468,125	8,267,088
Genworth Financial, Inc. Class A (non-vtg.)	2,131,200	14,897,088
Lincoln National Corp.	1,080,600	18,597,126
MetLife, Inc.	2,068,361	62,071,514
PartnerRe Ltd.	206,463	13,409,772
Principal Financial Group, Inc.	754,300	14,211,012
Protective Life Corp.	1,224,300	14,005,992
Sony Financial Holdings, Inc.	8,505	23,545,788
The Travelers Companies, Inc.	1,884,868	77,354,983
Unum Group	882,300	13,993,278
XL Capital Ltd. Class A	3,075,300	35,242,938
		<u>363,763,525</u>

Real Estate Investment Trusts – 0.6%

	Shares	Value
Developers Diversified Realty Corp. ..	398,110	\$ 1,942,777
Duke Realty LP	1,452,900	12,741,933
Plum Creek Timber Co., Inc. (d)	831,900	24,773,982
Potlatch Corp.	251,600	6,111,364
ProLogis Trust	3,828,062	30,854,180
SL Green Realty Corp.	198,700	4,558,178
Vornado Realty Trust	3,631	163,504
		<u>81,145,918</u>

Real Estate Management & Development – 0.2%

	Shares	Value
BR Malls Participacoes SA (a)	662,300	5,025,033
China Overseas Land & Investment Ltd.	2,338,000	5,430,264
DLF Ltd.	1,210,607	7,879,720
Forestar Group, Inc. (a)	480,599	5,709,516
Hang Lung Properties Ltd.	2,669,000	8,833,643
Indiabulls Real Estate Ltd.	194,583	796,058
		<u>33,674,234</u>

Thriffs & Mortgage Finance – 0.0%

Ocwen Financial Corp. (a)	413,500	5,363,095
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TOTAL FINANCIALS

1,861,555,169

HEALTH CARE – 13.2%

Biotechnology – 1.6%

	Shares	Value
Acorda Therapeutics, Inc. (a)	452,000	12,741,880
Amgen, Inc. (a)	1,339,886	70,933,565
Biogen Idec, Inc. (a)	1,117,311	50,446,592
Genzyme Corp. (a)	300,570	16,732,732
Gilead Sciences, Inc. (a)	1,453,902	68,100,770
Myriad Genetics, Inc. (a)	119,336	4,254,328
Myriad Pharmaceuticals, Inc. (a)	50,584	235,216
ONYX Pharmaceuticals, Inc. (a)	508,298	14,364,501
Vanda Pharmaceuticals, Inc. (a)	739,689	8,706,140
		<u>246,515,724</u>

Health Care Equipment & Supplies – 2.4%

	Shares	Value
Baxter International, Inc.	1,577,145	83,525,599
Boston Scientific Corp. (a)	5,118,200	51,898,548
C.R. Bard, Inc.	268,174	19,965,554
Cooper Companies, Inc.	625,105	15,458,847
Covidien PLC	2,505,522	93,806,744
Edwards Lifesciences Corp. (a)	434,271	29,543,456
ev3, Inc. (a)	720,945	7,728,530
Mako Surgical Corp. (a)	878,693	7,925,811
Nobel Biocare Holding AG (Switzerland)	224,680	4,905,568
Quidel Corp. (a)	1,198,704	17,453,130
Shandong Weigao Group Medical Polymer Co. Ltd. (H Shares)	2,312,000	5,936,696
St. Jude Medical, Inc. (a)	619,596	25,465,396
		<u>363,613,879</u>

Health Care Providers & Services – 2.3%

CIGNA Corp.	1,828,696	44,053,287
Community Health Systems, Inc. (a) ...	775,514	19,581,729

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
HEALTH CARE – continued		
Health Care Providers & Services – continued		
Express Scripts, Inc. (a)	1,014,746	\$ 69,763,788
Henry Schein, Inc. (a)	610,100	29,254,295
Medco Health Solutions, Inc. (a)	1,858,914	84,785,068
UnitedHealth Group, Inc.	2,745,811	68,590,359
WellPoint, Inc. (a)	451,949	22,999,685
		<u>339,028,211</u>
Health Care Technology – 0.4%		
HLTH Corp. (a)(d)	4,541,518	<u>59,493,886</u>
Life Sciences Tools & Services – 0.8%		
Illumina, Inc. (a)	912,371	35,527,727
Life Technologies Corp. (a)	1,225,276	51,118,515
QIAGEN NV (a)	1,563,018	29,056,505
		<u>115,702,747</u>
Pharmaceuticals – 5.7%		
Abbott Laboratories	2,210,092	103,962,728
Allergan, Inc.	1,807,368	85,994,569
Ardea Biosciences, Inc. (a)	208,000	3,273,920
Elan Corp. PLC sponsored ADR (a)	1,231,000	7,841,470
Johnson & Johnson	2,459,296	139,688,013
King Pharmaceuticals, Inc. (a)	1,612,300	15,526,449
Merck & Co., Inc.	3,877,606	108,417,864
Novo Nordisk AS Series B	367,300	19,857,981
Pfizer, Inc.	14,509,227	217,638,405
Pronova BioPharma ASA (a)	3,226,100	8,576,585
Roche Holding AG (participation certificate)	203,630	27,684,233
Schering-Plough Corp.	1,564,488	39,299,939
Teva Pharmaceutical Industries Ltd. sponsored ADR	215,900	10,652,506
Wyeth	1,449,500	65,792,805
		<u>854,207,467</u>
TOTAL HEALTH CARE		<u>1,978,561,914</u>
INDUSTRIALS – 9.7%		
Aerospace & Defense – 1.6%		
General Dynamics Corp.	293,642	16,264,830
Honeywell International, Inc.	1,702,442	53,456,679
Lockheed Martin Corp.	794,061	64,041,020
Raytheon Co.	919,612	40,858,361
The Boeing Co.	531,402	22,584,585
United Technologies Corp.	860,680	44,720,933
		<u>241,926,408</u>
Air Freight & Logistics – 1.1%		
C.H. Robinson Worldwide, Inc.	966,301	50,392,597
FedEx Corp.	508,700	28,293,894
United Parcel Service, Inc. Class B	1,638,356	81,901,416
		<u>160,587,907</u>

	Shares	Value
Airlines – 0.0%		
AMR Corp. (a)	768,200	\$ 3,088,164
Building Products – 0.1%		
Masco Corp.	1,848,912	<u>17,712,577</u>
Commercial Services & Supplies – 0.3%		
Stericycle, Inc. (a)	773,627	<u>39,864,999</u>
Construction & Engineering – 0.3%		
MYR Group, Inc. (a)	267,800	5,414,916
Quanta Services, Inc. (a)	2,035,799	47,088,031
		<u>52,502,947</u>
Electrical Equipment – 0.9%		
Alstom SA (d)	513,500	30,291,647
Cooper Industries Ltd. Class A	501,900	15,583,995
Energy Conversion Devices, Inc. (a)(d)	539,448	7,633,189
Regal-Beloit Corp.	540,356	21,462,940
Renewable Energy Corp. AS (a)(d)	2,399,500	18,614,945
Renewable Energy Corp. AS rights 7/13/09 (a)(d)	807,965	2,889,088
Sunpower Corp.:		
Class A (a)	203,300	5,415,912
Class B (a)	1,216,515	29,135,534
		<u>131,027,250</u>
Industrial Conglomerates – 1.9%		
General Electric Co.	15,158,096	177,652,885
Siemens AG sponsored ADR	669,608	46,330,178
Textron, Inc.	3,614,994	34,920,842
Tyco International Ltd.	776,000	20,160,480
		<u>279,064,385</u>
Machinery – 2.6%		
Caterpillar, Inc.	376,300	12,432,952
Cummins, Inc.	2,068,556	72,833,857
Danaher Corp.	1,450,445	89,550,474
Deere & Co.	1,313,770	52,485,112
Eaton Corp.	1,041,820	46,475,590
Flowserve Corp.	53,700	3,748,797
Illinois Tool Works, Inc.	307,600	11,485,784
Ingersoll-Rand Co. Ltd. Class A	541,200	11,311,080
Navistar International Corp. (a)	888,723	38,748,323
PACCAR, Inc.	520,500	16,921,455
Parker Hannifin Corp.	35,000	1,503,600
Toro Co.	406,467	12,153,363
Trinity Industries, Inc. (d)	217,400	2,960,988
Vallourec SA (d)	86,300	10,474,717
		<u>383,086,092</u>
Professional Services – 0.3%		
Manpower, Inc.	517,111	21,894,480
Monster Worldwide, Inc. (a)	1,396,672	16,494,696
		<u>38,389,176</u>

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

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Road & Rail – 0.5%		
CSX Corp.	448,304	\$ 15,524,768
Union Pacific Corp.	1,265,204	65,866,520
		<u>81,391,288</u>
Trading Companies & Distributors – 0.1%		
GATX Corp.	111,900	2,878,068
W.W. Grainger, Inc.	181,526	14,863,349
WESCO International, Inc. (a)	137,700	3,448,008
		<u>21,189,425</u>
TOTAL INDUSTRIALS		<u>1,449,830,618</u>
INFORMATION TECHNOLOGY – 17.3%		
Communications Equipment – 2.4%		
Alcatel-Lucent SA sponsored ADR (a) .	7,920,082	19,641,803
Ciena Corp. (a)(d)(e)	5,691,358	58,905,555
Juniper Networks, Inc. (a)	6,178,155	145,804,458
QUALCOMM, Inc.	1,659,400	75,004,880
Sycamore Networks, Inc. (a)(e)	17,411,632	54,498,408
Tellabs, Inc. (a)	333,567	1,911,339
ZTE Corp. (H Shares)	3,409,940	11,835,944
		<u>367,602,387</u>
Computers & Peripherals – 0.7%		
Acer, Inc.	7,751,000	13,468,719
SanDisk Corp. (a)	5,819,701	85,491,408
Western Digital Corp. (a)	252,100	6,680,650
Wistron Corp.	4,088,000	6,780,158
		<u>112,420,935</u>
Electronic Equipment & Components – 0.1%		
Arrow Electronics, Inc. (a)	112,500	2,389,500
Flextronics International Ltd. (a)	1,451,800	5,966,898
Hon Hai Precision Industry Co. Ltd. (Foxconn)	1,559,400	4,816,771
		<u>13,173,169</u>
IT Services – 0.0%		
RightNow Technologies, Inc. (a)	123,000	1,451,400
Semiconductors & Semiconductor Equipment – 10.8%		
Advanced Semiconductor Engineering, Inc. sponsored ADR (d)	3,185,700	9,461,529
Altera Corp.	495,200	8,061,856
Amkor Technology, Inc. (a)	1,701,201	8,046,681
Analog Devices, Inc.	4,851,700	120,225,126
Applied Materials, Inc.	12,880,084	141,294,521
Applied Micro Circuits Corp. (a)	538,571	4,378,582
ARM Holdings PLC sponsored ADR ...	1,597,400	9,536,478
ASML Holding NV (NY Shares)	10,863,800	235,201,270
ATMI, Inc. (a)	1,129,186	17,536,259
Brooks Automation, Inc. (a)(e)	3,437,440	15,399,731
Cirrus Logic, Inc. (a)(e)	3,342,634	15,041,853
Cymer, Inc. (a)	775,216	23,047,172

	Shares	Value
Global Unichip Corp.	1,615,000	\$ 7,568,777
Globe Specialty Metals, Inc. (Reg. S) (a)	2,093,133	14,651,931
Inotera Memories, Inc. (a)	29,361,000	12,643,279
Intel Corp.	12,364,885	204,638,847
Intersil Corp. Class A	1,976,670	24,846,742
KLA-Tencor Corp.	1,931,324	48,765,931
Kulicke & Soffa Industries, Inc. (a)	133,026	456,279
Lam Research Corp. (a)	3,242,145	84,295,770
Linear Technology Corp.	150,900	3,523,515
Marvell Technology Group Ltd. (a)	8,291,143	96,508,905
Mattson Technology, Inc. (a)(e)	2,833,186	3,343,159
MediaTek, Inc.	1,180,000	14,076,689
Micron Technology, Inc. (a)	23,992,202	121,400,542
Monolithic Power Systems, Inc. (a)	390,036	8,740,707
Novellus Systems, Inc. (a)	1,299,443	21,700,698
NVIDIA Corp. (a)	901,242	10,175,022
Photronics, Inc. (a)	837,529	3,391,992
Richtek Technology Corp.	1,795,000	11,280,204
Samsung Electronics Co. Ltd.	232,905	108,157,985
Skyworks Solutions, Inc. (a)	5,592,663	54,696,244
Taiwan Semiconductor Manufacturing Co. Ltd.	7,348,000	12,231,759
Teradyne, Inc. (a)	1,577,162	10,819,331
Tokyo Electron Ltd.	1,854,900	89,919,373
Varian Semiconductor Equipment Associates, Inc. (a)	337,500	8,096,625
Verigy Ltd. (a)	2,458,507	29,920,030
Volterra Semiconductor Corp. (a)	241,777	3,176,950
		<u>1,616,258,344</u>
Software – 3.3%		
BMC Software, Inc. (a)	1,367,581	46,210,562
Citrix Systems, Inc. (a)	1,050,926	33,514,030
Microsoft Corp.	17,170,400	408,140,399
		<u>487,864,991</u>
TOTAL INFORMATION TECHNOLOGY		<u>2,598,771,226</u>
MATERIALS – 2.7%		
Chemicals – 1.5%		
Air Products & Chemicals, Inc.	490,204	31,662,276
Airgas, Inc.	400,500	16,232,265
Albemarle Corp.	814,175	20,818,455
CF Industries Holdings, Inc.	54,500	4,040,630
Dow Chemical Co.	2,323,500	37,501,290
E.I. du Pont de Nemours & Co.	1,080,800	27,690,096
Ecolab, Inc.	34,461	1,343,634
FMC Corp.	211,361	9,997,375
Monsanto Co.	746,346	55,483,362
Praxair, Inc.	119,132	8,466,711
Solutia, Inc. (a)	1,269,300	7,311,168

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
MATERIALS – continued		
Chemicals – continued		
Terra Industries, Inc.	209,757	\$ 5,080,315
The Mosaic Co.	45,000	1,993,500
		<u>227,621,077</u>
Construction Materials – 0.0%		
Vulcan Materials Co.	60,000	2,586,000
Containers & Packaging – 0.5%		
Ball Corp.	377,446	17,045,461
Owens-Illinois, Inc. (a)	704,000	19,719,040
Rock-Tenn Co. Class A	155,495	5,933,689
Sealed Air Corp.	429,894	7,931,544
Temple-Inland, Inc.	2,008,500	26,351,520
		<u>76,981,254</u>
Metals & Mining – 0.6%		
Agnico-Eagle Mines Ltd. (Canada) ...	362,900	19,116,914
AK Steel Holding Corp.	135,400	2,598,326
Alcoa, Inc.	222,200	2,295,326
Freeport-McMoRan Copper & Gold, Inc. Class B	216,800	10,863,848
Impala Platinum Holdings Ltd.	121,600	2,687,768
Ivanhoe Mines Ltd. (a)	490,800	2,721,744
Newcrest Mining Ltd.	506,191	12,443,140
Nucor Corp.	413,100	18,354,033
Yamana Gold, Inc.	1,666,500	14,815,244
		<u>85,896,343</u>
Paper & Forest Products – 0.1%		
Weyerhaeuser Co.	534,536	16,265,930
TOTAL MATERIALS		<u>409,350,604</u>
TELECOMMUNICATION SERVICES – 3.0%		
Diversified Telecommunication Services – 2.2%		
Embarq Corp.	1,021,944	42,982,965
Qwest Communications International, Inc.	8,203,008	34,042,483
Verizon Communications, Inc.	8,220,400	252,612,892
		<u>329,638,340</u>
Wireless Telecommunication Services – 0.8%		
American Tower Corp. Class A (a) ...	1,817,549	57,307,320
Clearwire Corp. Class A (a)(d)	3,617,441	20,004,449
Sprint Nextel Corp. (a)	9,351,953	44,982,894
		<u>122,294,663</u>
TOTAL TELECOMMUNICATION SERVICES		<u>451,933,003</u>
UTILITIES – 4.0%		
Electric Utilities – 2.2%		
American Electric Power Co., Inc.	3,368,000	97,301,520

	Shares	Value
Entergy Corp.	627,900	\$ 48,674,808
Exelon Corp.	967,448	49,543,012
FirstEnergy Corp.	1,551,744	60,130,080
FPL Group, Inc.	1,134,800	64,524,728
Pinnacle West Capital Corp.	409,900	12,358,485
		<u>332,532,633</u>
Gas Utilities – 0.1%		
EQT Corp.	303,600	10,598,676
Independent Power Producers & Energy Traders – 0.8%		
AES Corp.	1,663,818	19,316,927
Constellation Energy Group, Inc.	1,943,100	51,647,598
EDP Renovaveis SA	86,121	881,854
NRG Energy, Inc. (a)	1,600,400	41,546,384
		<u>113,392,763</u>
Multi-Utilities – 0.9%		
CenterPoint Energy, Inc.	3,861,819	42,788,955
PG&E Corp.	808,600	31,082,584
Sempra Energy	988,300	49,049,329
TECO Energy, Inc.	1,503,857	17,941,014
		<u>140,861,882</u>
TOTAL UTILITIES		<u>597,385,954</u>
TOTAL COMMON STOCKS		
(Cost \$15,465,284,803)		<u>13,960,961,190</u>

Convertible Preferred Stocks – 0.6%

ENERGY – 0.0%		
Oil, Gas & Consumable Fuels – 0.0%		
SandRidge Energy, Inc. 8.50% (a)(f) ...	46,800	5,658,120
FINANCIALS – 0.4%		
Commercial Banks – 0.2%		
Huntington Bancshares, Inc. 8.50%	24,200	17,569,200
Wells Fargo & Co. 7.50%	20,100	15,777,897
		<u>33,347,097</u>
Diversified Financial Services – 0.2%		
CIT Group, Inc. Series C, 8.75%	165,500	2,854,397
Citigroup, Inc. Series T, 6.50%	571,822	19,191,776
		<u>22,046,173</u>
TOTAL FINANCIALS		<u>55,393,270</u>
HEALTH CARE – 0.0%		
Life Sciences Tools & Services – 0.0%		
Fluidigm Corp. (a)	393,990	2,757,930

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

Convertible Preferred Stocks – continued

	Shares	Value
MATERIALS – 0.2%		
Metals & Mining – 0.2%		
Freeport-McMoRan Copper & Gold, Inc. 6.75%	311,500	\$ 24,608,500
TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$87,955,638)		88,417,820

Nonconvertible Bonds – 0.0%

	Principal Amount	
HEALTH CARE – 0.0%		
Pharmaceuticals – 0.0%		
Elan Finance PLC/Elan Finance Corp.:		
4.8831% 11/15/11 (h)	\$ 2,165,000	1,905,200
7.75% 11/15/11	250,000	229,375
TOTAL NONCONVERTIBLE BONDS (Cost \$1,843,817)		2,134,575

U.S. Treasury Obligations – 0.5%

U.S. Treasury Bills, yield at date of purchase 0.05% to 0.18% 7/23/09 to 8/20/09 (g) (Cost \$80,095,679)	80,100,000	80,093,705
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Money Market Funds – 6.4%

	Shares	
Fidelity Cash Central Fund, 0.40% (b)	851,214,999	851,214,999
Fidelity Securities Lending Cash Central Fund, 0.22% (b)(c)	111,917,966	111,917,966
TOTAL MONEY MARKET FUNDS (Cost \$963,132,965)		963,132,965

TOTAL INVESTMENT PORTFOLIO – 100.6%
(Cost \$16,598,312,902) **15,094,740,255**

NET OTHER ASSETS – (0.6)% **(91,127,601)**

NET ASSETS – 100% **\$15,003,612,654**

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	\$ 947,049
Fidelity Securities Lending Cash Central Fund	1,933,502
Total	<u>\$ 2,880,551</u>

Futures Contracts

	Expiration Date	Underlying Face Amount at Value	Unrealized Appreciation/Depreciation
Purchased			
Equity Index Contracts			
16,883 CME E-mini S&P 500 Index Contracts	Sept. 2009	\$ 772,819,325	\$ 7,331,246

The face value of futures purchased as a percentage of net assets – 5.2%

Legend

- (a) Non-income producing
- (b) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.
- (c) Investment made with cash collateral received from securities on loan.
- (d) Security or a portion of the security is on loan at period end.
- (e) Affiliated company
- (f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$5,999,183 or 0.0% of net assets.
- (g) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At the period end, the value of securities pledged amounted to \$80,093,705.
- (h) The coupon rate shown on floating or adjustable rate securities represents the rate at period end.
- (i) Restricted securities – Investment in securities not registered under the Securities Act of 1933 (excluding 144A issues). At the end of the period, the value of restricted securities (excluding 144A issues) amounted to \$4,312,125 or 0.0% of net assets.

Additional information on each holding is as follows:

Security	Acquisition Date	Acquisition Cost
The Weinstein Co. II Holdings, LLC Class A-1	10/19/05	\$ 11,499,000

Investments (Unaudited) – continued

Other Affiliated Issuers

An affiliated company is a company in which the fund has ownership of at least 5% of the voting securities. Fiscal year to date transactions with companies which are or were affiliates are as follows:

Affiliates	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Value, end of period
Brooks Automation, Inc.	\$ 17,233,146	\$ 2,379,522	\$ —	\$ —	\$ 15,399,731
Ciena Corp.	39,405,099	—	1,442,282	—	58,905,555
Cirrus Logic, Inc.	9,407,912	—	585,391	—	15,041,853
Concho Resources, Inc.	103,767,446	5,524,791	55,079,008	—	—
Mattson Technology, Inc.	4,737,298	—	279,938	—	3,343,159
Sycamore Networks, Inc.	53,078,090	—	6,790,200	—	54,498,408
Total	<u>\$227,628,991</u>	<u>\$ 7,904,313</u>	<u>\$ 64,176,819</u>	<u>\$ —</u>	<u>\$147,188,706</u>

Other Information

The following is a summary of the inputs used, as of June 30, 2009, involving the Fund's assets and liabilities carried at value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the tables below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Equities:				
Consumer Discretionary	\$ 1,270,200,830	\$ 1,265,888,705	\$ —	\$ 4,312,125
Consumer Staples	1,703,306,149	1,703,306,149	—	—
Energy	1,645,723,843	1,639,724,660	5,999,183	—
Financials	1,916,948,439	1,877,135,525	39,812,914	—
Health Care	1,981,319,844	1,978,561,914	—	2,757,930
Industrials	1,449,830,618	1,449,830,618	—	—
Information Technology	2,598,771,226	2,598,771,226	—	—
Materials	433,959,104	409,350,604	24,608,500	—
Telecommunication Services	451,933,003	451,933,003	—	—
Utilities	597,385,954	597,385,954	—	—
Corporate Bonds	2,134,575	—	2,134,575	—
Money Market Funds	963,132,965	963,132,965	—	—
U.S. Government and Government Agency Obligations	80,093,705	—	80,093,705	—
Total Investments in Securities	<u>\$ 15,094,740,255</u>	<u>\$ 14,935,021,323</u>	<u>\$ 152,648,877</u>	<u>\$ 7,070,055</u>
Derivative Instruments:				
Assets				
Futures Contracts	\$ 7,331,246	\$ 7,331,246	\$ —	\$ —
Total Assets	<u>\$ 7,331,246</u>	<u>\$ 7,331,246</u>	<u>\$ —</u>	<u>\$ —</u>
Total Derivative Instruments:	<u>\$ 7,331,246</u>	<u>\$ 7,331,246</u>	<u>\$ —</u>	<u>\$ —</u>

The following is a reconciliation of assets or liabilities for which level 3 inputs were used in determining value:

Investments in Securities:	
Beginning Balance	\$ 44,610,724
Total Realized Gain (Loss)	(30,387,232)
Total Unrealized Gain (Loss)	20,586,675
Cost of purchases	19,539,653
Proceeds of sales	(27,800,085)
Amortization/Accretion	—
Transfers in/out of level 3	(19,479,680)
Ending Balance	<u>\$ 7,070,055</u>
Total unrealized gain (loss) on investments held at June 30, 2009	<u>\$ (4,312,125)</u>

The information used in the above reconciliation represents fiscal year to date activity for any Investment Security identified as using Level 3 inputs at either the beginning or the end of the current fiscal period. Transfers in or out of Level 3 represents either the beginning value (for transfers in), or the ending value (for transfers out) of any security or Instrument where a change in the pricing level occurred from the beginning to the end of the period.

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

Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by risk exposure as of June 30, 2009. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Risk Exposure / Derivative Type	Value	
	Asset	Liability
Equity Risk		
Futures Contracts (a)	\$ 7,331,246	\$ —
Total Value of Derivatives	<u>\$ 7,331,246</u>	<u>\$ —</u>

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

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

United States of America	83.6%
United Kingdom	3.2%
Switzerland	2.2%
Netherlands	2.2%
Canada	1.4%
Japan	1.1%
Bermuda	1.0%
Others (individually less than 1%)	5.3%
	<u>100.0%</u>

Income Tax Information

At December 31, 2008, the fund had a capital loss carryforward of approximately \$2,732,126,551 all of which will expire on December 31, 2016.

The fund intends to elect to defer to its fiscal year ending December 31, 2009 approximately \$1,028,673,848 of losses recognized during the period November 1, 2008 to December 31, 2008.

Financial Statements

Statement of Assets and Liabilities

June 30, 2009 (Unaudited)

Assets

Investment in securities, at value (including securities loaned of \$107,178,670) — See accompanying schedule:		
Unaffiliated issuers (cost \$15,343,330,553)	\$13,984,418,584	
Fidelity Central Funds (cost \$963,132,965)	963,132,965	
Other affiliated issuers (cost \$291,849,384)	<u>147,188,706</u>	
Total Investments (cost \$16,598,312,902)		\$ 15,094,740,255
Cash		1,892,399
Foreign currency held at value (cost \$3,354,916)		3,356,306
Receivable for investments sold ...		75,761,784
Receivable for fund shares sold ...		5,518,353
Dividends receivable		15,892,557
Interest receivable		15,638
Distributions receivable from Fidelity Central Funds		412,550
Prepaid expenses		84,112
Other receivables		<u>314,420</u>
Total assets		<u>15,197,988,374</u>

Liabilities

Payable for investments purchased	\$ 47,396,647	
Payable for fund shares redeemed	19,795,790	
Accrued management fee	7,106,629	
Distribution fees payable	1,567,964	
Payable for daily variation on futures contracts	4,811,655	
Other affiliated payables	996,453	
Other payables and accrued expenses	782,616	
Collateral on securities loaned, at value	<u>111,917,966</u>	
Total liabilities		<u>194,375,720</u>

Net Assets		<u>\$ 15,003,612,654</u>
Net Assets consist of:		
Paid in capital		\$ 22,377,304,061
Undistributed net investment income		101,130,295
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions		(5,978,537,272)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies		<u>(1,496,284,430)</u>
Net Assets		<u>\$ 15,003,612,654</u>

Statement of Assets and Liabilities – continued

June 30, 2009 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$6,269,438,918 ÷ 375,174,320 shares)	\$ <u>16.71</u>
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Service Class:

Net Asset Value , offering price and redemption price per share (\$1,507,775,531 ÷ 90,584,822 shares)	\$ <u>16.64</u>
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Service Class 2:

Net Asset Value , offering price and redemption price per share (\$6,860,336,636 ÷ 417,615,779 shares)	\$ <u>16.43</u>
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Service Class 2R:

Net Asset Value , offering price and redemption price per share (\$12,316,221 ÷ 751,723 shares) .	\$ <u>16.38</u>
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Investor Class:

Net Asset Value , offering price and redemption price per share (\$353,745,348 ÷ 21,240,004 shares)	\$ <u>16.65</u>
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See accompanying notes which are an integral part of the financial statements.

Statement of Operations

Six months ended June 30, 2009 (Unaudited)

Investment Income		
Dividends		\$ 157,153,134
Interest		176,889
Income from Fidelity Central Funds		2,880,551
Total income		<u>160,210,574</u>
Expenses		
Management fee	\$ 38,783,941	
Transfer agent fees	5,986,929	
Distribution fees	8,409,692	
Accounting and security lending fees	791,421	
Custodian fees and expenses	358,704	
Independent trustees' compensation	54,548	
Appreciation in deferred trustee compensation account	15	
Audit	55,415	
Legal	14,205	
Miscellaneous	622,430	
Total expenses before reductions	55,077,300	
Expense reductions	(237,770)	54,839,530
Net investment income (loss)		<u>105,371,044</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	(1,696,055,252)	
Other affiliated issuers	(1,895,204)	
Foreign currency transactions	(1,091,850)	
Futures contracts	13,016,106	
Total net realized gain (loss)		(1,686,026,200)
Change in net unrealized appreciation (depreciation) on:		
Investment securities	2,723,838,007	
Assets and liabilities in foreign currencies	(241,139)	
Futures contracts	5,823,433	
Total change in net unrealized appreciation (depreciation)		2,729,420,301
Net gain (loss)		<u>1,043,394,101</u>
Net increase (decrease) in net assets resulting from operations		<u>\$1,148,765,145</u>

Statement of Changes in Net Assets

	Six months ended June 30, 2009 (Unaudited)	Year ended December 31, 2008
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 105,371,044	\$ 194,705,306
Net realized gain (loss)	(1,686,026,200)	(4,169,606,650)
Change in net unrealized appreciation (depreciation)	2,729,420,301	(6,750,334,661)
Net increase (decrease) in net assets resulting from operations	<u>1,148,765,145</u>	<u>(10,725,236,005)</u>
Distributions to shareholders from net investment income	(13,934,874)	(185,329,200)
Distributions to shareholders from net realized gain	—	(591,923,050)
Total distributions	<u>(13,934,874)</u>	<u>(777,252,250)</u>
Share transactions – net increase (decrease)	(396,313,383)	480,366,818
Redemption fees	730	26,163
Total increase (decrease) in net assets	<u>738,517,618</u>	<u>(11,022,095,274)</u>
Net Assets		
Beginning of period	14,265,095,036	25,287,190,310
End of period (including undistributed net investment income of \$101,130,295 and undistributed net investment income of \$9,694,125, respectively)	<u>\$ 15,003,612,654</u>	<u>\$ 14,265,095,036</u>

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

Financial Highlights — Initial Class

	Six months ended	Years ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 15.39	\$ 27.90	\$ 31.47	\$ 31.03	\$ 26.62	\$ 23.13
Income from Investment Operations						
Net investment income (loss) ^E	.13	.24	.34	.27	.18	.08
Net realized and unrealized gain (loss)	1.21	(11.87)	5.17	3.30	4.32	3.49
Total from investment operations	1.34	(11.63)	5.51	3.57	4.50	3.57
Distributions from net investment income	(.02)	(.23)	(.33)	(.42)	(.08)	(.08)
Distributions from net realized gain	—	(.65)	(8.75)	(2.71)	(.01)	—
Total distributions	(.02)	(.88)	(9.08)	(3.13)	(.09) ^I	(.08)
Redemption fees added to paid in capital ^{E,1}	—	—	—	—	—	—
Net asset value, end of period	\$ 16.71	\$ 15.39	\$ 27.90	\$ 31.47	\$ 31.03	\$ 26.62
Total Return^{B,C,D}	8.69%	(42.51)%	17.59%	11.72%	16.94%	15.48%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.68% ^A	.66%	.65%	.66%	.66%	.68%
Expenses net of fee waivers, if any	.68% ^A	.66%	.65%	.66%	.66%	.68%
Expenses net of all reductions	.67% ^A	.65%	.64%	.65%	.64%	.66%
Net investment income (loss)	1.66% ^A	1.07%	1.00%	.85%	.66%	.35%
Supplemental Data						
Net assets, end of period (000 omitted)	\$6,269,439	\$6,240,871	\$12,371,009	\$11,595,588	\$11,099,527	\$9,127,616
Portfolio turnover rate ^G	156% ^A	172%	134%	75%	60%	64%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. ¹Amount represents less than \$.01 per share. ^ITotal distributions of \$.09 per share is comprised of distributions from net investment income of \$.08 and distributions from net realized gain of \$.005 per share.

Financial Highlights — Service Class

	Six months ended	Years ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 15.33	\$ 27.80	\$ 31.38	\$ 30.93	\$ 26.53	\$ 23.06
Income from Investment Operations						
Net investment income (loss) ^E	.12	.21	.30	.24	.16	.06
Net realized and unrealized gain (loss)	1.21	(11.83)	5.16	3.28	4.30	3.47
Total from investment operations	1.33	(11.62)	5.46	3.52	4.46	3.53
Distributions from net investment income	(.02)	(.20)	(.29)	(.36)	(.06)	(.06)
Distributions from net realized gain	—	(.65)	(8.75)	(2.71)	(.01)	—
Total distributions	(.02)	(.85)	(9.04)	(3.07)	(.06) ^I	(.06)
Redemption fees added to paid in capital ^{E,1}	—	—	—	—	—	—
Net asset value, end of period	\$ 16.64	\$ 15.33	\$ 27.80	\$ 31.38	\$ 30.93	\$ 26.53
Total Return^{B,C,D}	8.66%	(42.61)%	17.51%	11.59%	16.85%	15.34%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.78% ^A	.76%	.75%	.76%	.76%	.78%
Expenses net of fee waivers, if any	.78% ^A	.76%	.75%	.76%	.76%	.78%
Expenses net of all reductions	.77% ^A	.75%	.74%	.75%	.74%	.76%
Net investment income (loss)	1.56% ^A	.97%	.90%	.75%	.56%	.25%
Supplemental Data						
Net assets, end of period (000 omitted)	\$1,507,776	\$1,497,734	\$3,008,644	\$2,766,343	\$2,503,244	\$2,111,969
Portfolio turnover rate ^G	156% ^A	172%	134%	75%	60%	64%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. ¹Total distributions of \$.06 per share is comprised of distributions from net investment income of \$.055 and distributions from net realized gain of \$.005 per share.

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

Financial Highlights — Service Class 2

	Six months ended	Years ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 15.14	\$ 27.46	\$ 31.11	\$ 30.69	\$ 26.35	\$ 22.93
Income from Investment Operations						
Net investment income (loss) ^E	.10	.18	.25	.19	.11	.02
Net realized and unrealized gain (loss)	1.21	(11.67)	5.11	3.26	4.27	3.45
Total from investment operations	1.31	(11.49)	5.36	3.45	4.38	3.47
Distributions from net investment income	(.02)	(.18)	(.26)	(.32)	(.04)	(.05)
Distributions from net realized gain	—	(.65)	(8.75)	(2.71)	(.01)	—
Total distributions	(.02)	(.83)	(9.01)	(3.03)	(.04) ^I	(.05)
Redemption fees added to paid in capital ^{E,1}	—	—	—	—	—	—
Net asset value, end of period	\$ 16.43	\$ 15.14	\$ 27.46	\$ 31.11	\$ 30.69	\$ 26.35
Total Return^{B,C,D}	8.64%	(42.69)%	17.30%	11.43%	16.65%	15.16%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.93% ^A	.91%	.90%	.91%	.91%	.93%
Expenses net of fee waivers, if any	.93% ^A	.91%	.90%	.91%	.91%	.93%
Expenses net of all reductions	.92% ^A	.90%	.89%	.90%	.89%	.91%
Net investment income (loss)	1.41% ^A	.82%	.75%	.60%	.40%	.10%
Supplemental Data						
Net assets, end of period (000 omitted)	\$6,860,337	\$6,187,985	\$9,339,663	\$6,185,595	\$3,247,909	\$1,638,617
Portfolio turnover rate ^G	156% ^A	172%	134%	75%	60%	64%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. ¹Amount represents less than \$.01 per share. ^ITotal distributions of \$.04 per share is comprised of distributions from net investment income of \$.035 and distributions from net realized gain of \$.005 per share.

Financial Highlights — Service Class 2R

	Six months ended	Years ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Selected Per-Share Data						
Net asset value, beginning of period	\$ 15.10	\$ 27.35	\$ 31.02	\$ 30.61	\$ 26.29	\$ 22.90
Income from Investment Operations						
Net investment income (loss) ^E	.10	.18	.25	.19	.11	.02
Net realized and unrealized gain (loss)	1.20	(11.62)	5.09	3.25	4.27	3.44
Total from investment operations	1.30	(11.44)	5.34	3.44	4.38	3.46
Distributions from net investment income	(.02)	(.16)	(.26)	(.32)	(.05)	(.07)
Distributions from net realized gain	—	(.65)	(8.75)	(2.71)	(.01)	—
Total distributions	(.02)	(.81)	(9.01)	(3.03)	(.06) ^I	(.07)
Redemption fees added to paid in capital ^{E,1}	—	—	—	—	—	—
Net asset value, end of period	\$ 16.38	\$ 15.10	\$ 27.35	\$ 31.02	\$ 30.61	\$ 26.29
Total Return^{B,C,D}	8.59%	(42.69)%	17.30%	11.43%	16.67%	15.15%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.93% ^A	.91%	.90%	.91%	.91%	.93%
Expenses net of fee waivers, if any	.93% ^A	.91%	.90%	.91%	.91%	.93%
Expenses net of all reductions	.93% ^A	.90%	.89%	.90%	.89%	.91%
Net investment income (loss)	1.41% ^A	.82%	.75%	.60%	.39%	.10%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 12,316	\$ 13,585	\$ 35,606	\$ 26,707	\$ 19,596	\$ 7,088
Portfolio turnover rate ^G	156% ^A	172%	134%	75%	60%	64%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. ¹Amount represents less than \$.01 per share. ^ITotal distributions of \$.06 per share is comprised of distributions from net investment income of \$.050 and distributions from net realized gain of \$.005 per share.

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

Financial Highlights — Investor Class

	Six months ended		Years ended December 31,		
	June 30, 2009 (Unaudited)	2008	2007	2006	2005 ^H
Selected Per-Share Data					
Net asset value, beginning of period	\$ 15.34	\$ 27.82	\$ 31.41	\$ 31.00	\$ 28.34
Income from Investment Operations					
Net investment income (loss) ^E .....	.12	.21	.30	.23	.06
Net realized and unrealized gain (loss)	1.21	(11.83)	5.16	3.30	2.60
Total from investment operations	1.33	(11.62)	5.46	3.53	2.66
Distributions from net investment income	(.02)	(.21)	(.30)	(.41)	—
Distributions from net realized gain	—	(.65)	(8.75)	(2.71)	—
Total distributions	(.02)	(.86)	(9.05)	(3.12)	—
Redemption fees added to paid in capital ^{E, J}	—	—	—	—	—
Net asset value, end of period	\$ 16.65	\$ 15.34	\$ 27.82	\$ 31.41	\$ 31.00
Total Return^{B, C, D}	8.65%	(42.60)%	17.47%	11.60%	9.39%
Ratios to Average Net Assets^{F, I}					
Expenses before reductions .....	.79% ^A	.75%	.76%	.78%	.83% ^A
Expenses net of fee waivers, if any .....	.79% ^A	.75%	.76%	.78%	.83% ^A
Expenses net of all reductions .....	.78% ^A	.74%	.75%	.78%	.81% ^A
Net investment income (loss)	1.55% ^A	.98%	.89%	.73%	.43% ^A
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 353,745	\$ 324,919	\$ 532,268	\$ 315,995	\$ 88,673
Portfolio turnover rate ^G	156% ^A	172%	134%	75%	60%

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FFees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds. ^GAmount does not include the portfolio activity of any underlying Fidelity Central Funds. ^HFor the period July 21, 2005 (commencement of sale of shares) to December 31, 2005. ^IExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class. ^JAmount represents less than \$.01 per share.

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

Notes to Financial Statements

For the period ended June 30, 2009 (Unaudited)

1. Organization.

VIP Contrafund 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, Service Class 2 shares, Service Class 2R shares and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class. Investment income, realized and unrealized capital gains and losses, the common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred. Certain expense reductions also differ by class.

2. Investments in Fidelity Central Funds.

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

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

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

3. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Events or transactions occurring after period end through the date that the financial statements were issued, August 10, 2009, have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Fund:

Security Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Fund uses independent pricing services approved by the Board of Trustees to value its investments. Generally Accepted Accounting Principles (GAAP) establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are classified into three levels. Level 1 includes readily available unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes observable inputs other than quoted prices included in Level 1 that are observable either directly or indirectly. Level 3 includes unobservable inputs when market prices are not readily available or reliable. Changes in valuation techniques may result in transfers in or out of an investment's assigned level within the hierarchy. The aggregate value by input level, as of June 30, 2009, for the Fund's investments, as well as a reconciliation of assets and liabilities for which significant unobservable inputs (Level 3) were used in determining value, is included at the end of the Fund's Schedule of Investments. Valuation techniques of the Fund's major categories of assets and liabilities as presented in the Schedule of Investments are as follows.

Equity securities, including restricted securities, for which market quotations are readily available, are valued at the last reported sale price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded. In the event there were no sales during the day or closing prices are not available, securities are valued at the last quoted bid price. Debt securities, including restricted securities, are valued based on quotations received from dealers who make markets in such securities or by independent pricing services. For corporate bonds and U.S. government and government agency obligations pricing services generally utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value each business day. Short-term securities with remaining maturities of sixty days or less for which quotations are not readily available are valued at amortized cost, which approximates value.

When current market prices or quotations are not readily available or reliable, valuations may be determined in good faith in accordance with procedures adopted by the Board of Trustees. Factors used in determining value may include significant market or security specific events, changes in interest rates and credit quality, and developments in foreign markets which are monitored by evaluating the performance of ADRs, futures contracts and exchange-traded funds. The frequency with which these procedures are used cannot be predicted and may be utilized to a significant extent. The value of securities used for net asset value (NAV) calculation under these procedures may differ from published prices for the same securities.

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

Notes to Financial Statements (Unaudited) – continued

3. Significant Accounting Policies – continued

Foreign Currency – continued

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

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

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

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

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

Income Tax Information and Distributions to Shareholders. Each year, the Fund intends to qualify as a regulated investment company by distributing substantially all of its taxable income and realized gains under Subchapter M of the Internal Revenue Code and filing its U.S. federal tax return. As a result, no provision for income taxes is required. The Fund is subject to the provisions of FASB Interpretation No. 48, Accounting for Uncertainties in Income Taxes (FIN 48). FIN 48 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. There are no unrecognized tax benefits in the accompanying financial statements. A Fund's federal tax return is subject to examination by the Internal Revenue Service (IRS) for a period of three years. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

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

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences will reverse in a subsequent period.

Book-tax differences are primarily due to futures transactions, foreign currency transactions, passive foreign investment companies (PFIC), market discount, partnerships, deferred trustees compensation, capital loss carryforwards, losses deferred due to wash sales and excise tax regulations.

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

Unrealized appreciation	\$ 1,199,232,183
Unrealized depreciation	(3,095,465,504)
Net unrealized appreciation (depreciation)	\$ (1,896,233,321)
Cost for federal income tax purposes	\$ 16,990,973,576

Trading (Redemption) Fees. Service Class 2R shares held less than 60 days are subject to a redemption fee equal to 1% of the proceeds of the redeemed shares. All redemption fees, including any estimated redemption fees paid by FMR, are retained by the Fund and accounted for as an addition to paid in capital.

4. Operating Policies.

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

5. Investments in Derivative Instruments.

Objectives and Strategies for Investing in Derivative Instruments. The Fund uses derivative instruments ("derivatives"), including futures contracts, in order to meet its investment objectives. The Fund's strategy is to use derivatives as a risk management tool and as an additional way to gain exposure to certain types of assets. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the Fund may not achieve its objectives.

While utilizing derivatives in pursuit of its investment objectives, the Fund is exposed to certain financial risk relative to those derivatives. This risk is further explained below:

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

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

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

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

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

Risk Exposure / Derivative Type	Realized Gain (Loss)	Change in Unrealized Gain (Loss)
Equity Risk		
Futures Contracts	\$ 13,016,106	\$ 5,823,433
Total Derivatives Realized and Change in Unrealized Gain (Loss) (a)(b)	<u>\$ 13,016,106</u>	<u>\$ 5,823,433</u>

(a) Total derivatives realized gain (loss) included in the Statement of Operations is comprised of \$13,016,106 for futures contracts.

(b) Total derivatives change in unrealized gain (loss) included in the Statement of Operations is comprised of \$5,823,433 for futures contracts.

6. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$10,478,794,695 and \$11,342,057,570, respectively.

Notes to Financial Statements (Unaudited) – continued

7. Fees and Other Transactions with Affiliates.

Management Fee. FMR and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .30% of the Fund's average net assets and a group fee rate that averaged .27% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by FMR. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the period, the total annualized management fee rate was .57% of the Fund's average net assets.

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

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

Service Class	\$	701,329
Service Class 2		7,693,656
Service Class 2 R		14,707
	\$	<u>8,409,692</u>

Transfer Agent Fees. Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of FMR, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class (with the exception of Investor Class) pays a transfer agent fee, excluding out of pocket expenses, equal to an annual rate of .07% of average net assets. Investor Class pays a monthly asset-based transfer agent fee of .15% of average net assets. The total transfer agent fees paid by each class to FIIOC, including out of pocket expenses, were as follows:

Initial Class	\$	2,484,444
Service Class		597,198
Service Class 2		2,597,534
Service Class 2R		5,005
Investor Class		302,748
	\$	<u>5,986,929</u>

Accounting and Security Lending Fees. Fidelity Service Company, Inc. (FSC), an affiliate of FMR, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for the month. Under a separate contract, FSC administers the security lending program. The security lending fee is based on the number and duration of lending transactions

Brokerage Commissions. The Fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of the investment adviser. The commissions paid to these affiliated firms were \$308,763 for the period.

8. Committed Line of Credit.

The Fund participates with other funds managed by FMR in a \$3.5 billion credit facility (the "line of credit") to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The Fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which amounted to \$41,965 and is reflected in Miscellaneous Expense on the Statement of Operations. During the period, there were no borrowings on this line of credit.

9. Security Lending.

The Fund lends portfolio securities from time to time in order to earn additional income. On the settlement date of the loan, the Fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. The value of loaned securities and cash collateral at period end are disclosed on the Fund's Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less fees and expenses associated with the loan, plus any premium payments that may be received on the loan of certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Net income from lending portfolio securities during the period amounted to \$1,933,502.

10. Expense Reductions.

Many of the brokers with whom FMR places trades on behalf of the Fund provided services to the Fund in addition to trade execution. These services included payments of certain expenses on behalf of the Fund totaling \$234,582 for the period. In addition, through arrangements with the Fund's custodian, credits realized as a result of uninvested cash balances were used to reduce the Fund's expenses. During the period, these credits reduced the Fund's custody expenses by \$3,188.

11. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2009	Year ended December 31, 2008
From net investment income		
Initial Class	\$ 5,952,927	\$ 90,602,902
Service Class	1,436,612	19,549,112
Service Class 2	6,215,960	70,722,525
Service Class 2R	13,073	140,284
Investor Class	316,302	4,314,377
Total	<u>\$ 13,934,874</u>	<u>\$ 185,329,200</u>
From net realized gain		
Initial Class	\$ —	\$ 283,640,043
Service Class	—	69,350,695
Service Class 2	—	225,574,285
Service Class 2R	—	752,454
Investor Class	—	12,605,573
Total	<u>\$ —</u>	<u>\$ 591,923,050</u>

12. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2009	Year ended December 31, 2008	Six months ended June 30, 2009	Year ended December 31, 2008
Initial Class				
Shares sold	8,410,006	17,214,323	\$ 128,522,374	\$ 367,447,891
Reinvestment of distributions	413,111	17,689,881	5,952,927	374,242,945
Shares redeemed	(39,276,407)	(72,624,796)	(569,082,748)	(1,561,195,619)
Net increase (decrease)	<u>(30,453,290)</u>	<u>(37,720,592)</u>	<u>\$ (434,607,447)</u>	<u>\$ (819,504,783)</u>
Service Class				
Shares sold	3,772,895	10,045,032	\$ 56,613,360	\$ 217,511,353
Reinvestment of distributions	100,043	4,168,313	1,436,612	88,899,807
Shares redeemed	(10,969,384)	(24,772,545)	(158,187,645)	(531,153,700)
Net increase (decrease)	<u>(7,096,446)</u>	<u>(10,559,200)</u>	<u>\$ (100,137,673)</u>	<u>\$ (224,742,540)</u>
Service Class 2				
Shares sold	34,678,273	104,589,963	\$ 509,298,535	\$ 2,230,223,383
Reinvestment of distributions	438,361	14,208,979	6,215,960	296,296,810
Shares redeemed	(26,110,220)	(50,282,276)	(378,738,824)	(1,046,285,042)
Net increase (decrease)	<u>9,006,414</u>	<u>68,516,666</u>	<u>\$ 136,775,671</u>	<u>\$ 1,480,235,151</u>
Service Class 2R				
Shares sold	72,936	315,752	\$ 1,113,146	\$ 7,183,840
Reinvestment of distributions	925	41,099	13,073	892,738
Shares redeemed	(221,566)	(759,151)	(3,046,388)	(16,276,836)
Net increase (decrease)	<u>(147,705)</u>	<u>(402,300)</u>	<u>\$ (1,920,169)</u>	<u>\$ (8,200,258)</u>
Investor Class				
Shares sold	1,399,114	3,617,047	\$ 21,725,765	\$ 82,390,947
Reinvestment of distributions	22,027	807,800	316,302	16,919,950
Shares redeemed	(1,358,870)	(2,380,010)	(18,465,832)	(46,731,649)
Net increase (decrease)	<u>62,271</u>	<u>2,044,837</u>	<u>\$ 3,576,235</u>	<u>\$ 52,579,248</u>

13. Other.

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

At the end of the period, two otherwise unaffiliated shareholders were the owners of record of 22% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

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

General Distributor

Fidelity Distributors Corporation
Boston, MA

Transfer and Service Agents

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

Custodian

Brown Brothers Harriman & Co.
Boston, MA