Fidelity® Variable Insurance Products:
Equity-Income Portfolio

Annual Report
December 31, 2013

Fidelity INVESTMENTS®

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

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

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

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

NOT FDIC INSURED · MAY LOSE VALUE · NO BANK GUARANTEE

Neither the fund nor Fidelity Distributors Corporation is a bank.

Performance: The Bottom Line

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

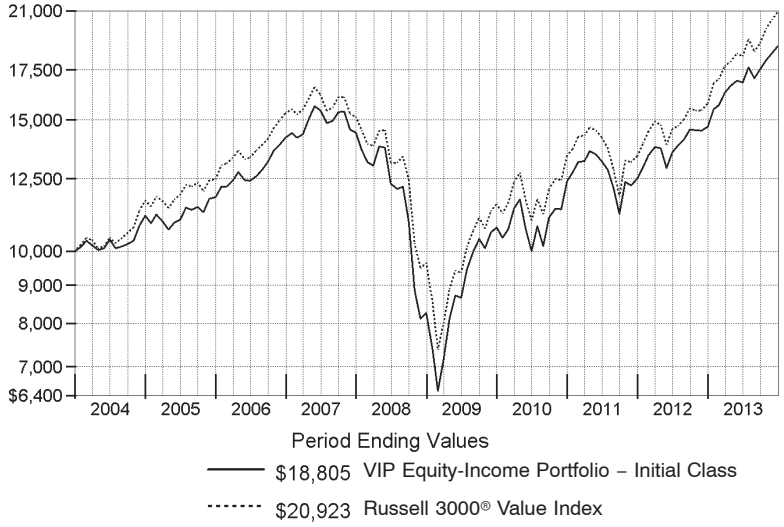
Average Annual Total Returns

Periods ended December 31, 2013	Past 1 year	Past 5 years	Past 10 years
VIP Equity-Income Portfolio℠ – Initial Class	28.15%	17.88%	6.52%
VIP Equity-Income Portfolio – Service Class	28.01%	17.76%	6.41%
VIP Equity-Income Portfolio – Service Class 2	27.83%	17.59%	6.25%
VIP Equity-Income Portfolio – Investor Class[A]	27.99%	17.78%	6.43%

[A] *The initial offering of Investor Class shares took place on July 21, 2005. Returns prior to July 21, 2005, are those of Initial Class. Had Investor Class's transfer agent fee been reflected, returns prior to July 21, 2005, would have been lower.*

$10,000 Over 10 Years

Let's say hypothetically that $10,000 was invested in VIP Equity-Income Portfolio℠ – Initial Class on December 31, 2003. The chart shows how the value of your investment would have changed, and also shows how the Russell 3000® Value Index performed over the same period.



Management's Discussion of Fund Performance

Market Recap: Global equity markets remained upbeat for the 12 months ending December 31, 2013, propelling the MSCI® ACWI® (All Country World Index) Index to a 23.24% return. Midyear turbulence gave way by autumn when policymakers in the U.S. and China had made clear their intentions to maintain accommodative monetary policies. That stance, combined with modest cyclical improvement around the globe and generally low valuations, underpinned the broad rally in equities, although the relative strength of the U.S. dollar generally tempered gains for U.S. investors holding foreign securities based in local currencies. During the period, the broad-market S&P 500® Index set a series of new highs, finishing the year up 32.39%. For the first time since 1995, the S&P® scored a "perfect 10," with all 10 economic sectors gaining at least 10% for the year. A resurgence in growth-oriented stocks lifted the Nasdaq Composite Index® to a 40.12% result for 2013, while the blue-chip Dow Jones Industrial Average℠ notched a relatively more modest 29.65% gain. International developed-markets equities rose in concert with their U.S. counterparts, with the MSCI® EAFE® Index gaining 22.92% for the period. Meanwhile, foreign exchange and commodity weakness curbed results in resource-heavy emerging markets (EM), especially in the year's waning months. More generally, concern over EM's slowing growth, its declining share of global trade and uncertainty surrounding U.S. central bank intentions were all factors hampering performance. The MSCI Emerging Markets Index returned –2.27% for the period. On the bond side, U.S. high-yield securities rallied with equities for much of the period, with The BofA Merrill Lynch℠ US High Yield Constrained Index returning 7.41% for 2013. The more rate-sensitive U.S. investment-grade bond category faced headwinds though, as reflected in the –2.02% return of the Barclays® U.S. Aggregate Bond Index. Within the Barclays index, investment-grade corporate credit returned –2.01%, while ultra-safe U.S. Treasuries saw a –2.75% result. Major non-U.S. developed markets performed only slightly better, with the Citigroup® Non-USD Group-of-Seven (G7) Equal Weighted Index logging a –1.59% result. After several years of strong advances, EM debt reversed course in 2013, with the J.P. Morgan Emerging Markets Bond Index Global returning –6.58%.

Comments from James Morrow, Lead Portfolio Manager of VIP Equity-Income Portfolio: For the year, the fund's share classes significantly trailed the benchmark Russell 3000® Value Index, which gained 32.69%. *(For specific portfolio results, please refer to the performance section of this report.)* Versus the index, stock selection was challenging, especially in information technology, industrials and energy. The fund's cash stake of 5% on average — a reflection of fewer attractive buying opportunities as the period progressed — also detracted. On the positive side, the fund benefited from helpful underweightings in the lagging real estate, utilities and materials sectors, and from overweighting the outperforming software & services industry. The biggest individual detractor was a sizable out-of-index stake in diversified technology stock IBM, which I liked for its competitive dividend, high-return business, solid earnings growth and attractive valuation. But in a market environment that rewarded fast-growing, momentum-oriented stocks, investors found steady growers like IBM to be relatively boring. I think owning "boring" stocks can be very profitable over the long term, which is why I added to my stake in IBM overall, but it was certainly a disappointment for the fund this past year. Other notable relative detractors were Netherlands-based energy producer Royal Dutch Shell and computer and peripherals maker Hewlett-Packard (HP). In the latter case, I avoided owning this benchmark component because I thought the company faced too many long-term headwinds. This decision did not work out well during the year, however, as HP's shares more than doubled. I did, however, invest in Royal Dutch Shell, an out-of-benchmark stock that lagged. Over time, I notably reduced the fund's stake, as I had hoped the company's dividend would grow more quickly. On the positive side, the fund benefited disproportionately from a couple of financials stocks — life insurance provider MetLife and a non-index stake in asset manager Blackstone Group, whose shares gained about 64% and 116%, respectively. Both are good examples of the types of businesses I like to own — they have healthy balance sheets, good dividends and strong competitive positions.

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

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, 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 (July 1, 2013 to December 31, 2013).

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[B]	Beginning Account Value July 1, 2013	Ending Account Value December 31, 2013	Expenses Paid During Period* July 1, 2013 to December 31, 2013
Initial Class	.54%			
Actual		$ 1,000.00	$ 1,117.70	$ 2.88
Hypothetical[A]		$ 1,000.00	$ 1,022.48	$ 2.75
Service Class	.64%			
Actual		$ 1,000.00	$ 1,117.00	$ 3.42
Hypothetical[A]		$ 1,000.00	$ 1,021.98	$ 3.26
Service Class 2	.79%			
Actual		$ 1,000.00	$ 1,116.50	$ 4.21
Hypothetical[A]		$ 1,000.00	$ 1,021.22	$ 4.02
Service Class 2R	.79%			
Actual		$ 1,000.00	$ 1,116.60	$ 4.21
Hypothetical[A]		$ 1,000.00	$ 1,021.22	$ 4.02
Investor Class	.62%			
Actual		$ 1,000.00	$ 1,117.40	$ 3.31
Hypothetical[A]		$ 1,000.00	$ 1,022.08	$ 3.16

[A] *5% return per year before expenses*

[B] *Annualized expense ratio reflects expenses net of applicable fee waivers.*

* *Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).*

Investment Changes (Unaudited)

Top Ten Stocks as of December 31, 2013

	% of fund's net assets	% of fund's net assets 6 months ago
JPMorgan Chase & Co.	4.1	3.9
Wells Fargo & Co.*	3.1	2.9
Chevron Corp.	3.0	2.9
General Electric Co.	2.7	2.2
Exxon Mobil Corp.	2.6	2.3
MetLife, Inc.	2.4	2.1
Cisco Systems, Inc.	2.3	2.3
Merck & Co., Inc.	2.2	2.1
Procter & Gamble Co.	2.1	2.5
Paychex, Inc.	2.0	2.2
	26.5	

** Security or a portion of the security is pledged as collateral for call options written.*

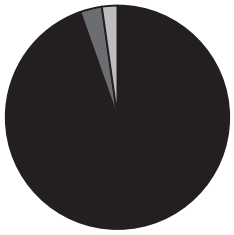
Top Five Market Sectors as of December 31, 2013

	% of fund's net assets	% of fund's net assets 6 months ago
Financials	22.2	22.3
Energy	14.2	12.3
Health Care	12.2	13.5
Information Technology	11.9	11.1
Industrials	10.5	10.4

Asset Allocation (% of fund's net assets)

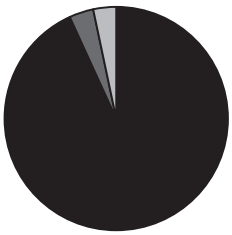
As of December 31, 2013*

Stocks	94.6%
Bonds	3.1%
Short-Term Investments and Net Other Assets (Liabilities)	2.2%
Other Investments	0.1%
** Foreign investments*	*12.2%*
** Written options*	*(0.1)%*



As of June 30, 2013**

Stocks	93.2%
Bonds	3.5%
Short-Term Investments and Net Other Assets (Liabilities)	3.3%
Other Investments	0.0%
*** Foreign investments*	*9.7%*
*** Written options*	*0.0%*



Investments December 31, 2013

Showing Percentage of Net Assets

Common Stocks — 92.9%

	Shares	Value
CONSUMER DISCRETIONARY – 7.6%		
Auto Components – 0.2%		
Gentex Corp.	492,457	$ 16,246,156
Automobiles – 0.2%		
General Motors Co. (a)	301,766	12,333,176
Hotels, Restaurants & Leisure – 1.6%		
McDonald's Corp.	547,900	53,162,737
Texas Roadhouse, Inc. Class A	550,397	15,301,037
Wynn Resorts Ltd.	29,950	5,816,590
Yum! Brands, Inc.	388,000	29,336,680
		103,617,044
Leisure Equipment & Products – 0.4%		
New Academy Holding Co. LLC unit (j)(k)	127,200	23,350,104
Media – 2.7%		
Comcast Corp. Class A (h)	1,708,043	88,758,455
Sinclair Broadcast Group, Inc. Class A	279,207	9,976,066
Time Warner, Inc.	1,085,308	75,667,674
		174,402,195
Multiline Retail – 1.7%		
Kohl's Corp.	526,300	29,867,525
Target Corp.	1,261,103	79,789,987
		109,657,512
Specialty Retail – 0.6%		
Adastria Holdings Co. Ltd.	77,930	2,812,218
American Eagle Outfitters, Inc.	716,039	10,310,962
Foot Locker, Inc.	352,385	14,602,834
Staples, Inc. (h)	854,036	13,570,632
		41,296,646
Textiles, Apparel & Luxury Goods – 0.2%		
Coach, Inc.	174,394	9,788,735
TOTAL CONSUMER DISCRETIONARY		490,691,568
CONSUMER STAPLES – 9.4%		
Beverages – 1.9%		
Molson Coors Brewing Co. Class B (h)	470,900	26,441,035
PepsiCo, Inc.	284,757	23,617,746
The Coca-Cola Co.	1,746,721	72,157,045
		122,215,826
Food & Staples Retailing – 2.0%		
CVS Caremark Corp.	428,200	30,646,274
Wal-Mart Stores, Inc.	395,978	31,159,509
Walgreen Co.	1,197,846	68,804,274
		130,610,057
Food Products – 1.0%		
B&G Foods, Inc. Class A	65,051	2,205,879
Kellogg Co.	951,557	58,111,586
		60,317,465
Household Products – 2.1%		
Procter & Gamble Co.	1,658,919	135,052,596
Tobacco – 2.4%		
Altria Group, Inc.	1,194,896	$ 45,872,057
British American Tobacco PLC sponsored ADR	138,097	14,834,380
Lorillard, Inc.	996,073	50,480,980
Philip Morris International, Inc.	503,784	43,894,700
		155,082,117
TOTAL CONSUMER STAPLES		603,278,061
ENERGY – 13.6%		
Energy Equipment & Services – 1.8%		
Ensco PLC Class A	364,023	20,814,835
Halliburton Co.	35,476	1,800,407
National Oilwell Varco, Inc.	320,906	25,521,654
Noble Corp.	637,502	23,887,200
Schlumberger Ltd.	324,602	29,249,886
Trinidad Drilling Ltd.	1,191,800	11,051,287
		112,325,269
Oil, Gas & Consumable Fuels – 11.8%		
Access Midstream Partners LP	181,200	10,252,296
Apache Corp.	586,861	50,434,834
BG Group PLC	160,400	3,446,347
Canadian Natural Resources Ltd.	814,600	27,561,049
Chevron Corp.	1,533,580	191,559,478
CONSOL Energy, Inc.	566,142	21,536,042
EV Energy Partners LP	626,524	21,257,959
Exxon Mobil Corp.	1,644,369	166,410,143
Holly Energy Partners LP	290,744	9,399,754
HollyFrontier Corp.	275,460	13,687,607
Legacy Reserves LP	289,401	8,149,532
Markwest Energy Partners LP	530,529	35,083,883
Occidental Petroleum Corp.	545,587	51,885,324
Royal Dutch Shell PLC Class A sponsored ADR	449,629	32,045,059
Scorpio Tankers, Inc.	327,173	3,857,370
Suncor Energy, Inc.	1,054,300	36,961,292
The Williams Companies, Inc.	1,719,249	66,311,434
Tsakos Energy Navigation Ltd.	563,289	3,385,367
Western Gas Equity Partners LP	43,077	1,701,972
Williams Partners LP	155,800	7,923,988
		762,850,730
TOTAL ENERGY		875,175,999
FINANCIALS – 21.2%		
Capital Markets – 3.9%		
Aberdeen Asset Management PLC	243,300	2,014,463
Apollo Investment Corp.	1,896,163	16,079,462
Ashmore Group PLC	3,084,342	20,496,462
BlackRock, Inc. Class A	52,357	16,569,420
Carlyle Group LP	215,500	7,676,110
Charles Schwab Corp.	1,117,300	29,049,800

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

Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Capital Markets – continued		
Greenhill & Co., Inc.	185,003	$ 10,719,074
Invesco Ltd.	267,400	9,733,360
KKR & Co. LP	2,188,157	53,259,741
Morgan Stanley	956,575	29,998,192
The Blackstone Group LP	1,788,326	56,332,269
		251,928,353
Commercial Banks – 5.5%		
CIT Group, Inc.	180,538	9,411,446
Comerica, Inc.	331,820	15,774,723
M&T Bank Corp. (h)	341,091	39,709,814
PNC Financial Services Group, Inc.	176,200	13,669,596
Standard Chartered PLC (United Kingdom)	904,693	20,374,519
U.S. Bancorp	1,463,138	59,110,775
Wells Fargo & Co. (h)	4,405,586	200,013,604
		358,064,477
Diversified Financial Services – 4.9%		
JPMorgan Chase & Co.	4,555,040	266,378,735
KKR Financial Holdings LLC	4,013,060	48,919,201
		315,297,936
Insurance – 4.7%		
ACE Ltd.	526,611	54,520,037
AFLAC, Inc.	209,149	13,971,153
Brasil Insurance Participacoes e Administracao SA	338,500	2,642,036
esure Group PLC	1,874,500	7,753,987
Fidelity National Financial, Inc. Class A	46,200	1,499,190
MetLife, Inc.	2,824,531	152,298,712
MetLife, Inc. unit	309,915	9,759,223
Prudential Financial, Inc.	296,662	27,358,170
Validus Holdings Ltd.	858,447	34,586,830
		304,389,338
Real Estate Investment Trusts – 2.0%		
American Capital Agency Corp.	1,454,548	28,058,231
Annaly Capital Management, Inc.	2,356,009	23,489,410
Coresite Realty Corp.	168,047	5,409,433
First Potomac Realty Trust	1,025,993	11,932,299
Home Properties, Inc.	372,672	19,982,673
Rayonier, Inc.	249,081	10,486,310
Retail Properties America, Inc.	1,038,232	13,206,311
Two Harbors Investment Corp.	1,464,834	13,593,660
Ventas, Inc.	109,690	6,283,043
		132,441,370
Real Estate Management & Development – 0.1%		
Beazer Pre-Owned Rental Homes, Inc. (a)(k)	257,800	5,413,800
Thrifts & Mortgage Finance – 0.1%		
Radian Group, Inc.	301,008	$ 4,250,233
TOTAL FINANCIALS		1,371,785,507
HEALTH CARE – 11.2%		
Biotechnology – 0.5%		
Amgen, Inc.	308,900	35,264,024
Health Care Equipment & Supplies – 0.7%		
Baxter International, Inc.	166,600	11,587,030
Covidien PLC	282,500	19,238,250
Hologic, Inc. (a)	84,800	1,895,280
St. Jude Medical, Inc.	230,561	14,283,254
		47,003,814
Health Care Providers & Services – 1.6%		
Aetna, Inc.	358,305	24,576,140
Quest Diagnostics, Inc.	249,482	13,357,266
UnitedHealth Group, Inc.	465,423	35,046,352
WellPoint, Inc.	306,360	28,304,600
		101,284,358
Health Care Technology – 0.1%		
Quality Systems, Inc.	298,853	6,293,844
Pharmaceuticals – 8.3%		
AbbVie, Inc.	314,624	16,615,293
Actavis PLC (a)	154,653	25,981,704
Astellas Pharma, Inc.	206,600	12,248,661
AstraZeneca PLC sponsored ADR	1,050,300	62,356,311
Eli Lilly & Co. (h)	574,977	29,323,827
Johnson & Johnson	1,316,268	120,556,986
Merck & Co., Inc.	2,790,960	139,687,548
Pfizer, Inc.	2,465,912	75,530,885
Sanofi SA	186,368	19,903,159
Teva Pharmaceutical Industries Ltd. sponsored ADR	840,322	33,680,106
		535,884,480
TOTAL HEALTH CARE		725,730,520
INDUSTRIALS – 10.0%		
Aerospace & Defense – 1.1%		
United Technologies Corp.	645,976	73,512,069
Air Freight & Logistics – 2.1%		
C.H. Robinson Worldwide, Inc.	645,416	37,653,569
United Parcel Service, Inc. Class B	954,645	100,314,097
		137,967,666
Commercial Services & Supplies – 1.1%		
Intrum Justitia AB	659,308	18,451,214
Republic Services, Inc.	1,651,826	54,840,623
		73,291,837
Electrical Equipment – 0.6%		
Eaton Corp. PLC	138,200	10,519,784

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

Common Stocks – continued

	Shares	Value
INDUSTRIALS – continued		
Electrical Equipment – continued		
Emerson Electric Co.	197,603	$ 13,867,779
Hubbell, Inc. Class B	124,100	13,514,490
		37,902,053
Industrial Conglomerates – 2.7%		
General Electric Co.	6,290,176	176,313,633
Machinery – 1.6%		
Cummins, Inc. (h)	190,300	26,826,591
Douglas Dynamics, Inc.	587,191	9,876,553
Harsco Corp.	502,809	14,093,736
Stanley Black & Decker, Inc.	593,906	47,922,275
Stanley Black & Decker, Inc. unit (a)	13,400	1,382,880
		100,102,035
Professional Services – 0.5%		
Acacia Research Corp.	505,926	7,356,164
Michael Page International PLC	2,755,399	22,266,478
		29,622,642
Road & Rail – 0.3%		
Union Pacific Corp.	113,977	19,148,136
TOTAL INDUSTRIALS		647,860,071
INFORMATION TECHNOLOGY – 11.3%		
Communications Equipment – 2.3%		
Cisco Systems, Inc.	6,683,452	150,043,497
Computers & Peripherals – 0.9%		
Apple, Inc.	97,496	54,705,981
EMC Corp.	193,864	4,875,680
		59,581,661
Electronic Equipment & Components – 0.2%		
TE Connectivity Ltd.	232,090	12,790,480
IT Services – 4.3%		
Accenture PLC Class A	538,971	44,314,196
IBM Corp.	551,563	103,456,672
Paychex, Inc.	2,812,986	128,075,253
		275,846,121
Office Electronics – 0.0%		
Xerox Corp.	117,700	1,432,409
Semiconductors & Semiconductor Equipment – 1.8%		
Applied Materials, Inc.	2,427,200	42,937,168
Broadcom Corp. Class A	1,660,160	49,223,744
KLA-Tencor Corp.	170,591	10,996,296
Siliconware Precision Industries Co. Ltd. sponsored ADR	2,523,619	15,091,242
		118,248,450
Software – 1.8%		
CA Technologies, Inc.	465,919	15,678,174
Microsoft Corp.	2,599,503	97,299,397
		112,977,571
TOTAL INFORMATION TECHNOLOGY		730,920,189

	Shares	Value
MATERIALS – 0.9%		
Chemicals – 0.4%		
RPM International, Inc.	475,052	$ 19,719,409
Sociedad Quimica y Minera de Chile SA (PN-B) sponsored ADR (e)	240,803	6,231,982
Tronox Ltd. Class A	125,500	2,895,285
		28,846,676
Metals & Mining – 0.5%		
Commercial Metals Co.	731,327	14,867,878
Freeport-McMoRan Copper & Gold, Inc.	416,394	15,714,710
		30,582,588
TOTAL MATERIALS		59,429,264
TELECOMMUNICATION SERVICES – 4.0%		
Diversified Telecommunication Services – 3.0%		
AT&T, Inc.	1,894,159	66,598,630
CenturyLink, Inc.	1,114,725	35,503,991
Verizon Communications, Inc.	1,796,900	88,299,666
		190,402,287
Wireless Telecommunication Services – 1.0%		
Vodafone Group PLC	16,451,698	64,773,521
TOTAL TELECOMMUNICATION SERVICES		255,175,808
UTILITIES – 3.7%		
Electric Utilities – 3.2%		
American Electric Power Co., Inc.	349,172	16,320,299
FirstEnergy Corp.	565,359	18,645,540
Hawaiian Electric Industries, Inc. (e)	563,987	14,697,501
NextEra Energy, Inc.	377,921	32,357,596
Northeast Utilities	375,355	15,911,298
PPL Corp.	1,296,647	39,016,108
Southern Co.	1,347,177	55,382,446
Xcel Energy, Inc.	545,889	15,252,139
		207,582,927
Multi-Utilities – 0.5%		
CenterPoint Energy, Inc.	86,821	2,012,511
Sempra Energy	327,109	29,361,304
		31,373,815
TOTAL UTILITIES		238,956,742
TOTAL COMMON STOCKS (Cost $4,513,509,884)		**5,999,003,729**

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

Preferred Stocks — 1.7%

	Shares	Value
Convertible Preferred Stocks – 1.1%		
FINANCIALS – 0.1%		
Real Estate Investment Trusts – 0.1%		
Weyerhaeuser Co. Series A, 6.375%	111,500	$ 6,204,975
HEALTH CARE – 0.1%		
Health Care Equipment & Supplies – 0.1%		
Alere, Inc. 3.00%	29,880	8,554,644
INDUSTRIALS – 0.2%		
Aerospace & Defense – 0.2%		
United Technologies Corp. 7.50%	179,400	11,745,318
TELECOMMUNICATION SERVICES – 0.1%		
Wireless Telecommunication Services – 0.1%		
Crown Castle International Corp. Series A, 4.50% (a)	93,900	9,387,183
UTILITIES – 0.6%		
Electric Utilities – 0.2%		
NextEra Energy, Inc.:		
5.889%	90,807	5,135,136
Series E, 5.599%	158,600	9,132,188
		14,267,324
Multi-Utilities – 0.4%		
CenterPoint Energy, Inc. 2.00% ZENS	188,700	9,884,106
Dominion Resources, Inc.:		
Series A, 6.125%	112,300	6,077,676
Series B, 6.00%	112,400	6,093,204
		22,054,986
TOTAL UTILITIES		36,322,310
TOTAL CONVERTIBLE PREFERRED STOCKS		**72,214,430**
Nonconvertible Preferred Stocks – 0.6%		
CONSUMER DISCRETIONARY – 0.2%		
Automobiles – 0.2%		
Volkswagen AG	46,518	13,064,541
FINANCIALS – 0.4%		
Consumer Finance – 0.4%		
Ally Financial, Inc.:		
7.00% (f)	22,163	21,165,665
Series A, 8.50%	121,466	3,261,362
		24,427,027
TOTAL NONCONVERTIBLE PREFERRED STOCKS		**37,491,568**
TOTAL PREFERRED STOCKS (Cost $96,029,323)		**109,705,998**

Corporate Bonds — 3.1%

	Principal Amount (d)	Value
Convertible Bonds – 3.0%		
CONSUMER DISCRETIONARY – 0.2%		
Automobiles – 0.2%		
Volkswagen International Finance NV 5.5% 11/9/15 (f) EUR	6,400,000	$ 10,932,523
ENERGY – 0.6%		
Oil, Gas & Consumable Fuels – 0.6%		
Alpha Natural Resources, Inc. 3.75% 12/15/17	12,370,000	12,788,106
Amyris, Inc. 3% 2/27/17	1,383,000	1,308,429
BPZ Energy, Inc. 8.5% 10/1/17	2,410,000	2,132,850
Chesapeake Energy Corp. 2.5% 5/15/37	8,660,000	8,803,756
Cobalt International Energy, Inc. 2.625% 12/1/19	3,520,000	3,115,200
Ship Finance International Ltd. 3.25% 2/1/18	9,290,000	9,684,825
		37,833,166
FINANCIALS – 0.4%		
Insurance – 0.2%		
Fidelity National Financial, Inc. 4.25% 8/15/18	8,210,000	13,382,300
Thrifts & Mortgage Finance – 0.2%		
MGIC Investment Corp. 9% 4/1/63 (f)	10,438,000	11,946,291
TOTAL FINANCIALS		25,328,591
HEALTH CARE – 0.9%		
Biotechnology – 0.1%		
Theravance, Inc. 2.125% 1/15/23	4,670,000	6,748,150
Health Care Equipment & Supplies – 0.2%		
Teleflex, Inc. 3.875% 8/1/17	7,650,000	12,107,655
Health Care Providers & Services – 0.6%		
HealthSouth Corp. 2% 12/1/43	13,908,000	14,656,250
WellPoint, Inc. 2.75% 10/15/42	17,660,000	23,907,225
		38,563,475
TOTAL HEALTH CARE		57,419,280
INDUSTRIALS – 0.3%		
Commercial Services & Supplies – 0.1%		
Covanta Holding Corp. 3.25% 6/1/14	5,860,000	6,856,200
Construction & Engineering – 0.2%		
Layne Christensen Co. 4.25% 11/15/18 (f)	3,060,000	3,075,300

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

Corporate Bonds – continued

	Principal Amount (d)	Value
Convertible Bonds – continued		
INDUSTRIALS – continued		
Construction & Engineering – continued		
MasTec, Inc.:		
4% 6/15/14	$ 4,000,000	$ 8,320,000
4.25% 12/15/14	550,000	1,179,063
		12,574,363
TOTAL INDUSTRIALS		19,430,563
INFORMATION TECHNOLOGY – 0.6%		
Communications Equipment – 0.2%		
InterDigital, Inc. 2.5% 3/15/16	12,210,000	12,423,675
Liberty Interactive LLC 0.75% 3/30/43 (f)	2,100,000	2,604,105
		15,027,780
Semiconductors & Semiconductor Equipment – 0.3%		
GT Advanced Technologies, Inc. 3% 10/1/17	13,190,000	18,078,544
Software – 0.1%		
TiVo, Inc. 4% 3/15/16 (f)	5,210,000	7,092,894
TOTAL INFORMATION TECHNOLOGY		40,199,218
MATERIALS – 0.0%		
Chemicals – 0.0%		
RPM International, Inc. 2.25% 12/15/20	1,500,000	1,660,313
TOTAL CONVERTIBLE BONDS		**192,803,654**
Nonconvertible Bonds – 0.1%		
FINANCIALS – 0.0%		
Diversified Financial Services – 0.0%		
ILFC E-Capital Trust I 5.46% 12/21/65 (f)(i)	540,000	494,100

	Principal Amount (d)	Value
MATERIALS – 0.1%		
Metals & Mining – 0.1%		
Boart Longyear Management Pty Ltd. 7% 4/1/21 (f)	$ 3,700,000	$ 2,765,750
JMC Steel Group, Inc. 8.25% 3/15/18 (f)	50,000	50,500
Walter Energy, Inc. 8.5% 4/15/21	5,250,000	4,370,625
		7,186,875
TOTAL NONCONVERTIBLE BONDS		**7,680,975**
TOTAL CORPORATE BONDS (Cost $173,393,536)		**200,484,629**

Preferred Securities — 0.1%

FINANCIALS – 0.1%		
Diversified Financial Services – 0.1%		
Baggot Securities Ltd. 10.24% (f)(g) (Cost $3,931,922)	2,560,000	4,016,327

Money Market Funds — 2.8%

	Shares	
Fidelity Cash Central Fund, 0.11% (b)	177,023,094	177,023,094
Fidelity Securities Lending Cash Central Fund, 0.11% (b)(c)	5,737,500	5,737,500
TOTAL MONEY MARKET FUNDS (Cost $182,760,594)		**182,760,594**
TOTAL INVESTMENT PORTFOLIO – 100.6% (Cost $4,969,625,259)		**6,495,971,277**
NET OTHER ASSETS (LIABILITIES) – (0.6)%		**(37,459,566)**
NET ASSETS – 100%		**$ 6,458,511,711**

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

Written Options

	Expiration Date/Exercise Price	Number of Contracts	Premium	Value
Call Options				
Comcast Corp. Class A	1/18/14 - $49.00	3,668	$ 398,968	$ (1,155,420)
Cummins, Inc.	1/18/14 - $140.00	476	72,542	(129,710)
Eli Lilly & Co.	1/18/14 - $52.50	2,875	112,412	(44,563)
M&T Bank Corp.	1/18/14 - $115.00	845	166,803	(217,588)
Staples, Inc.	1/18/14 - $17.00	2,135	69,174	(10,675)
Well Fargo & Co.	1/18/14 - $44.00	21,691	1,047,459	(3,579,014)
TOTAL WRITTEN OPTIONS			**$1,867,358**	**$ (5,136,970)**

Currency Abbreviations

EUR — European Monetary Unit

Legend

(a) Non-income producing

(b) 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, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.

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

(d) Amount is stated in United States dollars unless otherwise noted.

(e) Security or a portion of the security is on loan at period end.

(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 $64,143,455 or 1.0% of net assets.

(g) Security is perpetual in nature with no stated maturity date.

(h) Security or a portion of the security is pledged as collateral for call options written. At period end, the value of securities pledged amounted to $152,140,579.

(i) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.

(j) Investment is owned by an entity that is treated as a corporation for U.S. tax purposes and is owned by the Fund.

(k) 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 $28,763,904 or 0.4% of net assets.

Additional information on each restricted holding is as follows:

Security	Acquisition Date	Acquisition Cost
Beazer Pre-Owned Rental Homes, Inc.	5/3/12 – 10/23/12	$ 5,156,000
New Academy Holding Co. LLC unit	8/1/11	$ 13,406,880

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	$ 266,191
Fidelity Securities Lending Cash Central Fund	977,799
Total	$ 1,243,990

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

Other Information

The following is a summary of the inputs used, as of December 31, 2013, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the tables 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**
Investments in Securities:				
Equities:				
Consumer Discretionary	$ 503,756,109	$ 477,593,787	$ 2,812,218	$ 23,350,104
Consumer Staples	603,278,061	603,278,061	—	—
Energy	875,175,999	875,175,999	—	—
Financials	1,402,417,509	1,357,231,810	39,771,899	5,413,800
Health Care	734,285,164	702,133,344	32,151,820	—
Industrials	659,605,389	659,605,389	—	—
Information Technology	730,920,189	730,920,189	—	—
Materials	59,429,264	59,429,264	—	—
Telecommunication Services	264,562,991	190,402,287	74,160,704	—
Utilities	275,279,052	251,127,622	24,151,430	—
Corporate Bonds	200,484,629	—	200,484,629	—
Preferred Securities	4,016,327	—	4,016,327	—
Money Market Funds	182,760,594	182,760,594	—	—
Total Investments in Securities:	$ 6,495,971,277	$ 6,089,658,346	$ 377,549,027	$ 28,763,904
Derivative Instruments:				
Liabilities				
Written Options	$ (5,136,970)	$ (5,136,970)	$ —	$ —

The following is a summary of transfers between Level 1 and Level 2 for the period ended December 31, 2013. Transfers are assumed to have occurred at the beginning of the period, and are primarily attributable to the valuation techniques used for foreign equity securities, as discussed in the accompanying Notes to Financial Statements:

Transfers	**Total**
Level 1 to Level 2	$ 7,582,185
Level 2 to Level 1	$ 70,127,828

Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2013. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type	**Value**	
	Asset	**Liability**
Equity Risk		
Written Options (a)	$ —	$ (5,136,970)
Total Value of Derivatives	$ —	$ (5,136,970)

(a) Gross value is presented in the Statement of Assets and Liabilities in the written options, at value line-item.

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

United States of America	87.8%
United Kingdom	4.6%
Ireland	1.7%
Canada	1.2%
Switzerland	1.1%
Bermuda	1.0%
Others (Individually Less Than 1%)	2.6%
	100.0%

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

Financial Statements

Statement of Assets and Liabilities

		December 31, 2013
Assets		
Investment in securities, at value (including securities loaned of $5,556,830) — See accompanying schedule:		
Unaffiliated issuers (cost $4,786,864,665)	$6,313,210,683	
Fidelity Central Funds (cost $182,760,594)	182,760,594	
Total Investments (cost $4,969,625,259)		$6,495,971,277
Cash		614,311
Receivable for investments sold		13,287,124
Receivable for fund shares sold		2,071,839
Dividends receivable		10,872,039
Interest receivable		1,581,529
Distributions receivable from Fidelity Central Funds		24,388
Prepaid expenses		15,583
Other receivables		314,170
Total assets		6,524,752,260
Liabilities		
Payable for investments purchased	$ 46,313,941	
Payable for fund shares redeemed	5,349,185	
Accrued management fee	2,386,342	
Distribution and service plan fees payable	393,585	
Written options, at value (premium received $1,867,358)	5,136,970	
Other affiliated payables	470,567	
Other payables and accrued expenses	452,459	
Collateral on securities loaned, at value	5,737,500	
Total liabilities		66,240,549
Net Assets		$6,458,511,711
Net Assets consist of:		
Paid in capital		$4,946,469,899
Distributions in excess of net investment income		(72,000)
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions		(11,038,434)
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies		1,523,152,246
Net Assets		$6,458,511,711

Statement of Assets and Liabilities – continued

	December 31, 2013
Initial Class:	
Net Asset Value, offering price and redemption price per share ($3,947,727,657 ÷ 169,497,923 shares)	$ 23.29
Service Class:	
Net Asset Value, offering price and redemption price per share ($391,895,679 ÷ 16,890,227 shares)	$ 23.20
Service Class 2:	
Net Asset Value, offering price and redemption price per share ($1,755,769,154 ÷ 76,740,063 shares)	$ 22.88
Service Class 2R:	
Net Asset Value, offering price and redemption price per share ($11,979,811 ÷ 526,873 shares)	$ 22.74
Investor Class:	
Net Asset Value, offering price and redemption price per share ($351,139,410 ÷ 15,128,261 shares)	$ 23.21

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

Statement of Operations

		Year ended December 31, 2013
Investment Income		
Dividends		$ 173,396,541
Interest		7,797,673
Income from Fidelity Central Funds		1,243,990
Total income		182,438,204
Expenses		
Management fee	$ 27,811,092	
Transfer agent fees	4,481,786	
Distribution and service plan fees	4,613,549	
Accounting and security lending fees	1,137,350	
Custodian fees and expenses	106,206	
Independent trustees' compensation	33,128	
Appreciation in deferred trustee compensation account	482	
Audit	88,697	
Legal	22,919	
Miscellaneous	54,366	
Total expenses before reductions	38,349,575	
Expense reductions	(420,027)	37,929,548
Net investment income (loss)		144,508,656
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	424,202,903	
Foreign currency transactions	(125,453)	
Written options	2,748,674	
Total net realized gain (loss)		426,826,124
Change in net unrealized appreciation (depreciation) on:		
Investment securities	933,618,681	
Assets and liabilities in foreign currencies	54,684	
Written options	(3,269,612)	
Total change in net unrealized appreciation (depreciation)		930,403,753
Net gain (loss)		1,357,229,877
Net increase (decrease) in net assets resulting from operations		$1,501,738,533

Statement of Changes in Net Assets

	Year ended December 31, 2013	Year ended December 31, 2012
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	$ 144,508,656	$ 160,196,451
Net realized gain (loss)	426,826,124	225,861,427
Change in net unrealized appreciation (depreciation)	930,403,753	499,587,896
Net increase (decrease) in net assets resulting from operations	1,501,738,533	885,645,774
Distributions to shareholders from net investment income	(147,533,373)	(160,836,253)
Distributions to shareholders from net realized gain	(403,959,921)	(361,842,958)
Total distributions	(551,493,294)	(522,679,211)
Share transactions – net increase (decrease)	(90,118,096)	(98,030,068)
Redemption fees	144	2,080
Total increase (decrease) in net assets	860,127,287	264,938,575
Net Assets		
Beginning of period	5,598,384,424	5,333,445,849
End of period (including distributions in excess of net investment income of $72,000 and distributions in excess of net investment income of $131,517, respectively)	$6,458,511,711	$5,598,384,424

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

Financial Highlights — Initial Class

Years ended December 31,	2013	2012	2011	2010	2009
Selected Per-Share Data					
Net asset value, beginning of period	$ 19.94	$ 18.69	$ 19.02	$ 16.81	$ 13.18
Income from Investment Operations					
Net investment income (loss)[C]	.56	.59	.48	.30	.33
Net realized and unrealized gain (loss)	4.96	2.59	(.31)	2.24	3.64
Total from investment operations	5.52	3.18	.17	2.54	3.97
Distributions from net investment income	(.60)	(.63)[F]	(.50)	(.33)	(.34)
Distributions from net realized gain	(1.57)	(1.30)[F]	—	—	—
Total distributions	(2.17)	(1.93)	(.50)	(.33)	(.34)
Redemption fees added to paid in capital[C,H]	—	—	—	—	—
Net asset value, end of period	$ 23.29	$ 19.94	$ 18.69	$ 19.02	$ 16.81
Total Return[A,B]	28.15%	17.31%	.97%	15.15%	30.21%
Ratios to Average Net Assets[D,G]					
Expenses before reductions	.55%	.55%	.56%	.56%	.58%
Expenses net of fee waivers, if any	.54%	.55%	.55%	.55%	.58%
Expenses net of all reductions	.54%	.54%	.54%	.55%	.58%
Net investment income (loss)	2.43%	2.94%	2.48%	1.71%	2.29%
Supplemental Data					
Net assets, end of period (000 omitted)	$ 3,947,728	$ 3,461,083	$ 3,345,762	$ 3,798,310	$ 3,771,733
Portfolio turnover rate[E]	32%	48%	96%	29%	29%

A *Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.*
B *Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.*
C *Calculated based on average shares outstanding during the period.*
D *Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.*
E *Amount does not include the portfolio activity of any underlying Fidelity Central Funds.*
F *The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.*
G *Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.*
H *Amount represents less than $.01 per share.*

Financial Highlights — Service Class

Years ended December 31,	2013	2012	2011	2010	2009
Selected Per-Share Data					
Net asset value, beginning of period	$ 19.87	$ 18.63	$ 18.96	$ 16.75	$ 13.14
Income from Investment Operations					
Net investment income (loss)[C]	.53	.57	.46	.28	.31
Net realized and unrealized gain (loss)	4.94	2.57	(.31)	2.24	3.63
Total from investment operations	5.47	3.14	.15	2.52	3.94
Distributions from net investment income	(.57)	(.60)[F]	(.48)	(.31)	(.33)
Distributions from net realized gain	(1.57)	(1.30)[F]	—	—	—
Total distributions	(2.14)	(1.90)	(.48)	(.31)	(.33)
Redemption fees added to paid in capital[C,H]	—	—	—	—	—
Net asset value, end of period	$ 23.20	$ 19.87	$ 18.63	$ 18.96	$ 16.75
Total Return[A,B]	28.01%	17.19%	.86%	15.09%	30.03%
Ratios to Average Net Assets[D,G]					
Expenses before reductions	.65%	.65%	.66%	.66%	.68%
Expenses net of fee waivers, if any	.64%	.65%	.66%	.65%	.68%
Expenses net of all reductions	.64%	.64%	.64%	.65%	.68%
Net investment income (loss)	2.33%	2.84%	2.38%	1.61%	2.19%
Supplemental Data					
Net assets, end of period (000 omitted)	$ 391,896	$ 350,493	$ 347,999	$ 414,431	$ 430,383
Portfolio turnover rate[E]	32%	48%	96%	29%	29%

A *Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.*
B *Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.*
C *Calculated based on average shares outstanding during the period.*
D *Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.*
E *Amount does not include the portfolio activity of any underlying Fidelity Central Funds.*
F *The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.*
G *Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.*
H *Amount represents less than $.01 per share.*

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

Financial Highlights — Service Class 2

Years ended December 31,	2013	2012	2011	2010	2009
Selected Per-Share Data					
Net asset value, beginning of period	$ 19.62	$ 18.41	$ 18.75	$ 16.57	$ 13.00
Income from Investment Operations					
Net investment income (loss)[C]	.49	.53	.42	.25	.29
Net realized and unrealized gain (loss)	4.88	2.55	(.31)	2.21	3.58
Total from investment operations	5.37	3.08	.11	2.46	3.87
Distributions from net investment income	(.54)	(.57)[F]	(.45)	(.28)	(.30)
Distributions from net realized gain	(1.57)	(1.30)[F]	—	—	—
Total distributions	(2.11)	(1.87)	(.45)	(.28)	(.30)
Redemption fees added to paid in capital[C,H]	—	—	—	—	—
Net asset value, end of period	$ 22.88	$ 19.62	$ 18.41	$ 18.75	$ 16.57
Total Return[A,B]	27.83%	17.05%	.66%	14.92%	29.88%
Ratios to Average Net Assets[D,G]					
Expenses before reductions	.80%	.80%	.81%	.81%	.83%
Expenses net of fee waivers, if any	.79%	.80%	.81%	.80%	.83%
Expenses net of all reductions	.79%	.79%	.80%	.80%	.83%
Net investment income (loss)	2.18%	2.69%	2.23%	1.46%	2.04%
Supplemental Data					
Net assets, end of period (000 omitted)	$ 1,755,769	$ 1,560,856	$ 1,457,230	$ 1,619,356	$ 1,558,421
Portfolio turnover rate[E]	32%	48%	96%	29%	29%

A *Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.*
B *Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.*
C *Calculated based on average shares outstanding during the period.*
D *Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.*
E *Amount does not include the portfolio activity of any underlying Fidelity Central Funds.*
F *The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.*
G *Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.*
H *Amount represents less than $.01 per share.*

Financial Highlights — Service Class 2R

Years ended December 31,	2013	2012	2011	2010	2009
Selected Per-Share Data					
Net asset value, beginning of period	$ 19.53	$ 18.34	$ 18.66	$ 16.49	$ 12.93
Income from Investment Operations					
Net investment income (loss)[C]	.49	.53	.42	.25	.28
Net realized and unrealized gain (loss)	4.84	2.54	(.30)	2.20	3.58
Total from investment operations	5.33	3.07	.12	2.45	3.86
Distributions from net investment income	(.55)	(.58)[F]	(.44)	(.28)	(.30)
Distributions from net realized gain	(1.57)	(1.30)[F]	—	—	—
Total distributions	(2.12)	(1.88)	(.44)	(.28)	(.30)
Redemption fees added to paid in capital[C,H]	—	—	—	—	—
Net asset value, end of period	$ 22.74	$ 19.53	$ 18.34	$ 18.66	$ 16.49
Total Return[A,B]	27.79%	17.05%	.70%	14.90%	29.95%
Ratios to Average Net Assets[D,G]					
Expenses before reductions	.79%	.80%	.81%	.81%	.83%
Expenses net of fee waivers, if any	.79%	.80%	.80%	.80%	.83%
Expenses net of all reductions	.79%	.79%	.79%	.80%	.83%
Net investment income (loss)	2.19%	2.69%	2.23%	1.46%	2.04%
Supplemental Data					
Net assets, end of period (000 omitted)	$ 11,980	$ 5,640	$ 3,956	$ 5,405	$ 5,259
Portfolio turnover rate[E]	32%	48%	96%	29%	29%

A *Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.*
B *Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.*
C *Calculated based on average shares outstanding during the period.*
D *Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.*
E *Amount does not include the portfolio activity of any underlying Fidelity Central Funds.*
F *The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.*
G *Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.*
H *Amount represents less than $.01 per share.*

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

Financial Highlights — Investor Class

Years ended December 31,	2013	2012	2011	2010	2009
Selected Per-Share Data					
Net asset value, beginning of period	$ 19.89	$ 18.64	$ 18.97	$ 16.77	$ 13.15
Income from Investment Operations					
Net investment income (loss)[C]	.54	.57	.46	.28	.31
Net realized and unrealized gain (loss)	4.93	2.59	(.31)	2.23	3.64
Total from investment operations	5.47	3.16	.15	2.51	3.95
Distributions from net investment income	(.58)	(.61)[F]	(.48)	(.31)	(.33)
Distributions from net realized gain	(1.57)	(1.30)[F]	—	—	—
Total distributions	(2.15)	(1.91)	(.48)	(.31)	(.33)
Redemption fees added to paid in capital[C,H]	—	—	—	—	—
Net asset value, end of period	$ 23.21	$ 19.89	$ 18.64	$ 18.97	$ 16.77
Total Return[A,B]	27.99%	17.27%	.89%	15.04%	30.09%
Ratios to Average Net Assets[D,G]					
Expenses before reductions	.63%	.64%	.64%	.65%	.68%
Expenses net of fee waivers, if any	.62%	.64%	.64%	.64%	.68%
Expenses net of all reductions	.62%	.63%	.63%	.64%	.68%
Net investment income (loss)	2.35%	2.85%	2.39%	1.62%	2.19%
Supplemental Data					
Net assets, end of period (000 omitted)	$ 351,139	$ 220,311	$ 178,499	$ 165,946	$ 147,358
Portfolio turnover rate[E]	32%	48%	96%	29%	29%

A *Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.*
B *Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.*
C *Calculated based on average shares outstanding during the period.*
D *Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.*
E *Amount does not include the portfolio activity of any underlying Fidelity Central Funds.*
F *The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.*
G *Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.*
H *Amount represents less than $.01 per share.*

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

1. Organization.

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

2. Investments in Fidelity Central Funds.

The Fund invests 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 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 the investment adviser. Annualized expenses of the Money Market Central Funds as of their most recent shareholder report date are less than .01%.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission (the SEC) website at www.sec.gov. In addition, the financial statements of the Fidelity Central Funds, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC website or upon request.

3. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Subsequent events, if any, through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Fund:

Investment Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. In accordance with valuation policies and procedures approved by the Board of Trustees (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 Fidelity Management & Research Company (FMR) Fair Value Committee (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, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee oversees the Fund's valuation policies and procedures and is responsible for approving and reporting to the Board all fair value determinations.

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. Utilizing these techniques may result in transfers between Level 1 and Level 2. 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.

3. Significant Accounting Policies – continued

Investment Valuation – continued

Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing vendors or from brokers who make markets in such securities. Corporate bonds and preferred securities are valued by pricing vendors who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing vendors. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

Exchange-traded options are valued using the last sale price or, in the absence of a sale, the last offering price 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.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level, as of December 31, 2013, including information on transfers between Levels 1 and 2, is included at the end of the Fund's Schedule of Investments.

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

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates 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. Subsequent to ex-dividend date the Fund determines the components of these distributions, based upon receipt of tax filings or other correspondence relating to the underlying investment. 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.

Class Allocations and Expenses. Investment income, realized and unrealized capital gains and losses, common expenses of the 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 the Fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred. Certain expense reductions may also differ by class. 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. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

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

Income Tax Information and Distributions to Shareholders. Each year, the Fund intends to qualify as a regulated investment company 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. As of December 31, 2013, the Fund did not have any unrecognized tax benefits in the financial statements; nor is the Fund aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. 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

3. Significant Accounting Policies – continued

Income Tax Information and Distributions to Shareholders – continued

returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

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

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, market discount, contingent interest, partnerships, deferred trustees compensation, equity-debt classifications and losses deferred due to wash sales and excise tax regulations.

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

Gross unrealized appreciation	$ 1,712,776,208
Gross unrealized depreciation	(219,402,686)
Net unrealized appreciation (depreciation) on securities and other investments	$ 1,493,373,522
Tax Cost	$ 5,002,597,755

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

Undistributed ordinary income	$ 8,759,639
Undistributed long-term capital gain	$ 13,764,500
Net unrealized appreciation (depreciation)	$ 1,490,179,750

	December 31, 2013	December 31, 2012
Ordinary Income	$ 279,000,432	$ 250,126,867
Long-term Capital Gains	272,492,862	272,552,344
Total	$ 551,493,294	$ 522,679,211

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

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.

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 options. 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.

4. Derivative Instruments – continued

Risk Exposures and the Use of Derivative Instruments – continued

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 options 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.

Options. Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price between or on certain dates. Options obligate the seller (writer) to buy (put) or sell (call) an underlying instrument at the exercise or strike price or cash settle an underlying derivative instrument if the holder exercises the option on or before the expiration date.

The Fund used exchange-traded written covered call options to manage its exposure to the market. When the Fund writes a covered call option, the Fund holds the underlying instrument which must be delivered to the holder upon the exercise of the option.

Upon entering into a written options contract, the Fund will receive a premium. Premiums received are reflected as a liability on the Statement of Assets and Liabilities. Options are valued daily and any unrealized appreciation (depreciation) is reflected on the Statement of Assets and Liabilities. When a written option is exercised, the premium is added to the proceeds from the sale of the underlying instrument in determining the gain or loss realized on that investment. When an option is closed the Fund will realize a gain or loss depending on whether the proceeds or amount paid for the closing sale transaction are greater or less than the premium received. When an option expires, gains and losses are realized to the extent of premiums received. The net realized gain (loss) on closed and expired written options and the change in net unrealized appreciation (depreciation) on written options are reflected separately on the Statement of Operations.

Writing call options tends to decrease exposure to the underlying instrument and risk of loss is the change in value in excess of the premium received.

Any open options at period end are presented in the Schedule of Investments under the caption "Written Options" and are representative of volume of activity during the period.

During the period, the Fund recognized net realized gain (loss) of $2,748,674 and a change in net unrealized appreciation (depreciation) of $(3,269,612) related to its investment in written options. This amount is included in the Statement of Operations.

The following is a summary of the Fund's written options activity:

Written Options	Number of Contracts	Amount of Premiums
Outstanding at beginning of period	—	$ —
Options Opened	112,703	7,533,155
Options Exercised	(36,096)	(2,608,708)
Options Closed	(33,513)	(1,720,362)
Options Expired	(11,404)	(1,336,727)
Outstanding at end of period	31,690	$ 1,867,358

5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated $1,848,843,213 and $2,393,269,140, respectively.

6. Fees and Other Transactions with Affiliates.

Management Fee. Fidelity Management & Research Company (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 the sum of an individual fund fee rate that is based on an annual rate of .20% of the Fund's average net assets and an annualized group fee rate that averaged .25% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by the investment adviser, including any mutual funds previously advised by the

6. Fees and Other Transactions with Affiliates – continued

Management Fee – continued

investment adviser that are currently advised by Fidelity SelectCo, LLC, an affiliate of the investment adviser. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annual management fee rate was .45% of the Fund's average net assets.

Distribution and Service Plan Fees. In accordance with Rule 12b-1 of the 1940 Act, the Fund has adopted separate 12b-1 Plans for each Service Class of shares. Each Service Class pays Fidelity Distributors Corporation (FDC), an affiliate of 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 and Service Class 2R's average net assets.

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

Service Class	$ 378,082
Service Class 2	4,213,523
Service Class 2 R	21,944
	$ 4,613,549

Transfer Agent Fees. Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of the investment adviser, 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. In addition, FIIOC receives an asset-based fee of .0035% of average net assets for typesetting, printing and mailing of shareholder reports, except proxy statements. FIIOC voluntarily agreed to reimburse or waive this fee for the period January 1, 2013 through December 31, 2013 (see Expense Reductions note). For the period, transfer agent fees for each class, including printing and out of pocket expenses, were as follows:

Initial Class	$ 2,602,767
Service Class	261,102
Service Class 2	1,165,791
Service Class 2R	6,010
Investor Class	446,116
	$ 4,481,786

Effective February 1, 2014, the Board of Trustees approved an amendment to the transfer agent fee agreement whereby each class (with the exception of Investor Class) pays a single fee of .07% of average net assets for transfer agent services, typesetting, printing and mailing of shareholder reports, excluding mailing of proxy statements and out of pocket expense. Investor Class pays a single fee of .15% of average net assets.

Accounting and Security Lending Fees. Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each 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. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were $38,613 for the period.

7. Committed Line of Credit.

The Fund participates 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 Fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which amounted to $12,942 and is reflected in Miscellaneous expenses on the Statement of Operations. During the period, there were no borrowings on this line of credit.

8. Security Lending.

The Fund lends portfolio securities through a lending agent from time to time in order to earn additional income. For equity securities, a lending agent is used and may loan securities to certain qualified borrowers, including Fidelity Capital Markets (FCM), a broker-dealer affiliated with the Fund. On the settlement date of the loan, the Fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The

8. Security Lending – continued

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, the Fund may apply collateral received from the borrower against the obligation. The 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. The value of loaned securities and cash collateral at period end are disclosed on the Fund's Statement of Assets and Liabilities. At period end, there were no security loans outstanding with FCM. 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. Total security lending income during the period amounted to $977,799, including $43,766 from securities loaned to FCM.

9. Expense Reductions.

The investment adviser or its affiliates agreed to reimburse or waive certain fees during the period as noted in the table below.

Initial Class	$ 147,762
Service Class	14,824
Service Class 2	66,075
Service Class 2R	345
Investor Class	11,526
	$ 240,532

Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of the Fund include an amount in addition to trade execution, which may be rebated back to the Fund to offset certain expenses. This amount totaled $177,294 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 $2,201.

10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

Years ended December 31,	**2013**	**2012**
From net investment income		
Initial Class	$ 92,568,520	$ 101,791,140
Service Class	8,840,014	9,989,279
Service Class 2	37,705,026	42,628,835
Service Class 2R	258,073	156,403
Investor Class	8,161,740	6,270,596
Total	$ 147,533,373	$ 160,836,253
From net realized gain		
Initial Class	$ 245,504,561	$ 222,187,565
Service Class	24,485,710	22,886,320
Service Class 2	111,276,322	103,060,364
Service Class 2R	724,327	339,927
Investor Class	21,969,001	13,368,782
Total	$ 403,959,921	$ 361,842,958

11. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		**Dollars**	
Years ended December 31,	**2013**	**2012**	**2013**	**2012**
Initial Class				
Shares sold	5,939,757	3,870,932	$ 136,791,018	$ 77,988,279
Reinvestment of distributions	15,117,940	16,250,583	338,073,081	323,978,705
Shares redeemed	(25,104,941)	(25,610,108)	(577,075,155)	(515,027,646)
Net increase (decrease)	(4,047,244)	(5,488,593)	$ (102,211,056)	$ (113,060,662)

11. Share Transactions – continued

Years ended December 31,	Shares 2013	Shares 2012	Dollars 2013	Dollars 2012
Service Class				
Shares sold	522,521	779,349	$ 11,868,622	$ 15,549,373
Reinvestment of distributions	1,495,670	1,655,419	33,325,724	32,875,599
Shares redeemed	(2,763,995)	(3,480,467)	(62,879,133)	(69,732,701)
Net increase (decrease)	(745,804)	(1,045,699)	$ (17,684,787)	$ (21,307,729)
Service Class 2				
Shares sold	5,862,575	9,943,946	$ 132,392,944	$ 192,585,015
Reinvestment of distributions	6,780,471	7,428,210	148,981,348	145,689,199
Shares redeemed	(15,448,401)	(16,965,629)	(348,570,665)	(333,504,543)
Net increase (decrease)	(2,805,355)	406,527	$ (67,196,373)	$ 4,769,671
Service Class 2R				
Shares sold	253,817	121,840	$ 5,683,428	$ 2,390,089
Reinvestment of distributions	44,961	25,375	982,400	496,330
Shares redeemed	(60,780)	(74,064)	(1,351,791)	(1,477,846)
Net increase (decrease)	237,998	73,151	$ 5,314,037	$ 1,408,573
Investor Class				
Shares sold	3,800,857	1,569,001	$ 86,969,508	$ 31,601,024
Reinvestment of distributions	1,351,634	986,760	30,130,741	19,639,378
Shares redeemed	(1,103,166)	(1,052,779)	(25,440,166)	(21,080,323)
Net increase (decrease)	4,049,325	1,502,982	$ 91,660,083	$ 30,160,079

12. Other.

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

At the end of the period, the investment adviser or its affiliates were the owners of record of 13% of the total outstanding shares of the Fund and one otherwise unaffiliated shareholder was the owner of record of 18% of the total outstanding shares of the Fund.

Report of Independent Registered Public Accounting Firm

To the Trustees of Variable Insurance Products Fund and the Shareholders of VIP Equity-Income Portfolio:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of VIP Equity-Income Portfolio (a fund of Variable Insurance Products Fund) at December 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the VIP Equity-Income Portfolio's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2013 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
February 14, 2014

Trustees and Officers

The Trustees, Member of the Advisory Board, and officers of the trust and fund, as applicable, are listed below. The Board of Trustees governs the fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee the fund's activities, review contractual arrangements with companies that provide services to the fund, oversee management of the risks associated with such activities and contractual arrangements, and review the fund's performance. Except for James C. Curvey, Ned C. Lautenbach, Ronald P. O'Hanley, and William S. Stavropoulos, each of the Trustees oversees 173 funds. Mr. Curvey oversees 396 funds. Mr. Lautenbach, Mr. O'Hanley, and Mr. Stavropoulos each oversees 247 funds.

The Trustees hold office without limit in time except that (a) any Trustee may resign; (b) any Trustee may be removed by written instrument, signed by at least two-thirds of the number of Trustees prior to such removal; (c) any Trustee who requests to be retired or who has become incapacitated by illness or injury may be retired by written instrument signed by a majority of the other Trustees; and (d) any Trustee may be removed at any special meeting of shareholders by a two-thirds vote of the outstanding voting securities of the trust. Each Trustee who is not an interested person (as defined in the 1940 Act) of the trust and the fund (Independent Trustee), shall retire not later than the last day of the calendar year in which his or her 75th birthday occurs. The Independent Trustees may waive this mandatory retirement age policy with respect to individual Trustees. The officers and Advisory Board Member hold office without limit in time, except that any officer and Advisory Board Member may resign or may be removed by a vote of a majority of the Trustees at any regular meeting or any special meeting of the Trustees. Except as indicated, each individual has held the office shown or other offices in the same company for the past five years.

Experience, Skills, Attributes, and Qualifications of the Fund's Trustees. The Governance and Nominating Committee has adopted a statement of policy that describes the experience, qualifications, attributes, and skills that are necessary and desirable for potential Independent Trustee candidates (Statement of Policy). The Board believes that each Trustee satisfied at the time he or she was initially elected or appointed a Trustee, and continues to satisfy, the standards contemplated by the Statement of Policy. The Governance and Nominating Committee also engages professional search firms to help identify potential Independent Trustee candidates who have the experience, qualifications, attributes, and skills consistent with the Statement of Policy. From time to time, additional criteria based on the composition and skills of the current Independent Trustees, as well as experience or skills that may be appropriate in light of future changes to board composition, business conditions, and regulatory or other developments, have also been considered by the professional search firms and the Governance and Nominating Committee. In addition, the Board takes into account the Trustees' commitment and participation in Board and committee meetings, as well as their leadership of standing and ad hoc committees throughout their tenure.

In determining that a particular Trustee was and continues to be qualified to serve as a Trustee, the Board has considered a variety of criteria, none of which, in isolation, was controlling. The Board believes that, collectively, the Trustees have balanced and diverse experience, qualifications, attributes, and skills, which allow the Board to operate effectively in governing the fund and protecting the interests of shareholders. Information about the specific experience, skills, attributes, and qualifications of each Trustee, which in each case led to the Board's conclusion that the Trustee should serve (or continue to serve) as a trustee of the fund, is provided below.

Board Structure and Oversight Function. James C. Curvey is an interested person (as defined in the 1940 Act) and currently serves as Chairman. The Trustees have determined that an interested Chairman is appropriate and benefits shareholders because an interested Chairman has a personal and professional stake in the quality and continuity of services provided to the funds. Independent Trustees exercise their informed business judgment to appoint an individual of their choosing to serve as Chairman, regardless of whether the Trustee happens to be independent or a member of management. The Independent Trustees have determined that they can act independently and effectively without having an Independent Trustee serve as Chairman and that a key structural component for assuring that they are in a position to do so is for the Independent Trustees to constitute a substantial majority for the Board. The Independent Trustees also regularly meet in executive session. Ned C. Lautenbach serves as Chairman of the Independent Trustees and as such (i) acts as a liaison between the Independent Trustees and management with respect to matters important to the Independent Trustees and (ii) with management prepares agendas for Board meetings.

Fidelity funds are overseen by different Boards of Trustees. The fund's Board oversees Fidelity's equity and high income funds and another Board oversees Fidelity's investment-grade bond, money market, and asset allocation funds. The asset allocation funds may invest in Fidelity funds overseen by the fund's Board. The use of separate Boards, each with its own committee structure, allows the Trustees of each group of Fidelity funds to focus on the unique issues of the funds they oversee, including common research, investment, and operational issues. On occasion, the separate Boards establish joint committees to address issues of overlapping consequences for the Fidelity funds overseen by each Board.

The Trustees operate using a system of committees to facilitate the timely and efficient consideration of all matters of importance to the Trustees, the fund, and fund shareholders and to facilitate compliance with legal and regulatory requirements and oversight of the fund's activities and associated risks. The Board, acting through its committees, has charged FMR and its affiliates with (i) identifying events or circumstances the occurrence of which could have demonstrably adverse effects on the fund's business and/or reputation; (ii) implementing processes and controls to lessen the possibility that such events or circumstances occur or to mitigate the effects of such events or circumstances if they do occur; and (iii) creating and maintaining a system designed to evaluate continuously business and market conditions in order to facilitate the identification and implementation processes described in (i) and (ii) above. Because the day-to-day operations and activities of the fund are carried out by or through FMR, its affiliates and other service providers, the fund's exposure to risks is mitigated but not eliminated by the processes overseen by the Trustees. While each of the Board's committees has responsibility for overseeing different aspects of the funds' activities, oversight is exercised primarily through the Operations, Audit, and Compliance Committees. In addition, the Independent Trustees have worked with FMR to enhance the Board's oversight of investment and financial risks, legal and regulatory risks, technology risks, and operational risks, including the development of

additional risk reporting to the Board. For example, a working group comprised of Independent Trustees and FMR has worked and continues to work to review the Fidelity fund's valuation-related activities, reporting and risk management. Appropriate personnel, including but not limited to the fund's Chief Compliance Officer (CCO), FMR's internal auditor, the independent accountants, the fund's Treasurer and portfolio management personnel, make periodic reports to the Board's committees, as appropriate, including an annual review of FMR's risk management program for the Fidelity funds. The responsibilities of each standing committee, including their oversight responsibilities, are described further under "Standing Committees of the Fund's Trustees."

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

Interested Trustees*:

Correspondence intended for each Trustee who is an interested person may be sent to Fidelity Investments, 245 Summer Street, Boston, Massachusetts 02210.

Name, Year of Birth; Principal Occupations and Other Relevant Experience+

James C. Curvey (1935)

Year of Election or Appointment: 2007
Trustee
Chairman of the Board of Trustees

Mr. Curvey also serves as Trustee of other Fidelity funds. Mr. Curvey is a Director of Fidelity Investments Money Management, Inc. (2009-present), Director of Fidelity Research & Analysis Co. (2009-present) and Director of FMR and FMR Co., Inc. (2007-present). Mr. Curvey is also Vice Chairman (2007-present) and Director of FMR LLC. In addition, Mr. Curvey serves as an Overseer for the Boston Symphony Orchestra and a member of the Trustees of Villanova University. Previously, Mr. Curvey was the Vice Chairman (2006-2007) and Director (2000-2007) of FMR Corp.

Ronald P. O'Hanley (1957)

Year of Election or Appointment: 2011
Trustee

Mr. O'Hanley also serves as Trustee of other Fidelity funds. He is Director of Fidelity SelectCo, LLC (2013-present), FMR Co., Inc. (2010-present), Director of Fidelity Investments Money Management, Inc. (2010-present), Director of Fidelity Research & Analysis Company (2010-present), President of Fidelity Asset Management and Corporate Services and a Member of Fidelity's Executive Committee (2010-present). Previously, Mr. O'Hanley served as President and Chief Executive Officer of BNY Mellon Asset Management (2007-2010). Mr. O'Hanley also served as Vice Chairman of Bank New York Mellon Corp. and a member of that firm's Executive Committee. Prior to the 2007 merger of The Bank of New York and Mellon Financial Corporation, he was Vice Chairman of Mellon Financial Corporation and President and Chief Executive Officer of Mellon Asset Management. He joined Mellon in February 1997. Mr. O'Hanley currently serves as Chairman of the Boston Public Library Foundation Board of Directors and sits on the Board of Directors of Beth Israel Deaconess Medical Center, the Board of Trustees of the Marine Biological Laboratory and the Advisory Board of the Maxwell School of Citizenship and Public Administration at Syracuse University. Mr. O'Hanley also chairs the Council on Asset Management for the Financial Services Roundtable and is a member of the Board of Directors of Institutional Investor's U.S. Institute.

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

\+ The information above includes each Trustee's principal occupation during the last five years and other information relating to the experience, attributes, and skills relevant to each Trustee's qualifications to serve as a Trustee, which led to the conclusion that each Trustee should serve as a Trustee for the fund.

Independent Trustees:

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

Name, Year of Birth; Principal Occupations and Other Relevant Experience+

Dennis J. Dirks (1948)

Year of Election or Appointment: 2005
Trustee

Mr. Dirks also serves as Trustee of other Fidelity funds. Prior to his retirement in May 2003, Mr. Dirks was Chief Operating Officer and a member of the Board of The Depository Trust & Clearing Corporation (DTCC). He also served as President, Chief Operating Officer, and Board member of The Depository Trust Company (DTC) and President and Board member of the National Securities Clearing Corporation (NSCC). In addition, Mr. Dirks served as Chief Executive Officer and Board member of the Government Securities Clearing Corporation, Chief Executive Officer and Board member of the Mortgage-Backed Securities Clearing Corporation, as a Trustee and a member of the Finance Committee of Manhattan College (2005-2008), and as a Trustee and a member of the Finance Committee of AHRC of Nassau County (2006-2008). Mr. Dirks is a member of the Independent Directors Council (IDC) Governing Council (2010-present) and Board of Directors for The Brookville Center for Children's Services, Inc. (2009-present).

Alan J. Lacy (1953)

Year of Election or Appointment: 2008
Trustee

Mr. Lacy also serves as Trustee of other Fidelity funds. Mr. Lacy serves as Senior Adviser (2007-present) of Oak Hill Capital Partners, L.P. (private equity). Mr. Lacy also served as Chief Executive Officer (2000-2005) and Vice Chairman (2005-2006) of Sears Holdings Corporation and Sears, Roebuck and Co. (retail). In addition, Mr. Lacy serves as a member of the Board of Directors of Dave & Buster's Entertainment, Inc. (restaurant and entertainment complexes, 2010-present), Earth Fare, Inc. (retail grocery, 2012-present), The Hillman Companies, Inc. (hardware wholesalers, 2010-present), and Bristol-Myers Squibb Company (global pharmaceuticals, 2008-present). Mr. Lacy is a member of the Board of Trustees of The National Parks Conservation Association (2006-present). Previously, Mr. Lacy served as Chairman of the Board of Trustees of the National Parks Conservation Association (2008-2011) and as a member of the Board of Directors for the Western Union Company (global money transfer, 2006-2011).

Ned C. Lautenbach (1944)

Year of Election or Appointment: 2000
Trustee
Chairman of the Independent Trustees

Mr. Lautenbach also serves as Trustee of other Fidelity funds. Mr. Lautenbach currently serves as the Lead Director of the Eaton Corporation Board of Directors (diversified industrial, 1997-present). Mr. Lautenbach is Chairman of the Board of Directors of the Philharmonic Center for the Arts in Naples, Florida (2012-present) and a member of the Council on Foreign Relations (1994-present). Previously, Mr. Lautenbach was a Partner/Advisory Partner at Clayton, Dubilier & Rice, LLC (private equity investment, 1998-2010), as well as a Director of Sony Corporation (2006-2007).

Joseph Mauriello (1944)

Year of Election or Appointment: 2008
Trustee

Mr. Mauriello also serves as Trustee of other Fidelity funds. Prior to his retirement in January 2006, Mr. Mauriello served in numerous senior management positions including Deputy Chairman and Chief Operating Officer (2004-2005), and Vice Chairman of Financial Services (2002-2004) of KPMG LLP US (professional services, 1965-2005). Mr. Mauriello currently serves as a member of the Board of Directors of XL Group plc. (global insurance and re-insurance, 2006-present). Previously, Mr. Mauriello served as a Director of the Hamilton Funds of the Bank of New York (2006-2007) and of Arcadia Resources Inc. (health care services and products, 2007-2012).

Robert W. Selander (1950)

Year of Election or Appointment: 2011
Trustee

Mr. Selander also serves as Trustee of other Fidelity funds. Previously, Mr. Selander served as a Member of the Advisory Board of other Fidelity funds (2011), and Executive Vice Chairman (2010), Chief Executive Officer (2009-2010), and President and Chief Executive Officer (1997-2009) of Mastercard, Inc.

Name, Year of Birth; Principal Occupations and Other Relevant Experience+

Cornelia M. Small (1944)

Year of Election or Appointment: 2005
Trustee

Ms. Small also serves as Trustee of other Fidelity funds. Ms. Small is a member of the Board of Directors (2009-present) and Chair of the Investment Committee (2010-present) of the Teagle Foundation. Ms. Small also serves on the Investment Committee of the Berkshire Taconic Community Foundation (2008-present). Previously, Ms. Small served as Chairperson (2002-2008) and a member of the Investment Committee and Chairperson (2008-2012) and a member of the Board of Trustees of Smith College. In addition, Ms. Small served as Chief Investment Officer, Director of Global Equity Investments, and a member of the Board of Directors of Scudder, Stevens & Clark and Scudder Kemper Investments.

William S. Stavropoulos (1939)

Year of Election or Appointment: 2001
Trustee
Vice Chairman of the Independent Trustees

Mr. Stavropoulos also serves as Trustee of other Fidelity funds. Mr. Stavropoulos serves as President and Founder of the Michigan Baseball Foundation, the Great Lakes Loons (2007-present). Mr. Stavropoulos is Chairman Emeritus of the Board of Directors of The Dow Chemical Company, where he previously served in numerous senior management positions, including President, CEO (1995-2000; 2002-2004), Chairman of the Executive Committee (2000-2006), and as a member of the Board of Directors (1990-2006). Currently, Mr. Stavropoulos is Chairman of the Board of Directors of Univar Inc. (global distributor of commodity and specialty chemicals), a Director of Teradata Corporation (data warehousing and technology solutions), and Maersk Inc. (industrial conglomerate), and a member of the Advisory Board for Metalmark Capital LLC (private equity investment, 2005-present). Mr. Stavropoulos is an operating advisor to Clayton, Dubilier & Rice, LLC (private equity investment). In addition, Mr. Stavropoulos is a member of the University of Notre Dame Advisory Council for the College of Science, a Trustee of the Rollin L. Gerstacker Foundation, and a Director of the Naples Philharmonic Center for the Arts. Previously, Mr. Stavropoulos served as a Director of Chemical Financial Corporation (bank holding company, 1993-2012) and Tyco International, Ltd. (multinational manufacturing and services, 2007-2012).

David M. Thomas (1949)

Year of Election or Appointment: 2008
Trustee

Mr. Thomas also serves as Trustee of other Fidelity funds. Mr. Thomas serves as Non-Executive Chairman of the Board of Directors of Fortune Brands Home and Security (home and security products, 2011-present), and as a member of the Board of Directors of Interpublic Group of Companies, Inc. (marketing communication, 2004-present). Previously, Mr. Thomas served as Executive Chairman (2005-2006) and Chairman and Chief Executive Officer (2000-2005) of IMS Health, Inc. (pharmaceutical and healthcare information solutions), and a Director of Fortune Brands, Inc. (consumer products, 2000-2011).

+ The information above includes each Trustee's principal occupation during the last five years and other information relating to the experience, attributes, and skills relevant to each Trustee's qualifications to serve as a Trustee, which led to the conclusion that each Trustee should serve as a Trustee for the fund.

Advisory Board Members and Officers:

Correspondence intended for each officer and Peter S. Lynch may be sent to Fidelity Investments, 245 Summer Street, Boston, Massachusetts 02210. Officers appear below in alphabetical order.

Name, Year of Birth; Principal Occupation

Peter S. Lynch (1944)

Year of Election or Appointment: 2003
Member of the Advisory Board

Mr. Lynch also serves as Member of the Advisory Board of other Fidelity funds. Mr. Lynch is Vice Chairman and a Director of FMR and FMR Co., Inc. In addition, Mr. Lynch serves as a Trustee of Boston College and as the Chairman of the Inner-City Scholarship Fund. Previously, Mr. Lynch served on the Special Olympics International Board of Directors (1997-2006).

Name, Year of Birth; Principal Occupation

Elizabeth Paige Baumann (1968)

Year of Election or Appointment: 2012
Anti-Money Laundering (AML) Officer

Ms. Baumann also serves as AML Officer of other funds. She is Chief AML Officer of FMR LLC (2012-present) and is an employee of Fidelity Investments. Previously, Ms. Baumann served as Vice President and Deputy Anti-Money Laundering Officer (2007-2012).

William C. Coffey (1969)

Year of Election or Appointment: 2009
Assistant Secretary

Mr. Coffey also serves as Assistant Secretary of other funds. He is Senior Vice President and Deputy General Counsel of FMR LLC (2010-present), and is an employee of Fidelity Investments. Previously, Mr. Coffey served as Vice President and Associate General Counsel of FMR LLC (2005-2009).

Jonathan Davis (1968)

Year of Election or Appointment: 2010
Assistant Treasurer

Mr. Davis also serves as Assistant Treasurer of other funds. Mr. Davis is an employee of Fidelity Investments. Previously, Mr. Davis served as Vice President and Associate General Counsel of FMR LLC (2003-2010).

Adrien E. Deberghes (1967)

Year of Election or Appointment: 2008
Deputy Treasurer

Mr. Deberghes also serves as an officer of other funds. He is an employee of Fidelity Investments (2008-present). Prior to joining Fidelity Investments, Mr. Deberghes was Senior Vice President of Mutual Fund Administration at State Street Corporation (2007-2008), Senior Director of Mutual Fund Administration at Investors Bank & Trust (2005-2007), and Director of Finance for Dunkin' Brands (2000-2005).

Stephanie J. Dorsey (1969)

Year of Election or Appointment: 2010
Assistant Treasurer

Ms. Dorsey also serves as an officer of other funds. She is an employee of Fidelity Investments (2008-present) and has served in other fund officer roles. Prior to joining Fidelity Investments, Ms. Dorsey served as Treasurer (2004-2008) of the JPMorgan Mutual Funds and Vice President (2004-2008) of JPMorgan Chase Bank.

Scott C. Goebel (1968)

Year of Election or Appointment: 2008
Secretary and Chief Legal Officer (CLO)

Mr. Goebel serves as Secretary and CLO of other funds. Mr. Goebel also serves as Secretary of Fidelity Investments Money Management, Inc. (FIMM) (2010-present) and Fidelity Research and Analysis Company (FRAC) (2010-present); General Counsel, Secretary, and Senior Vice President of FMR (2008-present) and FMR Co., Inc. (2008-present); Chief Legal Officer of Fidelity Management & Research (Hong Kong) Limited (2008-present) and Assistant Secretary of Fidelity Management & Research (Japan) Inc. (2008-present), and Fidelity Management & Research (U.K.) Inc. (2008-present). Previously, Mr. Goebel served as Secretary and CLO of other Fidelity funds (2008-2013), Assistant Secretary of FIMM (2008-2010), FRAC (2008-2010), and certain funds (2007-2008); and as Vice President and Secretary of Fidelity Distributors Corporation (FDC) (2005-2007). Mr. Goebel has been employed by FMR LLC or an affiliate since 2001.

Joseph A. Hanlon (1968)

Year of Election or Appointment: 2012
Chief Compliance Officer

Mr. Hanlon also serves as Chief Compliance Officer of other funds. Mr. Hanlon serves as Compliance Officer of FMR, FMR Co., Inc., Fidelity Investments Money Management, Inc. (FIMM), Fidelity Research and Analysis Company (FRAC), and Fidelity Management & Research (Hong Kong) (2009-present), as Senior Vice President of the Fidelity Asset Management Division (2009-present), and is an employee of Fidelity Investments. Previously, Mr. Hanlon served as Compliance Officer of Fidelity Management & Research (Japan) Inc. (2009-2013), Strategic Advisers, Inc. (2009-2013), and Fidelity Management & Research (U.K.) Inc. (2009-2013).

Name, Year of Birth; Principal Occupation

Bruce T. Herring (1965)

Year of Election or Appointment: 2006
Vice President of certain Equity Funds

Mr. Herring also serves as Vice President of other funds. He serves as Chief Investment Officer of Fidelity Global Asset Allocation (GAA) (2013-present), Group Chief Investment Officer of FMR, and President of Fidelity Research & Analysis Company (2010-present). Previously, Mr. Herring served as Chief Investment Officer and Director of Fidelity Management & Research (U.K.) Inc. (2010-2013), Vice President (2005-2006) and Senior Vice President (2006-2007) of Fidelity Management & Research Company, Vice President of FMR Co., Inc. (2001-2007), and as a portfolio manager for Fidelity U.S. Equity Funds.

Brian B. Hogan (1964)

Year of Election or Appointment: 2009
Vice President

Mr. Hogan also serves as Vice President of other funds. Mr. Hogan serves as President of FMR's Equity Division (2009-present). Previously, Mr. Hogan served as Senior Vice President, Equity Research of FMR (2006-2009) and as a portfolio manager.

Chris Maher (1972)

Year of Election or Appointment: 2013
Assistant Treasurer

Mr. Maher serves as Assistant Treasurer of other funds. Mr. Maher is Vice President of Valuation Oversight and is an employee of Fidelity Investments. Previously, Mr. Maher served as Vice President of Asset Management Compliance (2013), Vice President of FMR's Program Management Group (2010-2013), and Vice President of Valuation Oversight (2008-2010).

Christine Reynolds (1958)

Year of Election or Appointment: 2008
Chief Financial Officer

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

Kenneth B. Robins (1969)

Year of Election or Appointment: 2008
President and Treasurer

Mr. Robins also serves as an officer of other funds. Mr. Robins serves as Executive Vice President of Fidelity Investments Money Management, Inc. (FIMM) (2013-present) and is an employee of Fidelity Investments (2004-present). Previously, Mr. Robins served in other fund officer roles.

Gary W. Ryan (1958)

Year of Election or Appointment: 2005
Assistant Treasurer

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

Stephen Sadoski (1971)

Year of Election or Appointment: 2012
Deputy Treasurer

Mr. Sadoski also serves as Deputy Treasurer of other funds. He is an employee of Fidelity Investments (2012-present) and has served in another fund officer role. Prior to joining Fidelity Investments, Mr. Sadoski served as an assistant chief accountant in the Division of Investment Management of the Securities and Exchange Commission (SEC) (2009-2012) and as a senior manager at Deloitte & Touche LLP (1997-2009).

Stacie M. Smith (1974)

Year of Election or Appointment: 2013
Deputy Treasurer

Ms. Smith also serves as an officer of other funds. She is an employee of Fidelity Investments (2009-present) and has served in other fund officer roles. Prior to joining Fidelity Investments, Ms. Smith served as Senior Audit Manager of Ernst & Young LLP (1996-2009).

Name, Year of Birth; Principal Occupation

Renee Stagnone (1975)

Year of Election or Appointment: 2013
Deputy Treasurer

Ms. Stagnone also serves as Deputy Treasurer of other funds. Ms. Stagnone is an employee of Fidelity Investments.

Joseph F. Zambello (1957)

Year of Election or Appointment: 2011
Deputy Treasurer

Mr. Zambello also serves as Deputy Treasurer of other funds. Mr. Zambello is an employee of Fidelity Investments. Previously, Mr. Zambello served as Vice President of FMR's Program Management Group (2009-2011) and Vice President of the Transfer Agent Oversight Group (2005-2009).

Distributions (Unaudited)

The Board of Trustees of VIP Equity-Income Portfolio voted to pay to shareholders of record at the opening of business on record date, the following distributions per share derived from capital gains realized from sales of portfolio securities:

	Pay Date	Record Date	Capital Gains
Initial Class	02/07/2014	02/07/2014	$0.083
Service Class	02/07/2014	02/07/2014	$0.083
Service Class 2	02/07/2014	02/07/2014	$0.083
Investor Class	02/07/2014	02/07/2014	$0.083

The fund hereby designates as a capital gain dividend with respect to the taxable year ended December 31, 2013 $286,257,362, or, if subsequently determined to be different, the net capital gain of such year.

Initial Class designates 10% and 47%; Service Class designates 10% and 48%; Service Class 2 designates 10% and 50%; and Investor Class designates 10% and 48% of the dividends distributed in February and December 2013 respectively, during the fiscal year as qualifying for the dividends-received deduction for corporate shareholders.

VIP Equity-Income Portfolio

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract and sub-advisory agreements (together, the Advisory Contracts) for the fund. The Board, assisted by the advice of fund counsel and Independent Trustees' counsel, requests and considers a broad range of information 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, 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 consider matters specifically related to the Board's annual consideration of the renewal of Advisory Contracts. Members of the Board may also meet with trustees of other Fidelity funds through ad hoc joint committees to discuss certain matters relevant to the Fidelity funds.

At its July 2013 meeting, the Board, including the Independent Trustees, unanimously determined to renew the fund's Advisory Contracts. In reaching its determination, the Board considered all factors it believed relevant, including (i) the nature, extent, and quality of the services to be provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness of the fund's management fee and total expense ratio relative to peer funds; (iii) the total costs of the services to be provided by and the profits to be realized by Fidelity from its relationship with the fund; (iv) the extent to which economies of scale exist and would be realized as the fund grows; and (v) whether fee levels reflect these economies of scale, if any, for the benefit of fund shareholders.

In considering whether to renew the Advisory Contracts for the fund, the Board 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 in the fund have a broad range of investment choices available to them, including a wide choice among mutual 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 the staffing within the investment adviser, Fidelity Management & Research Company (FMR), and the sub-advisers (together, the Investment Advisers) as it relates to the fund, including the backgrounds of the fund's investment personnel, 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. The Board considered the structure of the portfolio manager compensation program and whether this structure provides appropriate incentives to act in the best interests of the fund.

Resources Dedicated to Investment Management and Support Services. The Board and the Fund Oversight and Research Committees reviewed the general qualifications and capabilities of the Investment Advisers' investment staff, including its size, education, experience, and resources, as well as the Investment Advisers' approach to recruiting, training, managing, and compensating investment personnel. The Board noted that FMR has continued to increase the resources devoted to non-U.S. offices, including expansion of Fidelity's global investment organization. The Board also noted that Fidelity's analysts have extensive resources, tools and capabilities that allow them to conduct sophisticated quantitative and fundamental analysis, as well as credit analysis of issuers, counterparties and guarantors. Further, the Board believes that Fidelity's investment professionals have sufficient access to global information and data 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, as well as to transmit new information and research conclusions rapidly around the world. Additionally, in its deliberations, the Board considered the Investment Advisers' trading and risk management capabilities and resources, which are an integral part of the investment management process.

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 under separate agreements covering transfer agency, pricing and bookkeeping, and securities lending services for the fund; (ii) the nature and extent of the supervision of third party service providers, principally custodians and subcustodians; and (iii) the resources devoted to, and the record of compliance with, the fund's compliance policies and procedures. The Board also reviewed the allocation of fund brokerage, including allocations to brokers affiliated with the Investment Advisers, the use of brokerage commissions to pay fund expenses, and the use of "soft" commission dollars to pay for research services.

The Board noted that the growth of fund assets over time across the complex allows Fidelity to reinvest in the development of services designed to enhance the value or convenience of the Fidelity funds as investment vehicles. These services include 24-hour access to account information and

market information through telephone representatives and over the Internet, investor education materials and asset allocation tools, and the expanded availability of Fidelity Investor Centers.

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 investment research and to the support of the senior management team that oversees asset management; (ii) persisting in efforts to enhance Fidelity's global research capabilities; (iii) launching new funds and making other enhancements to meet client needs for global and income-oriented solutions; (iv) continuing to launch dedicated lower cost underlying funds to meet portfolio construction needs related to expanding underlying fund options for Fidelity funds of funds, specifically for the Freedom Fund product lines; (v) rationalizing product lines and gaining increased efficiencies through the mergers of several funds into other funds; (vi) strengthening Fidelity's index fund offerings by reducing investment minimums and adopting or lowering existing expense caps for certain funds and classes; (vii) enhancing Global Asset Allocation product offerings by launching new funds and strategies, including "open architecture" target date funds that utilize affiliated and unaffiliated sub-advisers; (viii) modifying the eligibility criteria for Institutional Class shares of Advisor funds to increase their marketability to a portion of the defined contribution plan market; (ix) creating a new low-cost retirement share class for certain Advisor funds to appeal to large retirement plans; (x) transitioning the management of certain Fidelity commodity funds to Geode Capital Management LLC, a registered commodity pool operator, while retaining administrative responsibilities for the funds; (xi) reorganizing a number of funds; and (xii) taking steps toward establishing a new Fidelity adviser to manage sector-based funds and products.

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.

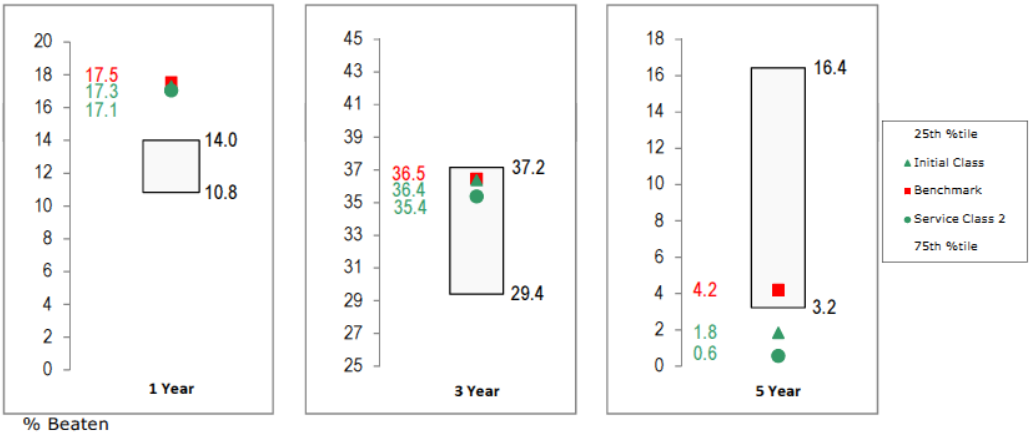
The Board took into account discussions with the Investment Advisers about fund investment performance that occur at Board meetings throughout the year. In this regard the Board noted that as part of regularly scheduled fund reviews and other reports to the Board on fund performance, the Board periodically considers annualized return information for the fund, for different time periods, measured against a securities market index ("benchmark index") and a peer group of mutual funds with similar objectives ("peer group"). 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 the Investment Advisers' explanations 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 fund performance should be evaluated based on net performance (after fees and expenses) of both the highest performing and lowest performing classes, where applicable, compared to appropriate benchmark indices, over appropriate time periods which may include full market cycles, and compared to peer groups, as applicable, over the same periods, taking into account relevant factors including the following: general market conditions; issuer-specific information; tactical opportunities for investment; 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 used as a proxy. For this reason, the performance information reviewed by the Board also included net cumulative calendar year total return information for the fund and an appropriate benchmark index and peer group for the most recent one-, three-, and five-year periods, as shown below. Returns are shown compared to the 25th percentile (top of box) and 75th percentile (bottom of box) of the peer universe.

VIP Equity-Income Portfolio

2012 Total Return % vs. Lipper Equity Income Funds Objective and Russell 3000 Value



% Beaten			
Initial Class	93%	70%	21%
Service Class	92%	68%	21%
Service Class 2	91%	63%	20%
Service Class 2 R	91%	63%	20%
Investor Class	93%	69%	21%

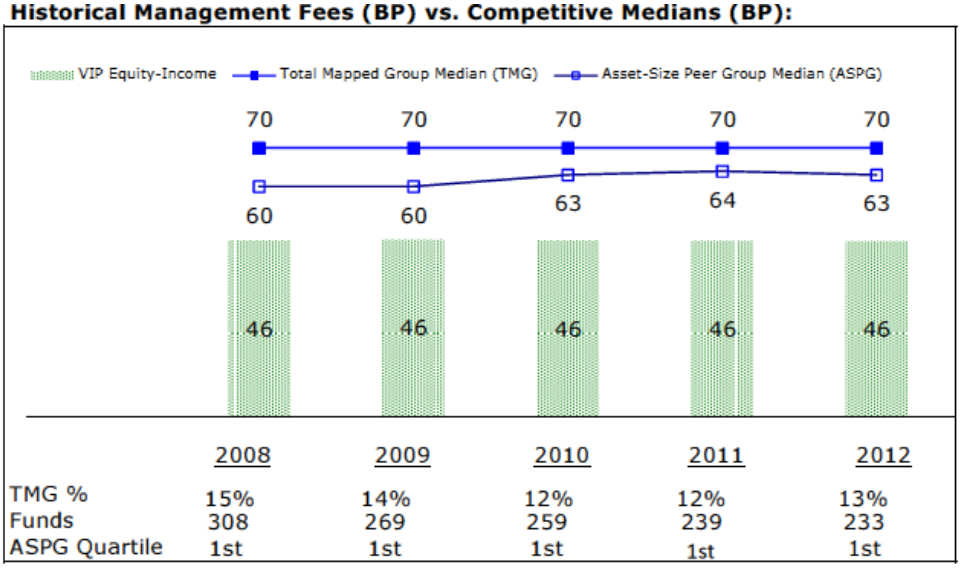
Based on its review, the Board concluded that the nature, extent, and quality of services provided to the fund under the Advisory Contracts should benefit the fund's shareholders.

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. Fidelity creates "mapped groups" by combining similar Lipper investment objective categories that have comparable management fee characteristics. Combining Lipper investment objective categories aids the Board's management fee and total expense ratio comparisons by broadening the competitive group used for comparison and by reducing the number of universes to which various Fidelity funds are compared.

Management Fee. The Board considered two proprietary management fee comparisons for the 12-month periods shown in the chart below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the "Total Mapped Group." The Total Mapped Group 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 TMG % of 13% means that 87% of the funds in the Total Mapped Group had higher management fees than the fund. The "Asset-Size Peer Group" (ASPG) comparison focuses on a fund's standing relative to a subset of non-Fidelity funds within the Total Mapped Group that are similar in size and management fee structure. 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 ranked, is also included in the chart and considered by the Board.

VIP Equity-Income Portfolio

Historical Management Fees (BP) vs. Competitive Medians (BP):



The Board noted that the fund's management fee ranked below the median of its Total Mapped Group and below the median of its ASPG for 2012.

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

The Board noted that the total expense ratio of each class ranked below its competitive median for 2012.

Fees Charged to Other Fidelity Clients. The Board also considered Fidelity fee structures and other information with respect to clients of FMR and its affiliates, such as other mutual funds advised or subadvised by FMR or its affiliates, pension plan clients, and other institutional clients. The Board noted the findings of the 2013 ad hoc joint committee (created with the board of other Fidelity funds), which reviewed and compared Fidelity's institutional investment advisory business with its business of providing services to the Fidelity funds, including the differences in services provided, fees charged, and costs incurred, as well as competition in their respective marketplaces.

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, FMR presents to the Board Fidelity's profitability for the fund. Fidelity calculates the profitability for each fund, as well as aggregate profitability for groups of Fidelity funds and all Fidelity funds, using a series of detailed revenue and cost allocation methodologies which originate with the 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.

PricewaterhouseCoopers LLP (PwC), independent registered public accounting firm and auditor to Fidelity and certain Fidelity funds, has been engaged annually by the Board as part of the Board's assessment of Fidelity's profitability analysis. PwC's engagement includes the review and assessment of the methodologies used by Fidelity in determining the revenues and expenses attributable to Fidelity's mutual fund business, and completion of agreed-upon procedures surrounding the mathematical accuracy of fund profitability and its conformity to allocation methodologies. After considering PwC's reports issued under the engagement and information provided by Fidelity, the Board 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 non-fund businesses and fall-out benefits related to the mutual fund business as well as cases where Fidelity's affiliates may benefit from or be related to the fund's business.

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

Economies of Scale. The Board considered whether there have been economies of scale in respect of the management of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is potential for realization of any further economies of scale. The Board considered the extent to which the fund will benefit from economies of scale through increased services to the fund, through waivers or reimbursements, or through fee or expense reductions. The Board also noted that in 2009, it and the board of other Fidelity funds created an ad hoc committee (the Economies of Scale Committee) to analyze whether FMR attains economies of scale in respect of the management and servicing of the Fidelity funds, whether the Fidelity funds have appropriately benefited from such economies of scale, and whether there is potential for realization of any further economies of scale.

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

The Board concluded, 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.

Amendment to Description of Group Fee Rate. At its July 2013 meeting, the Board voted to approve an amendment to the fund's management contract to modify the description of the "group fee rate" effective August 1, 2013. The Board noted that under the prior description in the contract, the group fee rate was based on the average net assets of all registered investment companies with which FMR has management contracts. Under the contract's tiered asset breakpoint schedule, the group fee rate is lower as total fund assets under FMR's management increase, and higher as total fund assets under FMR's management decrease. The Board considered that the prior description would have excluded the assets of 64 Fidelity sector funds from the group fee rate calculation once Fidelity SelectCo, LLC, an affiliate of FMR, assumed management responsibilities for those funds. The Board noted that modifying the description of the group fee rate to continue to include the assets of those 64 funds for purposes of determining group fee rate breakpoints would avoid an immediate adverse impact on the group fee rate for any fund.

Additional Information Requested by the Board. In order to develop fully the factual basis for consideration of the Fidelity funds' Advisory Contracts, the Board requested and received additional information on certain topics, including: (i) fund performance trends and Fidelity's long-term strategies for certain funds; (ii) the potential to further rationalize the Fidelity fund lineup with the possibility of achieving savings for the funds and Fidelity; (iii) the methodology with respect to competitive fund data and peer group classifications; (iv) the arrangements with, and performance of, certain sub-advisers on behalf of the Fidelity funds, as well as certain proposed participating affiliate arrangements; (v) the realization of fall-out benefits in certain Fidelity business units; (vi) Fidelity's group fee structures, including the rationale for the individual fee rates of certain categories of funds and the definition of group assets; (vii) trends regarding industry use of performance fee structures and the performance adjustment methodologies applicable to the Fidelity funds; (viii) additional competitive analysis regarding the total expenses for certain classes; and (ix) fund profitability methodology, including Fidelity's cost allocation methodology, and the impact of certain factors on fund profitability results.

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

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

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

General Distributor

Fidelity Distributors Corporation
Smithfield, RI

Transfer and Service Agents

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

Custodian

The Northern Trust Company
Chicago, IL

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