

Fidelity® Variable Insurance Products: FundsManager – 20%, 50%, 60%, 70%, 85% Portfolio

**Annual Report
December 31, 2017**



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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 Funds. This report is not authorized for distribution to prospective investors in the Funds 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.

NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE

Neither the Funds nor Fidelity Distributors Corporation is a bank.

VIP FundsManager® 20% Portfolio

Performance: The Bottom Line

Average annual total return reflects the change in the value of an investment, assuming reinvestment of 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.

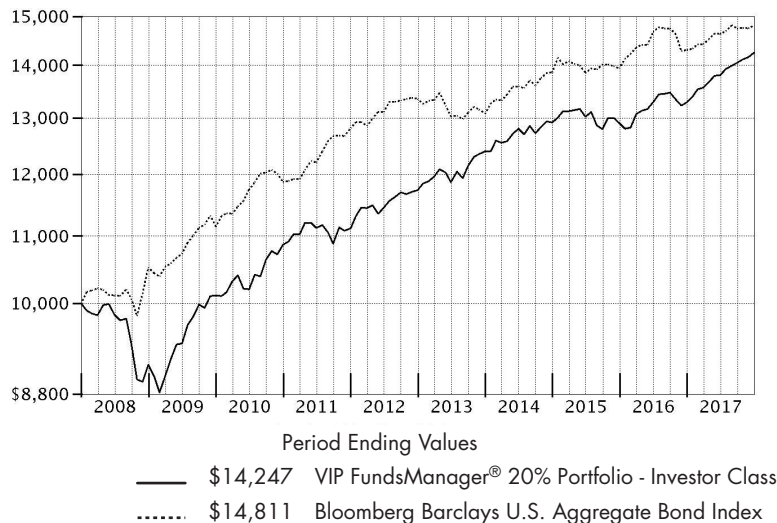
Average Annual Total Returns

Periods ended December 31, 2017	Past 1 year	Past 5 years	Past 10 years
Service Class	7.33%	3.94%	3.61%
Service Class 2	7.19%	3.79%	3.45%
Investor Class	7.24%	3.95%	3.60%

\$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 20% Portfolio - Investor Class on December 31, 2007.

The chart shows how the value of your investment would have changed, and also shows how the Bloomberg Barclays U.S. Aggregate Bond Index performed over the same period.



VIP FundsManager® 50% Portfolio

Performance: The Bottom Line

Average annual total return reflects the change in the value of an investment, assuming reinvestment of 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

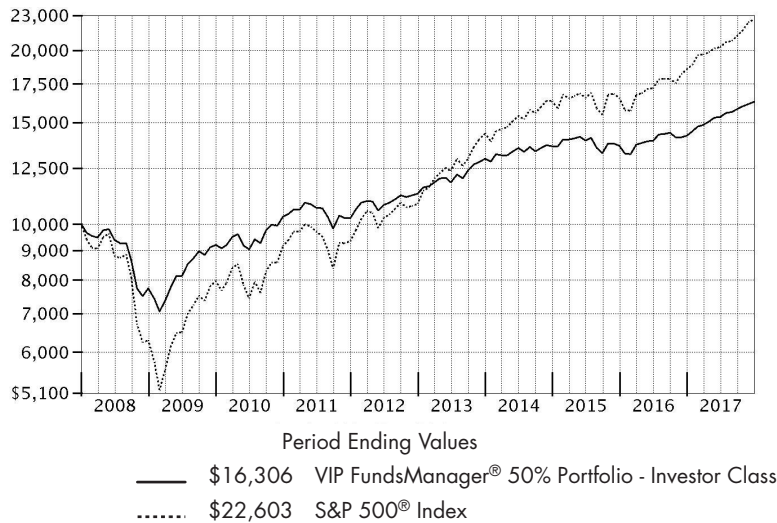
Periods ended December 31, 2017

	Past 1 year	Past 5 years	Past 10 years
Service Class	14.45%	7.60%	5.02%
Service Class 2	14.24%	7.42%	4.86%
Investor Class	14.46%	7.60%	5.01%

\$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 50% Portfolio - Investor Class on December 31, 2007.

The chart shows how the value of your investment would have changed, and also shows how the S&P 500® Index performed over the same period.



Performance: The Bottom Line

Average annual total return reflects the change in the value of an investment, assuming reinvestment of 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.

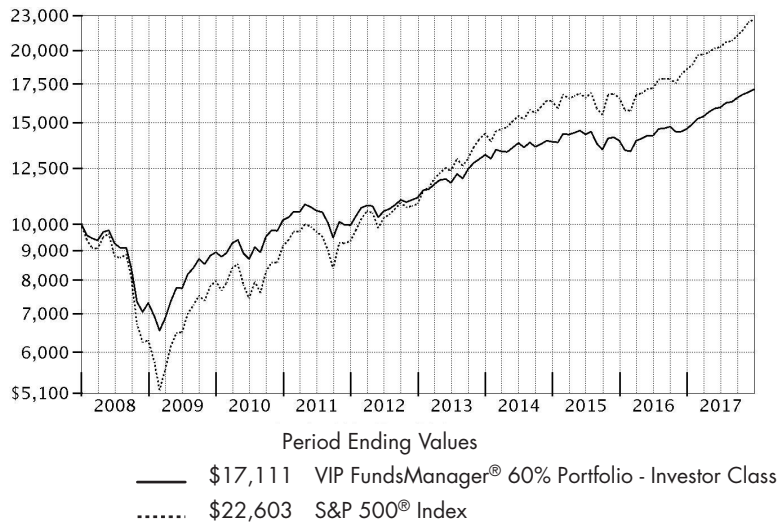
Average Annual Total Returns

Periods ended December 31, 2017

	Past 1 year	Past 5 years	Past 10 years
Service Class	16.99%	9.01%	5.52%
Service Class 2	16.76%	8.83%	5.36%
Investor Class	16.99%	9.01%	5.52%

\$10,000 Over Life of Fund

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 60% Portfolio - Investor Class on August 22, 2007, when the fund started. The chart shows how the value of your investment would have changed, and also shows how the S&P 500® Index performed over the same period.



VIP FundsManager® 70% Portfolio

Performance: The Bottom Line

Average annual total return reflects the change in the value of an investment, assuming reinvestment of 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

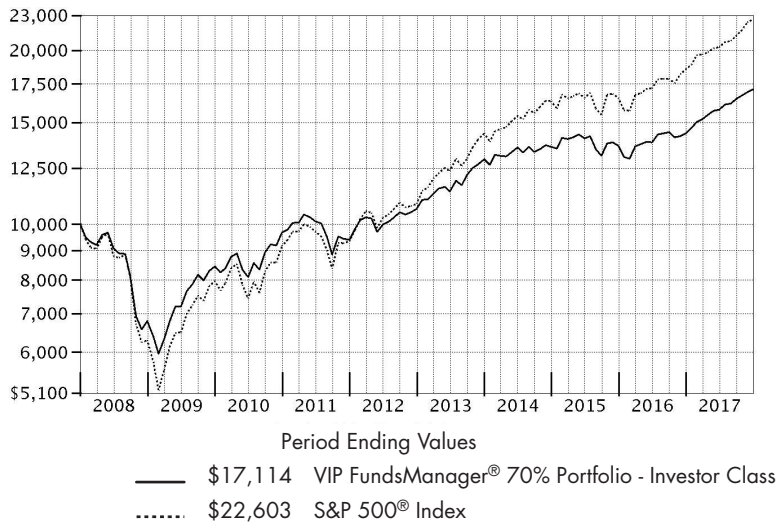
Periods ended December 31, 2017

	Past 1 year	Past 5 years	Past 10 years
Service Class	19.11%	9.99%	5.52%
Service Class 2	18.94%	9.82%	5.36%
Investor Class	19.21%	9.99%	5.52%

\$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 70% Portfolio - Investor Class on December 31, 2007.

The chart shows how the value of your investment would have changed, and also shows how the S&P 500® Index performed over the same period.



VIP FundsManager® 85% Portfolio

Performance: The Bottom Line

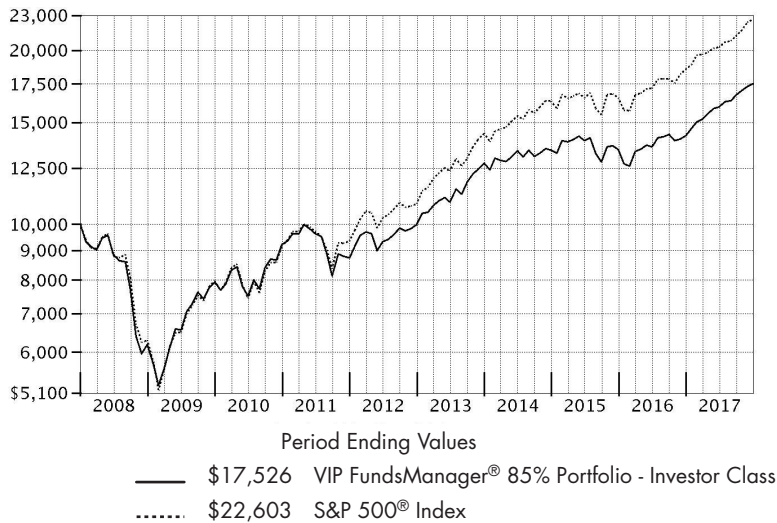
Average annual total return reflects the change in the value of an investment, assuming reinvestment of distributions from dividend income and capital gains (the profits earned upon the sale of securities that have grown in value, if any) and assuming a constant rate of performance each year. During 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, 2017	Past 1 year	Past 5 years	Past 10 years
Service Class	23.05%	11.94%	5.78%
Service Class 2	22.90%	11.76%	5.62%
Investor Class	23.13%	11.93%	5.77%

\$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 85% Portfolio - Investor Class on December 31, 2007. The chart shows how the value of your investment would have changed, and also shows how the S&P 500® Index performed over the same period.



Management's Discussion of Fund Performance

Market Recap: U.S. equities, as measured by the S&P 500[®] index, gained 21.83% in 2017. Sector-wise, information technology (+39%) fared best amid strong earnings growth from many major index constituents. Materials (+24%) was helped by higher demand, especially from China, though industrials (+21%) modestly lagged. Consumer discretionary (+23%) outperformed despite online rivals to brick-and-mortar retailers. Financials edged the broader market on an uptick in interest rates that, at the same time, held back real estate (+11%) and other “bond proxy” sectors such as consumer staples (+13%) and utilities (+12%). Defensive-oriented energy (-1%) and telecommunication services (-1%) marked the only sector-level declines.

Elsewhere, the MSCI ACWI (All Country World Index) ex USA Index gained 27.40% for the year, helped partly by a generally weak U.S. dollar. Certain election results in continental Europe (+28%) suggested ebbing political uncertainty and near-term risk there, whereas the U.K. (+21%) faced more-mixed conditions ahead of its expected exit from the European Union. Japan (+24%), despite central-bank easing and recent pressure from regional yen strength, lagged the rest of the Asia-Pacific group (+26%). Commodity-price volatility slowed Canada (+17%), but emerging markets (+36%) sped ahead.

In fixed income, the Bloomberg Barclays U.S. Aggregate Bond Index rose 3.54% in 2017. Within the Bloomberg Barclays index, investment-grade corporate credit (+6%) led all major segments, including Treasuries (+2%). Outside the index, riskier, non-core fixed-income asset classes, such as emerging-markets and U.S. high-yield debt, well outpaced the broader market, whereas Treasury Inflation-Protected Securities (TIPS) lagged, according to Bloomberg Barclays.

Comments from Portfolio Manager Geoff Stein: For the year, the Portfolios' share classes posted gains ranging from about 7% to 23%, outpacing their respective Composite benchmarks. Aided by a growth-stock tailwind and positive stock market momentum, U.S. equity selection was the principal factor fueling the Portfolios' outperformance. Among underlying U.S. equity funds, Fidelity[®] Select[®] Technology Portfolio was the top contributor by a sizable margin. Security selection in foreign developed-markets (DM) stocks also notably contributed versus Composites; here the leading contributor was Fidelity[®] Overseas Fund. Picks among emerging-markets (EM) equities were also modestly additive. Asset allocation contributed as well. Our overall equity strategy – moderately overweighting foreign DM equities, maintaining about an equal weighting in U.S. stocks and holding a small out-of-benchmark position in EM equities – aided relative performance. Contributions came from our DM and EM exposures, as foreign stocks outperformed U.S. equities for the year in U.S.-dollar terms. On the downside, exposure to commodities detracted for the period. Our overall fixed-income strategy – underweighting investment-grade bonds to help fund out-of-index positions in bank loans, Treasury Inflation-Protected Securities (TIPS), long-term Treasuries and EM debt – was also a net contributor, despite the fact that TIPS underperformed investment-grade bonds this period. At period end, each Portfolio's total equity allocation was slightly above target, reflecting a moderately increased allocation to commodities to help hedge against the possibility of higher inflation in 2018. Similarly, in fixed income we increased exposure to TIPS.

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.

Note to shareholders: On December 31, 2017, Geoff Stein became sole Portfolio Manager of the fund, after having served as Co-Manager alongside Xuehai En since July 20, 2017.

Investment Summary (Unaudited)

The information in the following tables is based on the direct investments of the Fund.

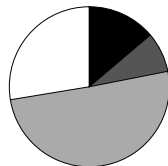
Top Holdings as of December 31, 2017

	% of fund's net assets
Fidelity U.S. Bond Index Fund Institutional Premium Class	43.5
Fidelity Investments Money Market Prime Reserves Portfolio – Institutional Class 1.47%	17.6
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	9.9
Fidelity Inflation-Protected Bond Index Fund Institutional Class	3.7
Fidelity Overseas Fund	2.3
Fidelity Technology Portfolio	2.0
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	1.8
iShares S&P 500 Index ETF	1.5
Fidelity Floating Rate High Income Fund	1.0
Fidelity Mega Cap Stock Fund	1.0
	<u>84.3</u>

Asset Allocation (% of fund's net assets)

Period end

■ Domestic Equity Funds	13.8%
■ International Equity Funds	8.1%
■ Bond Funds	50.5%
□ Short-Term Funds	27.6%



Investments December 31, 2017

Showing Percentage of Net Assets

Equity Funds – 21.9%

	Shares	Value
Fidelity Air Transportation Portfolio (a)	6,470	\$ 545,347
Fidelity Banking Portfolio (a)	36,486	1,290,495
Fidelity Biotechnology Portfolio (a)	2,958	648,913
Fidelity Brokerage and Investment Management Portfolio (a)	3,484	284,833
Fidelity Chemicals Portfolio (a)	1,620	288,919
Fidelity Commodity Strategy Fund (a)	594,739	6,280,442
Fidelity Construction and Housing Portfolio (a)	6,307	409,106
Fidelity Consumer Discretionary Portfolio (a)	137,779	5,710,919
Fidelity Consumer Staples Portfolio (a)	45,341	4,194,088
Fidelity Contrafund (a)	24,860	3,044,565
Fidelity Defense and Aerospace Portfolio (a)	11,403	1,903,687
Fidelity Diversified International Fund (a)	169,391	6,779,012
Fidelity Emerging Asia Fund (a)	17,581	791,868
Fidelity Emerging Markets Discovery Fund (a)	92,368	1,418,774
Fidelity Emerging Markets Fund (a)	178,782	5,855,111
Fidelity Energy Portfolio (a)	75,020	3,352,628
Fidelity Equity-Income Fund (a)	83,006	5,038,472
Fidelity Europe Fund (a)	61,293	2,594,533
Fidelity Extended Market Index Fund Premium Class (a)	360	22,360
Fidelity Financial Services Portfolio (a)	58,372	6,667,195
Fidelity Global Commodity Stock Fund (a)	492,071	6,485,492
Fidelity Health Care Portfolio (a)	31,807	7,117,118
Fidelity Industrial Equipment Portfolio (a)	30,718	1,351,273
Fidelity Industrials Portfolio (a)	70,854	2,606,708
Fidelity Insurance Portfolio (a)	8,720	693,241
Fidelity International Capital Appreciation Fund (a)	74,332	1,565,433
Fidelity International Discovery Fund (a)	123,674	5,646,974
Fidelity International Enhanced Index Fund (a)	515,603	5,228,217
Fidelity International Small Cap Fund (a)	100,773	3,013,116
Fidelity International Small Cap Opportunities Fund (a)	144,500	2,794,621
Fidelity International Value Fund (a)	408,369	3,699,827
Fidelity Japan Smaller Companies Fund (a)	198,247	3,758,756
Fidelity Leisure Portfolio (a)	2,408	399,725
Fidelity Low-Priced Stock Fund (a)	93,250	5,084,008
Fidelity Materials Portfolio (a)	20,499	1,864,826
Fidelity Medical Equipment and Systems Portfolio (a)	14,063	617,066
Fidelity Mega Cap Stock Fund (a)	436,026	7,599,940
Fidelity Multimedia Portfolio (a)	5,953	473,209
Fidelity Natural Gas Portfolio (a)	162	3,887
Fidelity Overseas Fund (a)	351,474	17,819,753
Fidelity Pacific Basin Fund (a)	39,063	1,385,939
Fidelity Real Estate Investment Portfolio (a)	49,416	2,065,589
Fidelity Technology Portfolio (a)	88,113	15,749,249
Fidelity Telecommunications Portfolio (a)	16,521	973,395
Fidelity Transportation Portfolio (a)	3,864	402,893

	Shares	Value
Fidelity Utilities Portfolio (a)	20,488	\$ 1,634,310
Fidelity Value Discovery Fund (a)	89,423	2,587,016
iShares S&P 500 Index ETF	44,341	11,921,078

TOTAL EQUITY FUNDS

(Cost \$144,364,512)

171,663,926

Fixed-Income Funds – 50.5%

Fidelity Floating Rate High Income Fund (a)	812,360	7,814,907
Fidelity Focused High Income Fund (a)	31	272
Fidelity Inflation-Protected Bond Index Fund Institutional Class (a)	2,994,840	29,469,230
Fidelity Long-Term Treasury Bond Index Fund Institutional Class (a)	1,064,744	14,139,803
Fidelity New Markets Income Fund (a)	245,663	3,984,659
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	29,465,239	341,502,115

TOTAL FIXED-INCOME FUNDS

(Cost \$387,167,370)

396,910,986

Money Market Funds – 27.6%

Fidelity Cash Central Fund, 1.36% (b)	777,872	778,027
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19% (a)(c)	77,831,034	77,831,034
Fidelity Investments Money Market Prime Reserves Portfolio- Institutional Class 1.47% (a)(c)	138,451,857	138,479,547

TOTAL MONEY MARKET FUNDS

(Cost \$217,088,597)

217,088,608

TOTAL INVESTMENT IN SECURITIES – 100.0%

(Cost \$748,620,479)

785,663,520

NET OTHER ASSETS (LIABILITIES) – 0.0%

(125,295)

NET ASSETS – 100%

785,538,225

Security Type Abbreviations

ETF – Exchange-Traded Fund

Legend

(a) Affiliated Fund

(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) The rate quoted is the annualized seven-day yield of the fund at period end.

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

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	\$ 1,616
Total	\$ 1,616

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Affiliated Underlying Funds

Information regarding the Fund's fiscal year to date purchases and sales of the affiliated Underlying Funds and income earned by the Fund from investments in affiliated Underlying Funds is as follows:

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 217,023	\$ 1,059,779	\$ 865,927	\$ 53,583	\$ 74,392	\$ 60,080	\$ 545,347
Fidelity Banking Portfolio	5,859,884	50,313	4,794,646	33,278	1,421,332	(1,246,388)	1,290,495
Fidelity Biotechnology Portfolio	3,995,109	2,586,889	7,151,443	9,019	998,509	219,849	648,913
Fidelity Blue Chip Growth Fund	78,789	365,121	483,928	1,518	38,698	1,320	—
Fidelity Brokerage and Investment Management Portfolio	—	1,783,976	1,749,672	43,591	207,472	43,057	284,833
Fidelity Canada Fund	431,959	9,971	465,770	—	18,882	4,958	—
Fidelity Chemicals Portfolio	4,668,023	982,311	6,191,356	116,414	1,068,016	(238,075)	288,919
Fidelity Commodity Strategy Fund	—	6,102,724	33,442	17,296	(782)	211,942	6,280,442
Fidelity Construction and Housing Portfolio	135,549	423,411	139,335	39,401	46,436	(56,955)	409,106
Fidelity Consumer Discretionary Portfolio	9,184,960	591,898	5,276,125	222,752	877,842	332,344	5,710,919
Fidelity Consumer Staples Portfolio	7,454,481	512,069	4,134,645	391,750	995,799	(633,616)	4,194,088
Fidelity Contrafund	—	3,176,169	15,885	162,089	(543)	(115,176)	3,044,565
Fidelity Defense and Aerospace Portfolio	4,323,196	497,279	4,156,302	87,227	1,019,051	220,463	1,903,687
Fidelity Diversified International Fund	144,810	7,659,317	1,160,388	341,472	90,293	44,980	6,779,012
Fidelity Dividend Growth Fund	23,130	1,485	26,325	1,485	10,913	(9,203)	—
Fidelity Emerging Asia Fund	1,838,989	16,845	1,661,710	6,824	399,209	198,535	791,868
Fidelity Emerging Markets Discovery Fund	—	1,405,184	7,525	31,145	(110)	21,225	1,418,774
Fidelity Emerging Markets Fund	3,077,400	1,263,986	30,516	33,644	(130)	1,544,371	5,855,111
Fidelity Energy Portfolio	7,227,726	1,017,695	4,602,763	60,595	(140,821)	(149,209)	3,352,628
Fidelity Energy Service Portfolio	914,248	1,125,117	1,658,008	—	(350,928)	(30,429)	—
Fidelity Environmental and Alternative Energy Portfolio	39,354	347,966	415,257	1,337	30,343	(2,406)	—
Fidelity Equity Dividend Income Fund	747,422	615,011	1,399,453	1,632	134,012	(96,992)	—
Fidelity Equity-Income Fund	—	6,144,360	1,115,311	139,533	(2,830)	12,253	5,038,472
Fidelity Europe Fund	154,384	2,330,534	194,795	63,934	4,480	299,930	2,594,533
Fidelity Extended Market Index Fund Premium Class	18,920	1,192	—	1,192	—	2,248	22,360
Fidelity Financial Services Portfolio	6,733,933	2,261,555	3,366,539	308,245	209,718	828,528	6,667,195
Fidelity Floating Rate High Income Fund	17,235,740	1,154,214	10,566,758	515,904	169,060	(177,349)	7,814,907
Fidelity Focused High Income Fund	254	11	—	11	—	7	272
Fidelity Global Commodity Stock Fund	2,019,156	4,300,672	290,349	86,486	(18,980)	474,993	6,485,492
Fidelity Gold Portfolio	138,494	333	146,674	333	(225,753)	233,600	—
Fidelity Health Care Portfolio	3,540,892	7,294,215	4,358,505	169,839	156,675	483,841	7,117,118
Fidelity Health Care Services Portfolio	—	2,029,677	2,027,272	—	(2,405)	—	—
Fidelity Industrial Equipment Portfolio	2,440,483	135,703	1,434,636	118,667	103,118	106,605	1,351,273
Fidelity Industrials Portfolio	2,323,025	2,560,603	2,410,630	95,181	1,464,357	(1,330,647)	2,606,708
Fidelity Inflation-Protected Bond Index Fund Institutional Class	15,155,316	28,167,553	13,999,249	352,636	309,519	(163,909)	29,469,230
Fidelity Insurance Portfolio	7,140,619	1,384,171	8,282,332	87,614	2,609,447	(2,158,664)	693,241
Fidelity International Capital Appreciation Fund	2,601,628	70,311	1,867,360	50,270	299,167	461,687	1,565,433
Fidelity International Discovery Fund	414,483	5,588,874	377,298	274,771	19,997	918	5,646,974
Fidelity International Enhanced Index Fund	—	5,044,870	27,590	84,323	(260)	211,197	5,228,217
Fidelity International Index Fund Premium Class	7,080,181	2,224,696	11,129,472	5,592	2,098,371	(273,776)	—
Fidelity International Real Estate Fund	11,653	305	14,198	305	4,235	(1,995)	—

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

Investments – continued

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity International Small Cap Fund	\$ 7,733,455	\$ 246,783	\$ 6,807,306	\$ 100,287	\$ 1,055,076	\$ 785,108	\$ 3,013,116
Fidelity International Small Cap Opportunities Fund	2,531,502	2,089,673	2,726,870	55,602	220,642	679,674	2,794,621
Fidelity International Value Fund	—	3,734,439	19,647	60,341	(163)	(14,802)	3,699,827
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	101,890,397	69,890,785	93,950,148	758,648	—	—	77,831,034
Fidelity Investments Money Market Prime Reserves Portfolio — Institutional Class 1.47%	—	164,559,425	26,079,885	375,755	(4)	11	138,479,547
Fidelity Investments Money Market Treasury Portfolio Institutional Class 0.90%	116,570,396	670,340	117,240,736	674,617	—	—	—
Fidelity IT Services Portfolio	65,643	—	68,478	—	52,762	(49,927)	—
Fidelity Japan Fund	2,486,628	124,140	3,338,942	—	636,459	91,715	—
Fidelity Japan Smaller Companies Fund	2,086,539	1,071,347	16,721	148,264	(392)	617,983	3,758,756
Fidelity Large Cap Stock Fund	1,276,920	400,187	1,734,146	2,271	85,785	(28,746)	—
Fidelity Leisure Portfolio	—	1,584,782	1,280,090	23,568	75,295	19,738	399,725
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	—	8,570,293	75,245	62,519	(1,113)	175,049	14,139,803
Fidelity Long-Term Treasury Bond Index Fund Premium Class	1,805,127	3,760,035	114,218	67,178	(1,822)	21,697	—
Fidelity Low-Priced Stock Fund	—	4,957,685	15,885	43,605	1	142,207	5,084,008
Fidelity Materials Portfolio	119,193	1,781,041	59,616	76,270	4,139	20,069	1,864,826
Fidelity Medical Equipment and Systems Portfolio	8,268,474	2,475,475	11,749,879	53,440	1,453,808	169,188	617,066
Fidelity Mega Cap Stock Fund	—	7,560,790	24,246	152,397	(116)	63,512	7,599,940
Fidelity Multimedia Portfolio	744,989	979,642	1,303,508	39,546	18,476	33,610	473,209
Fidelity Natural Gas Portfolio	4,608	147	—	147	—	(868)	3,887
Fidelity New Markets Income Fund	3,949,714	1,015,528	1,119,664	218,556	(14,067)	153,148	3,984,659
Fidelity Nordic Fund	1,250,724	600,591	1,941,024	—	85,607	4,102	—
Fidelity OTC Portfolio	71,053	267,984	364,934	1,627	35,915	(10,018)	—
Fidelity Overseas Fund	12,997,931	8,985,148	8,580,680	281,819	746,304	3,671,050	17,819,753
Fidelity Pacific Basin Fund	1,672,908	75,057	947,107	58,021	227,364	357,717	1,385,939
Fidelity Real Estate Investment Portfolio	2,932,384	900,650	1,746,172	61,589	111,566	(132,839)	2,065,589
Fidelity Retailing Portfolio	2,789,498	—	2,950,289	—	1,123,994	(963,203)	—
Fidelity Semiconductors Portfolio	5,490,805	176,078	6,173,206	176,078	1,887,187	(1,380,864)	—
Fidelity Series Commodity Strategy Fund	3,652,915	127,462	3,594,023	—	(96,731)	(89,623)	—
Fidelity Small Cap Value Fund	137,907	471,419	638,213	11,018	27,099	1,788	—
Fidelity Software and IT Services Portfolio	5,570,581	29,852	6,168,923	16,958	1,237,086	(668,596)	—
Fidelity Stock Selector Large Cap Value Fund	171,165	231,833	418,011	67	16,674	(1,661)	—
Fidelity Technology Portfolio	16,396,670	5,196,882	13,167,350	1,482,507	3,863,536	3,459,511	15,749,249
Fidelity Telecom and Utilities Fund	—	301,106	302,085	3,464	979	—	—
Fidelity Telecommunications Portfolio	3,838,407	595,872	3,265,492	209,782	343,285	(538,677)	973,395
Fidelity Transportation Portfolio	1,965,389	120,251	1,912,090	35,278	299,455	(70,112)	402,893
Fidelity U.S. Bond Index Fund Institutional Premium Class	319,312,189	47,360,866	27,751,691	8,356,253	(421,807)	3,002,558	341,502,115
Fidelity Utilities Portfolio	1,633,602	1,319,058	1,404,544	87,029	126,152	(39,958)	1,634,310
Fidelity Value Discovery Fund	—	2,794,352	304,182	18,660	2,261	94,585	2,587,016
Total	<u>\$746,788,926</u>	<u>\$447,315,363</u>	<u>\$457,384,635</u>	<u>\$17,724,049</u>	<u>\$27,336,493</u>	<u>\$ 8,908,268</u>	<u>\$772,964,415</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Investment Valuation

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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 please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

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

VIP FundsManager® 20% Portfolio
Financial Statements

Statement of Assets and Liabilities

December 31,
2017

Assets		
Investment in securities, at value — See accompanying schedule:		
Unaffiliated issuers (cost \$11,554,090)	\$ 11,921,078	
Fidelity Central Funds (cost \$778,027)	778,027	
Affiliated issuers (cost \$736,288,362)	<u>772,964,415</u>	
Total Investment in Securities (cost \$748,620,479)		\$ 785,663,520
Cash		5,914
Receivable for investments sold		45,245
Receivable for fund shares sold		1,908
Dividends receivable		175
Distributions receivable from Fidelity Central Funds		<u>797</u>
Total assets		<u>785,717,559</u>
Liabilities		
Payable for fund shares redeemed	\$ 47,883	
Accrued management fee	130,433	
Distribution and service plan fees payable	<u>1,018</u>	
Total liabilities		<u>179,334</u>
Net Assets		<u>\$ 785,538,225</u>
Net Assets consist of:		
Paid in capital		\$ 718,001,972
Undistributed net investment income		594,616
Accumulated undistributed net realized gain (loss) on investments		29,898,596
Net unrealized appreciation (depreciation) on investments		<u>37,043,041</u>
Net Assets		<u>\$ 785,538,225</u>
Service Class:		
Net Asset Value , offering price and redemption price per share ($\$59,065 \div 5,080$ shares)		<u>\$ 11.63</u>
Service Class 2:		
Net Asset Value , offering price and redemption price per share ($\$8,188,287 \div 705,976$ shares)		<u>\$ 11.60</u>
Investor Class:		
Net Asset Value , offering price and redemption price per share ($\$777,290,873 \div 66,882,496$ shares)		<u>\$ 11.62</u>

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

Financial Statements – continued

Statement of Operations

		Year ended December 31, 2017
Investment Income		
Dividends:		
Unaffiliated issuers		\$ 56,429
Affiliated issuers		12,068,075
Income from Fidelity Central Funds		1,616
Total income		<u>12,126,120</u>
Expenses		
Management fee	\$ 1,877,513	
Distribution and service plan fees	19,947	
Independent trustees' fees and expenses	2,793	
Total expenses before reductions	<u>1,900,253</u>	
Expense reductions	<u>(384,091)</u>	1,516,162
Net investment income (loss)		<u>10,609,958</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Affiliated issuers	27,336,493	
Realized gain distributions from underlying funds:		
Affiliated issuers	<u>5,655,974</u>	
Total net realized gain (loss)		32,992,467
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	366,988	
Other affiliated issuers	<u>8,908,268</u>	
Total change in net unrealized appreciation (depreciation)		<u>9,275,256</u>
Net gain (loss)		<u>42,267,723</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 52,877,681</u>

Statement of Changes in Net Assets

	Year ended December 31, 2017	Year ended December 31, 2016
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 10,609,958	\$ 9,357,962
Net realized gain (loss)	32,992,467	2,694,630
Change in net unrealized appreciation (depreciation)	<u>9,275,256</u>	<u>8,292,412</u>
Net increase (decrease) in net assets resulting from operations	<u>52,877,681</u>	<u>20,345,004</u>
Distributions to shareholders from net investment income	(10,031,370)	(9,356,440)
Distributions to shareholders from net realized gain	<u>(4,376,254)</u>	<u>(9,720,501)</u>
Total distributions	<u>(14,407,624)</u>	<u>(19,076,941)</u>
Share transactions – net increase (decrease)	405,746	10,967,655
Total increase (decrease) in net assets	38,875,803	12,235,718
Net Assets		
Beginning of period	<u>746,662,422</u>	<u>734,426,704</u>
End of period	<u>\$ 785,538,225</u>	<u>\$ 746,662,422</u>
Other Information		
Undistributed net investment income end of period	<u>\$ 594,616</u>	<u>\$ 16,026</u>

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

Financial Highlights

VIP FundsManager 20% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 11.04	\$ 11.02	\$ 11.51	\$ 11.33	\$ 11.10
Income from Investment Operations					
Net investment income (loss) ^A	.16	.14	.13	.15	.14
Net realized and unrealized gain (loss)	.65	.17	(.13)	.32	.47
Total from investment operations	.81	.31	^B —	.47	.61
Distributions from net investment income	(.15)	(.14)	(.13)	(.15)	(.14)
Distributions from net realized gain	(.07)	(.15)	(.36)	(.15)	(.24)
Total distributions	(.22)	(.29)	(.49)	(.29) ^C	(.38)
Net asset value, end of period	\$ 11.63	\$ 11.04	\$ 11.02	\$ 11.51	\$ 11.33
Total Return^{D,E}	7.33%	2.83%	(.03)%	4.21%	5.53%
Ratios to Average Net Assets^{F,G,H}					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.41%	1.25%	1.16%	1.31%	1.23%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 59	\$ 60	\$ 62	\$ 68	\$ 72
Portfolio turnover rate ^{F,I}	61%	58%	44%	28%	25%

^A Calculated based on average shares outstanding during the period.

^B Amount represents less than \$.005 per share.

^C Total distributions of \$.29 per share is comprised of distributions from net investment income of \$.147 and distributions from net realized gain of \$.147 per share.

^D Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^E Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^F Amounts do not include the activity of the Underlying Funds.

^G 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.

^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^I Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Financial Highlights – continued

VIP FundsManager 20% Portfolio Service Class 2

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.01	\$ 11.00	\$ 11.49	\$ 11.32	\$ 11.08
Income from Investment Operations					
Net investment income (loss) ^A	.14	.12	.11	.13	.12
Net realized and unrealized gain (loss)	.65	.17	(.12)	.32	.48
Total from investment operations	.79	.29	(.01)	.45	.60
Distributions from net investment income	(.13)	(.13)	(.12)	(.13)	(.12)
Distributions from net realized gain	(.07)	(.15)	(.36)	(.15)	(.24)
Total distributions	(.20)	(.28)	(.48)	(.28)	(.36)
Net asset value, end of period	\$ 11.60	\$ 11.01	\$ 11.00	\$ 11.49	\$ 11.32
Total Return^{B,C}	7.19%	2.66%	(.17)%	3.98%	5.46%
Ratios to Average Net Assets^{D,E,F}					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.26%	1.10%	1.01%	1.16%	1.08%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 8,188	\$ 7,529	\$ 1,454	\$ 1,426	\$ 1,197
Portfolio turnover rate ^{D,G}	61%	58%	44%	28%	25%

^A Calculated based on average shares outstanding during the period.

^B Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^C Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^D Amounts do not include the activity of the Underlying Funds.

^E 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.

^F Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

VIP FundsManager 20% Portfolio Investor Class

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.04	\$ 11.01	\$ 11.50	\$ 11.33	\$ 11.09
Income from Investment Operations					
Net investment income (loss) ^A	.16	.14	.13	.15	.14
Net realized and unrealized gain (loss)	.64	.18	(.13)	.31	.48
Total from investment operations	.80	.32	^B	.46	.62
Distributions from net investment income	(.15)	(.14)	(.13)	(.15)	(.14)
Distributions from net realized gain	(.07)	(.15)	(.36)	(.15)	(.24)
Total distributions	(.22)	(.29)	(.49)	(.29) ^C	(.38)
Net asset value, end of period	\$ 11.62	\$ 11.04	\$ 11.01	\$ 11.50	\$ 11.33
Total Return ^{D,E}	7.24%	2.93%	(.03)%	4.12%	5.62%
Ratios to Average Net Assets ^{F,G,H}					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.41%	1.25%	1.16%	1.31%	1.23%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 777,291	\$ 739,074	\$ 732,911	\$ 760,583	\$ 694,546
Portfolio turnover rate ^{F,I}	61%	58%	44%	28%	25%

^A Calculated based on average shares outstanding during the period.

^B Amount represents less than \$.005 per share.

^C Total distributions of \$.29 per share is comprised of distributions from net investment income of \$.147 and distributions from net realized gain of \$.147 per share.

^D Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^E Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^F Amounts do not include the activity of the Underlying Funds.

^G 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.

^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^I Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Investment Summary (Unaudited)

The information in the following tables is based on the direct investments of the Fund.

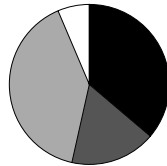
Top Holdings as of December 31, 2017

	% of fund's net assets
Fidelity U.S. Bond Index Fund Institutional Premium Class	33.4
Fidelity Technology Portfolio	6.3
Fidelity Overseas Fund	6.2
Fidelity Investments Money Market Prime Reserves Portfolio – Institutional Class 1.47%	4.0
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	3.4
iShares S&P 500 Index ETF	3.0
Fidelity Health Care Portfolio	2.8
Fidelity Financial Services Portfolio	2.7
Fidelity Consumer Discretionary Portfolio	2.3
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	<u>2.3</u>
	<u>66.4</u>

Asset Allocation (% of fund's net assets)

Period end

■ Domestic Equity Funds	36.2%
■ International Equity Funds	17.3%
■ Bond Funds	40.1%
□ Short-Term Funds	6.4%



Investments December 31, 2017

Showing Percentage of Net Assets

Equity Funds – 53.5%

	Shares	Value
Fidelity Air Transportation Portfolio (a)	174,961	\$ 14,747,470
Fidelity Banking Portfolio (a)	979,320	34,638,556
Fidelity Biotechnology Portfolio (a)	89,101	19,549,696
Fidelity Brokerage and Investment Management Portfolio (a)	95,456	7,804,487
Fidelity Chemicals Portfolio (a)	41,150	7,337,432
Fidelity Commodity Strategy Fund (a)	6,306,247	66,593,972
Fidelity Construction and Housing Portfolio (a)	170,997	11,092,599
Fidelity Consumer Discretionary Portfolio (a)	3,708,387	153,712,647
Fidelity Consumer Staples Portfolio (a)	1,215,840	112,465,179
Fidelity Contrafund (a)	666,983	81,685,393
Fidelity Defense and Aerospace Portfolio (a)	303,892	50,734,762
Fidelity Diversified International Fund (a)	2,989,855	119,653,990
Fidelity Emerging Asia Fund (a)	223,915	10,085,110
Fidelity Emerging Markets Discovery Fund (a)	1,174,303	18,037,291
Fidelity Emerging Markets Fund (a)	2,275,863	74,534,500
Fidelity Energy Portfolio (a)	2,017,227	90,149,858
Fidelity Equity-Income Fund (a)	1,553,085	94,272,283
Fidelity Europe Fund (a)	1,079,836	45,709,460
Fidelity Financial Services Portfolio (a)	1,574,434	179,831,845
Fidelity Global Commodity Stock Fund (a)	5,227,927	68,904,073
Fidelity Health Care Portfolio (a)	850,351	190,274,554
Fidelity Industrial Equipment Portfolio (a)	822,965	36,202,251
Fidelity Industrials Portfolio (a)	1,895,622	69,739,946
Fidelity Insurance Portfolio (a)	237,462	18,878,213
Fidelity International Capital Appreciation Fund (a)	1,312,740	27,646,304
Fidelity International Discovery Fund (a)	2,179,562	99,518,789
Fidelity International Enhanced Index Fund (a)	9,086,875	92,140,913
Fidelity International Small Cap Fund (a)	1,783,792	53,335,370
Fidelity International Small Cap Opportunities Fund (a)	2,560,530	49,520,645
Fidelity International Value Fund (a)	7,177,557	65,028,668
Fidelity Japan Smaller Companies Fund (a)	3,240,330	61,436,651
Fidelity Leisure Portfolio (a)	63,265	10,502,583
Fidelity Low-Priced Stock Fund (a)	1,747,923	95,296,782
Fidelity Materials Portfolio (a)	550,290	50,059,868
Fidelity Medical Equipment and Systems Portfolio (a)	376,703	16,529,722
Fidelity Mega Cap Stock Fund (a)	8,126,725	141,648,822
Fidelity Multimedia Portfolio (a)	158,259	12,580,033
Fidelity Overseas Fund (a)	8,177,567	414,602,655
Fidelity Pacific Basin Fund (a)	686,215	24,346,923
Fidelity Real Estate Investment Portfolio (a)	1,320,900	55,213,638
Fidelity Technology Portfolio (a)	2,358,750	421,603,033
Fidelity Telecommunications Portfolio (a)	445,375	26,241,468

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

	Shares	Value
Fidelity Transportation Portfolio (a)	106,829	\$ 11,140,085
Fidelity Utilities Portfolio (a)	547,789	43,697,149
Fidelity Value Discovery Fund (a)	1,636,658	47,348,530
iShares S&P 500 Index ETF	743,100	199,782,435

TOTAL EQUITY FUNDS

(Cost \$2,995,147,802)

3,595,856,633

Fixed-Income Funds – 40.1%

Fidelity Floating Rate High Income Fund (a)	6,914,299	66,515,556
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	23,401,347	230,269,258
Fidelity Long-Term Treasury Bond Index Fund Institutional Class (a)	9,053,774	120,234,118
Fidelity New Markets Income Fund (a)	2,072,613	33,617,791
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	193,777,686	2,245,883,377

TOTAL FIXED-INCOME FUNDS

(Cost \$2,683,938,600)

2,696,520,100

Money Market Funds – 6.4%

Fidelity Cash Central Fund, 1.36% (b)	5,605,797	5,606,918
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19% (a)(c)	153,462,044	153,462,044
Fidelity Investments Money Market Prime Reserves Portfolio- Institutional Class 1.47% (a)(c)	273,722,266	273,777,011

TOTAL MONEY MARKET FUNDS

(Cost \$432,845,973)

432,845,973

TOTAL INVESTMENT IN SECURITIES – 100.0%

(Cost \$6,111,932,375)

6,725,222,706

NET OTHER ASSETS (LIABILITIES) – 0.0%

(1,164,313)

NET ASSETS – 100%

\$6,724,058,393

Security Type Abbreviations

ETF – Exchange-Traded Fund

Legend

(a) Affiliated Fund

(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.

Investments – continued

(c) The rate quoted is the annualized seven-day yield of the fund at period end.

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	\$ 16,072
Total	\$ 16,072

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Affiliated Underlying Funds

Information regarding the Fund's fiscal year to date purchases and sales of the affiliated Underlying Funds and income earned by the Fund from investments in affiliated Underlying Funds is as follows:

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity 500 Index Fund Premium Class	\$ 249,570	\$ 4,308	\$ 293,946	\$ 4,307	\$ 113,768	\$ (73,700)	\$ —
Fidelity Air Transportation Portfolio	3,228,213	19,963,062	10,953,738	1,345,019	922,701	1,587,232	14,747,470
Fidelity Banking Portfolio	104,055,617	902,402	76,481,392	884,569	17,413,537	(11,251,608)	34,638,556
Fidelity Biotechnology Portfolio	41,944,342	45,763,929	82,152,041	273,984	7,918,372	6,075,094	19,549,696
Fidelity Blue Chip Growth Fund	16,782,049	1,776,665	19,807,552	—	3,387,640	(2,138,802)	—
Fidelity Blue Chip Value Fund	27,131,447	55,482	28,990,027	55,483	5,349,491	(3,546,393)	—
Fidelity Brokerage and Investment Management Portfolio	—	20,094,329	14,908,149	679,753	1,436,341	1,181,966	7,804,487
Fidelity Canada Fund	3,879,221	4,359	4,028,163	—	93,865	50,718	—
Fidelity Chemicals Portfolio	85,242,958	15,766,536	109,606,671	2,427,556	20,212,175	(4,277,566)	7,337,432
Fidelity Commodity Strategy Fund	—	65,369,768	660,918	169,188	(9,897)	1,895,019	66,593,972
Fidelity Computers Portfolio	1,168,396	26,902	1,416,087	26,902	911,140	(690,351)	—
Fidelity Construction and Housing Portfolio	26,588,220	1,844,113	20,498,761	1,838,957	5,351,588	(2,192,561)	11,092,599
Fidelity Consumer Discretionary Portfolio	171,405,349	8,665,585	52,373,522	5,991,664	5,285,317	20,729,918	153,712,647
Fidelity Consumer Finance Portfolio	701,339	839	802,410	839	130,602	(30,370)	—
Fidelity Consumer Staples Portfolio	139,005,855	10,038,643	42,374,074	9,807,417	2,129,997	3,664,758	112,465,179
Fidelity Contrafund	1,293,886	85,466,882	2,145,686	4,367,415	173,726	(3,103,415)	81,685,393
Fidelity Defense and Aerospace Portfolio	54,020,556	18,716,786	40,371,335	1,902,580	8,208,590	10,160,165	50,734,762
Fidelity Diversified International Fund	129,527,483	31,825,390	68,968,750	6,040,661	6,780,730	20,489,137	119,653,990
Fidelity Dividend Growth Fund	186,138	11,951	211,849	11,951	87,821	(74,061)	—
Fidelity Emerging Asia Fund	31,034,521	92,009	33,875,499	87,111	9,071,663	3,762,416	10,085,110
Fidelity Emerging Markets Discovery Fund	—	17,942,051	172,539	395,660	(1,008)	268,787	18,037,291
Fidelity Emerging Markets Fund	14,874,494	51,730,589	722,951	429,234	1,287	8,651,081	74,534,500
Fidelity Energy Portfolio	124,120,912	9,991,320	39,154,828	1,553,436	(2,812,288)	(1,995,258)	90,149,858
Fidelity Energy Service Portfolio	19,278,754	18,005,043	30,631,416	—	(5,737,250)	(915,131)	—
Fidelity Environmental and Alternative Energy Portfolio	1,547,624	322,152	2,160,975	52,571	389,416	(98,217)	—
Fidelity Equity Dividend Income Fund	26,433,566	5,869,741	33,396,731	135,875	3,672,827	(2,579,403)	—
Fidelity Equity-Income Fund	—	98,283,986	4,195,981	3,785,716	13,126	171,152	94,272,283
Fidelity Europe Fund	76,981,504	19,062,625	73,124,842	1,125,598	10,479,100	12,311,073	45,709,460
Fidelity Financial Services Portfolio	153,956,544	24,201,656	23,343,326	7,643,121	1,708,508	23,308,463	179,831,845
Fidelity Floating Rate High Income Fund	127,474,793	6,849,703	67,671,544	4,129,563	(89,395)	(48,001)	66,515,556
Fidelity Focused High Income Fund	14,455	—	14,574	43	805	(686)	—
Fidelity Global Commodity Stock Fund	16,240,624	52,115,424	3,355,430	920,923	(19,605)	3,923,060	68,904,073
Fidelity Gold Portfolio	116,855	282	123,757	281	(201,269)	207,889	—
Fidelity Growth Company Fund	219,137	—	292,995	—	194,477	(120,619)	—
Fidelity Health Care Portfolio	157,486,394	32,743,876	31,740,494	4,537,691	1,085,756	30,699,022	190,274,554
Fidelity Health Care Services Portfolio	—	15,694,980	15,592,652	—	(102,328)	—	—
Fidelity Industrial Equipment Portfolio	41,713,050	2,585,382	12,547,523	2,098,646	964,338	3,487,004	36,202,251
Fidelity Industrials Portfolio	96,905,765	8,477,913	44,860,089	3,718,971	3,604,598	5,611,759	69,739,946

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

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	\$ 125,010,867	\$ 220,859,689	\$ 116,754,750	\$ 2,774,222	\$ 2,626,785	\$ (1,473,333)	\$ 230,269,258
Fidelity Insurance Portfolio	99,364,695	2,825,770	89,877,967	2,365,592	18,377,857	(11,812,142)	18,878,213
Fidelity International Capital Appreciation Fund	25,295,025	903,245	5,281,392	889,759	(56,724)	6,786,150	27,646,304
Fidelity International Discovery Fund	69,246,416	30,143,129	17,037,084	4,853,190	1,320,129	15,846,199	99,518,789
Fidelity International Enhanced Index Fund	—	88,876,724	915,441	1,489,464	(8,487)	4,188,117	92,140,913
Fidelity International Index Fund Institutional Class	123,719,149	5,628,044	158,438,185	102,829	37,788,468	(8,697,476)	—
Fidelity International Real Estate Fund	156,000	4,077	190,064	4,077	45,811	(15,824)	—
Fidelity International Small Cap Fund	74,906,791	3,988,988	45,073,209	1,779,185	7,189,324	12,323,476	53,335,370
Fidelity International Small Cap Opportunities Fund	43,846,051	8,710,650	17,143,618	987,384	1,964,351	12,143,211	49,520,645
Fidelity International Value Fund	—	65,943,327	643,464	1,062,939	(3,234)	(267,961)	65,028,668
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	555,451,428	212,083,109	614,072,493	4,358,620	—	—	153,462,044
Fidelity Investments Money Market Prime Reserves Portfolio – Institutional Class 1.47%	—	283,933,886	10,156,856	719,656	(19)	—	273,777,011
Fidelity IT Services Portfolio	412,811	—	427,291	—	182,351	(167,871)	—
Fidelity Japan Fund	23,157,911	997,198	30,810,463	—	6,540,104	115,250	—
Fidelity Japan Smaller Companies Fund	59,270,110	6,552,208	22,013,471	2,624,861	5,584,627	12,043,177	61,436,651
Fidelity Large Cap Stock Fund	30,702,635	2,233,933	36,131,962	392,029	8,847,279	(5,651,885)	—
Fidelity Leisure Portfolio	—	21,529,874	12,139,767	618,796	684,491	427,985	10,502,583
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	—	64,630,038	1,326,667	554,495	3,313	2,045,489	120,234,118
Fidelity Long-Term Treasury Bond Index Fund Premium Class	28,589,507	28,086,822	2,253,792	830,423	(29,270)	488,678	—
Fidelity Low-Priced Stock Fund	—	93,133,447	802,538	1,172,994	9,044	2,956,829	95,296,782
Fidelity Magellan Fund	14,042	853	17,321	853	4,568	(2,142)	—
Fidelity Materials Portfolio	5,687,581	50,410,563	6,263,855	2,025,441	673,226	(447,647)	50,059,868
Fidelity Medical Equipment and Systems Portfolio	92,407,877	25,321,816	123,455,492	1,288,421	15,896,485	6,359,036	16,529,722
Fidelity Mega Cap Stock Fund	—	141,902,075	1,207,473	4,110,887	8,038	946,182	141,648,822
Fidelity Multimedia Portfolio	13,759,157	15,105,518	17,309,154	839,834	134,695	889,817	12,580,033
Fidelity Nasdaq Composite Index Fund	774,368	—	844,893	—	464,773	(394,248)	—
Fidelity Natural Gas Portfolio	—	900,000	934,863	—	34,863	—	—
Fidelity Natural Resources Portfolio	—	1,000,000	1,082,362	—	82,362	—	—
Fidelity New Markets Income Fund	34,628,992	2,910,981	5,298,526	1,970,118	(61,141)	1,437,485	33,617,791
Fidelity Nordic Fund	21,365,927	289,290	25,264,755	—	4,739,588	(1,130,050)	—
Fidelity OTC Portfolio	11,540,314	936,020	13,772,955	3,161	2,936,162	(1,639,541)	—
Fidelity Overseas Fund	236,201,143	166,701,824	62,483,363	4,983,898	(258,862)	74,441,913	414,602,655
Fidelity Pacific Basin Fund	9,498,141	11,986,764	239,029	1,018,647	(1,458)	3,102,505	24,346,923
Fidelity Real Estate Investment Portfolio	25,996,290	45,516,425	15,261,495	1,085,780	800,911	(1,838,493)	55,213,638
Fidelity Retailing Portfolio	41,290,828	67	44,118,120	—	13,744,538	(10,917,313)	—
Fidelity Semiconductors Portfolio	87,001,142	3,083,314	100,771,335	3,083,156	31,808,292	(21,121,413)	—
Fidelity Series Commodity Strategy Fund	30,864,013	2,106,128	31,316,072	—	(862,000)	(792,069)	—
Fidelity Small Cap Growth Fund	117,200	7,212	146,738	7,212	40,418	(18,092)	—
Fidelity Small Cap Stock Fund	429,507	13,701	466,679	13,701	72,306	(48,835)	—
Fidelity Small Cap Value Fund	1,516,313	365,132	1,987,178	41,751	155,434	(49,701)	—
Fidelity Software and IT Services Portfolio	127,217,968	1,330,819	143,378,552	1,252,888	27,716,122	(12,886,357)	—
Fidelity Stock Selector Large Cap Value Fund	87,157,908	2,175,257	94,816,447	29,037	15,252,019	(9,768,737)	—
Fidelity Technology Portfolio	302,461,967	185,427,472	213,314,640	35,965,912	51,430,949	95,597,285	421,603,033
Fidelity Telecom and Utilities Fund	—	2,335,508	2,343,130	26,865	7,622	—	—
Fidelity Telecommunications Portfolio	71,488,029	18,876,963	59,431,155	5,213,556	6,065,144	(10,757,513)	26,241,468
Fidelity Transportation Portfolio	11,275,523	4,822,849	6,967,726	613,379	439,007	1,570,432	11,140,085
Fidelity U.S. Bond Index Fund Institutional Premium Class	2,061,937,825	311,351,992	144,693,677	55,068,176	(742,515)	18,029,752	2,245,883,377

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

Investments – continued

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Utilities Portfolio	\$ 27,533,820	\$ 34,547,272	\$ 18,505,347	\$ 2,344,573	\$ 1,542,267	\$ (1,420,863)	\$ 43,697,149
Fidelity Value Discovery Fund	15,576,127	31,461,951	2,798,474	535,332	43,421	3,065,505	47,348,530
Total	<u>\$6,271,681,029</u>	<u>\$2,892,218,587</u>	<u>\$3,314,004,497</u>	<u>\$215,545,778</u>	<u>\$371,353,696</u>	<u>\$298,584,538</u>	<u>\$6,519,833,353</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Investment Valuation

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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 please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

VIP FundsManager® 50% Portfolio
Financial Statements

Statement of Assets and Liabilities

December 31, 2017

Assets	
Investment in securities, at value — See accompanying schedule:	
Unaffiliated issuers (cost \$193,625,260)	\$ 199,782,435
Fidelity Central Funds (cost \$5,606,918)	5,606,918
Affiliated issuers (cost \$5,912,700,197)	<u>6,519,833,353</u>
Total Investment in Securities (cost \$6,111,932,375)	\$ 6,725,222,706
Receivable for investments sold	1,379,774
Receivable for fund shares sold	108,502
Dividends receivable	462
Distributions receivable from Fidelity Central Funds	<u>5,698</u>
Total assets	<u>6,726,717,142</u>
Liabilities	
Payable for fund shares redeemed	\$ 1,530,975
Accrued management fee	1,115,178
Distribution and service plan fees payable	<u>12,596</u>
Total liabilities	<u>2,658,749</u>
Net Assets	<u>\$ 6,724,058,393</u>
Net Assets consist of:	
Paid in capital	\$ 5,664,774,447
Undistributed net investment income	4,157,131
Accumulated undistributed net realized gain (loss) on investments	441,836,484
Net unrealized appreciation (depreciation) on investments	<u>613,290,331</u>
Net Assets	<u>\$ 6,724,058,393</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$64,115 ÷ 4,740 shares)	<u>\$ 13.53</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$100,867,277 ÷ 7,481,843 shares)	<u>\$ 13.48</u>
Investor Class:	
Net Asset Value , offering price and redemption price per share (\$6,623,127,001 ÷ 489,792,290 shares)	<u>\$ 13.52</u>

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

Financial Statements – continued

Statement of Operations

		Year ended December 31, 2017
Investment Income		
Dividends:		
Unaffiliated issuers		\$ 945,729
Affiliated issuers		91,584,869
Income from Fidelity Central Funds		<u>16,072</u>
Total income		<u>92,546,670</u>
Expenses		
Management fee	\$ 16,349,412	
Distribution and service plan fees	244,291	
Independent trustees' fees and expenses	<u>24,273</u>	
Total expenses before reductions	16,617,976	
Expense reductions	<u>(3,373,225)</u>	<u>13,244,751</u>
Net investment income (loss)		<u>79,301,919</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Affiliated issuers	371,353,696	
Realized gain distributions from underlying funds:		
Affiliated issuers	<u>123,960,909</u>	
Total net realized gain (loss)		495,314,605
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	6,157,175	
Other affiliated issuers	<u>298,584,538</u>	<u>304,741,713</u>
Total change in net unrealized appreciation (depreciation)		<u>800,056,318</u>
Net gain (loss)		<u>\$ 879,358,237</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 879,358,237</u>

Statement of Changes in Net Assets

	Year ended December 31, 2017	Year ended December 31, 2016
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 79,301,919	\$ 78,758,773
Net realized gain (loss)	495,314,605	4,639,676
Change in net unrealized appreciation (depreciation)	<u>304,741,713</u>	<u>184,370,983</u>
Net increase (decrease) in net assets resulting from operations	<u>879,358,237</u>	<u>267,769,432</u>
Distributions to shareholders from net investment income	(75,263,279)	(78,022,461)
Distributions to shareholders from net realized gain	<u>(40,613,695)</u>	<u>(85,338,168)</u>
Total distributions	<u>(115,876,974)</u>	<u>(163,360,629)</u>
Share transactions – net increase (decrease)	<u>(310,047,364)</u>	<u>36,558,395</u>
Total increase (decrease) in net assets	453,433,899	140,967,198
Net Assets		
Beginning of period	<u>6,270,624,494</u>	<u>6,129,657,296</u>
End of period	<u>\$ 6,724,058,393</u>	<u>\$ 6,270,624,494</u>
Other Information		
Undistributed net investment income end of period	<u>\$ 4,157,131</u>	<u>\$ 118,491</u>

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

Financial Highlights

VIP FundsManager 50% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 12.03	\$ 11.85	\$ 12.39	\$ 12.01	\$ 10.62
Income from Investment Operations					
Net investment income (loss) ^A	.16	.15	.15	.17	.15
Net realized and unrealized gain (loss)	1.58	.35	(.13)	.45	1.42
Total from investment operations	1.74	.50	.02	.62	1.57
Distributions from net investment income	(.15)	(.15)	(.14)	(.14)	(.12)
Distributions from net realized gain	(.08)	(.16)	(.42)	(.10)	(.07)
Total distributions	(.24) ^B	(.32) ^C	(.56)	(.24)	(.18) ^D
Net asset value, end of period	\$ 13.53	\$ 12.03	\$ 11.85	\$ 12.39	\$ 12.01
Total Return^{E,F}	14.45%	4.31%	.06%	5.18%	14.79%
Ratios to Average Net Assets^{G,H,I}					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.21%	1.26%	1.19%	1.38%	1.33%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 64	\$ 62	\$ 64	\$ 73	\$ 80
Portfolio turnover rate ^{G,J}	47%	40%	24%	25%	15%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.24 per share is comprised of distributions from net investment income of \$.154 and distributions from net realized gain of \$.083 per share.

^C Total distributions of \$.32 per share is comprised of distributions from net investment income of \$.152 and distributions from net realized gain of \$.164 per share.

^D Total distributions of \$.18 per share is comprised of distributions from net investment income of \$.115 and distributions from net realized gain of \$.065 per share.

^E Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^F Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^G Amounts do not include the activity of the Underlying Funds.

^H 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.

^I Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^J Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Financial Highlights – continued

VIP FundsManager 50% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 11.99	\$ 11.82	\$ 12.35	\$ 11.98	\$ 10.59
Income from Investment Operations					
Net investment income (loss) ^A	.14	.13	.13	.15	.13
Net realized and unrealized gain (loss)	1.57	.34	(.12)	.44	1.42
Total from investment operations	1.71	.47	.01	.59	1.55
Distributions from net investment income	(.13)	(.13)	(.12)	(.12)	(.10)
Distributions from net realized gain	(.08)	(.16)	(.42)	(.10)	(.07)
Total distributions	(.22) ^B	(.30) ^C	(.54)	(.22)	(.16) ^D
Net asset value, end of period	\$ 13.48	\$ 11.99	\$ 11.82	\$ 12.35	\$ 11.98
Total Return^{E,F}	14.24%	4.08%	(.02)%	4.95%	14.66%
Ratios to Average Net Assets^{G,H,I}					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.06%	1.11%	1.04%	1.23%	1.18%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 100,867	\$ 90,983	\$ 83,447	\$ 88,771	\$ 89,164
Portfolio turnover rate ^{G,J}	47%	40%	24%	25%	15%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.22 per share is comprised of distributions from net investment income of \$.134 and distributions from net realized gain of \$.083 per share.

^C Total distributions of \$.30 per share is comprised of distributions from net investment income of \$.134 and distributions from net realized gain of \$.164 per share.

^D Total distributions of \$.16 per share is comprised of distributions from net investment income of \$.097 and distributions from net realized gain of \$.065 per share.

^E Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^F Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^G Amounts do not include the activity of the Underlying Funds.

^H 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.

^I Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^J Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

VIP FundsManager 50% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 12.02	\$ 11.85	\$ 12.38	\$ 12.01	\$ 10.61
Income from Investment Operations					
Net investment income (loss) ^A	.16	.15	.15	.17	.15
Net realized and unrealized gain (loss)	1.58	.34	(.12)	.44	1.43
Total from investment operations	1.74	.49	.03	.61	1.58
Distributions from net investment income	(.15)	(.15)	(.14)	(.14)	(.12)
Distributions from net realized gain	(.08)	(.16)	(.42)	(.10)	(.07)
Total distributions	(.24) ^B	(.32) ^C	(.56)	(.24)	(.18) ^D
Net asset value, end of period	\$ 13.52	\$ 12.02	\$ 11.85	\$ 12.38	\$ 12.01
Total Return ^{E,F}	14.46%	4.22%	.14%	5.10%	14.90%
Ratios to Average Net Assets ^{G,H,I}					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.21%	1.26%	1.19%	1.38%	1.33%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 6,623,127	\$ 6,179,579	\$ 6,046,146	\$ 5,085,755	\$ 3,319,291
Portfolio turnover rate ^{G,J}	47%	40%	24%	25%	15%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.24 per share is comprised of distributions from net investment income of \$.154 and distributions from net realized gain of \$.083 per share.

^C Total distributions of \$.32 per share is comprised of distributions from net investment income of \$.152 and distributions from net realized gain of \$.164 per share.

^D Total distributions of \$.18 per share is comprised of distributions from net investment income of \$.115 and distributions from net realized gain of \$.065 per share.

^E Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^F Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^G Amounts do not include the activity of the Underlying Funds.

^H 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.

^I Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^J Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Investment Summary (Unaudited)

The information in the following tables is based on the direct investments of the Fund.

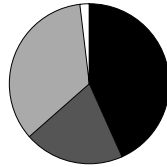
Top Holdings as of December 31, 2017

	% of fund's net assets
Fidelity U.S. Bond Index Fund Institutional Premium Class	27.9
Fidelity Technology Portfolio	7.7
Fidelity Overseas Fund	7.4
Fidelity Health Care Portfolio	3.5
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	3.4
Fidelity Financial Services Portfolio	3.3
iShares S&P 500 Index ETF	3.0
Fidelity Consumer Discretionary Portfolio	2.8
Fidelity Mega Cap Stock Fund	2.5
Fidelity Diversified International Fund	2.1
	<u>63.6</u>

Asset Allocation (% of fund's net assets)

Period end

■ Domestic Equity Funds	43.3%
■ International Equity Funds	20.2%
■ Bond Funds	34.6%
□ Short-Term Funds	1.9%



Investments December 31, 2017

Showing Percentage of Net Assets

Equity Funds – 63.5%

	Shares	Value
Fidelity Air Transportation Portfolio (a)	202,456 \$	17,065,030
Fidelity Banking Portfolio (a)	1,097,931	38,833,828
Fidelity Biotechnology Portfolio (a)	103,885	22,793,392
Fidelity Brokerage and Investment Management Portfolio (a)	110,018	8,995,032
Fidelity Chemicals Portfolio (a)	47,710	8,507,109
Fidelity Commodity Strategy Fund (a)	5,926,239	62,581,079
Fidelity Construction and Housing Portfolio (a)	196,090	12,720,366
Fidelity Consumer Discretionary Portfolio (a)	4,288,117	177,742,463
Fidelity Consumer Staples Portfolio (a)	1,406,268	130,079,825
Fidelity Contrafund (a)	771,656	94,504,663
Fidelity Defense and Aerospace Portfolio (a)	351,607	58,700,862
Fidelity Diversified International Fund (a)	3,327,005	133,146,732
Fidelity Emerging Asia Fund (a)	210,776	9,493,333
Fidelity Emerging Markets Discovery Fund (a)	1,097,381	16,855,779
Fidelity Emerging Markets Fund (a)	2,142,358	70,162,222
Fidelity Energy Portfolio (a)	2,328,676	104,068,551
Fidelity Equity-Income Fund (a)	1,763,636	107,052,709
Fidelity Europe Fund (a)	1,204,108	50,969,904
Fidelity Financial Services Portfolio (a)	1,823,621	208,293,961
Fidelity Global Commodity Stock Fund (a)	4,911,265	64,730,477
Fidelity Health Care Portfolio (a)	982,412	219,824,598
Fidelity Industrial Equipment Portfolio (a)	952,233	41,888,749
Fidelity Industrials Portfolio (a)	2,192,085	80,646,819
Fidelity Insurance Portfolio (a)	274,357	21,811,401
Fidelity International Capital Appreciation Fund (a)	1,461,936	30,788,374
Fidelity International Discovery Fund (a)	2,424,693	110,711,503
Fidelity International Enhanced Index Fund (a)	10,128,924	102,707,287
Fidelity International Small Cap Fund (a)	1,989,668	59,491,088
Fidelity International Small Cap Opportunities Fund (a)	2,851,450	55,147,039
Fidelity International Value Fund (a)	7,990,190	72,391,124
Fidelity Japan Smaller Companies Fund (a)	3,573,666	67,756,712
Fidelity Leisure Portfolio (a)	73,113	12,137,474
Fidelity Low-Priced Stock Fund (a)	1,986,721	108,316,039
Fidelity Materials Portfolio (a)	636,529	57,905,087
Fidelity Medical Equipment and Systems Portfolio (a)	432,952	18,997,921
Fidelity Mega Cap Stock Fund (a)	9,237,801	161,014,872
Fidelity Multimedia Portfolio (a)	183,651	14,598,427
Fidelity Overseas Fund (a)	9,219,637	467,435,604
Fidelity Pacific Basin Fund (a)	767,462	27,229,545
Fidelity Real Estate Investment Portfolio (a)	1,525,363	63,760,160
Fidelity Technology Portfolio (a)	2,728,202	487,638,801
Fidelity Telecommunications Portfolio (a)	515,187	30,354,838

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

	Shares	Value
Fidelity Transportation Portfolio (a)	123,458 \$	12,874,248
Fidelity Utilities Portfolio (a)	634,494	50,613,596
Fidelity Value Discovery Fund (a)	1,872,991	54,185,632
iShares S&P 500 Index ETF	704,512	189,408,051

TOTAL EQUITY FUNDS

(Cost \$3,070,034,317)

4,016,932,306**Fixed-Income Funds – 34.6%**

Fidelity Floating Rate High Income Fund (a)	6,492,506	62,457,906
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	21,984,378	216,326,281
Fidelity Long-Term Treasury Bond Index Fund Institutional Class (a)	8,503,511	112,926,633
Fidelity New Markets Income Fund (a)	1,948,583	31,606,024
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	152,429,758	1,766,660,900

TOTAL FIXED-INCOME FUNDS

(Cost \$2,149,975,501)

2,189,977,744**Money Market Funds – 1.9%**

Fidelity Cash Central Fund, 1.36% (b)	3,834,590	3,835,357
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19% (a)(c)	43,179,157	43,179,157
Fidelity Investments Money Market Prime Reserves Portfolio- Institutional Class 1.47% (a)(c)	77,172,723	77,188,157

TOTAL MONEY MARKET FUNDS

(Cost \$124,202,671)

124,202,671**TOTAL INVESTMENT IN SECURITIES – 100.0%**

(Cost \$5,344,212,489)

6,331,112,721**NET OTHER ASSETS (LIABILITIES) – 0.0%****(169,673)****NET ASSETS – 100%****\$6,330,943,048****Security Type Abbreviations**

ETF – Exchange-Traded Fund

Legend

(a) Affiliated Fund

(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.

Investments – continued

(c) The rate quoted is the annualized seven-day yield of the fund at period end.

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	\$ 13,664
Total	\$ 13,664

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Affiliated Underlying Funds

Information regarding the Fund's fiscal year to date purchases and sales of the affiliated Underlying Funds and income earned by the Fund from investments in affiliated Underlying Funds is as follows:

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity 500 Index Fund Premium Class	\$ 197,031	\$ 3,400	\$ 232,065	\$ 3,400	\$ 98,358	\$ (66,724)	\$ —
Fidelity Air Transportation Portfolio	4,042,492	23,944,122	13,976,712	1,565,660	1,188,308	1,866,820	17,065,030
Fidelity Banking Portfolio	166,620,767	1,035,339	136,976,412	1,002,306	61,666,465	(53,512,331)	38,833,828
Fidelity Biotechnology Portfolio	43,768,044	57,537,114	92,630,316	320,535	7,211,618	6,906,932	22,793,392
Fidelity Blue Chip Growth Fund	687,918	12,726,099	13,926,017	6,952	490,240	21,760	—
Fidelity Brokerage and Investment Management Portfolio	—	27,250,060	21,645,045	693,644	2,026,254	1,363,763	8,995,032
Fidelity Canada Fund	4,509,233	84,611	4,608,425	—	(31,299)	45,880	—
Fidelity Chemicals Portfolio	110,030,755	20,922,885	142,163,179	3,076,829	31,943,217	(12,226,569)	8,507,109
Fidelity Commodity Strategy Fund	—	61,920,983	1,180,371	162,617	(18,707)	1,859,174	62,581,079
Fidelity Computers Portfolio	1,542,628	35,519	2,113,891	35,519	1,450,597	(914,853)	—
Fidelity Construction and Housing Portfolio	27,412,868	1,962,589	19,216,317	1,951,189	8,236,816	(5,675,590)	12,720,366
Fidelity Consumer Discretionary Portfolio	220,994,416	14,631,209	90,269,828	6,936,848	16,624,134	15,762,532	177,742,463
Fidelity Consumer Finance Portfolio	678,261	811	776,006	811	257,501	(160,567)	—
Fidelity Consumer Staples Portfolio	181,757,914	11,921,168	71,941,871	11,594,098	16,852,912	(8,510,298)	130,079,825
Fidelity Contrafund	—	99,876,275	1,765,960	5,055,560	(22,426)	(3,583,226)	94,504,663
Fidelity Defense and Aerospace Portfolio	60,800,951	29,355,172	53,431,158	2,194,006	10,853,783	11,122,114	58,700,862
Fidelity Diversified International Fund	143,467,483	48,574,051	87,584,080	6,739,522	18,685,805	10,003,473	133,146,732
Fidelity Dividend Growth Fund	87,392	5,611	99,463	5,611	41,232	(34,772)	—
Fidelity Emerging Asia Fund	14,895,702	89,607	10,405,045	82,215	2,458,546	2,454,523	9,493,333
Fidelity Emerging Markets Discovery Fund	—	16,913,997	308,214	370,224	(1,246)	251,242	16,855,779
Fidelity Emerging Markets Fund	10,836,135	53,202,060	1,291,342	405,104	4,470	7,410,899	70,162,222
Fidelity Energy Portfolio	171,422,179	16,500,603	75,706,458	1,831,695	(4,349,172)	(3,798,601)	104,068,551
Fidelity Energy Service Portfolio	24,391,071	25,124,113	40,750,830	—	(7,520,453)	(1,243,901)	—
Fidelity Environmental and Alternative Energy Portfolio	1,590,982	831,747	2,718,573	46,417	402,610	(106,766)	—
Fidelity Equity Dividend Income Fund	16,929,769	17,798,943	35,720,755	176,467	3,157,791	(2,165,748)	—
Fidelity Equity-Income Fund	—	113,237,063	6,365,138	4,388,040	10,208	170,576	107,052,709
Fidelity Europe Fund	53,369,636	17,405,088	36,657,040	1,256,805	3,386,862	13,465,358	50,969,904
Fidelity Financial Services Portfolio	207,068,319	13,196,952	40,352,393	9,064,623	8,498,129	19,882,954	208,293,961
Fidelity Floating Rate High Income Fund	133,245,847	8,185,549	78,884,747	4,130,745	603,657	(692,400)	62,457,906
Fidelity Focused High Income Fund	15,409	—	15,536	46	968	(841)	—
Fidelity Global Commodity Stock Fund	16,092,982	52,416,223	7,172,295	867,421	169,716	3,223,851	64,730,477
Fidelity Gold Portfolio	571,905	1,373	605,681	1,373	(1,030,029)	1,062,432	—
Fidelity Health Care Portfolio	232,953,761	21,551,578	81,157,521	5,249,272	5,117,272	41,359,508	219,824,598
Fidelity Health Care Services Portfolio	—	14,620,522	14,530,123	—	(90,399)	—	—
Fidelity Industrial Equipment Portfolio	53,902,024	3,241,597	20,466,431	2,631,942	1,640,647	3,570,912	41,888,749
Fidelity Industrials Portfolio	136,644,161	11,687,088	79,279,906	4,598,959	18,402,141	(6,806,665)	80,646,819
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	128,881,196	207,766,017	121,526,912	2,610,858	2,708,173	(1,502,193)	216,326,281
Fidelity Insurance Portfolio	107,579,755	13,801,446	107,235,914	2,725,514	35,301,596	(27,635,482)	21,811,401

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

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity International Capital Appreciation Fund	\$ 27,240,214	\$ 1,948,373	\$ 5,548,797	\$ 993,407	\$ (229,402)	\$ 7,377,986	\$ 30,788,374
Fidelity International Discovery Fund	70,789,944	103,863,719	72,506,310	5,413,341	15,502,681	(6,938,531)	110,711,503
Fidelity International Enhanced Index Fund	340,397	99,867,498	1,931,266	1,664,612	(23,489)	4,454,147	102,707,287
Fidelity International Index Fund Institutional Class	138,808,746	7,357,815	178,724,639	115,558	56,725,007	(24,166,929)	—
Fidelity International Real Estate Fund	199,438	5,212	242,987	5,212	55,333	(16,996)	—
Fidelity International Small Cap Fund	89,139,529	4,234,782	55,014,454	1,989,631	7,991,432	13,139,799	59,491,088
Fidelity International Small Cap Opportunities Fund	52,027,731	7,143,779	20,557,944	1,102,295	2,957,803	13,575,670	55,147,039
Fidelity International Value Fund	—	74,060,414	1,362,551	1,186,395	(9,859)	(296,880)	72,391,124
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	238,077,474	180,920,623	375,818,940	2,172,108	—	—	43,179,157
Fidelity Investments Money Market Prime Reserves Portfolio — Institutional Class 1.47%	—	78,657,141	1,468,977	176,626	(7)	—	77,188,157
Fidelity Japan Fund	23,456,915	301,980	30,457,934	—	6,363,578	335,461	—
Fidelity Japan Smaller Companies Fund	62,341,461	6,678,536	19,749,028	2,929,871	5,006,158	13,479,585	67,756,712
Fidelity Large Cap Stock Fund	11,590,111	24,284,577	38,276,998	428,023	3,678,737	(1,276,427)	—
Fidelity Leisure Portfolio	—	21,718,465	10,617,393	716,083	595,108	441,294	12,137,474
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	—	69,679,626	2,326,226	509,798	5,354	1,647,369	112,926,633
Fidelity Long-Term Treasury Bond Index Fund Premium Class	20,205,159	27,096,429	3,610,387	610,328	(33,473)	262,782	—
Fidelity Low-Priced Stock Fund	—	106,681,403	1,765,355	1,360,293	16,590	3,383,401	108,316,039
Fidelity Magellan Fund	70,162	4,260	86,544	4,260	19,321	(7,199)	—
Fidelity Materials Portfolio	5,471,732	58,926,707	6,608,298	2,345,247	741,006	(626,060)	57,905,087
Fidelity Medical Equipment and Systems Portfolio	105,707,049	40,987,876	151,475,246	1,424,683	17,323,822	6,454,420	18,997,921
Fidelity Mega Cap Stock Fund	—	162,598,837	2,654,397	4,766,983	12,174	1,058,258	161,014,872
Fidelity Multimedia Portfolio	14,242,200	18,390,151	19,225,682	1,019,937	226,677	965,081	14,598,427
Fidelity Natural Resources Portfolio	—	2,100,000	2,258,898	—	158,898	—	—
Fidelity New Markets Income Fund	33,271,751	12,979,428	15,840,348	1,852,870	(201,069)	1,396,262	31,606,024
Fidelity Nordic Fund	20,626,309	787,846	23,132,022	—	9,515,997	(7,798,130)	—
Fidelity OTC Portfolio	—	3,090,927	3,340,726	45,479	249,799	—	—
Fidelity Overseas Fund	393,749,208	90,855,623	136,937,997	5,558,625	15,611,864	104,156,906	467,435,604
Fidelity Pacific Basin Fund	30,719,800	1,161,923	15,373,995	1,140,654	4,420,695	6,301,122	27,229,545
Fidelity Real Estate Investment Portfolio	26,134,204	60,029,062	21,081,240	1,084,212	1,161,566	(2,483,432)	63,760,160
Fidelity Retailing Portfolio	57,651,088	—	60,838,680	—	30,373,430	(27,185,838)	—
Fidelity Semiconductors Portfolio	87,277,950	3,209,803	100,272,327	2,727,935	37,104,900	(27,320,326)	—
Fidelity Series Commodity Strategy Fund	31,957,582	1,661,756	31,950,268	—	(853,017)	(816,053)	—
Fidelity Small Cap Growth Fund	274,217	16,874	343,328	16,874	81,696	(29,459)	—
Fidelity Small Cap Value Fund	1,809,836	687,959	2,638,046	54,440	134,762	5,489	—
Fidelity Software and IT Services Portfolio	147,067,677	1,162,420	164,357,058	1,073,676	36,687,833	(20,560,872)	—
Fidelity Stock Selector All Cap Fund	206,333	—	251,410	—	107,752	(62,675)	—
Fidelity Stock Selector Large Cap Value Fund	25,653,061	2,278,982	28,555,102	1,587	3,994,737	(3,371,678)	—
Fidelity Technology Portfolio	443,089,534	143,687,587	290,787,287	44,542,155	73,518,453	118,130,514	487,638,801
Fidelity Telecom and Utilities Fund	—	1,011,638	1,015,020	11,638	3,382	—	—
Fidelity Telecommunications Portfolio	91,387,732	20,347,238	75,570,203	6,129,966	7,792,339	(13,602,268)	30,354,838
Fidelity Transportation Portfolio	12,069,690	7,483,463	9,036,293	699,488	590,406	1,766,982	12,874,248
Fidelity U.S. Bond Index Fund Institutional Premium Class	1,803,304,873	233,753,016	285,289,397	45,486,926	(2,048,417)	16,940,825	1,766,660,900
Fidelity Utilities Portfolio	39,920,750	35,146,267	25,688,544	2,724,092	2,704,785	(1,469,662)	50,613,596
Fidelity Value Discovery Fund	—	59,923,234	7,969,074	369,378	51,323	2,180,149	54,185,632
Total	\$6,382,868,843	\$2,796,141,833	\$3,818,245,586	\$226,237,513	\$584,512,960	\$192,591,263	\$6,137,869,313

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

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

Investments – continued

Investment Valuation

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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 please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

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

VIP FundsManager® 60% Portfolio
Financial Statements

Statement of Assets and Liabilities

December 31, 2017

Assets	
Investment in securities, at value — See accompanying schedule:	
Unaffiliated issuers (cost \$183,570,817)	\$ 189,408,051
Fidelity Central Funds (cost \$3,835,357)	3,835,357
Affiliated issuers (cost \$5,156,806,315)	<u>6,137,869,313</u>
Total Investment in Securities (cost \$5,344,212,489)	\$ 6,331,112,721
Receivable for investments sold	1,778,130
Receivable for fund shares sold	1,503,632
Dividends receivable	1,843
Distributions receivable from Fidelity Central Funds	<u>4,101</u>
Total assets	<u>6,334,400,427</u>
Liabilities	
Payable for fund shares redeemed	\$ 2,334,061
Accrued management fee	1,050,531
Distribution and service plan fees payable	<u>72,787</u>
Total liabilities	<u>3,457,379</u>
Net Assets	<u>\$ 6,330,943,048</u>
Net Assets consist of:	
Paid in capital	\$ 4,674,513,385
Undistributed net investment income	3,921,430
Accumulated undistributed net realized gain (loss) on investments	665,608,001
Net unrealized appreciation (depreciation) on investments	<u>986,900,232</u>
Net Assets	<u>\$ 6,330,943,048</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$60,556 ÷ 4,845 shares)	<u>\$ 12.50</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$585,345,992 ÷ 46,934,656 shares)	<u>\$ 12.47</u>
Investor Class:	
Net Asset Value , offering price and redemption price per share (\$5,745,536,500 ÷ 459,705,656 shares)	<u>\$ 12.50</u>

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

Financial Statements – continued

Statement of Operations

		Year ended December 31, 2017
Investment Income		
Dividends:		
Unaffiliated issuers		\$ 896,613
Affiliated issuers		82,158,646
Income from Fidelity Central Funds		13,664
Total income		<u>83,068,923</u>
Expenses		
Management fee	\$ 15,865,016	
Distribution and service plan fees	1,382,077	
Independent trustees' fees and expenses	23,735	
Total expenses before reductions	<u>17,270,828</u>	
Expense reductions	<u>(3,730,770)</u>	<u>13,540,058</u>
Net investment income (loss)		<u>69,528,865</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Affiliated issuers	584,512,960	
Realized gain distributions from underlying funds:		
Affiliated issuers	<u>144,078,867</u>	
Total net realized gain (loss)		728,591,827
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	5,837,234	
Other affiliated issuers	<u>192,591,263</u>	<u>198,428,497</u>
Total change in net unrealized appreciation (depreciation)		<u>927,020,324</u>
Net gain (loss)		<u>\$ 996,549,189</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 996,549,189</u>

Statement of Changes in Net Assets

	Year ended December 31, 2017	Year ended December 31, 2016
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 69,528,865	\$ 79,075,633
Net realized gain (loss)	728,591,827	92,343,486
Change in net unrealized appreciation (depreciation)	<u>198,428,497</u>	<u>145,990,135</u>
Net increase (decrease) in net assets resulting from operations	<u>996,549,189</u>	<u>317,409,254</u>
Distributions to shareholders from net investment income	(65,831,245)	(79,172,941)
Distributions to shareholders from net realized gain	<u>(134,172,261)</u>	<u>(231,456,304)</u>
Total distributions	<u>(200,003,506)</u>	<u>(310,629,245)</u>
Share transactions – net increase (decrease)	<u>(847,339,302)</u>	<u>(501,367,729)</u>
Total increase (decrease) in net assets	<u>(50,793,619)</u>	<u>(494,587,720)</u>
Net Assets		
Beginning of period	<u>6,381,736,667</u>	<u>6,876,324,387</u>
End of period	<u>\$ 6,330,943,048</u>	<u>\$ 6,381,736,667</u>
Other Information		
Undistributed net investment income end of period	<u>\$ 3,921,430</u>	<u>\$ 223,809</u>

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

Financial Highlights

VIP FundsManager 60% Portfolio Service Class

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.03	\$ 11.06	\$ 11.97	\$ 11.81	\$ 10.44
Income from Investment Operations					
Net investment income (loss) ^A	.13	.13	.13	.15	.13
Net realized and unrealized gain (loss)	1.73	.36	(.07)	.48	1.80
Total from investment operations	1.86	.49	.06	.63	1.93
Distributions from net investment income	(.13)	(.14)	(.13)	(.15)	(.13)
Distributions from net realized gain	(.25)	(.38)	(.84)	(.32)	(.43)
Total distributions	(.39) ^B	(.52)	(.97)	(.47)	(.56)
Net asset value, end of period	\$ 12.50	\$ 11.03	\$ 11.06	\$ 11.97	\$ 11.81
Total Return ^{C,D}	16.99%	4.79%	.41%	5.40%	18.62%
Ratios to Average Net Assets ^{E,F,G}					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.11%	1.19%	1.11%	1.26%	1.18%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 61	\$ 59	\$ 60	\$ 69	\$ 75
Portfolio turnover rate ^{E,H}	47%	35%	30%	36%	21%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.39 per share is comprised of distributions from net investment income of \$.134 and distributions from net realized gain of \$.251 per share.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^E Amounts do not include the activity of the Underlying Funds.

^F 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.

^G Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^H Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Financial Highlights – continued

VIP FundsManager 60% Portfolio Service Class 2

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.01	\$ 11.04	\$ 11.95	\$ 11.79	\$ 10.43
Income from Investment Operations					
Net investment income (loss) ^A	.11	.11	.11	.13	.12
Net realized and unrealized gain (loss)	1.72	.36	(.07)	.48	1.78
Total from investment operations	1.83	.47	.04	.61	1.90
Distributions from net investment income	(.12)	(.12)	(.11)	(.13)	(.12)
Distributions from net realized gain	(.25)	(.38)	(.84)	(.32)	(.43)
Total distributions	(.37)	(.50)	(.95)	(.45)	(.54) ^B
Net asset value, end of period	\$ 12.47	\$ 11.01	\$ 11.04	\$ 11.95	\$ 11.79
Total Return ^{C,D}	16.76%	4.65%	.27%	5.26%	18.39%
Ratios to Average Net Assets ^{E,F,G}					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	.96%	1.04%	.96%	1.11%	1.03%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 585,346	\$ 507,162	\$ 497,768	\$ 425,719	\$ 372,191
Portfolio turnover rate ^{E,H}	47%	35%	30%	36%	21%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.54 per share is comprised of distributions from net investment income of \$.119 and distributions from net realized gain of \$.425 per share.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^E Amounts do not include the activity of the Underlying Funds.

^F 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.

^G Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^H Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

VIP FundsManager 60% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 11.03	\$ 11.06	\$ 11.97	\$ 11.81	\$ 10.44
Income from Investment Operations					
Net investment income (loss) ^A	.13	.13	.13	.15	.13
Net realized and unrealized gain (loss)	1.73	.36	(.07)	.48	1.80
Total from investment operations	1.86	.49	.06	.63	1.93
Distributions from net investment income	(.13)	(.14)	(.13)	(.15)	(.13)
Distributions from net realized gain	(.25)	(.38)	(.84)	(.32)	(.43)
Total distributions	(.39) ^B	(.52)	(.97)	(.47)	(.56)
Net asset value, end of period	\$ 12.50	\$ 11.03	\$ 11.06	\$ 11.97	\$ 11.81
Total Return ^{C,D}	16.99%	4.79%	.41%	5.40%	18.62%
Ratios to Average Net Assets ^{E,F,G}					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.11%	1.19%	1.11%	1.26%	1.18%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 5,745,537	\$ 5,874,515	\$ 6,378,497	\$ 6,172,435	\$ 6,037,672
Portfolio turnover rate ^{E,H}	47%	35%	30%	36%	21%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.39 per share is comprised of distributions from net investment income of \$.134 and distributions from net realized gain of \$.251 per share.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^E Amounts do not include the activity of the Underlying Funds.

^F 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.

^G Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^H Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Investment Summary (Unaudited)

The information in the following tables is based on the direct investments of the Fund.

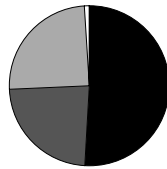
Top Holdings as of December 31, 2017

	% of fund's net assets
Fidelity U.S. Bond Index Fund Institutional Premium Class	18.0
Fidelity Technology Portfolio	9.1
Fidelity Overseas Fund	8.7
Fidelity Health Care Portfolio	4.1
iShares S&P 500 Index ETF	3.9
Fidelity Financial Services Portfolio	3.9
Fidelity Inflation-Protected Bond Index Fund Institutional Class	3.4
Fidelity Consumer Discretionary Portfolio	3.3
Fidelity Mega Cap Stock Fund	2.9
Fidelity Consumer Staples Portfolio	<u>2.4</u>
	<u>59.7</u>

Asset Allocation (% of fund's net assets)

Period end

■ Domestic Equity Funds	50.9%
■ International Equity Funds	23.4%
■ Bond Funds	24.7%
□ Short-Term Funds	1.0%



Investments December 31, 2017

Showing Percentage of Net Assets

Equity Funds – 74.3%

	Shares	Value
Fidelity Air Transportation Portfolio (a)	56,235 \$	4,740,075
Fidelity Banking Portfolio (a)	311,184	11,006,567
Fidelity Biotechnology Portfolio (a)	28,962	6,354,617
Fidelity Brokerage and Investment Management Portfolio (a)	31,353	2,563,433
Fidelity Chemicals Portfolio (a)	14,110	2,515,918
Fidelity Commodity Strategy Fund (a)	1,388,444	14,661,971
Fidelity Construction and Housing Portfolio (a)	54,084	3,508,428
Fidelity Consumer Discretionary Portfolio (a)	1,180,333	48,924,798
Fidelity Consumer Staples Portfolio (a)	386,232	35,726,421
Fidelity Contrafund (a)	212,157	25,982,868
Fidelity Defense and Aerospace Portfolio (a)	97,217	16,230,339
Fidelity Diversified International Fund (a)	873,683	34,964,806
Fidelity Emerging Asia Fund (a)	64,989	2,927,113
Fidelity Emerging Markets Discovery Fund (a)	341,641	5,247,601
Fidelity Emerging Markets Fund (a)	662,545	21,698,337
Fidelity Energy Portfolio (a)	647,405	28,932,517
Fidelity Equity-Income Fund (a)	464,271	28,181,266
Fidelity Europe Fund (a)	317,841	13,454,199
Fidelity Financial Services Portfolio (a)	504,355	57,607,418
Fidelity Global Commodity Stock Fund (a)	1,144,385	15,082,990
Fidelity Health Care Portfolio (a)	271,054	60,650,947
Fidelity Industrial Equipment Portfolio (a)	263,670	11,598,859
Fidelity Industrials Portfolio (a)	605,561	22,278,587
Fidelity Insurance Portfolio (a)	76,562	6,086,712
Fidelity International Capital Appreciation Fund (a)	382,875	8,063,346
Fidelity International Discovery Fund (a)	637,296	29,098,951
Fidelity International Enhanced Index Fund (a)	2,653,927	26,910,815
Fidelity International Small Cap Fund (a)	522,978	15,637,038
Fidelity International Small Cap Opportunities Fund (a)	747,065	14,448,234
Fidelity International Value Fund (a)	2,113,101	19,144,694
Fidelity Japan Smaller Companies Fund (a)	925,041	17,538,787
Fidelity Leisure Portfolio (a)	20,744	3,443,734
Fidelity Low-Priced Stock Fund (a)	521,159	28,413,564
Fidelity Materials Portfolio (a)	174,964	15,916,471
Fidelity Medical Equipment and Systems Portfolio (a)	120,765	5,299,173
Fidelity Mega Cap Stock Fund (a)	2,418,267	42,150,387
Fidelity Multimedia Portfolio (a)	51,024	4,055,925
Fidelity Overseas Fund (a)	2,529,246	128,232,790
Fidelity Pacific Basin Fund (a)	200,559	7,115,823
Fidelity Real Estate Investment Portfolio (a)	421,069	17,600,677
Fidelity Technology Portfolio (a)	750,452	134,135,816
Fidelity Telecommunications Portfolio (a)	141,804	8,355,094

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

	Shares	Value
Fidelity Transportation Portfolio (a)	34,336 \$	3,580,542
Fidelity Utilities Portfolio (a)	174,780	13,942,184
Fidelity Value Discovery Fund (a)	489,051	14,148,254
iShares S&P 500 Index ETF	215,155	57,844,422

TOTAL EQUITY FUNDS

(Cost \$901,523,431)

1,096,003,508**Fixed-Income Funds – 24.7%**

Fidelity Floating Rate High Income Fund (a)	1,508,407	14,510,876
Fidelity Inflation-Protected Bond Index Fund Institutional Class (a)	5,092,823	50,113,381
Fidelity Long-Term Treasury Bond Index Fund Institutional Class (a)	1,971,592	26,182,740
Fidelity New Markets Income Fund (a)	453,687	7,358,800
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	22,930,862	265,768,692

TOTAL FIXED-INCOME FUNDS

(Cost \$355,825,314)

363,934,489**Money Market Funds – 1.0%**

Fidelity Cash Central Fund, 1.36% (b)	1,860,895	1,861,268
Fidelity Institutional Money Market Funds Prime Reserves Portfolio Class 1 (a)	8,520,499	8,522,203
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19% (a)(c)	5,017,733	5,017,733

TOTAL MONEY MARKET FUNDS

(Cost \$15,401,204)

15,401,204**TOTAL INVESTMENT IN SECURITIES – 100.0%**

(Cost \$1,272,749,949)

1,475,339,201**NET OTHER ASSETS (LIABILITIES) – 0.0%****(215,556)****NET ASSETS – 100%****\$1,475,123,645****Security Type Abbreviations**

ETF – Exchange-Traded Fund

Legend

(a) Affiliated Fund

(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) The rate quoted is the annualized seven-day yield of the fund at period end.

Investments – continued

Affiliated Central Funds

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

Fund	Income earned
Fidelity Cash Central Fund	\$ 4,555
Total	<u>\$ 4,555</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Affiliated Underlying Funds

Information regarding the Fund's fiscal year to date purchases and sales of the affiliated Underlying Funds and income earned by the Fund from investments in affiliated Underlying Funds is as follows:

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity 500 Index Fund Premium Class	\$ 27,989	\$ 132,616	\$ 174,640	\$ 1,810	\$ 27,243	\$ (13,208)	\$ —
Fidelity Air Transportation Portfolio	855,134	5,856,491	2,642,225	410,065	171,573	499,102	4,740,075
Fidelity Banking Portfolio	32,476,403	388,669	23,829,660	280,304	8,616,382	(6,645,227)	11,006,567
Fidelity Biotechnology Portfolio	12,337,382	17,419,240	27,774,217	88,190	2,597,944	1,774,268	6,354,617
Fidelity Blue Chip Growth Fund	2,499,653	1,428,521	4,178,730	4,106	705,219	(454,663)	—
Fidelity Blue Chip Value Fund	4,018,520	15,299	4,326,847	15,299	942,022	(648,994)	—
Fidelity Brokerage and Investment Management Portfolio	—	7,888,340	6,212,632	195,394	501,197	386,528	2,563,433
Fidelity Canada Fund	1,525,263	40,804	1,560,888	—	(24,581)	19,402	—
Fidelity Chemicals Portfolio	22,160,403	5,761,951	29,949,543	716,579	6,036,735	(1,493,628)	2,515,918
Fidelity Commodity Strategy Fund	—	14,383,832	103,675	35,542	(1,703)	383,517	14,661,971
Fidelity Construction and Housing Portfolio	3,859,631	484,273	1,230,382	452,615	613,506	(218,600)	3,508,428
Fidelity Consumer Discretionary Portfolio	45,315,749	10,981,659	14,746,760	1,902,976	1,133,167	6,240,983	48,924,798
Fidelity Consumer Staples Portfolio	36,221,013	5,877,872	7,687,824	2,992,944	367,563	947,797	35,726,421
Fidelity Contrafund	320,517	27,152,614	524,028	1,380,894	25,388	(991,623)	25,982,868
Fidelity Defense and Aerospace Portfolio	11,796,278	11,274,155	11,898,705	562,099	2,112,702	2,945,909	16,230,339
Fidelity Diversified International Fund	29,552,309	15,119,094	15,270,184	1,757,263	1,048,272	4,515,315	34,964,806
Fidelity Emerging Asia Fund	2,040,422	233,579	199,815	25,168	8,531	844,396	2,927,113
Fidelity Emerging Markets Discovery Fund	—	5,205,859	36,329	114,853	(325)	78,396	5,247,601
Fidelity Emerging Markets Fund	3,606,835	15,917,501	150,341	124,400	(523)	2,324,865	21,698,337
Fidelity Energy Portfolio	32,639,057	6,834,324	9,692,170	486,118	(180,268)	(668,426)	28,932,517
Fidelity Energy Service Portfolio	5,015,772	4,880,619	7,995,636	—	(1,800,749)	(100,006)	—
Fidelity Environmental and Alternative Energy Portfolio	13,594	1,213,949	1,286,473	462	59,873	(943)	—
Fidelity Equity Dividend Income Fund	9,445,824	4,128,682	14,334,023	153,142	1,456,894	(697,377)	—
Fidelity Equity-Income Fund	—	28,620,502	528,055	1,225,083	(3,015)	91,834	28,181,266
Fidelity Europe Fund	13,394,074	9,114,037	13,884,079	330,553	1,370,931	3,459,236	13,454,199
Fidelity Financial Services Portfolio	35,206,641	21,366,953	5,396,319	2,256,564	(64,689)	6,494,832	57,607,418
Fidelity Floating Rate High Income Fund	23,842,083	2,368,697	11,666,887	825,607	34,267	(67,284)	14,510,876
Fidelity Focused High Income Fund	7,659	—	7,722	23	586	(523)	—
Fidelity Global Commodity Stock Fund	3,066,870	11,459,529	331,227	200,676	(1,004)	888,822	15,082,990
Fidelity Gold Portfolio	88,890	213	94,140	213	(149,871)	154,908	—
Fidelity Health Care Portfolio	39,679,945	28,411,498	15,086,059	1,443,103	492,316	7,153,247	60,650,947
Fidelity Health Care Services Portfolio	—	7,069,922	7,053,687	—	(16,235)	—	—
Fidelity Industrial Equipment Portfolio	11,087,156	3,097,229	3,724,604	617,892	183,806	955,272	11,598,859
Fidelity Industrials Portfolio	28,286,972	5,817,141	14,721,313	1,204,783	1,686,812	1,208,975	22,278,587
Fidelity Inflation-Protected Bond Index Fund Institutional Class	23,315,099	49,075,367	22,553,310	599,868	467,857	(191,632)	50,113,381
Fidelity Institutional Money Market Funds Prime Reserves Portfolio Class I	—	8,583,372	61,167	19,522	(2)	—	8,522,203
Fidelity Insurance Portfolio	25,938,986	3,347,397	24,958,854	743,236	5,978,465	(4,219,282)	6,086,712
Fidelity International Capital Appreciation Fund	4,297,105	2,848,376	356,014	258,347	(15,806)	1,289,685	8,063,346
Fidelity International Discovery Fund	12,776,175	17,870,547	4,253,398	1,412,714	300,630	2,404,997	29,098,951

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

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity International Enhanced Index Fund	\$ —	\$ 26,096,588	\$ 190,811	\$ 433,052	\$ (1,892)	\$ 1,006,930	\$ 26,910,815
Fidelity International Index Fund Institutional Class	22,985,569	7,688,285	36,714,960	20,642	9,925,521	(3,884,415)	—
Fidelity International Real Estate Fund	16,216	424	19,757	424	5,388	(2,271)	—
Fidelity International Small Cap Fund	17,938,191	1,737,582	8,600,027	519,301	969,085	3,592,207	15,637,038
Fidelity International Small Cap Opportunities Fund	9,788,910	1,917,068	542,519	286,853	20,486	3,264,289	14,448,234
Fidelity International Value Fund	—	19,357,295	134,812	311,530	(774)	(77,015)	19,144,694
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	37,802,920	38,627,568	71,412,755	395,503	—	—	5,017,733
Fidelity IT Services Portfolio	108,049	—	112,715	—	85,954	(81,288)	—
Fidelity Japan Fund	7,009,467	893,814	10,063,503	—	2,001,156	159,066	—
Fidelity Japan Smaller Companies Fund	12,399,248	1,712,604	241,163	760,408	34,651	3,633,447	17,538,787
Fidelity Large Cap Stock Fund	5,844,573	5,449,909	12,252,923	119,460	1,632,199	(673,758)	—
Fidelity Leisure Portfolio	—	7,453,309	4,355,878	202,461	216,385	129,918	3,443,734
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	—	17,246,230	191,405	115,799	(981)	305,125	26,182,740
Fidelity Long-Term Treasury Bond Index Fund Premium Class	5,292,744	5,293,562	1,895,758	133,186	(8,466)	141,689	—
Fidelity Low-Priced Stock Fund	—	27,698,538	183,545	372,126	534	898,037	28,413,564
Fidelity Magellan Fund	22,006	1,336	27,145	1,336	6,062	(2,259)	—
Fidelity Materials Portfolio	1,644,027	15,878,837	1,678,414	643,634	155,608	(83,587)	15,916,471
Fidelity Medical Equipment and Systems Portfolio	24,968,352	14,059,850	39,737,095	382,549	3,519,793	2,488,273	5,299,173
Fidelity Mega Cap Stock Fund	—	42,159,146	275,925	1,301,476	202	266,964	42,150,387
Fidelity Multimedia Portfolio	3,301,234	6,760,191	6,213,050	277,615	(36,010)	243,560	4,055,925
Fidelity Nasdaq Composite Index Fund	2,033,205	—	2,229,444	—	1,220,799	(1,024,560)	—
Fidelity Natural Resources Portfolio	—	300,000	320,490	—	20,490	—	—
Fidelity New Markets Income Fund	6,491,081	1,181,886	563,139	393,883	(3,727)	252,699	7,358,800
Fidelity Nordic Fund	3,956,507	1,179,395	5,743,934	—	655,174	(47,142)	—
Fidelity OTC Portfolio	498,223	1,884,907	2,596,944	19,524	229,909	(16,095)	—
Fidelity Overseas Fund	97,860,464	33,178,170	33,663,432	1,450,823	2,657,304	28,200,284	128,232,790
Fidelity Pacific Basin Fund	4,776,255	760,930	49,874	297,042	(788)	1,629,300	7,115,823
Fidelity Real Estate Investment Portfolio	4,955,603	16,043,656	3,049,631	303,647	156,023	(504,974)	17,600,677
Fidelity Retailing Portfolio	12,549,919	35,019	13,254,601	—	5,822,717	(5,153,054)	—
Fidelity Semiconductors Portfolio	19,843,926	1,150,799	23,805,567	714,873	7,707,083	(4,896,241)	—
Fidelity Series Commodity Strategy Fund	5,701,086	754,830	6,133,877	—	(180,483)	(141,556)	—
Fidelity Small Cap Stock Fund	137,878	4,398	149,811	4,398	22,195	(14,660)	—
Fidelity Small Cap Value Fund	563,897	1,312,944	1,967,229	36,989	86,165	4,223	—
Fidelity Software and IT Services Portfolio	33,558,974	356,307	37,326,979	106,350	7,069,490	(3,657,792)	—
Fidelity Stock Selector Large Cap Value Fund	22,172,147	1,680,667	25,326,371	7,149	3,444,100	(1,970,543)	—
Fidelity Technology Portfolio	84,334,815	57,351,293	49,301,279	11,248,025	11,810,724	29,940,263	134,135,816
Fidelity Telecommunications Portfolio	18,400,124	6,412,727	15,059,447	1,587,967	1,424,335	(2,822,645)	8,355,094
Fidelity Transportation Portfolio	2,779,561	2,776,424	2,574,162	192,842	114,355	484,364	3,580,542
Fidelity U.S. Bond Index Fund Institutional Premium Class	222,275,665	59,366,609	17,718,752	6,357,098	(194,292)	2,039,462	265,768,692
Fidelity Utilities Portfolio	7,356,514	11,355,271	4,665,838	741,330	414,498	(518,261)	13,942,184
Fidelity Value Discovery Fund	802,970	14,019,450	1,426,069	187,786	20,968	730,935	14,148,254
Total	<u>\$1,176,885,723</u>	<u>\$812,808,541</u>	<u>\$752,253,592</u>	<u>\$52,765,488</u>	<u>\$95,703,050</u>	<u>\$82,489,789</u>	<u>\$1,415,633,511</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Investment Valuation

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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 please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

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

VIP FundsManager® 70% Portfolio
Financial Statements

Statement of Assets and Liabilities

December 31, 2017

Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$56,062,087)	\$ 57,844,422
Fidelity Central Funds (cost \$1,861,268)	1,861,268
Affiliated issuers (cost \$1,214,826,594)	<u>1,415,633,511</u>

Total Investment in Securities (cost \$1,272,749,949)		\$ 1,475,339,201
Receivable for investments sold		121,770
Receivable for fund shares sold		944,618
Distributions receivable from Fidelity Central Funds		<u>1,794</u>
Total assets		<u>1,476,407,383</u>

Liabilities

Payable for investments purchased	\$ 894,369
Payable for fund shares redeemed	139,720
Accrued management fee	243,582
Distribution and service plan fees payable	<u>6,067</u>

Total liabilities

1,283,738

Net Assets

\$ 1,475,123,645

Net Assets consist of:

Paid in capital	\$ 1,153,164,085
Undistributed net investment income	753,546
Accumulated undistributed net realized gain (loss) on investments	118,616,762
Net unrealized appreciation (depreciation) on investments	<u>202,589,252</u>

Net Assets

\$ 1,475,123,645

Service Class:

Net Asset Value, offering price and redemption price per share (\$75,509 ÷ 5,379 shares) \$ 14.04

Service Class 2:

Net Asset Value, offering price and redemption price per share (\$48,977,397 ÷ 3,501,173 shares) \$ 13.99

Investor Class:

Net Asset Value, offering price and redemption price per share (\$1,426,070,739 ÷ 101,589,285 shares) \$ 14.04

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

Statement of Operations

		Year ended December 31, 2017
Investment Income		
Dividends:		
Unaffiliated issuers		\$ 273,822
Affiliated issuers		15,771,495
Income from Fidelity Central Funds		4,555
Total income		<u>16,049,872</u>
Expenses		
Management fee	\$ 3,322,625	
Distribution and service plan fees	110,527	
Independent trustees' fees and expenses	4,863	
Total expenses before reductions	<u>3,438,015</u>	
Expense reductions	<u>(710,102)</u>	<u>2,727,913</u>
Net investment income (loss)		<u>13,321,959</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Affiliated issuers	95,703,050	
Realized gain distributions from underlying funds:		
Affiliated issuers	<u>36,993,993</u>	
Total net realized gain (loss)		132,697,043
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	1,782,335	
Other affiliated issuers	<u>82,489,789</u>	
Total change in net unrealized appreciation (depreciation)		<u>84,272,124</u>
Net gain (loss)		<u>216,969,167</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 230,291,126</u>

Statement of Changes in Net Assets

	Year ended December 31, 2017	Year ended December 31, 2016
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 13,321,959	\$ 12,529,968
Net realized gain (loss)	132,697,043	(114,746)
Change in net unrealized appreciation (depreciation)	<u>84,272,124</u>	<u>43,553,750</u>
Net increase (decrease) in net assets resulting from operations	<u>230,291,126</u>	<u>55,968,972</u>
Distributions to shareholders from net investment income	(12,662,563)	(12,528,947)
Distributions to shareholders from net realized gain	<u>(9,720,946)</u>	<u>(45,317,276)</u>
Total distributions	<u>(22,383,509)</u>	<u>(57,846,223)</u>
Share transactions – net increase (decrease)	90,530,791	69,760,717
Total increase (decrease) in net assets	<u>298,438,408</u>	<u>67,883,466</u>
Net Assets		
Beginning of period	<u>1,176,685,237</u>	<u>1,108,801,771</u>
End of period	<u>\$ 1,475,123,645</u>	<u>\$ 1,176,685,237</u>
Other Information		
Undistributed net investment income end of period	<u>\$ 753,546</u>	<u>\$ 94,150</u>

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

Financial Highlights

VIP FundsManager 70% Portfolio Service Class

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.97	\$ 12.05	\$ 12.40	\$ 12.01	\$ 10.04
Income from Investment Operations					
Net investment income (loss) ^A	.13	.13	.12	.15	.13
Net realized and unrealized gain (loss)	2.16	.41	(.06)	.48	2.05
Total from investment operations	2.29	.54	.06	.63	2.18
Distributions from net investment income	(.12)	(.13)	(.12)	(.14)	(.12)
Distributions from net realized gain	(.09)	(.49)	(.29)	(.10)	(.09)
Total distributions	(.22) ^B	(.62)	(.41)	(.24)	(.21)
Net asset value, end of period	\$ 14.04	\$ 11.97	\$ 12.05	\$ 12.40	\$ 12.01
Total Return ^{C,D}	19.11%	5.04%	.41%	5.24%	21.75%
Ratios to Average Net Assets ^{E,F,G}					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.01%	1.11%	.97%	1.23%	1.19%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 76	\$ 71	\$ 72	\$ 78	\$ 91
Portfolio turnover rate ^{E,H}	57%	45%	44%	49%	31%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.22 per share is comprised of distributions from net investment income of \$.123 and distributions from net realized gain of \$.094 per share.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^E Amounts do not include the activity of the Underlying Funds.

^F 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.

^G Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^H Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

VIP FundsManager 70% Portfolio Service Class 2

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.93	\$ 12.02	\$ 12.37	\$ 11.98	\$ 10.02
Income from Investment Operations					
Net investment income (loss) ^A	.11	.11	.10	.13	.12
Net realized and unrealized gain (loss)	2.15	.41	(.06)	.48	2.04
Total from investment operations	2.26	.52	.04	.61	2.16
Distributions from net investment income	(.10)	(.12)	(.10)	(.13)	(.11)
Distributions from net realized gain	(.09)	(.49)	(.29)	(.10)	(.09)
Total distributions	(.20) ^B	(.61)	(.39)	(.22) ^C	(.20)
Net asset value, end of period	\$ 13.99	\$ 11.93	\$ 12.02	\$ 12.37	\$ 11.98
Total Return ^{D,E}	18.94%	4.86%	.29%	5.10%	21.54%
Ratios to Average Net Assets ^{F,G,H}					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	.86%	.96%	.82%	1.08%	1.04%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 48,977	\$ 38,443	\$ 12,028	\$ 7,610	\$ 6,752
Portfolio turnover rate ^{F,I}	57%	45%	44%	49%	31%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.20 per share is comprised of distributions from net investment income of \$.104 and distributions from net realized gain of \$.094 per share.

^C Total distributions of \$.22 per share is comprised of distributions from net investment income of \$.126 and distributions from net realized gain of \$.097 per share.

^D Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^E Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^F Amounts do not include the activity of the Underlying Funds.

^G 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.

^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^I Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Financial Highlights – continued

VIP FundsManager 70% Portfolio Investor Class					
Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.96	\$ 12.05	\$ 12.39	\$ 12.01	\$ 10.04
Income from Investment Operations					
Net investment income (loss) ^A	.13	.13	.12	.15	.13
Net realized and unrealized gain (loss)	2.17	.40	(.05)	.47	2.05
Total from investment operations	2.30	.53	.07	.62	2.18
Distributions from net investment income	(.12)	(.13)	(.12)	(.14)	(.12)
Distributions from net realized gain	(.09)	(.49)	(.29)	(.10)	(.09)
Total distributions	(.22) ^B	(.62)	(.41)	(.24)	(.21)
Net asset value, end of period	\$ 14.04	\$ 11.96	\$ 12.05	\$ 12.39	\$ 12.01
Total Return ^{C,D}	19.21%	4.96%	.49%	5.15%	21.75%
Ratios to Average Net Assets ^{E,F,G}					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.01%	1.11%	.97%	1.23%	1.19%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 1,426,071	\$ 1,138,172	\$ 1,096,702	\$ 1,019,291	\$ 869,781
Portfolio turnover rate ^{E,H}	57%	45%	44%	49%	31%

^A Calculated based on average shares outstanding during the period.

^B Total distributions of \$.22 per share is comprised of distributions from net investment income of \$.123 and distributions from net realized gain of \$.094 per share.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^E Amounts do not include the activity of the Underlying Funds.

^F 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.

^G Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^H Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Investment Summary (Unaudited)

The information in the following tables is based on the direct investments of the Fund.

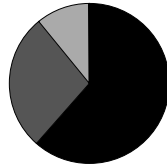
Top Holdings as of December 31, 2017

	% of fund's net assets
Fidelity Technology Portfolio	11.3
Fidelity Overseas Fund	10.3
Fidelity U.S. Bond Index Fund Institutional Class	7.2
Fidelity Health Care Portfolio	5.1
Fidelity Financial Services Portfolio	4.8
Fidelity Consumer Discretionary Portfolio	4.1
iShares S&P 500 Index ETF	3.9
Fidelity Mega Cap Stock Fund	3.5
Fidelity Consumer Staples Portfolio	3.0
Fidelity Diversified International Fund	<u>2.8</u>
	<u>56.0</u>

Asset Allocation (% of fund's net assets)

Period end

■ Domestic Equity Funds	61.5%
■ International Equity Funds	27.6%
■ Bond Funds	10.8%
□ Short-Term Funds	0.1%



Investments December 31, 2017

Showing Percentage of Net Assets

Equity Funds – 89.1%

	Shares	Value
Fidelity Air Transportation Portfolio (a)	24,568	\$ 2,070,849
Fidelity Banking Portfolio (a)	138,902	4,912,947
Fidelity Biotechnology Portfolio (a)	12,532	2,749,582
Fidelity Brokerage and Investment Management Portfolio (a)	13,368	1,092,950
Fidelity Chemicals Portfolio (a)	5,825	1,038,722
Fidelity Commodity Strategy Fund (a)	490,254	5,177,087
Fidelity Construction and Housing Portfolio (a)	23,762	1,541,447
Fidelity Consumer Discretionary Portfolio (a)	521,876	21,631,752
Fidelity Consumer Staples Portfolio (a)	170,841	15,802,762
Fidelity Contrafund (a)	93,801	11,487,804
Fidelity Defense and Aerospace Portfolio (a)	42,808	7,146,864
Fidelity Diversified International Fund (a)	367,254	14,697,502
Fidelity Emerging Asia Fund (a)	28,996	1,305,968
Fidelity Emerging Markets Discovery Fund (a)	152,302	2,339,352
Fidelity Emerging Markets Fund (a)	294,781	9,654,078
Fidelity Energy Portfolio (a)	283,699	12,678,515
Fidelity Equity-Income Fund (a)	201,857	12,252,712
Fidelity Europe Fund (a)	131,926	5,584,434
Fidelity Financial Services Portfolio (a)	221,877	25,342,798
Fidelity Global Commodity Stock Fund (a)	408,060	5,378,234
Fidelity Health Care Portfolio (a)	119,757	26,796,811
Fidelity Industrial Equipment Portfolio (a)	115,770	5,092,739
Fidelity Industrials Portfolio (a)	266,515	9,805,105
Fidelity Insurance Portfolio (a)	33,498	2,663,128
Fidelity International Capital Appreciation Fund (a)	160,682	3,383,963
Fidelity International Discovery Fund (a)	266,686	12,176,860
Fidelity International Enhanced Index Fund (a)	1,116,247	11,318,749
Fidelity International Small Cap Fund (a)	219,994	6,577,820
Fidelity International Small Cap Opportunities Fund (a)	314,542	6,083,243
Fidelity International Value Fund (a)	884,150	8,010,399
Fidelity Japan Smaller Companies Fund (a)	387,194	7,341,195
Fidelity Leisure Portfolio (a)	8,925	1,481,606
Fidelity Low-Priced Stock Fund (a)	227,326	12,393,825
Fidelity Materials Portfolio (a)	77,398	7,040,928
Fidelity Medical Equipment and Systems Portfolio (a)	53,234	2,335,897
Fidelity Mega Cap Stock Fund (a)	1,059,012	18,458,585
Fidelity Multimedia Portfolio (a)	22,325	1,774,584
Fidelity Overseas Fund (a)	1,067,424	54,118,389
Fidelity Pacific Basin Fund (a)	84,293	2,990,711
Fidelity Real Estate Investment Portfolio (a)	184,871	7,727,591
Fidelity Technology Portfolio (a)	331,382	59,231,269
Fidelity Telecommunications Portfolio (a)	62,767	3,698,240
Fidelity Transportation Portfolio (a)	14,915	1,555,377
Fidelity Utilities Portfolio (a)	76,946	6,137,965

	Shares	Value
Fidelity Value Discovery Fund (a)	214,813	\$ 6,214,544
iShares S&P 500 Index ETF	76,700	20,620,795

TOTAL EQUITY FUNDS

(Cost \$387,523,486)

468,916,677**Fixed-Income Funds – 10.8%**

Fidelity Floating Rate High Income Fund (a)	785,080	7,552,468
Fidelity Focused High Income Fund (a)	435	3,788
Fidelity Inflation-Protected Bond Index Fund Institutional Class (a)	263,391	2,591,763
Fidelity Long-Term Treasury Bond Index Fund Institutional Class (a)	664,198	8,820,548
Fidelity U.S. Bond Index Fund Institutional Class (a)	3,266,339	37,856,867

TOTAL FIXED-INCOME FUNDS

(Cost \$55,377,126)

56,825,434**Money Market Funds – 0.1%**

Fidelity Cash Central Fund, 1.36% (b)	688,894	689,032
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TOTAL INVESTMENT IN SECURITIES – 100.0%

(Cost \$443,589,644)

526,431,143**NET OTHER ASSETS (LIABILITIES) – 0.0%****(58,424)****NET ASSETS – 100%****\$526,372,719****Security Type Abbreviations**

ETF – Exchange-Traded Fund

Legend

(a) Affiliated Fund

(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.

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

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	\$ 1,588
Total	<u>\$ 1,588</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Affiliated Underlying Funds

Information regarding the Fund's fiscal year to date purchases and sales of the affiliated Underlying Funds and income earned by the Fund from investments in affiliated Underlying Funds is as follows:

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 460,037	\$ 2,586,380	\$ 1,264,371	\$ 176,109	\$ 71,635	\$ 217,168	\$ 2,070,849
Fidelity Banking Portfolio	13,235,974	182,363	9,324,337	123,984	3,169,664	(2,350,717)	4,912,947
Fidelity Biotechnology Portfolio	5,497,775	7,609,120	12,302,380	38,169	1,090,802	854,265	2,749,582
Fidelity Blue Chip Growth Fund	108,338	1,117,213	1,308,746	1,498	81,670	1,525	—
Fidelity Brokerage and Investment Management Portfolio	—	2,712,938	2,017,849	96,428	233,231	164,630	1,092,950
Fidelity Canada Fund	907,621	38,537	945,199	—	(9,746)	8,787	—
Fidelity Chemicals Portfolio	10,745,171	3,075,858	14,884,670	305,545	2,370,079	(267,716)	1,038,722
Fidelity Commodity Strategy Fund	—	5,094,759	44,236	12,158	(1,409)	127,973	5,177,087
Fidelity Construction and Housing Portfolio	—	1,598,750	12,390	147,069	224	(45,137)	1,541,447
Fidelity Consumer Discretionary Portfolio	23,341,950	4,150,270	9,315,217	835,980	909,789	2,544,960	21,631,752
Fidelity Consumer Staples Portfolio	16,678,988	2,277,139	3,790,358	1,323,059	156,103	480,890	15,802,762
Fidelity Contrafund	—	12,018,753	97,496	606,544	(698)	(432,755)	11,487,804
Fidelity Defense and Aerospace Portfolio	5,713,175	7,028,550	8,171,197	249,628	1,245,253	1,331,083	7,146,864
Fidelity Diversified International Fund	8,578,612	12,690,364	7,996,764	734,114	727,939	697,351	14,697,502
Fidelity Dividend Growth Fund	9,460	607	10,767	607	2,676	(1,976)	—
Fidelity Emerging Asia Fund	1,146,771	26,055	289,175	11,160	23,351	398,966	1,305,968
Fidelity Emerging Markets Discovery Fund	—	2,324,064	19,470	50,851	(252)	35,010	2,339,352
Fidelity Emerging Markets Fund	1,885,882	6,689,302	80,105	55,013	(987)	1,159,986	9,654,078
Fidelity Energy Portfolio	15,683,998	2,809,296	5,294,019	214,383	(99,145)	(421,615)	12,678,515
Fidelity Energy Service Portfolio	2,456,429	1,977,565	3,636,362	—	(731,565)	(66,067)	—
Fidelity Environmental and Alternative Energy Portfolio	393,391	911,720	1,432,512	17,223	143,076	(15,675)	—
Fidelity Equity Dividend Income Fund	2,100,264	2,657,511	4,998,176	53,011	469,197	(228,796)	—
Fidelity Equity-Income Fund	—	12,498,879	291,539	541,655	(1,768)	47,140	12,252,712
Fidelity Europe Fund	5,507,776	3,699,446	5,574,786	136,249	741,502	1,210,496	5,584,434
Fidelity Financial Services Portfolio	18,717,851	5,574,052	2,137,030	1,035,608	(17,901)	3,205,826	25,342,798
Fidelity Floating Rate High Income Fund	10,099,539	3,806,946	6,342,886	348,322	56,713	(67,844)	7,552,468
Fidelity Focused High Income Fund	3,541	155	—	154	—	92	3,788
Fidelity Global Commodity Stock Fund	1,227,293	4,088,905	257,864	71,129	(11,307)	331,207	5,378,234
Fidelity Gold Portfolio	74,520	179	78,921	179	(9,414)	13,636	—
Fidelity Health Care Portfolio	19,940,678	12,590,074	9,437,565	633,201	388,770	3,314,854	26,796,811
Fidelity Health Care Services Portfolio	—	2,736,614	2,739,424	—	2,810	—	—
Fidelity Industrial Equipment Portfolio	5,687,964	4,000,375	4,912,643	273,960	300,930	16,113	5,092,739
Fidelity Industrials Portfolio	11,220,515	2,212,201	4,799,023	501,499	1,160,007	11,405	9,805,105
Fidelity Inflation-Protected Bond Index Fund Institutional Class	8,599,466	5,658,340	11,783,826	34,316	163,270	(45,487)	2,591,763
Fidelity Insurance Portfolio	12,308,185	1,264,397	11,608,106	319,173	1,836,876	(1,138,224)	2,663,128
Fidelity International Capital Appreciation Fund	1,689,180	2,275,522	931,635	107,760	72,197	278,699	3,383,963
Fidelity International Discovery Fund	3,712,847	11,304,372	3,262,588	587,528	411,330	10,899	12,176,860
Fidelity International Enhanced Index Fund	—	10,876,158	96,508	181,018	(1,573)	540,672	11,318,749
Fidelity International Index Fund Premium Class	6,891,320	4,327,324	13,194,143	5,831	2,295,204	(319,705)	—
Fidelity International Real Estate Fund	14,778	386	18,005	386	4,512	(1,671)	—
Fidelity International Small Cap Fund	9,323,267	1,870,752	6,632,263	217,130	728,264	1,287,800	6,577,820

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

Investments – continued

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity International Small Cap Opportunities Fund	\$ 3,745,234	\$ 1,123,414	\$ 94,628	\$ 120,069	\$ 3,924	\$ 1,305,299	\$ 6,083,243
Fidelity International Value Fund	—	8,111,322	68,176	129,547	(718)	(32,029)	8,010,399
Fidelity Investments Money Market Government Portfolio Institutional Class 1.19%	—	8,301,427	8,301,427	28,233	—	—	—
Fidelity IT Services Portfolio	33,943	—	35,134	—	27,017	(25,826)	—
Fidelity Japan Fund	2,627,502	321,312	3,756,201	—	761,869	45,518	—
Fidelity Japan Smaller Companies Fund	6,031,255	696,085	1,062,039	317,972	177,224	1,498,670	7,341,195
Fidelity Large Cap Stock Fund	1,438,333	4,226,282	6,076,625	59,628	433,706	(21,696)	—
Fidelity Leisure Portfolio	—	3,511,401	2,203,947	86,542	105,959	68,193	1,481,606
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	—	140,459	408,187	44,424	3,635	233,821	8,820,548
Fidelity Long-Term Treasury Bond Index Fund Premium Class	5,734,763	5,505,412	2,559,212	122,037	(33,226)	203,083	—
Fidelity Low-Priced Stock Fund	—	12,098,185	97,385	163,525	900	392,125	12,393,825
Fidelity Magellan Fund	15,180	922	18,724	922	4,255	(1,633)	—
Fidelity Materials Portfolio	352,614	7,102,337	394,599	282,329	33,002	(52,426)	7,040,928
Fidelity Medical Equipment and Systems Portfolio	10,500,171	7,359,337	17,900,728	158,864	1,752,273	624,844	2,335,897
Fidelity Mega Cap Stock Fund	—	18,488,069	145,717	571,937	1,146	115,087	18,458,585
Fidelity Multimedia Portfolio	1,552,313	2,770,205	2,631,601	119,338	(22,730)	106,397	1,774,584
Fidelity New Markets Income Fund	2,556,813	314,437	2,995,819	94,508	79,220	45,349	—
Fidelity Nordic Fund	1,510,616	380,858	2,101,623	—	233,954	(23,805)	—
Fidelity OTC Portfolio	31,551	1,207,858	1,318,098	17,977	84,646	(5,957)	—
Fidelity Overseas Fund	51,665,121	13,951,849	27,381,714	603,879	3,292,279	12,590,854	54,118,389
Fidelity Pacific Basin Fund	804,529	1,960,367	24,780	124,006	(268)	250,863	2,990,711
Fidelity Real Estate Investment Portfolio	1,669,356	7,691,998	1,458,908	116,727	36,467	(211,322)	7,727,591
Fidelity Retailing Portfolio	4,065,489	2,797	4,260,601	—	1,639,970	(1,447,655)	—
Fidelity Semiconductors Portfolio	6,962,563	208,434	8,204,308	208,412	3,019,300	(1,985,989)	—
Fidelity Series Commodity Strategy Fund	1,953,333	229,744	2,075,628	—	(58,782)	(48,667)	—
Fidelity Small Cap Value Fund	282,330	493,901	815,034	15,754	37,144	1,659	—
Fidelity Software and IT Services Portfolio	15,679,364	—	17,077,231	—	2,194,358	(796,491)	—
Fidelity Stock Selector Large Cap Value Fund	7,063,435	1,041,176	8,474,497	1,820	997,553	(627,667)	—
Fidelity Technology Portfolio	41,395,413	23,535,094	25,149,051	5,163,962	5,517,222	13,932,591	59,231,269
Fidelity Telecommunications Portfolio	8,438,482	3,168,227	7,308,373	696,117	696,530	(1,296,626)	3,698,240
Fidelity Transportation Portfolio	2,257,088	811,462	1,861,389	91,265	186,523	161,693	1,555,377
Fidelity U.S. Bond Index Fund Institutional Class	26,257,271	16,674,220	5,268,811	849,954	(56,448)	250,635	37,856,867
Fidelity Utilities Portfolio	3,453,671	4,982,884	2,274,359	326,296	216,105	(240,336)	6,137,965
Fidelity Value Discovery Fund	76,940	6,159,181	360,093	110,713	(282)	338,798	6,214,544
Total	<u>\$432,117,229</u>	<u>\$330,932,847</u>	<u>\$335,499,198</u>	<u>\$20,674,388</u>	<u>\$39,335,036</u>	<u>\$38,235,402</u>	<u>\$505,121,316</u>

Amounts in the income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line-item in the Statement of Operations if applicable.

Investment Valuation

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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 please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

VIP FundsManager® 85% Portfolio
Financial Statements

Statement of Assets and Liabilities

December 31,
2017

Assets	
Investment in securities, at value — See accompanying schedule:	
Unaffiliated issuers (cost \$19,985,668)	\$ 20,620,795
Fidelity Central Funds (cost \$689,032)	689,032
Affiliated issuers (cost \$422,914,944)	<u>505,121,316</u>
Total Investment in Securities (cost \$443,589,644)	\$ 526,431,143
Cash	22,775
Receivable for investments sold	11,676
Receivable for fund shares sold	245,616
Distributions receivable from Fidelity Central Funds	<u>588</u>
Total assets	<u>526,711,798</u>
Liabilities	
Payable for investments purchased	\$ 223,236
Payable for fund shares redeemed	25,251
Accrued management fee	86,460
Distribution and service plan fees payable	<u>4,132</u>
Total liabilities	<u>339,079</u>
Net Assets	<u>\$ 526,372,719</u>
Net Assets consist of:	
Paid in capital	\$ 394,967,970
Undistributed net investment income	191,799
Accumulated undistributed net realized gain (loss) on investments	48,371,451
Net unrealized appreciation (depreciation) on investments	<u>82,841,499</u>
Net Assets	<u>\$ 526,372,719</u>
Service Class:	
Net Asset Value , offering price and redemption price per share ($\$1,899 \div 132.8$ shares)	<u>\$ 14.30</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share ($\$33,539,948 \div 2,355,854.5$ shares)	<u>\$ 14.24</u>
Investor Class:	
Net Asset Value , offering price and redemption price per share ($\$492,830,872 \div 34,445,042.8$ shares)	<u>\$ 14.31</u>

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

Financial Statements – continued

Statement of Operations

		Year ended December 31, 2017
Investment Income		
Dividends:		
Unaffiliated issuers		\$ 97,616
Affiliated issuers		4,735,148
Income from Fidelity Central Funds		1,588
Total income		<u>4,834,352</u>
Expenses		
Management fee	\$ 1,192,254	
Distribution and service plan fees	73,402	
Independent trustees' fees and expenses	1,751	
Total expenses before reductions	<u>1,267,407</u>	
Expense reductions	<u>(268,299)</u>	999,108
Net investment income (loss)		<u>3,835,244</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Affiliated issuers	39,335,036	
Realized gain distributions from underlying funds:		
Affiliated issuers	<u>15,939,240</u>	
Total net realized gain (loss)		55,274,276
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	635,127	
Other affiliated issuers	<u>38,235,402</u>	
Total change in net unrealized appreciation (depreciation)		<u>38,870,529</u>
Net gain (loss)		<u>94,144,805</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 97,980,049</u>

Statement of Changes in Net Assets

	Year ended December 31, 2017	Year ended December 31, 2016
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 3,835,244	\$ 3,888,595
Net realized gain (loss)	55,274,276	(363,302)
Change in net unrealized appreciation (depreciation)	38,870,529	18,985,584
Net increase (decrease) in net assets resulting from operations	<u>97,980,049</u>	<u>22,510,877</u>
Distributions to shareholders from net investment income	(3,643,445)	(3,871,727)
Distributions to shareholders from net realized gain	(4,663,732)	(18,544,706)
Total distributions	<u>(8,307,177)</u>	<u>(22,416,433)</u>
Share transactions – net increase (decrease)	4,657,475	22,525,859
Total increase (decrease) in net assets	94,330,347	22,620,303
Net Assets		
Beginning of period	432,042,372	409,422,069
End of period	<u>\$ 526,372,719</u>	<u>\$ 432,042,372</u>
Other Information		
Undistributed net investment income end of period	<u>\$ 191,799</u>	<u>\$ 16,869</u>

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

Financial Highlights

VIP FundsManager 85% Portfolio Service Class

Years ended December 31,	2017	2016	2015	2014	2013
Selected Per-Share Data					
Net asset value, beginning of period	\$ 11.81	\$ 11.87	\$ 12.46	\$ 12.07	\$ 9.62
Income from Investment Operations					
Net investment income (loss) ^A	.11	.11	.09	.13	.11
Net realized and unrealized gain (loss)	2.61	.48	(.03)	.51	2.57
Total from investment operations	2.72	.59	.06	.64	2.68
Distributions from net investment income	(.10)	(.11)	(.16) ^B	(.13)	(.10)
Distributions from net realized gain	(.13)	(.54)	(.49) ^B	(.13)	(.13)
Total distributions	(.23)	(.65)	(.65)	(.25) ^C	(.23)
Net asset value, end of period	\$ 14.30	\$ 11.81	\$ 11.87	\$ 12.46	\$ 12.07
Total Return^{D,E}	23.05%	5.66%	.39%	5.29%	27.86%
Ratios to Average Net Assets^{F,G,H}					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	.81%	.96%	.74%	1.04%	1.00%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 2	\$ 8	\$ 8	\$ 8	\$ 242
Portfolio turnover rate ^{F,I}	70%	59%	67%	72%	51%

^A Calculated based on average shares outstanding during the period.

^B The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

^C Total distributions of \$.25 per share is comprised of distributions from net investment income of \$.125 and distributions from net realized gain of \$.126 per share.

^D Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^E Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^F Amounts do not include the activity of the Underlying Funds.

^G 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.

^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^I Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Financial Highlights – continued

VIP FundsManager 85% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 11.76	\$ 11.83	\$ 12.41	\$ 12.03	\$ 9.60
Income from Investment Operations					
Net investment income (loss) ^A	.09	.09	.07	.11	.09
Net realized and unrealized gain (loss)	2.60	.47	(.01)	.50	2.55
Total from investment operations	2.69	.56	.06	.61	2.64
Distributions from net investment income	(.08)	(.09)	(.15) ^B	(.11)	(.09)
Distributions from net realized gain	(.13)	(.54)	(.49) ^B	(.13)	(.13)
Total distributions	(.21)	(.63)	(.64)	(.23) ^C	(.21) ^D
Net asset value, end of period	\$ 14.24	\$ 11.76	\$ 11.83	\$ 12.41	\$ 12.03
Total Return^{E,F}	22.90%	5.47%	.35%	5.08%	27.54%
Ratios to Average Net Assets^{G,H,I}					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	.66%	.81%	.59%	.89%	.85%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 33,540	\$ 24,790	\$ 10,346	\$ 8,207	\$ 6,862
Portfolio turnover rate ^{G,J}	70%	59%	67%	72%	51%

^A Calculated based on average shares outstanding during the period.

^B The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

^C Total distributions of \$.23 per share is comprised of distributions from net investment income of \$.107 and distributions from net realized gain of \$.126 per share.

^D Total distributions of \$.21 per share is comprised of distributions from net investment income of \$.085 and distributions from net realized gain of \$.128 per share.

^E Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^F Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^G Amounts do not include the activity of the Underlying Funds.

^H 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.

^I Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^J Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

VIP FundsManager 85% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2017	2016	2015	2014	2013
Net asset value, beginning of period	\$ 11.81	\$ 11.87	\$ 12.46	\$ 12.07	\$ 9.63
Income from Investment Operations					
Net investment income (loss) ^A	.11	.11	.09	.13	.11
Net realized and unrealized gain (loss)	2.62	.48	(.03)	.51	2.56
Total from investment operations	2.73	.59	.06	.64	2.67
Distributions from net investment income	(.10)	(.11)	(.16) ^B	(.13)	(.10)
Distributions from net realized gain	(.13)	(.54)	(.49) ^B	(.13)	(.13)
Total distributions	(.23)	(.65)	(.65)	(.25) ^C	(.23)
Net asset value, end of period	\$ 14.31	\$ 11.81	\$ 11.87	\$ 12.46	\$ 12.07
Total Return ^{D,E}	23.13%	5.66%	.39%	5.29%	27.73%
Ratios to Average Net Assets ^{F,G,H}					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	.81%	.96%	.74%	1.04%	1.00%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 492,831	\$ 407,244	\$ 399,068	\$ 376,927	\$ 325,256
Portfolio turnover rate ^{F,I}	70%	59%	67%	72%	51%

^A Calculated based on average shares outstanding during the period.

^B The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

^C Total distributions of \$.25 per share is comprised of distributions from net investment income of \$.125 and distributions from net realized gain of \$.126 per share.

^D Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^E Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

^F Amounts do not include the activity of the Underlying Funds.

^G 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.

^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the underlying funds in which the Fund invests.

^I Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

Notes to Financial Statements

For the period ended December 31, 2017

1. Organization.

VIP FundsManager 20% Portfolio, VIP FundsManager 50% Portfolio, VIP FundsManager 60% Portfolio, VIP FundsManager 70% Portfolio and VIP FundsManager 85% Portfolio (the Funds) are funds of Variable Insurance Products Fund V (the Trust). 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. Each Fund is authorized to issue an unlimited number of shares. The Funds invest primarily in a combination of other Fidelity equity, fixed income, and short-term funds (the Underlying Funds) managed by Fidelity Management & Research Company (FMR). Shares of each Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. Each Fund offers three classes of shares: Service Class shares, Service Class 2 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 Funds invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Funds' Schedules of Investments list each of the Fidelity Central Funds held as of period end, if any, as an investment of each Fund, but does not include the underlying holdings of each Fidelity Central Fund. As an Investing Fund, each 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 .005%.

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 Funds' Report of Independent Registered Public Accounting Firm, are available on the SEC website or upon request.

3. Significant Accounting Policies.

Each Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services – Investments Companies. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. Subsequent events, if any, through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Funds:

Investment Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. Each 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 each Fund's investments by major category are as follows. Exchange-Traded Funds (ETFs) are valued at their last 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 but the exchange reports a closing bid level, ETFs are valued at the closing bid and would be categorized as Level 1 in the hierarchy. In the event there was no closing bid, ETFs may be valued by another method that the Board believes reflects fair value in accordance with the Board's fair value pricing policies and may be categorized as Level 2 in the hierarchy. Investments in the Underlying Funds are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

Investment Transactions and Income. For financial reporting purposes, the Funds' 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. Income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date.

Class Allocations and Expenses. Investment income, realized and unrealized capital gains and losses, common expenses of each 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 each Fund. Each class differs with respect to 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. Expenses included in the accompanying financial statements reflect the expenses of each Fund and do not include any expenses associated with the Underlying Funds. Although not included in each Fund's expenses, each Fund indirectly bears its proportionate share of the Underlying Funds' expenses through the impact of these expenses on each Underlying Fund's NAV. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

Income Tax Information and Distributions to Shareholders. Each year, each 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, 2017, each Fund did not have any unrecognized tax benefits in the financial statements; nor is each 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. Each Fund files a U.S. federal tax return, in addition to state and local tax returns as required. Each Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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 short-term gain distributions from Underlying Funds, capital loss carryforwards and losses deferred due to wash sales.

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

	Tax cost	Gross unrealized appreciation	Gross unrealized depreciation	Net unrealized appreciation (depreciation)
VIP FundsManager 20% Portfolio	\$749,039,185	\$38,556,659	\$(1,932,324)	\$36,624,335
VIP FundsManager 50% Portfolio	6,115,142,653	634,297,009	(24,216,956)	610,080,053
VIP FundsManager 60% Portfolio	5,346,050,400	1,002,624,336	(17,562,015)	985,062,321
VIP FundsManager 70% Portfolio	1,273,587,156	206,511,644	(4,759,599)	201,752,045
VIP FundsManager 85% Portfolio	443,878,591	84,896,043	(2,343,491)	82,552,552

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

	Undistributed ordinary income	Undistributed long-term capital gain	Net unrealized appreciation (depreciation) on securities and other investments
VIP FundsManager 20% Portfolio	\$3,107,617	\$27,804,301	\$36,624,335
VIP FundsManager 50% Portfolio	27,437,223	421,766,671	610,080,053
VIP FundsManager 60% Portfolio	25,777,380	645,589,962	985,062,321
VIP FundsManager 70% Portfolio	8,751,434	111,480,746	201,752,045
VIP FundsManager 85% Portfolio	4,745,585	44,106,612	82,552,552

The tax character of distributions paid was as follows:

December 31, 2017

	Ordinary Income	Long-term Capital Gains	Total
VIP FundsManager 20% Portfolio	\$12,425,940	\$1,981,684	\$14,407,624
VIP FundsManager 50% Portfolio	115,876,974	–	115,876,974
VIP FundsManager 60% Portfolio	124,172,340	75,831,166	200,003,506
VIP FundsManager 70% Portfolio	22,383,509	–	22,383,509
VIP FundsManager 85% Portfolio	8,307,177	–	8,307,177

Notes to Financial Statements – continued

December 31, 2016

	Ordinary Income	Long-term Capital Gains	Total
VIP FundsManager 20% Portfolio	\$10,225,521	\$ 8,851,420	\$ 19,076,941
VIP FundsManager 50% Portfolio	91,391,476	71,969,152	163,360,628
VIP FundsManager 60% Portfolio	97,000,892	213,628,353	310,629,245
VIP FundsManager 70% Portfolio	15,722,413	42,123,810	57,846,223
VIP FundsManager 85% Portfolio	5,244,268	17,172,166	22,416,434

4. Purchases and Redemptions of Underlying Fund Shares.

Purchases and redemptions of the Underlying Fund shares, are noted in the table below.

	Purchases (\$)	Redemptions (\$)
VIP FundsManager 20% Portfolio	458,858,592	457,384,635
VIP FundsManager 50% Portfolio	3,085,834,882	3,314,004,497
VIP FundsManager 60% Portfolio	2,979,688,740	3,818,245,586
VIP FundsManager 70% Portfolio	868,845,956	752,253,592
VIP FundsManager 85% Portfolio	350,914,047	335,499,198

5. Fees and Other Transactions with Affiliates.

Management Fee. FMR Co., Inc. (the investment adviser), an affiliate of FMR, provides the Funds with investment management related services. For these services each Fund pays a monthly management fee to the investment adviser. The management fee is based on an annual rate of .25% of each fund's average net assets. The management fee is reduced by an amount equal to the fees and expenses paid by the Funds to the independent Trustees.

The investment adviser has contractually agreed to waive 0.05% of its management fee, thereby limiting each Fund's management fee to an annual rate of 0.20% of average net assets, until April 30, 2018.

Other Transactions. The investment adviser has entered into an administration agreement with FMR under which FMR provides management and administrative services (other than investment advisory services) necessary for the operation of each Fund. Pursuant to this agreement, FMR pays all expenses of each Fund, excluding distribution and service plan fees, compensation of the independent Trustees and certain miscellaneous expenses such as proxy and shareholder meeting expenses. FMR also contracts with other Fidelity companies to perform the services necessary for the operation of each Fund.

Distribution and Service Plan Fees. In accordance with Rule 12b-1 of the 1940 Act, the Funds have 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 average net assets.

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

	Service Class	Service Class 2	Total
VIP FundsManager 20% Portfolio	\$62	\$19,885	\$19,947
VIP FundsManager 50% Portfolio	67	244,224	244,291
VIP FundsManager 60% Portfolio	63	1,382,014	1,382,077
VIP FundsManager 70% Portfolio	76	110,451	110,527
VIP FundsManager 85% Portfolio	9	73,393	73,402

6. Expense Reductions.

The investment adviser contractually agreed to limit each Funds' management fee to an annual rate of 0.20% of each Funds' average net assets until April 30, 2018. For the period, each Fund's management fees were reduced by the following amounts:

	Management Fee Waiver
VIP FundsManager 20% Portfolio	\$ 376,056
VIP FundsManager 50% Portfolio	3,275,314
VIP FundsManager 60% Portfolio	3,177,595
VIP FundsManager 70% Portfolio	665,798
VIP FundsManager 85% Portfolio	238,898

FMR has contractually agreed to reimburse 0.10% of class-level expenses for each Fund's Service Class and Service Class 2. During the period, this reimbursement reduced each Fund's Service Class and Service Class 2's expenses by the following amounts:

	Reimbursement
VIP FundsManager 20% Portfolio	
Service Class	\$62
Service Class 2	7,956
VIP FundsManager 50% Portfolio	
Service Class	67
Service Class 2	97,745
VIP FundsManager 60% Portfolio	
Service Class	63
Service Class 2	553,108
VIP FundsManager 70% Portfolio	
Service Class	76
Service Class 2	44,220
VIP FundsManager 85% Portfolio	
Service Class	8
Service Class 2	29,391

In addition, through arrangements with each applicable Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce each applicable Fund's management fee. During the period, these credits reduced management fee by the following amounts:

VIP FundsManager 20% Portfolio	\$17
VIP FundsManager 50% Portfolio	99
VIP FundsManager 60% Portfolio	4
VIP FundsManager 70% Portfolio	8
VIP FundsManager 85% Portfolio	2

7. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
VIP FundsManager 20% Portfolio		
From net investment income		
Service Class	\$ 766	\$ 759
Service Class 2	92,500	87,940
Investor Class	9,938,104	9,267,741
Total	<u>\$ 10,031,370</u>	<u>\$ 9,356,440</u>
From net realized gain		
Service Class	\$ 346	\$ 785
Service Class 2	45,931	28,240

Notes to Financial Statements – continued

	Year ended December 31, 2017	Year ended December 31, 2016
VIP FundsManager 20% Portfolio		
Investor Class	4,329,977	9,691,476
Total	<u>\$ 4,376,254</u>	<u>\$ 9,720,501</u>
VIP FundsManager 50% Portfolio		
From net investment income		
Service Class	\$ 731	\$ 786
Service Class 2	989,026	1,003,947
Investor Class	74,273,522	77,017,728
Total	<u>\$ 75,263,279</u>	<u>\$ 78,022,461</u>
From net realized gain		
Service Class	\$ 393	\$ 839
Service Class 2	612,425	1,173,026
Investor Class	40,000,877	84,164,303
Total	<u>\$ 40,613,695</u>	<u>\$ 85,338,168</u>
VIP FundsManager 60% Portfolio		
From net investment income		
Service Class	\$ 649	\$ 748
Service Class 2	5,348,956	5,636,950
Investor Class	60,481,640	73,535,243
Total	<u>\$ 65,831,245</u>	<u>\$ 79,172,941</u>
From net realized gain		
Service Class	\$ 1,287	\$ 1,943
Service Class 2	11,583,334	16,767,592
Investor Class	122,587,640	214,686,769
Total	<u>\$ 134,172,261</u>	<u>\$ 231,456,304</u>
VIP FundsManager 70% Portfolio		
From net investment income		
Service Class	\$ 662	\$ 766
Service Class 2	359,186	368,134
Investor Class	12,302,715	12,160,047
Total	<u>\$ 12,662,563</u>	<u>\$ 12,528,947</u>
From net realized gain		
Service Class	\$ 506	\$ 2,783
Service Class 2	324,459	590,026
Investor Class	9,395,981	44,724,467
Total	<u>\$ 9,720,946</u>	<u>\$ 45,317,276</u>
VIP FundsManager 85% Portfolio		
From net investment income		
Service Class	\$ 13	\$ 75
Service Class 2	192,253	195,908
Investor Class	3,451,179	3,675,744
Total	<u>\$ 3,643,445</u>	<u>\$ 3,871,727</u>
From net realized gain		
Service Class	\$ 18	\$ 363
Service Class 2	298,443	510,771
Investor Class	4,365,271	18,033,572
Total	<u>\$ 4,663,732</u>	<u>\$ 18,544,706</u>

8. Share Transactions.

Transactions for each class of shares were as follows:

	Shares Year ended December 31, 2017	Shares Year ended December 31, 2016	Dollars Year ended December 31, 2017	Dollars Year ended December 31, 2016
VIP FundsManager 20% Portfolio				
Service Class				
Shares sold	282	276	\$ 3,244	\$ 3,067
Reinvestment of distributions	96	142	1,112	1,544
Shares redeemed	(724)	(637)	(8,404)	(6,990)
Net increase (decrease)	<u>(346)</u>	<u>(219)</u>	<u>\$ (4,048)</u>	<u>\$ (2,379)</u>
Service Class 2				
Shares sold	118,495	583,914	\$ 1,345,436	\$ 6,568,039
Reinvestment of distributions	12,043	10,611	138,431	116,180
Shares redeemed	(108,177)	(43,073)	(1,232,660)	(479,541)
Net increase (decrease)	<u>22,361</u>	<u>551,452</u>	<u>\$ 251,207</u>	<u>\$ 6,204,678</u>
Investor Class				
Shares sold	5,096,986	5,562,471	\$ 58,749,629	\$ 61,838,223
Reinvestment of distributions	1,238,346	1,744,688	14,268,081	18,959,217
Shares redeemed	(6,426,351)	(6,876,512)	(72,859,123)	(76,032,084)
Net increase (decrease)	<u>(91,019)</u>	<u>430,647</u>	<u>\$ 158,587</u>	<u>\$ 4,765,356</u>
VIP FundsManager 50% Portfolio				
Service Class				
Shares sold	64	140	\$ 833	\$ 1,673
Reinvestment of distributions	83	140	1,124	1,625
Shares redeemed	(584)	(519)	(7,870)	(6,011)
Net increase (decrease)	<u>(437)</u>	<u>(239)</u>	<u>\$ (5,913)</u>	<u>\$ (2,713)</u>
Service Class 2				
Shares sold	1,289,799	1,432,843	\$ 16,633,568	\$ 16,925,710
Reinvestment of distributions	119,256	188,664	1,601,451	2,176,973
Shares redeemed	(1,515,620)	(1,093,992)	(19,679,465)	(12,972,657)
Net increase (decrease)	<u>(106,565)</u>	<u>527,515</u>	<u>\$ (1,444,446)</u>	<u>\$ 6,130,026</u>
Investor Class				
Shares sold	6,677,690	20,135,574	\$ 86,961,201	\$ 232,269,865
Reinvestment of distributions	8,484,112	13,921,695	114,274,399	161,182,031
Shares redeemed	(39,276,673)	(30,310,227)	(509,832,605)	(363,020,814)
Net increase (decrease)	<u>(24,114,871)</u>	<u>3,747,042</u>	<u>\$ (308,597,005)</u>	<u>\$ 30,431,082</u>
VIP FundsManager 60% Portfolio				
Service Class				
Shares sold	171	127	\$ 2,030	\$ 1,386
Reinvestment of distributions	162	262	1,936	2,691
Shares redeemed	(838)	(458)	(10,318)	(4,855)
Net increase (decrease)	<u>(505)</u>	<u>(69)</u>	<u>\$ (6,352)</u>	<u>\$ (778)</u>
Service Class 2				
Shares sold	5,455,249	7,205,028	\$ 64,794,478	\$ 78,172,620
Reinvestment of distributions	1,415,209	2,187,862	16,932,290	22,404,542
Shares redeemed	(6,007,106)	(8,407,324)	(71,637,670)	(91,212,112)
Net increase (decrease)	<u>863,352</u>	<u>985,566</u>	<u>\$ 10,089,098</u>	<u>\$ 9,365,050</u>
Investor Class				
Shares sold	5,362,355	8,487,429	\$ 64,258,948	\$ 89,862,001
Reinvestment of distributions	15,291,539	28,097,227	183,069,280	288,222,012
Shares redeemed	(93,531,178)	(80,685,724)	(1,104,750,276)	(888,816,014)
Net increase (decrease)	<u>(72,877,284)</u>	<u>(44,101,068)</u>	<u>\$ (857,422,048)</u>	<u>\$(510,732,001)</u>
VIP FundsManager 70% Portfolio				
Service Class				
Shares sold	130	112	\$ 1,718	\$ 1,312
Reinvestment of distributions	84	324	1,168	3,549

Notes to Financial Statements – continued

	Shares Year ended December 31, 2017	Shares Year ended December 31, 2016	Dollars Year ended December 31, 2017	Dollars Year ended December 31, 2016
Shares redeemed	(736)	(493)	(10,148)	(5,634)
Net increase (decrease)	<u>(522)</u>	<u>(57)</u>	<u>\$ (7,262)</u>	<u>\$ (773)</u>
Service Class 2				
Shares sold	458,084	2,496,726	\$ 5,964,434	\$ 29,110,023
Reinvestment of distributions	49,096	85,492	683,645	958,160
Shares redeemed	(229,488)	(359,478)	(2,995,288)	(4,071,709)
Net increase (decrease)	<u>277,692</u>	<u>2,222,740</u>	<u>\$ 3,652,791</u>	<u>\$ 25,996,474</u>
Investor Class				
Shares sold	9,314,585	4,485,003	\$ 123,018,642	\$ 52,417,150
Reinvestment of distributions	1,552,500	5,199,011	21,698,696	56,884,514
Shares redeemed	(4,403,710)	(5,561,107)	(57,832,076)	(65,536,648)
Net increase (decrease)	<u>6,463,375</u>	<u>4,122,907</u>	<u>\$ 86,885,262</u>	<u>\$ 43,765,016</u>
VIP Funds/Manager 85% Portfolio				
Service Class				
Shares sold	109	105	\$ 1,463	\$ 1,201
Reinvestment of distributions	2	42	31	438
Shares redeemed	(680)	(122)	(9,519)	(1,398)
Net increase (decrease)	<u>(569)</u>	<u>25</u>	<u>\$ (8,025)</u>	<u>\$ 241</u>
Service Class 2				
Shares sold	418,848	1,351,300	\$ 5,497,731	\$ 15,437,557
Reinvestment of distributions	34,579	65,957	490,696	706,679
Shares redeemed	(205,975)	(183,674)	(2,696,501)	(2,084,680)
Net increase (decrease)	<u>247,452</u>	<u>1,233,583</u>	<u>\$ 3,291,926</u>	<u>\$ 14,059,556</u>
Investor Class				
Shares sold	2,659,836	3,086,772	\$ 35,473,379	\$ 35,790,365
Reinvestment of distributions	548,117	2,064,110	7,816,450	21,709,316
Shares redeemed	(3,236,201)	(4,283,520)	(41,916,255)	(49,033,619)
Net increase (decrease)	<u>(28,248)</u>	<u>867,362</u>	<u>\$ 1,373,574</u>	<u>\$ 8,466,062</u>

9. Other.

The Funds' 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 Funds. In the normal course of business, the Funds may also enter into contracts that provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Funds. The risk of material loss from such claims is considered remote.

The Funds do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by the Funds within their principal investment strategies may represent a significant portion of the Underlying Fund's net assets. At the end of the period, the following Funds were the owners of record of 10% or more of the total outstanding shares of the Underlying Funds.

Fund	VIP Funds/Manager 50% Portfolio	VIP Funds/Manager 60% Portfolio
Fidelity Global Commodity Stock Fund	12%	11%
Fidelity International Enhanced Index Fund	-%	10%
Fidelity International Value Fund	12%	13%
Fidelity Consumer Discretionary Portfolio	21%	24%
Fidelity Financial Services Portfolio	14%	17%
Fidelity Industrial Equipment Portfolio	21%	24%

The Funds, in aggregate, were the owners of record of more than 20% of the total outstanding shares of the following Underlying Funds.

Fund	% of shares held
Fidelity Global Commodity Stock Fund	28%
Fidelity International Enhanced Index Fund	24%
Fidelity International Value Fund	30%
Fidelity Consumer Discretionary Portfolio	55%
Fidelity Financial Services Portfolio	38%
Fidelity Industrial Equipment Portfolio	55%
Fidelity Industrials Portfolio	21%

In addition, at the end of the period the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders each were owners of record of more than 10%, respectively, of the outstanding shares of the following Funds:

	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP FundsManager 20% Portfolio	99%	—	-%
VIP FundsManager 50% Portfolio	24%	1	70%
VIP FundsManager 60% Portfolio	32%	2	54%
VIP FundsManager 70% Portfolio	97%	—	-%
VIP FundsManager 85% Portfolio	94%	—	-%

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Variable Insurance Products Fund V and the Shareholders of VIP FundsManager 20% Portfolio, VIP FundsManager 50% Portfolio, VIP FundsManager 60% Portfolio, VIP FundsManager 70% Portfolio and VIP FundsManager 85% Portfolio:

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of VIP FundsManager 20% Portfolio, VIP FundsManager 50% Portfolio, VIP FundsManager 60% Portfolio, VIP FundsManager 70% Portfolio, and VIP FundsManager 85% Portfolio (five of the funds constituting Variable Insurance Products Fund V, hereafter collectively referred to as the “Funds”) as of December 31, 2017, the related statements of operations for the year ended December 31, 2017, the statements of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2017, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2017 and each of the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

Boston, Massachusetts

February 20, 2018

We have served as the auditor of one or more investment companies in the Fidelity group of funds since 1932.

Trustees and Officers

The Trustees, Members of the Advisory Board (if any), and officers of the trust and funds, as applicable, are listed below. The Board of Trustees governs each fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee each fund's activities, review contractual arrangements with companies that provide services to each fund, oversee management of the risks associated with such activities and contractual arrangements, and review each fund's performance. If the interests of a fund and an underlying Fidelity® fund were to diverge, a conflict of interest could arise and affect how the Trustees and Members of the Advisory Board fulfill their fiduciary duties to the affected funds. FMRC has structured the funds to avoid these potential conflicts, although there may be situations where a conflict of interest is unavoidable. In such instances, FMRC, the Trustees, and Members of the Advisory Board would take reasonable steps to minimize and, if possible, eliminate the conflict. Each of the Trustees oversees 238 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 funds is referred to herein as an Independent Trustee. Each 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. Officers and Advisory Board Members hold office without limit in time, except that any officer or 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.

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

Experience, Skills, Attributes, and Qualifications of the 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 each 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 funds, is provided below.

Board Structure and Oversight Function. Abigail P. Johnson is an interested person 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. Marie L. Knowles 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 funds' Board oversees Fidelity's investment-grade bond, money market, asset allocation and certain equity funds, and other Boards oversee Fidelity's high income, sector and other equity funds. The asset allocation funds may invest in Fidelity® funds that are overseen by such other Boards. 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, each fund, and fund shareholders and to facilitate compliance with legal and regulatory requirements and oversight of the funds' 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 funds' 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

Trustees and Officers – continued

(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 funds are carried out by or through FMR, its affiliates, and other service providers, the funds' 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 and Audit Committees. In addition, an ad hoc Board committee of Independent Trustees has 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. Appropriate personnel, including but not limited to the funds' Chief Compliance Officer (CCO), FMR's internal auditor, the independent accountants, the funds' Treasurer and portfolio management personnel, make periodic reports to the Board's committees, as appropriate, including an annual review of Fidelity'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 Trustees."

Interested Trustees*:

Correspondence intended for a 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+

Abigail P. Johnson (1961)

Year of Election or Appointment: 2009

Trustee

Chairman of the Board of Trustees

Ms. Johnson also serves as Trustee of other Fidelity® funds. Ms. Johnson serves as Chairman (2016-present), Chief Executive Officer (2014-present), and Director (2007-present) of FMR LLC (diversified financial services company), President of Fidelity Financial Services (2012-present) and President of Personal, Workplace and Institutional Services (2005-present). Ms. Johnson is Chairman and Director of FMR Co., Inc. (investment adviser firm, 2011-present) and Chairman and Director of FMR (investment adviser firm, 2011-present). Previously, Ms. Johnson served as Vice Chairman (2007-2016) and President (2013-2016) of FMR LLC, President and a Director of FMR (2001-2005), a Trustee of other investment companies advised by FMR, Fidelity Investments Money Management, Inc. (investment adviser firm), and FMR Co., Inc. (2001-2005), Senior Vice President of the Fidelity® funds (2001-2005), and managed a number of Fidelity® funds. Ms. Abigail P. Johnson and Mr. Arthur E. Johnson are not related.

Jennifer Toolin McAuliffe (1959)

Year of Election or Appointment: 2016

Trustee

Ms. McAuliffe also serves as Trustee of other Fidelity® funds. Ms. McAuliffe previously served as a Member of the Advisory Board of certain Fidelity® funds (2016) and as Co-Head of Fixed Income of Fidelity Investments Limited (now known as FIL Limited (FIL)) (diversified financial services company). Earlier roles at FIL included Director of Research for FIL's credit and quantitative teams in London, Hong Kong and Tokyo. Ms. McAuliffe also was the Director of Research for taxable and municipal bonds at Fidelity Investments Money Management, Inc. Ms. McAuliffe is also a director or trustee of several not-for-profit entities.

* Determined to be an "Interested Trustee" by virtue of, among other things, his or her affiliation with the trust or various entities under common control with FMR.

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

Independent Trustees:

Correspondence intended for an Independent Trustee may be sent to Fidelity Investments, P.O. Box 55235, Boston, Massachusetts 02205-5235.

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

Elizabeth S. Acton (1951)

Year of Election or Appointment: 2013

Trustee

Ms. Acton also serves as Trustee of other Fidelity® funds. Prior to her retirement in April 2012, Ms. Acton was Executive Vice President, Finance (2011-2012), Executive Vice President, Chief Financial Officer (2002-2011), and Treasurer (2004-2005) of Comerica Incorporated (financial services). Prior to joining Comerica, Ms. Acton held a variety of positions at Ford Motor Company (1983-2002), including Vice President and Treasurer (2000-2002) and Executive Vice President and Chief Financial Officer of Ford Motor Credit Company (1998-2000). Ms. Acton currently serves as a member of the Board of Directors and Audit and Finance Committees of Beazer Homes USA, Inc. (homebuilding, 2012-present). Previously, Ms. Acton served as a Member of the Advisory Board of certain Fidelity® funds (2013-2016).

John Engler (1948)

Year of Election or Appointment: 2014

Trustee

Mr. Engler also serves as Trustee of other Fidelity® funds. He serves on the board of directors for Universal Forest Products (manufacturer and distributor of wood and wood-alternative products, 2003-present) and K12 Inc. (technology-based education company, 2012-present). Previously, Mr. Engler served as a Member of the Advisory Board of certain Fidelity® funds (2014-2016), president of the Business Roundtable (2011-2017), a trustee of The Munder Funds (2003-2014), president and CEO of the National Association of Manufacturers (2004-2011), member of the Board of Trustees of the Annie E. Casey Foundation (2004-2015), and as governor of Michigan (1991-2003). He is a past chairman of the National Governors Association.

Albert R. Gamper, Jr. (1942)

Year of Election or Appointment: 2007

Trustee

Mr. Gamper also serves as Trustee of other Fidelity® funds. Prior to his retirement in December 2004, Mr. Gamper served as Chairman of the Board of CIT Group Inc. (commercial finance). During his tenure with CIT Group Inc. Mr. Gamper served in numerous senior management positions, including Chairman (1987-1989; 1999-2001; 2002-2004), Chief Executive Officer (1987-2004), and President (2002-2003). Mr. Gamper currently serves as a member of the Board of Directors of Public Service Enterprise Group (utilities, 2000-present), and Member of the Board of Trustees of Barnabas Health Care System (1997-present). Previously, Mr. Gamper served as Chairman (2012-2015) and Vice Chairman (2011-2012) of the Independent Trustees of certain Fidelity® funds and as Chairman of the Board of Governors, Rutgers University (2004-2007).

Robert F. Gartland (1951)

Year of Election or Appointment: 2010

Trustee

Mr. Gartland also serves as Trustee of other Fidelity® funds. Mr. Gartland is Chairman and an investor in Gartland & Mellina Group Corp. (consulting, 2009-present). Previously, Mr. Gartland served as a partner and investor of Vietnam Partners LLC (investments and consulting, 2008-2011). Prior to his retirement, Mr. Gartland held a variety of positions at Morgan Stanley (financial services, 1979-2007), including Managing Director (1987-2007), and Chase Manhattan Bank (1975-1978).

Arthur E. Johnson (1947)

Year of Election or Appointment: 2008

Trustee

Vice Chairman of the Independent Trustees

Mr. Johnson also serves as Trustee of other Fidelity® funds. Mr. Johnson serves as a member of the Board of Directors of Eaton Corporation plc (diversified power management, 2009-present) and Booz Allen Hamilton (management consulting, 2011-present). Prior to his retirement, Mr. Johnson served as Senior Vice President of Corporate Strategic Development of Lockheed Martin Corporation (defense contractor, 1999-2009). He previously served on the Board of Directors of IKON Office Solutions, Inc. (1999-2008), AGL Resources, Inc. (holding company, 2002-2016), and Delta Airlines (2005-2007). Mr. Arthur E. Johnson is not related to Ms. Abigail P. Johnson.

Trustees and Officers – continued

Michael E. Kenneally (1954)

Year of Election or Appointment: 2009

Trustee

Mr. Kenneally also serves as Trustee of other Fidelity® funds. Prior to his retirement, Mr. Kenneally served as Chairman and Global Chief Executive Officer of Credit Suisse Asset Management. Before joining Credit Suisse, he was an Executive Vice President and Chief Investment Officer for Bank of America Corporation. Earlier roles at Bank of America included Director of Research, Senior Portfolio Manager and Research Analyst, and Mr. Kenneally was awarded the Chartered Financial Analyst (CFA) designation in 1991.

Marie L. Knowles (1946)

Year of Election or Appointment: 2001

Trustee

Chairman of the Independent Trustees

Ms. Knowles also serves as Trustee of other Fidelity® funds. Prior to Ms. Knowles' retirement in June 2000, she served as Executive Vice President and Chief Financial Officer of Atlantic Richfield Company (ARCO) (diversified energy, 1996-2000). From 1993 to 1996, she was a Senior Vice President of ARCO and President of ARCO Transportation Company (pipeline and tanker operations). Ms. Knowles currently serves as a Director and Chairman of the Audit Committee of McKesson Corporation (healthcare service, since 2002). Ms. Knowles is a member of the Board of the Santa Catalina Island Company (real estate, 2009-present). Ms. Knowles is a Member of the Investment Company Institute Board of Governors and a Member of the Governing Council of the Independent Directors Council (2014-present). She also serves as a member of the Advisory Board for the School of Engineering of the University of Southern California. Previously, Ms. Knowles served as a Director of Phelps Dodge Corporation (copper mining and manufacturing, 1994-2007), URS Corporation (engineering and construction, 2000-2003) and America West (airline, 1999-2002). Ms. Knowles previously served as Vice Chairman of the Independent Trustees of certain Fidelity® funds (2012-2015).

Mark A. Murray (1954)

Year of Election or Appointment: 2016

Trustee

Mr. Murray also serves as Trustee of other Fidelity® funds. Mr. Murray is Vice Chairman (2013-present) of Meijer, Inc. (regional retail chain). Previously, Mr. Murray served as a Member of the Advisory Board of certain Fidelity® funds (2016) and as Co-Chief Executive Officer (2013-2016) and President (2006-2013) of Meijer, Inc. Mr. Murray serves as a member of the Board of Directors and Nuclear Review and Public Policy and Responsibility Committees of DTE Energy Company (diversified energy company, 2009-present). Mr. Murray also serves as a member of the Board of Directors of Spectrum Health (not-for-profit health system, 2015-present). Mr. Murray previously served as President of Grand Valley State University (2001-2006), Treasurer for the State of Michigan (1999-2001), Vice President of Finance and Administration for Michigan State University (1998-1999), and a member of the Board of Directors and Audit Committee and Chairman of the Nominating and Corporate Governance Committee of Universal Forest Products, Inc. (manufacturer and distributor of wood and wood-alternative products, 2004-2016). Mr. Murray is also a director or trustee of many community and professional organizations.

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

Advisory Board Members and Officers:

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

Name, Year of Birth; Principal Occupation

Elizabeth Paige Baumann (1968)

Year of Election or Appointment: 2017

Anti-Money Laundering (AML) Officer

Ms. Baumann also serves as AML Officer of other funds. She is Chief AML Officer (2012-present) and Senior Vice President (2014-present) of FMR LLC (diversified financial services company) and is an employee of Fidelity Investments. Previously, Ms. Baumann served as AML Officer of the funds (2012-2016), and Vice President (2007-2014) and Deputy Anti-Money Laundering Officer (2007-2012) of FMR LLC.

Marc R. Bryant (1966)

Year of Election or Appointment: 2015

Secretary and Chief Legal Officer (CLO)

Mr. Bryant also serves as Secretary and CLO of other funds. Mr. Bryant serves as CLO, Secretary, and Senior Vice President of Fidelity Management & Research Company (investment adviser firm, 2015-present) and FMR Co., Inc. (investment adviser firm, 2015-present); Secretary of Fidelity SelectCo, LLC (investment adviser firm, 2015-present) and Fidelity Investments Money Management, Inc. (investment adviser firm, 2015-present); and CLO of Fidelity Management & Research (Hong Kong) Limited and FMR Investment Management (UK) Limited (investment adviser firms, 2015-present) and Fidelity Management & Research (Japan) Limited (investment adviser firm, 2016-present). He is Senior Vice President and Deputy General Counsel of FMR LLC (diversified financial services company). Previously, Mr. Bryant served as Secretary and CLO of Fidelity Rutland Square Trust II (2010-2014) and Assistant Secretary of Fidelity's Fixed Income and Asset Allocation Funds (2013-2015). Prior to joining Fidelity Investments, Mr. Bryant served as a Senior Vice President and the Head of Global Retail Legal for AllianceBernstein L.P. (2006-2010), and as the General Counsel for ProFund Advisors LLC (2001-2006).

Jonathan Davis (1968)

Year of Election or Appointment: 2010

Assistant Treasurer

Mr. Davis also serves as Assistant Treasurer of other funds. Mr. Davis serves as Assistant Treasurer of FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments. Previously, Mr. Davis served as Vice President and Associate General Counsel of FMR LLC (diversified financial services company, 2003-2010).

Adrien E. Deberghes (1967)

Year of Election or Appointment: 2010

Assistant Treasurer

Mr. Deberghes also serves as an officer of other funds. He serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), Executive Vice President of Fidelity Investments Money Management, Inc. (FIMM) (investment adviser firm, 2016-present), and 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). Previously, Mr. Deberghes served in other fund officer roles.

Stephanie J. Dorsey (1969)

Year of Election or Appointment: 2013

President and Treasurer

Ms. Dorsey also serves as an officer of other funds. Ms. Dorsey serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), 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.

Howard J. Galligan III (1966)

Year of Election or Appointment: 2014

Chief Financial Officer

Mr. Galligan also serves as Chief Financial Officer of other funds. Mr. Galligan serves as President of Fidelity Pricing and Cash Management Services (FPCMS) (2014-present) and as a Director of Strategic Advisers, Inc. (investment adviser firm, 2008-present). Previously, Mr. Galligan served as Chief Administrative Officer of Asset Management (2011-2014) and Chief Operating Officer and Senior Vice President of Investment Support for Strategic Advisers, Inc. (2003-2011).

Colm A. Hogan (1973)

Year of Election or Appointment: 2016

Assistant Treasurer

Mr. Hogan also serves as an officer of other funds. Mr. Hogan serves as Assistant Treasurer of FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments (2005-present).

Trustees and Officers – continued

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, serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), and is an employee of Fidelity Investments. Previously, Mr. Maher served as Vice President of Asset Management Compliance (2013), Vice President of the Program Management Group of FMR (investment adviser firm, 2010-2013), and Vice President of Valuation Oversight (2008-2010).

John B. McGinty, Jr. (1962)

Year of Election or Appointment: 2016

Chief Compliance Officer

Mr. McGinty also serves as Chief Compliance Officer of other funds. Mr. McGinty is Senior Vice President of Asset Management Compliance for Fidelity Investments and is an employee of Fidelity Investments (2016-present). Mr. McGinty previously served as Vice President, Senior Attorney at Eaton Vance Management (investment management firm, 2015-2016), and prior to Eaton Vance as global CCO for all firm operations and registered investment companies at GMO LLC (investment management firm, 2009-2015). Before joining GMO LLC, Mr. McGinty served as Senior Vice President, Deputy General Counsel for Fidelity Investments (2007-2009).

Rieco E. Mello (1969)

Year of Election or Appointment: 2017

Assistant Treasurer

Mr. Mello also serves as Assistant Treasurer of other funds. Mr. Mello serves as Assistant Treasurer of FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments (1995-present).

Jason P. Pogorelec (1975)

Year of Election or Appointment: 2015

Assistant Secretary

Mr. Pogorelec also serves as Assistant Secretary of other funds. Mr. Pogorelec serves as Vice President, Associate General Counsel (2010-present) and is an employee of Fidelity Investments (2006-present).

Nancy D. Prior (1967)

Year of Election or Appointment: 2014

Vice President

Ms. Prior also serves as Vice President of other funds. Ms. Prior serves as a Director of FMR Investment Management (UK) Limited (investment adviser firm, 2015-present), President (2016-present) and Director (2014-present) of Fidelity Investments Money Management, Inc. (FIMM) (investment adviser firm), President, Fixed Income (2014-present), Vice Chairman of FIAM LLC (investment adviser firm, 2014-present), and is an employee of Fidelity Investments (2002-present). Previously, Ms. Prior served as Vice President of Fidelity's Money Market Funds (2012-2014), President, Money Market and Short Duration Bond Group of Fidelity Management & Research (FMR) (investment adviser firm, 2013-2014), President, Money Market Group of FMR (2011-2013), Managing Director of Research (2009-2011), Senior Vice President and Deputy General Counsel (2007-2009), and Assistant Secretary of certain Fidelity® funds (2008-2009).

Stacie M. Smith (1974)

Year of Election or Appointment: 2013

Assistant Treasurer

Ms. Smith also serves as an officer of other funds. Ms. Smith serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), 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 (accounting firm, 1996-2009). Previously, Ms. Smith served as Deputy Treasurer of certain Fidelity® funds (2013-2016).

Marc L. Spector (1972)

Year of Election or Appointment: 2016

Deputy Treasurer

Mr. Spector also serves as an officer of other funds. Mr. Spector serves as Assistant Treasurer of FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments (2016-present). Prior to joining Fidelity Investments, Mr. Spector served as Director at the Siegfried Group (accounting firm, 2013-2016), and prior to Siegfried Group as audit senior manager at Deloitte & Touche (accounting firm, 2005-2013).

Renee Stagnone (1975)

Year of Election or Appointment: 2016

Assistant Treasurer

Ms. Stagnone also serves as an officer of other funds. Ms. Stagnone serves as Assistant Treasurer of FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments (1997-present). Previously, Ms. Stagnone served as Deputy Treasurer of certain Fidelity® funds (2013-2016).

Shareholder Expense Example

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including redemption fees and (2) ongoing costs, including management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds 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, 2017 to December 31, 2017).

Actual Expenses

The first line of the accompanying table for each Class of each 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, each Fund, as a shareholder in underlying Fidelity Funds, will indirectly bear its pro-rata share of the fees and expenses incurred by the underlying Fidelity Funds. These fees and expenses are not included in each Fund's annualized expense ratio used to calculate the expense estimates in the table below.

Hypothetical Example for Comparison Purposes

The second line of the accompanying table for each Class of each 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, each Fund, as a shareholder in underlying Fidelity Funds, will indirectly bear its pro-rata share of the fees and expenses incurred by the underlying Fidelity Funds. These fees and expenses are not included in each Fund's annualized expense ratio used to calculate the expense estimates in the table below.

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

	Annualized Expense Ratio ^A	Beginning Account Value July 1, 2017	Ending Account Value December 31, 2017	Expenses Paid During Period ^B July 1, 2017 to December 31, 2017
VIP FundsManager 20% Portfolio				
Service Class	.20%			
Actual		\$1,000.00	\$1,032.10	\$1.02
Hypothetical ^C		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$1,031.50	\$1.79
Hypothetical ^C		\$1,000.00	\$1,023.44	\$1.79
Investor Class	.20%			
Actual		\$1,000.00	\$1,032.10	\$1.02
Hypothetical ^C		\$1,000.00	\$1,024.20	\$1.02
VIP FundsManager 50% Portfolio				
Service Class	.20%			
Actual		\$1,000.00	\$1,063.00	\$1.04
Hypothetical ^C		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$1,062.50	\$1.82
Hypothetical ^C		\$1,000.00	\$1,023.44	\$1.79
Investor Class	.20%			
Actual		\$1,000.00	\$1,063.00	\$1.04
Hypothetical ^C		\$1,000.00	\$1,024.20	\$1.02
VIP FundsManager 60% Portfolio				
Service Class	.20%			
Actual		\$1,000.00	\$1,073.20	\$1.05
Hypothetical ^C		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$1,072.80	\$1.83

	Annualized Expense Ratio ^A	Beginning Account Value July 1, 2017	Ending Account Value December 31, 2017	Expenses Paid During Period ^B July 1, 2017 to December 31, 2017
Hypothetical^C Investor Class	.20%	\$1,000.00	\$1,023.44	\$1.79
Actual		\$1,000.00	\$1,073.20	\$1.05
Hypothetical^C VIP FundsManager 70% Portfolio		\$1,000.00	\$1,024.20	\$1.02
Service Class	.20%			
Actual		\$1,000.00	\$1,082.40	\$1.05
Hypothetical^C Service Class 2	.35%	\$1,000.00	\$1,024.20	\$1.02
Actual		\$1,000.00	\$1,082.00	\$1.84
Hypothetical^C Investor Class	.20%	\$1,000.00	\$1,023.44	\$1.79
Actual		\$1,000.00	\$1,083.20	\$1.05
Hypothetical^C VIP FundsManager 85% Portfolio		\$1,000.00	\$1,024.20	\$1.02
Service Class	.20%			
Actual		\$1,000.00	\$1,098.20	1.06
Hypothetical^C Service Class 2	.35%	\$1,000.00	1,024.20	1.00
Actual		\$1,000.00	\$1,098.10	\$1.85
Hypothetical^C Investor Class	.20%	\$1,000.00	\$1,023.44	\$1.79
Actual		\$1,000.00	\$1,098.10	\$1.06
Hypothetical^C		\$1,000.00	\$1,024.20	\$1.02

^A Annualized expense ratio reflects expenses net of applicable fee waivers.

^B 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). The fees and expenses of the underlying Fidelity Funds in which each Fund invests are not included in each Class' annualized expense ratio.

^C 5% return per year before expenses

Distributions (Unaudited)

The Board of Trustees of each fund 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 and dividends derived from net investment income:

	Pay Date	Record Date	Dividends	Capital Gains
VIP FundsManager 20%				
Investor Class	02/16/18	02/16/18	\$0.009	\$0.451
Service Class	02/16/18	02/16/18	\$0.009	\$0.451
Service Class 2	02/16/18	02/16/18	\$0.009	\$0.451
VIP FundsManager 50%				
Investor Class	02/16/18	02/16/18	\$0.009	\$0.908
Service Class	02/16/18	02/16/18	\$0.009	\$0.908
Service Class 2	02/16/18	02/16/18	\$0.009	\$0.908
VIP FundsManager 60%				
Investor Class	02/16/18	02/16/18	\$0.008	\$1.340
Service Class	02/16/18	02/16/18	\$0.008	\$1.340
Service Class 2	02/16/18	02/16/18	\$0.008	\$1.340
VIP FundsManager 70%				
Investor Class	02/16/18	02/16/18	\$0.008	\$1.136
Service Class	02/16/18	02/16/18	\$0.008	\$1.136
Service Class 2	02/16/18	02/16/18	\$0.008	\$1.136
VIP FundsManager 85%				
Investor Class	02/16/18	02/16/18	\$0.006	\$1.317
Service Class	02/16/18	02/16/18	\$0.006	\$1.317
Service Class 2	02/16/18	02/16/18	\$0.006	\$1.317

The funds hereby designate as capital gain dividend the amounts noted below for the taxable year ended December 31, 2017, or, if subsequently determined to be different, the net capital gain of such year.

VIP FundsManager 20%	\$ 27,918,670
VIP FundsManager 50%	\$421,766,671
VIP FundsManager 60%	\$645,589,961
VIP FundsManager 70%	\$111,480,745
VIP FundsManager 85%	\$ 44,106,612

A percentage of the dividends distributed during the fiscal year for the following funds were derived from interest on U.S. Government securities which is generally exempt from state income tax:

VIP FundsManager 20%	17.89%
VIP FundsManager 50%	8.61%
VIP FundsManager 60%	6.23%
VIP FundsManager 70%	4.57%
VIP FundsManager 85%	1.81%

A percentage of the dividends distributed during the fiscal year for the following funds qualify for the dividends–received deduction for corporate shareholders:

	Investor Class	Service Class	Service Class 2
VIP FundsManager 20%			
December 2017	6%	6%	7%
VIP FundsManager 50%			
February 2017	14%	14%	14%
December 2017	15%	15%	17%
VIP FundsManager 60%			
February 2017	11%	11%	11%
December 2017	16%	16%	17%
VIP FundsManager 70%			
February 2017	15%	15%	15%
December 2017	25%	25%	27%

	Investor Class	Service Class	Service Class 2
VIP FundsManager 85%			
February 2017	20%	20%	20%
December 2017	29%	29%	31%

The amounts per share which represent income derived from sources within, and taxes paid to, foreign countries or possessions of the United States are as follows:

	Pay Date	Income	Taxes
VIP FundsManager 20%			
Investor Class	12/22/17	\$0.0146	\$0.0014
Service Class	12/22/17	\$0.0146	\$0.0014
Service Class 2	12/22/17	\$0.0132	\$0.0014
VIP FundsManager 50%			
Investor Class	12/22/17	\$0.0333	\$0.0031
Service Class	12/22/17	\$0.0333	\$0.0031
Service Class 2	12/22/17	\$0.0305	\$0.0031
VIP FundsManager 60%			
Investor Class	12/22/17	\$0.0362	\$0.0034
Service Class	12/22/17	\$0.0362	\$0.0034
Service Class 2	12/22/17	\$0.0336	\$0.0034
VIP FundsManager 70%			
Investor Class	12/22/17	\$0.0452	\$0.0043
Service Class	12/22/17	\$0.0452	\$0.0043
Service Class 2	12/22/17	\$0.0413	\$0.0043
VIP FundsManager 85%			
Investor Class	12/22/17	\$0.0539	\$0.0051
Service Class	12/22/17	\$0.0539	\$0.0051
Service Class 2	12/22/17	\$0.0495	\$0.0051

Board Approval of Investment Advisory Contracts and Management Fees

VIP Funds/Manager Funds

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract (the Advisory Contract) with FMR Co., Inc. (FMRC), an affiliate of Fidelity Management & Research Company (FMR), and the administration agreement between FMRC and FMR for each 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 and administration agreements 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 each fund's Advisory Contract and administration agreement, including the services and support provided to each fund and its shareholders. The Board has established four standing committees (Committees) — Operations, Audit, Fair Valuation, and Governance and Nominating — 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 Operations Committee, of which all of the Independent Trustees are members, meets regularly throughout the year and considers, among other matters, information specifically related to the annual consideration of the renewal of each fund's Advisory Contract and administration agreement. The Board, acting directly and through its Committees, requests and receives information concerning the annual consideration of the renewal of each fund's Advisory Contract and administration agreement. The Board also meets as needed to review matters specifically related to the Board's annual consideration of the renewal of the Advisory Contracts and administration agreements. Members of the Board may also meet with trustees of other Fidelity funds through ad hoc joint committees to discuss certain matters relevant to all of the Fidelity funds.

At its September 2017 meeting, the Board unanimously determined to renew each fund's Advisory Contract and administration agreement. 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 each fund and its shareholders (including the investment performance of each fund); (ii) the competitiveness of each 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 relationships with each fund; and (iv) the extent to which, if any, economies of scale exist and would be realized as each fund grows, and whether any economies of scale are appropriately shared with fund shareholders.

In considering whether to renew the Advisory Contract for each 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 Contract was in the best interests of each fund and its shareholders and that the compensation payable under the Advisory Contracts was fair and reasonable. The Board's decision to renew the Advisory Contracts was not based on any single factor, but rather was based on a comprehensive consideration of all the information provided to the Board at its meetings throughout the year. The Board, in reaching its determination to renew the Advisory Contracts, was aware that shareholders of each fund have a broad range of investment choices available to them, including a wide choice among funds offered by Fidelity's competitors, and that each 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 that fund, which is part of the Fidelity family of funds.

Nature, Extent, and Quality of Services Provided. The Board considered Fidelity's staffing as it relates to the funds, including the backgrounds of investment personnel of FMRC, and also considered the funds' investment objectives, strategies, and related investment philosophies. The Independent Trustees also had discussions with senior management of Fidelity's investment operations and investment groups with responsibility for the underlying Fidelity funds in which each fund invests. The Board considered the structure of the investment personnel compensation program and whether this structure provides appropriate incentives to act in the best interests of each fund. Additionally, the Board considered the portfolio managers' investments, if any, in the funds that they manage.

Resources Dedicated to Investment Management and Support Services. The Board reviewed the general qualifications and capabilities of Fidelity's investment staff, including its size, education, experience, and resources, as well as Fidelity's approach to recruiting, managing, and compensating investment personnel. The Board noted that Fidelity 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 considered 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 Fidelity's risk management, compliance, and technology and operations capabilities and resources, which are integral parts 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 Fidelity under the Advisory Contract and under separate agreements covering administration, transfer agency, and pricing and bookkeeping services for each fund; (ii) the nature and extent of the supervision of third party service providers, principally custodians, subcustodians, and pricing vendors; and (iii) the resources devoted to, and the record of compliance with, each fund's compliance policies and procedures.

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 Fidelity's investment research process, which includes meetings with management of issuers in which the funds invest, and to the support of the senior management team that oversees asset management; (ii) continuing efforts to enhance Fidelity's global research capabilities; (iii) launching new funds and making other enhancements to meet client needs; (iv) launching new share classes of existing funds; (v) eliminating purchase minimums and broadening eligibility requirements for certain lower-priced share classes; (vi) reducing management fees and total expenses for certain growth equity funds and index funds; (vii) lowering expense caps for certain existing funds and classes to reduce expenses borne by shareholders; (viii) eliminating short-term redemption fees for certain funds; (ix) introducing a new pricing structure for certain funds of funds that is expected to reduce overall expenses paid by shareholders; (x) rationalizing product lines and gaining increased efficiencies through proposals for fund mergers and share class consolidations; (xi) continuing to develop, acquire and implement systems and technology to improve services to the funds and shareholders, strengthen information security, and increase efficiency; and (xii) implementing enhancements to further strengthen Fidelity's product line to increase investors' probability of success in achieving their investment goals, including retirement income goals.

Investment Performance. The Board considered whether each 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 noted that there was a portfolio management change for each fund in July 2017.

The Board took into account discussions with representatives of the investment adviser 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 considers annualized return information for each fund for different time periods, measured against one or more securities market indices, including a customized blended index representative of the fund's asset classes (each a "benchmark index") and a peer group of funds with similar objectives ("peer group"), if any. In its evaluation of fund investment performance at meetings throughout the year, the Board gave particular attention to information indicating underperformance of certain Fidelity funds for specific time periods and discussed with the investment adviser the reasons for such 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 gross performance (before fees and expenses, including acquired fund fees and expenses, but after transaction costs, if any) compared to appropriate benchmark indices, over appropriate time periods that may include full market cycles, and on net performance (after fees and expenses, including acquired fund fees and expenses) compared to peer groups, as applicable, over the same periods, taking into account relevant factors including the following: general market conditions; the extent to which particular underlying funds affected performance; and fund cash flows and other factors. Depending on the circumstances, the Independent Trustees may be satisfied with a fund's performance notwithstanding that it lags its benchmark index or peer group for certain periods.

The Independent Trustees recognize that shareholders evaluate performance on a net basis over their own holding periods, for which one-, three-, and five-year periods are often used as a proxy. For this reason, the performance information reviewed by the Board also included net cumulative calendar year total return information for each fund and an appropriate benchmark index for the most recent one-, three-, and five-year periods.

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

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

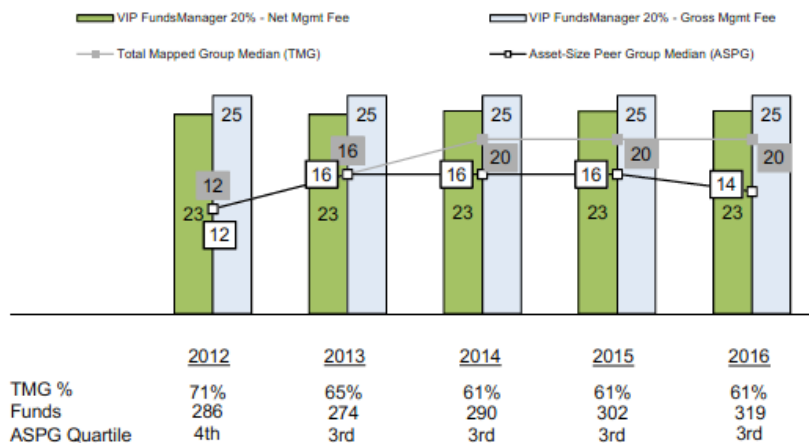
Management Fee. The Board considered two proprietary management fee comparisons for the 12-month periods shown in basis points (BP) in the charts below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the "Total Mapped Group." The Total Mapped Group 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

Board Approval of Investment Advisory Contracts and Management Fees – continued

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 a fund’s. For example, a hypothetical TMG % of 20% would mean that 80% of the funds in the Total Mapped Group had higher, and 20% had lower, management fees than a fund. The funds’ actual TMG %s and the number of funds in the Total Mapped Group are in the charts below. 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. For example, if a fund is in the first quartile of the ASPG, the fund’s management fee ranks in the least expensive or lowest 25% of funds in the ASPG. The ASPG represents at least 15% of the funds in the Total Mapped Group with comparable asset size and management fee structures, subject to a minimum of 50 funds (or all funds in the Total Mapped Group if fewer than 50). Additional information, such as the ASPG quartile in which a fund’s management fee rate ranked, is also included in the charts and considered by the Board. Because the vast majority of competitor funds’ management fees do not cover non-management expenses, for a more meaningful comparison of management fees, each fund is compared on the basis of a hypothetical “net management fee,” which is derived by subtracting payments made by FMR (under the administration agreement) for non-management expenses (including pricing and bookkeeping fees and fees paid to non-affiliated custodians) from the fund’s all-inclusive fee. In this regard, the Board considered that net management fees can vary from year to year because of differences in non-management expenses.

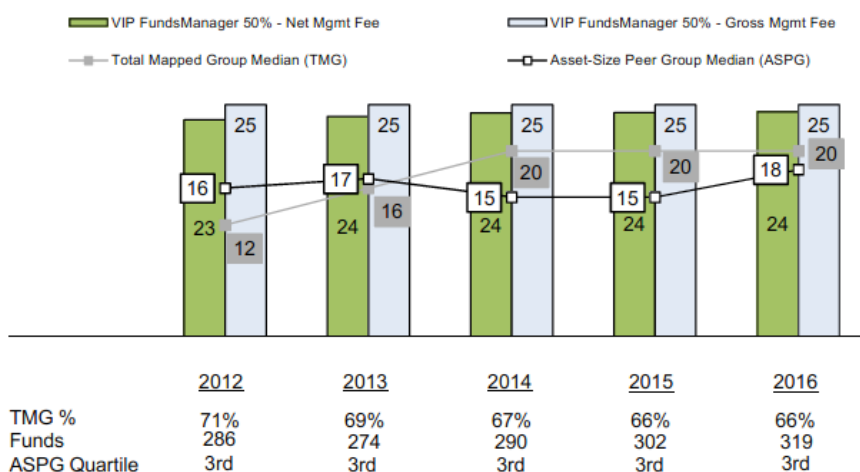
VIP FundsManager 20%

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



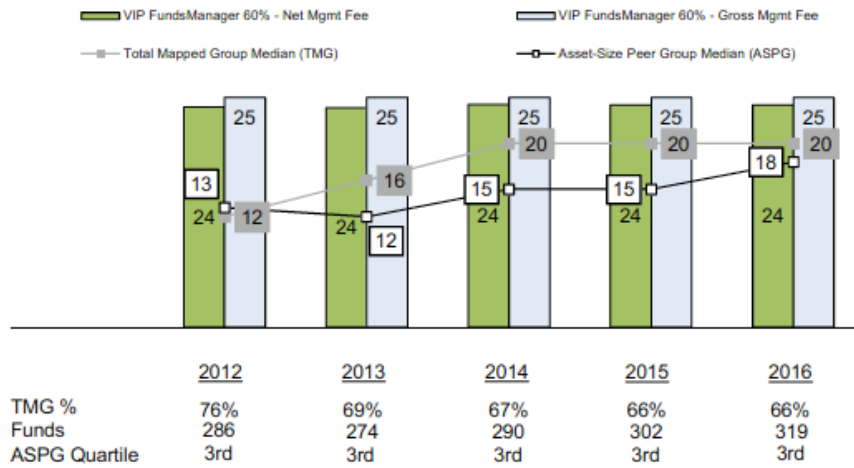
VIP FundsManager 50%

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



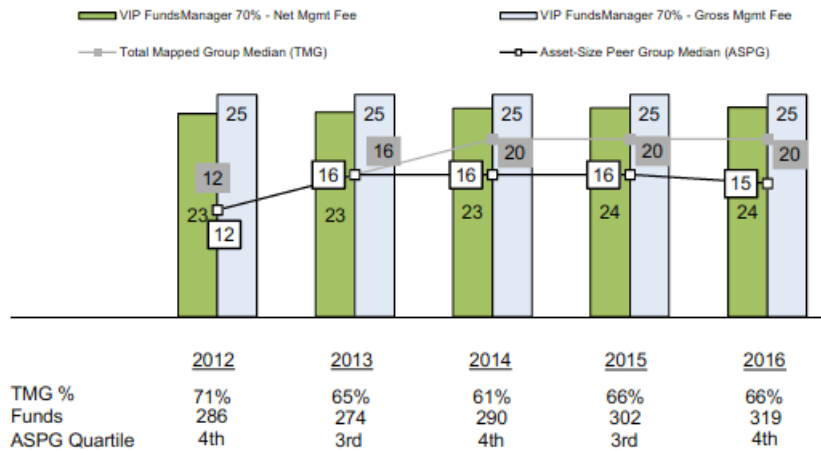
VIP FundsManager 60%

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



VIP FundsManager 70%

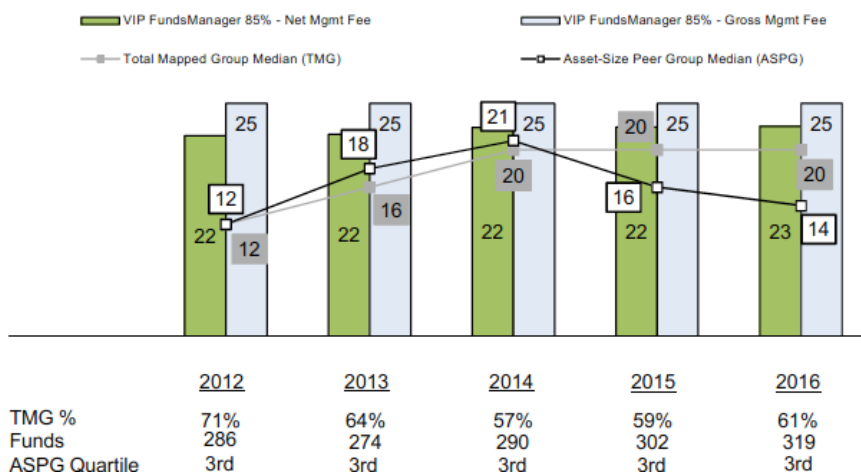
Historical Management Fees (BP) vs. Competitive Medians (BP):



Board Approval of Investment Advisory Contracts and Management Fees – continued

VIP FundsManager 85%

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



The Board noted that each fund's hypothetical net management fee rate ranked above the median of its Total Mapped Group and above the median of its ASPG for 2016. The Board considered that the funds are more actively managed than most funds in their TMG and ASPG and have a larger universe of funds in which to invest.

Furthermore, the Board considered that FMRC has contractually agreed to waive 0.05% of each fund's management fee through April 30, 2018 and that, including the management fee waiver, each fund would be equal to the median of its Total Mapped Group for 2016.

The Board noted that it and the boards of other Fidelity funds formed an ad hoc Committee on Group Fee, which meets periodically, to conduct an in-depth review of the "group fee" component of the management fee of funds with such management fee structures, and that while the funds do not pay a management fee with a group fee component, they indirectly bear a portion of the management fees paid by the Fidelity funds in which they invest, some of which are subject to the group fee. The Committee's focus included the mechanics of the group fee, the competitive landscape of group fee structures, Fidelity funds with no group fee component (such as the funds) and investment products not included in group fee assets. The Board also considered that, for funds subject to the group fee, FMR agreed to voluntarily waive fees over a specified period of time in amounts designed to account for assets converted from certain funds to certain collective investment trusts.

Based on its review, the Board concluded that each 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 the total expense ratio of each class of each fund, the Board considered the fund's hypothetical net management fee rate as well as the fund's all-inclusive fee rate. The Board also considered other expenses, such as pricing and bookkeeping fees and custodial, legal, and audit fees, paid by FMR under the all-inclusive arrangement. The Board also considered fund-paid 12b-1 fees. The Board also noted that Fidelity may agree to waive fees and expenses from time to time, and the extent to which, if any, it has done so for each fund. As part of its review, the Board also considered the current and historical total expense ratios of each class of each fund compared to competitive fund median expenses. Each class of each 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 each fund offers multiple classes, each of which has a different 12b-1 fee structure, and that the multiple structures are intended to offer a range of pricing options for the intermediary market. The Board also noted that the total expense ratios of the classes of each fund vary primarily by the level of their 12b-1 fees.

The Board noted that the total expense ratio of each of Investor Class and Service Class of each fund ranked below the competitive median for 2016 and the total expense ratio of Service Class 2 of each fund ranked above the competitive median for 2016. The Board considered that, in general, various factors can affect total expense ratios. The Board noted that the total expense ratio of Service Class 2 was above the competitive median because of its 12b-1 fees and that excluding 12b-1 fees of both the class and competitor classes, the total expense ratio of Service Class 2 ranked below the median.

In considering the total expense ratio of each class of each fund, the Board also considered an alternative competitive analysis that included both top level (*i.e.*, direct) fund fees and acquired fund fees and expenses for the class and the other funds and classes to which it is compared. The Board noted that, under this alternative competitive analysis, the total expense ratio of each of Investor Class and Service Class of each fund, except VIP FundsManager 85%, ranked below the competitive median for 2016 and the total expense ratio of each of Investor Class and Service Class of VIP FundsManager 85% ranked above the competitive median for 2016 because of higher acquired fund fees and expenses compared to

competitor funds. The Board noted that the total expense ratio of Service Class 2 of VIP FundsManager 20% and VIP FundsManager 50% ranked below the competitive median for 2016, the total expense ratio of Service Class 2 of VIP FundsManager 60% ranked equal to the competitive median for 2016, and the total expense ratio of Service Class 2 of each other fund ranked above the competitive median for 2016. The Board noted that, for each fund for which Service Class 2 was above the competitive median, the class was above the median because of its 12b-1 fees and, in the case of VIP FundsManager 85%, because of its higher acquired fund fees and expenses compared to competitor funds.

The Board further considered that FMR contractually agreed to reimburse 0.10% of “class-level” expenses for Service Class and Service Class 2 as long as these classes continue to be sold to unaffiliated insurance companies.

Fees Charged to Other Fidelity Clients. The Board also considered Fidelity fee structures and other information with respect to clients of Fidelity, such as other funds advised or subadvised by Fidelity, pension plan clients, and other institutional clients with similar mandates. The Board noted that an ad hoc joint committee created by it and the boards of other Fidelity funds periodically reviews and compares Fidelity’s institutional investment advisory business with its business of providing services to the Fidelity funds, 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, although some classes were above the median of the universe presented for comparison, the total expense ratio of each class of each 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 each fund and servicing each fund’s shareholders. The Board also considered the level of Fidelity’s profits in respect of all the Fidelity funds, including the Fidelity funds in which the funds invest.

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

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 in respect of the mathematical accuracy of the fund profitability information and its conformity to established 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 potential 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 funds’ business.

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

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

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

Additional Information Requested by the Board. In order to develop fully the factual basis for consideration of the Fidelity funds’ advisory contracts, the Board requested and received additional information on certain topics, including: (i) Fidelity’s fund profitability methodology, profitability trends for certain funds, and the impact of certain factors on fund profitability results; (ii) portfolio manager changes that have occurred during the past year and the amount of the investment that each portfolio manager has made in the Fidelity fund(s) that he or she manages; (iii) Fidelity’s compensation structure for portfolio managers, research analysts, and other key personnel, including its effects on fund profitability, the rationale for the compensation structure, and the extent to which current market conditions have affected retention and recruitment; (iv) the arrangements with and compensation paid to certain fund sub-advisers on behalf of the Fidelity funds; (v) the terms of Fidelity’s contractual

Board Approval of Investment Advisory Contracts and Management Fees – continued

and voluntary expense cap and waiver arrangements with the funds; (vi) the methodology with respect to competitive fund data and peer group classifications; (vii) Fidelity's transfer agent fee, expense, and service structures for different funds and classes relative to competitive trends, and the impact of the increased use of omnibus accounts; (viii) Fidelity's long-term expectations for its offerings in the workplace investing channel; (ix) new developments in the retail and institutional marketplaces and the competitive positioning of the funds relative to other investment products and services; (x) the approach to considering "fall-out" benefits; (xi) the impact of money market reform on Fidelity's money market funds, including with respect to costs and profitability; (xii) the funds' share class structures and distribution channels, including the impact of the Department of Labor's new fiduciary rule on the funds' distribution arrangements; and (xiii) explanations regarding the relative total expense ratios of certain funds and classes, total expense competitive trends and methodologies for total expense competitive comparisons, and actions that might be taken by Fidelity to reduce total expense ratios for certain classes. In addition, the Board considered its discussions with Fidelity throughout the year regarding enhanced information security initiatives and the funds' fair valuation policies.

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

