

# Fidelity® Variable Insurance Products:

## Contrafund® Portfolio

Semi-Annual Report  
June 30, 2018



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To view a fund's proxy voting guidelines and proxy voting record for the 12-month period ended June 30, visit <http://www.fidelity.com/proxyvotingresults> or visit the Securities and Exchange Commission's (SEC) web site at <http://www.sec.gov>.

You may also call 1-877-208-0098 to request a free copy of the proxy voting guidelines.

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

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

*A fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Forms N-Q are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330.*

*For a complete list of a fund's portfolio holdings, view the most recent holdings listing, semiannual report, or annual report on Fidelity's web site at <http://www.fidelity.com>, <http://www.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

**NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary (Unaudited)

## Top Ten Stocks as of June 30, 2018

	% of fund's net assets
Microsoft Corp.	4.7
Amazon.com, Inc.	4.5
Alphabet, Inc. Class C	4.2
UnitedHealth Group, Inc.	3.6
JPMorgan Chase & Co.	3.5
Bank of America Corp.	3.3
Salesforce.com, Inc.	3.1
Netflix, Inc.	3.0
Facebook, Inc. Class A	2.6
Berkshire Hathaway, Inc. Class B	2.3
	<u>34.8</u>

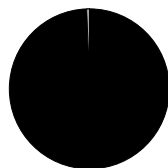
## Top Market Sectors as of June 30, 2018

	% of fund's net assets
Information Technology	31.5
Financials	18.6
Consumer Discretionary	14.5
Health Care	14.2
Energy	8.0
Industrials	7.1
Consumer Staples	2.4
Materials	2.0
Telecommunication Services	0.6
Real Estate	0.3

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

As of June 30, 2018\*

■ Stocks	99.5%
□ Short-Term Investments and Net Other Assets (Liabilities)	0.5%



\* Foreign investments – 4.1%

# Schedule of Investments June 30, 2018 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 99.5%					
	Shares	Value	Shares	Value	
<b>CONSUMER DISCRETIONARY – 14.5%</b>					
<b>Auto Components – 0.3%</b>					
Aptiv PLC	405,623	\$ 37,167,235			
Lear Corp.	125,000	23,226,250			
		<u>60,393,485</u>			
<b>Diversified Consumer Services – 0.4%</b>					
Chegg, Inc. (a)	1,029,800	28,618,142			
ServiceMaster Global Holdings, Inc. (a)	769,896	45,785,715			
		<u>74,403,857</u>			
<b>Hotels, Restaurants &amp; Leisure – 2.0%</b>					
Domino's Pizza, Inc.	269,984	76,181,385			
Hilton Grand Vacations, Inc. (a)	675,600	23,443,320			
Hilton Worldwide Holdings, Inc.	725,300	57,414,748			
Marriott International, Inc. Class A	461,720	58,453,752			
McDonald's Corp.	454,700	71,246,943			
Wyndham Destinations, Inc.	980,000	43,384,600			
Wyndham Hotels & Resorts, Inc.	1,034,000	60,830,220			
		<u>390,954,968</u>			
<b>Household Durables – 0.3%</b>					
Lennar Corp. Class A	1,182,377	62,074,793			
<b>Internet &amp; Direct Marketing Retail – 8.3%</b>					
Amazon.com, Inc. (a)	509,200	865,538,160			
Netflix, Inc. (a)	1,493,300	584,522,419			
The Booking Holdings, Inc. (a)	75,400	152,842,586			
		<u>1,602,903,165</u>			
<b>Media – 0.3%</b>					
Comcast Corp. Class A	2,030,000	66,604,300			
Discovery Communications, Inc. Class A (a)	27,434	754,435			
Weinstein Co. Holdings LLC Class A-1 (a) (b) (c) (d)	11,499	0			
		<u>67,358,735</u>			
<b>Specialty Retail – 2.2%</b>					
Home Depot, Inc.	1,164,289	227,152,784			
Lowe's Companies, Inc.	461,600	44,115,112			
TJX Companies, Inc.	1,253,521	119,310,129			
Urban Outfitters, Inc. (a)	570,200	25,402,410			
		<u>415,980,435</u>			
<b>Textiles, Apparel &amp; Luxury Goods – 0.7%</b>					
adidas AG	164,849	35,989,868			
Kering SA	69,800	39,419,416			
Tapestry, Inc.	1,064,700	49,732,137			
VF Corp.	14,400	1,173,888			
		<u>126,315,309</u>			
TOTAL CONSUMER DISCRETIONARY		<u>2,800,384,747</u>			
<b>CONSUMER STAPLES – 2.4%</b>					
<b>Beverages – 0.5%</b>					
Brown-Forman Corp. Class B (non-vtg.)	185,000	9,066,850			
Constellation Brands, Inc. Class A (sub. vtg.)	106,700	23,353,429			
Dr. Pepper Snapple Group, Inc.	318,100	38,808,200			
PepsiCo, Inc.	304,500	33,150,915			
		<u>104,379,394</u>			
<b>Food &amp; Staples Retailing – 1.1%</b>					
Costco Wholesale Corp.	607,000	126,850,860			
Walmart, Inc.	1,066,700	91,362,855			
		<u>218,213,715</u>			
<b>Personal Products – 0.6%</b>					
Estee Lauder Companies, Inc. Class A	829,974	\$ 118,428,990			
<b>Tobacco – 0.2%</b>					
Philip Morris International, Inc.	434,400	35,073,456			
TOTAL CONSUMER STAPLES		<u>476,095,555</u>			
<b>ENERGY – 8.0%</b>					
<b>Energy Equipment &amp; Services – 0.0%</b>					
Hess Midstream Partners LP	26,550	523,035			
<b>Oil, Gas &amp; Consumable Fuels – 8.0%</b>					
BP PLC	8,048,703	61,238,689			
<b>Centennial Resource Development, Inc.:</b>					
Class A (a)	393,700	7,110,222			
Class A (a)	70,000	1,264,200			
Class A (a) (c)	400,000	7,224,000			
Cheniere Energy, Inc. (a)	86,700	5,651,973			
Chevron Corp.	465,300	58,827,879			
Concho Resources, Inc. (a)	526,500	72,841,275			
ConocoPhillips Co.	2,884,700	200,832,814			
Continental Resources, Inc. (a)	1,340,100	86,784,876			
Diamondback Energy, Inc.	725,600	95,467,192			
Encana Corp.	8,459,400	110,484,082			
EOG Resources, Inc.	1,015,900	126,408,437			
Extraction Oil & Gas, Inc. (a)	541,782	7,958,778			
Hess Corp.	3,117,600	208,536,264			
Phillips 66 Co.	905,739	101,723,547			
Pioneer Natural Resources Co.	298,900	56,563,836			
Reliance Industries Ltd.	6,039,281	85,785,843			
Suncor Energy, Inc.	2,290,395	93,208,179			
Valero Energy Corp.	1,487,502	164,859,847			
		<u>1,552,771,933</u>			
TOTAL ENERGY		<u>1,553,294,968</u>			
<b>FINANCIALS – 18.6%</b>					
<b>Banks – 8.3%</b>					
Bank of America Corp.	23,023,114	649,021,584			
Citigroup, Inc.	2,479,100	165,901,372			
JPMorgan Chase & Co.	6,598,200	687,532,440			
SunTrust Banks, Inc.	1,720,200	113,567,604			
		<u>1,616,023,000</u>			
<b>Capital Markets – 5.3%</b>					
Ameriprise Financial, Inc.	438,300	61,309,404			
Bank of New York Mellon Corp.	3,617,452	195,089,186			
BlackRock, Inc. Class A	41,975	20,947,204			
Charles Schwab Corp.	5,195,600	265,495,160			
E*TRADE Financial Corp. (a)	713,000	43,607,080			
Morgan Stanley	3,396,332	160,986,137			
MSCI, Inc.	547,614	90,591,784			
Northern Trust Corp.	180,400	18,561,356			
S&P Global, Inc.	814,400	166,048,016			
		<u>1,022,635,327</u>			

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

## Common Stocks – continued

	Shares	Value
<b>FINANCIALS – continued</b>		
<b>Consumer Finance – 1.2%</b>		
American Express Co.	1,214,700	\$ 119,040,600
Synchrony Financial	3,548,700	118,455,606
		<u>237,496,206</u>
<b>Diversified Financial Services – 2.3%</b>		
Berkshire Hathaway, Inc. Class B (a)	2,360,200	440,531,330
<b>Insurance – 1.5%</b>		
AFLAC, Inc.	2,705,500	116,390,610
Allstate Corp.	1,146,200	104,613,674
Marsh & McLennan Companies, Inc.	150,000	12,295,500
Progressive Corp.	790,889	46,781,084
		<u>280,080,868</u>
<b>TOTAL FINANCIALS</b>		<u>3,596,766,731</u>
<b>HEALTH CARE – 14.2%</b>		
<b>Biotechnology – 1.7%</b>		
AbbVie, Inc.	942,500	87,322,625
Acceleron Pharma, Inc. (a)	24,200	1,174,184
Amgen, Inc.	436,284	80,533,664
Celgene Corp. (a)	319,535	25,377,470
Gilead Sciences, Inc.	1,051,200	74,467,008
Heron Therapeutics, Inc. (a)	57,400	2,229,990
Vertex Pharmaceuticals, Inc. (a)	354,330	60,221,927
Wuxi Biologics (Cayman), Inc.	104,000	1,157,897
		<u>332,484,765</u>
<b>Health Care Equipment &amp; Supplies – 5.0%</b>		
Abbott Laboratories	1,041,430	63,516,816
Abiomed, Inc. (a)	156,304	63,936,151
Baxter International, Inc.	1,575,500	116,334,920
Becton, Dickinson & Co.	515,800	123,565,048
Boston Scientific Corp. (a)	3,066,249	100,266,342
Danaher Corp.	1,374,440	135,629,739
Edwards Lifesciences Corp. (a)	899,900	130,998,443
Intuitive Surgical, Inc. (a)	353,800	169,286,224
ResMed, Inc.	587,087	60,810,471
		<u>964,344,154</u>
<b>Health Care Providers &amp; Services – 6.0%</b>		
AmerisourceBergen Corp.	89,708	7,649,401
Anthem, Inc.	247,300	58,864,819
Cigna Corp.	565,400	96,089,730
HealthEquity, Inc. (a)	660,843	49,629,309
Humana, Inc.	708,000	210,722,040
McKesson Corp.	245,100	32,696,340
OptiNose, Inc.	20,900	584,782
UnitedHealth Group, Inc.	2,857,900	701,157,186
		<u>1,157,393,607</u>
<b>Life Sciences Tools &amp; Services – 1.0%</b>		
Agilent Technologies, Inc.	661,000	40,876,240
Mettler-Toledo International, Inc. (a)	52,400	30,320,212
PRA Health Sciences, Inc. (a)	684,600	63,914,256
Thermo Fisher Scientific, Inc.	250,213	51,829,121
Waters Corp. (a)	84,007	16,262,915
		<u>203,202,744</u>

	Shares	Value
<b>Pharmaceuticals – 0.5%</b>		
Idorsia Ltd.	4,910	\$ 130,398
Jiangsu Hengrui Medicine Co. Ltd. (A Shares)	98,100	1,122,498
Johnson & Johnson	561,000	68,071,740
Roche Holding AG (participation certificate)	5,647	1,252,833
Zoetis, Inc. Class A	219,291	18,681,400
		<u>89,258,869</u>
<b>TOTAL HEALTH CARE</b>		<u>2,746,684,139</u>
<b>INDUSTRIALS – 7.1%</b>		
<b>Aerospace &amp; Defense – 2.3%</b>		
Huntington Ingalls Industries, Inc.	316,100	68,527,319
Northrop Grumman Corp.	337,060	103,713,362
Raytheon Co.	891,086	172,139,993
The Boeing Co.	126,700	42,509,117
TransDigm Group, Inc.	182,300	62,919,022
		<u>449,808,813</u>
<b>Air Freight &amp; Logistics – 0.3%</b>		
FedEx Corp.	232,700	52,836,862
<b>Building Products – 0.3%</b>		
Masco Corp.	850,000	31,807,000
Toto Ltd.	715,600	33,222,093
		<u>65,029,093</u>
<b>Commercial Services &amp; Supplies – 0.2%</b>		
KAR Auction Services, Inc.	629,900	34,518,520
<b>Electrical Equipment – 0.9%</b>		
AMETEK, Inc.	100,000	7,216,000
Fortive Corp.	2,214,640	170,770,890
		<u>177,986,890</u>
<b>Industrial Conglomerates – 0.9%</b>		
3M Co.	356,870	70,203,466
General Electric Co.	6,754,217	91,924,893
		<u>162,128,359</u>
<b>Machinery – 0.2%</b>		
Cummins, Inc.	240,500	31,986,500
<b>Professional Services – 0.9%</b>		
CoStar Group, Inc. (a)	110,500	45,595,615
FTI Consulting, Inc. (a)	418,900	25,335,072
IHS Markit Ltd. (a)	848,500	43,774,115
TransUnion Holding Co., Inc.	914,700	65,529,108
		<u>180,233,910</u>
<b>Road &amp; Rail – 0.8%</b>		
CSX Corp.	1,744,397	111,257,641
Norfolk Southern Corp.	318,110	47,993,256
		<u>159,250,897</u>
<b>Trading Companies &amp; Distributors – 0.3%</b>		
W.W. Grainger, Inc.	206,500	63,684,600
<b>TOTAL INDUSTRIALS</b>		<u>1,377,464,444</u>
<b>INFORMATION TECHNOLOGY – 31.5%</b>		
<b>Electronic Equipment &amp; Components – 0.7%</b>		
Amphenol Corp. Class A	1,253,700	109,259,955
Dolby Laboratories, Inc. Class A	289,000	17,828,410
		<u>127,088,365</u>

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

## Schedule of Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Internet Software &amp; Services – 7.6%</b>		
Alibaba Group Holding Ltd. sponsored ADR (a)	11,800	\$ 2,189,254
Alphabet, Inc.:		
Class A (a)	5,100	5,758,869
Class C (a)	720,933	804,308,901
Coupa Software, Inc. (a)	490,700	30,541,168
Facebook, Inc. Class A (a)	2,598,676	504,974,720
Mercari, Inc. (a)	42,600	1,744,940
MongoDB, Inc. Class A (e)	421,000	20,894,230
New Relic, Inc. (a)	291,756	29,347,736
Nutanix, Inc. Class A (a)	19,400	1,000,458
Okta, Inc. (a)	1,417,100	71,379,327
		<u>1,472,139,603</u>
<b>IT Services – 4.3%</b>		
Adyen BV (a) (f)	17,900	9,861,283
DXC Technology Co.	291,900	23,530,059
FleetCor Technologies, Inc. (a)	279,300	58,834,545
Global Payments, Inc.	523,600	58,376,164
MasterCard, Inc. Class A	1,190,800	234,016,016
Netcompany Group A/S	43,300	1,586,096
PayPal Holdings, Inc. (a)	1,622,300	135,088,921
Square, Inc. (a)	874,100	53,879,524
Visa, Inc. Class A	1,970,400	260,979,480
		<u>836,152,088</u>
<b>Semiconductors &amp; Semiconductor Equipment – 4.4%</b>		
Advanced Micro Devices, Inc. (a)	4,009,500	60,102,405
Analog Devices, Inc.	465,500	44,650,760
Applied Materials, Inc.	1,205,900	55,700,521
Intel Corp.	5,775,400	287,095,134
Lam Research Corp.	227,000	39,236,950
Micron Technology, Inc. (a)	792,000	41,532,480
NVIDIA Corp.	881,502	208,827,824
ON Semiconductor Corp. (a)	674,936	15,007,202
Texas Instruments, Inc.	832,000	91,728,000
		<u>843,881,276</u>
<b>Software – 12.5%</b>		
Activision Blizzard, Inc.	913,432	69,713,130
Adobe Systems, Inc. (a)	879,800	214,504,038
Atlassian Corp. PLC (a)	1,049,200	65,595,984
Check Point Software Technologies Ltd. (a)	242,400	23,677,632
Citrix Systems, Inc. (a)	901,817	94,546,494
Electronic Arts, Inc. (a)	556,200	78,435,324
Intuit, Inc.	271,500	55,468,808
Microsoft Corp.	9,201,413	907,351,337
Parametric Technology Corp. (a)	317,295	29,765,444
RealPage, Inc. (a)	100,700	5,548,570
Red Hat, Inc. (a)	515,900	69,321,483
RingCentral, Inc. (a)	791,716	55,697,221
Salesforce.com, Inc. (a)	4,362,057	594,984,575
SS&C Technologies Holdings, Inc.	581,800	30,195,420
Take-Two Interactive Software, Inc. (a)	236,600	28,003,976
Ultimate Software Group, Inc. (a)	168,700	43,408,197
Workday, Inc. Class A (a)	467,400	56,611,488
		<u>2,422,829,121</u>

	Shares	Value
<b>Technology Hardware, Storage &amp; Peripherals – 2.0%</b>		
Apple, Inc.	2,150,721	\$ 398,119,964
		<u>6,100,210,417</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		
<b>MATERIALS – 2.0%</b>		
<b>Chemicals – 1.3%</b>		
Air Products & Chemicals, Inc.	345,500	53,804,715
DowDuPont, Inc.	425,000	28,016,000
LyondellBasell Industries NV Class A	192,626	21,159,966
Sherwin-Williams Co.	71,800	29,263,526
The Chemours Co. LLC	838,001	37,173,724
Westlake Chemical Corp.	743,300	80,001,379
		<u>249,419,310</u>
<b>Metals &amp; Mining – 0.7%</b>		
Franco-Nevada Corp.	830,900	60,643,407
Kirkland Lake Gold Ltd.	3,384,664	71,676,146
		<u>132,319,553</u>
<b>TOTAL MATERIALS</b>		
<b>REAL ESTATE – 0.3%</b>		
<b>Equity Real Estate Investment Trusts (REITs) – 0.3%</b>		
American Tower Corp.	341,300	49,205,221
Equity Lifestyle Properties, Inc.	44,600	4,098,740
		<u>53,303,961</u>
<b>Real Estate Management &amp; Development – 0.0%</b>		
CBRE Group, Inc. (a)	170,689	8,148,693
		<u>61,452,654</u>
<b>TOTAL REAL ESTATE</b>		
<b>TELECOMMUNICATION SERVICES – 0.6%</b>		
<b>Diversified Telecommunication Services – 0.5%</b>		
AT&T, Inc.	2,780,039	89,267,052
<b>Wireless Telecommunication Services – 0.1%</b>		
T-Mobile U.S., Inc. (a)	360,724	21,553,259
		<u>110,820,311</u>
<b>TOTAL TELECOMMUNICATION SERVICES</b>		
<b>UTILITIES – 0.3%</b>		
<b>Electric Utilities – 0.2%</b>		
NextEra Energy, Inc.	240,450	40,162,364
<b>Independent Power and Renewable Electricity Producers – 0.1%</b>		
NRG Energy, Inc.	624,500	19,172,150
		<u>59,334,514</u>
<b>TOTAL UTILITIES</b>		
<b>TOTAL COMMON STOCKS</b>		
(Cost \$15,890,023,311)		<b>19,264,247,343</b>
<b>Convertible Preferred Stocks – 0.0%</b>		
<b>INFORMATION TECHNOLOGY – 0.0%</b>		
<b>Internet Software &amp; Services – 0.0%</b>		
Lyft, Inc. Series I (c) (d)	124,361	\$ 5,888,978
		<u>5,888,978</u>

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

## Money Market Funds – 0.6%

	Shares	Value
Fidelity Cash Central Fund, 1.93% (g)	107,788,395	\$ 107,809,953
Fidelity Securities Lending Cash Central Fund 1.92% (g) (h)	4,542,177	<u>4,543,086</u>

### TOTAL MONEY MARKET FUNDS

(Cost \$112,352,584) **112,353,039**

### TOTAL INVESTMENT IN SECURITIES – 100.1%

(Cost \$16,008,264,873) **19,382,489,360**

### NET OTHER ASSETS (LIABILITIES) – (0.1)%

**(17,941,294)**

### NET ASSETS – 100%

**\$19,364,548,066**

## Legend

- (a) Non-income producing
- (b) Investment is owned by a wholly-owned subsidiary (Subsidiary) that is treated as a corporation for U.S. tax purposes.
- (c) Restricted securities – Investment in securities not registered under the Securities Act of 1933 (excluding 144A issues). At the end of the period, the value of restricted securities (excluding 144A issues) amounted to \$13,112,978 or 0.1% of net assets.
- (d) Level 3 security
- (e) Security or a portion of the security is on loan at period end.
- (f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$9,861,283 or 0.1% of net assets.
- (g) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.
- (h) Investment made with cash collateral received from securities on loan.

Additional information on each restricted holding is as follows:

Security	Acquisition Date	Acquisition Cost
Centennial Resource Development, Inc. Class A	12/28/16	\$ 5,816,000
Lyft, Inc. Series I	6/27/18	\$ 5,888,978
Weinstein Co. Holdings LLC Class A-1	10/19/05	\$ 11,499,000

## 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	\$ 1,763,769
Fidelity Securities Lending Cash Central Fund	<u>261,417</u>
Total	<u>\$ 2,025,186</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.

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

## Schedule of Investments (Unaudited) – continued

### Other Affiliated Issuers

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

Affiliate	Value, beginning of period	Purchases	Sales Proceeds	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Sunrun, Inc.	\$36,492,810	\$534,513	\$56,822,860	\$—	\$16,548,236	\$3,247,301	\$—
Total	\$36,492,810	\$534,513	\$56,822,860	\$—	\$16,548,236	\$3,247,301	\$—

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2018, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

#### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<u>Investments in Securities:</u>				
<u>Equities:</u>				
Consumer Discretionary	\$ 2,800,384,747	\$ 2,800,384,747	\$ —	\$ —
Consumer Staples	476,095,555	476,095,555	—	—
Energy	1,553,294,968	1,492,056,279	61,238,689	—
Financials	3,596,766,731	3,596,766,731	—	—
Health Care	2,746,684,139	2,745,431,306	1,252,833	—
Industrials	1,377,464,444	1,377,464,444	—	—
Information Technology	6,106,099,395	6,100,210,417	—	5,888,978
Materials	381,738,863	381,738,863	—	—
Real Estate	61,452,654	61,452,654	—	—
Telecommunication Services	110,820,311	110,820,311	—	—
Utilities	59,334,514	59,334,514	—	—
Money Market Funds	112,353,039	112,353,039	—	—
<b>Total Investments in Securities:</b>	<b>\$19,382,489,360</b>	<b>\$19,314,108,860</b>	<b>\$62,491,522</b>	<b>\$5,888,978</b>

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



# Financial Statements

## Statement of Assets and Liabilities

	June 30, 2018 (Unaudited)
<b>Assets</b>	
Investment in securities, at value (including securities loaned of \$4,486,552) — See accompanying schedule:	
Unaffiliated issuers (cost \$15,895,912,289)	\$ 19,270,136,321
Fidelity Central Funds (cost \$112,352,584)	<u>112,353,039</u>
Total Investment in Securities (cost \$16,008,264,873)	\$ 19,382,489,360
Receivable for investments sold	50,549,494
Receivable for fund shares sold	2,791,534
Dividends receivable	7,227,313
Distributions receivable from Fidelity Central Funds	149,863
Other receivables	<u>1,630,527</u>
<b>Total assets</b>	<u>19,444,838,091</u>
<b>Liabilities</b>	
Payable to custodian bank	\$ 514,134
Payable for investments purchased	47,962,607
Payable for fund shares redeemed	13,712,695
Accrued management fee	8,921,602
Distribution and service plan fees payable	2,031,393
Other affiliated payables	1,319,275
Other payables and accrued expenses	1,285,719
Collateral on securities loaned	<u>4,542,600</u>
<b>Total liabilities</b>	<u>80,290,025</u>
<b>Net Assets</b>	<u>\$ 19,364,548,066</u>
Net Assets consist of:	
Paid in capital	\$ 13,796,253,427
Undistributed net investment income	58,472,192
Accumulated undistributed net realized gain (loss) on investments and foreign currency transactions	2,135,672,682
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies	<u>3,374,149,765</u>
<b>Net Assets</b>	<u>\$ 19,364,548,066</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$7,353,444,605 ÷ 206,267,172 shares)	<u>\$ 35.65</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$1,538,670,901 ÷ 43,392,913 shares)	<u>\$ 35.46</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$8,924,940,081 ÷ 257,209,518 shares)	<u>\$ 34.70</u>
<b>Investor Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$1,547,492,479 ÷ 43,683,067 shares)	<u>\$ 35.43</u>

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

## Financial Statements – continued

### Statement of Operations

	Six months ended June 30, 2018 (Unaudited)
<b>Investment Income</b>	
Dividends	\$ 130,376,737
Interest	46,118
Income from Fidelity Central Funds	<u>2,025,186</u>
<b>Total income</b>	<u>132,448,041</u>
<b>Expenses</b>	
Management fee	\$ 53,816,255
Transfer agent fees	7,029,715
Distribution and service plan fees	12,280,271
Accounting and security lending fees	850,310
Custodian fees and expenses	189,606
Independent trustees' fees and expenses	44,013
Audit	45,539
Legal	10,602
Interest	711
Miscellaneous	<u>79,035</u>
Total expenses before reductions	74,346,057
Expense reductions	<u>(1,210,919)</u>
Total expenses after reductions	<u>73,135,138</u>
<b>Net investment income (loss)</b>	<u>59,312,903</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment securities:	
Unaffiliated issuers	2,191,770,806
Fidelity Central Funds	31,522
Other affiliated issuers	16,548,236
Foreign currency transactions	(21,239)
Futures contracts	<u>7,403,924</u>
Total net realized gain (loss)	2,215,733,249
Change in net unrealized appreciation (depreciation) on:	
Investment securities:	
Unaffiliated issuers	(1,657,308,937)
Fidelity Central Funds	(29,333)
Other affiliated issuers	3,247,301
Assets and liabilities in foreign currencies	(51,415)
Futures contracts	<u>(1,594,818)</u>
Total change in net unrealized appreciation (depreciation)	<u>(1,655,737,202)</u>
<b>Net gain (loss)</b>	<u>559,996,047</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ 619,308,950</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2018 (Unaudited)	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net investment income (loss)	\$ 59,312,903	\$ 162,372,755
Net realized gain (loss)	2,215,733,249	2,021,853,086
Change in net unrealized appreciation (depreciation)	(1,655,737,202)	1,550,478,115
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>619,308,950</u>	<u>3,734,703,956</u>
Distributions to shareholders from net investment income	(30,000,092)	(167,795,221)
Distributions to shareholders from net realized gain	(1,720,710,294)	(1,017,638,614)
<b>Total distributions</b>	<u>(1,750,710,386)</u>	<u>(1,185,433,835)</u>
Share transactions — net increase (decrease)	<u>507,433,067</u>	<u>(417,890,496)</u>
<b>Total increase (decrease) in net assets</b>	<u>(623,968,369)</u>	<u>2,131,379,625</u>
<b>Net Assets</b>		
Beginning of period	<u>19,988,516,435</u>	<u>17,857,136,810</u>
End of period	<u>\$ 19,364,548,066</u>	<u>\$ 19,988,516,435</u>
<b>Other Information</b>		
Undistributed net investment income end of period	<u>\$ 58,472,192</u>	<u>\$ 29,159,381</u>

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

# Financial Highlights

## VIP Contrafund Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2018	Years ended December 31, 2017	2016	2015	2014	2013
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.94	\$ 33.18	\$ 33.91	\$ 37.36	\$ 34.35	\$ 26.44
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.13	.35	.33	.35	.36	.32
Net realized and unrealized gain (loss)	.92	6.69	1.85	(.14)	3.76	7.94
Total from investment operations	1.05	7.04	2.18	.21	4.12	8.26
Distributions from net investment income	(.07)	(.36)	(.26)	(.37)	(.36)	(.34)
Distributions from net realized gain	(3.28)	(1.91)	(2.65)	(3.30)	(.75)	(.01)
Total distributions	(3.34) <sup>B</sup>	(2.28) <sup>C</sup>	(2.91)	(3.66) <sup>D</sup>	(1.11)	(.35)
Redemption fees added to paid in capital <sup>A</sup>	—	—	—	—	— <sup>E</sup>	— <sup>E</sup>
Net asset value, end of period	\$ 35.65	\$ 37.94	\$ 33.18	\$ 33.91	\$ 37.36	\$ 34.35
<b>Total Return</b> <sup>F,G,H</sup>	3.23%	21.88%	8.04%	.64%	11.94%	31.29%
<b>Ratios to Average Net Assets</b> <sup>I,J</sup>						
Expenses before reductions	.62% <sup>K</sup>	.62%	.63%	.63%	.63%	.64%
Expenses net of fee waivers, if any	.62% <sup>K</sup>	.62%	.63%	.63%	.63%	.63%
Expenses net of all reductions	.60% <sup>K</sup>	.62%	.62%	.62%	.63%	.62%
Net investment income (loss)	.73% <sup>K</sup>	.98%	1.04%	1.01%	1.01%	1.05%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 7,353,445	\$ 7,609,925	\$ 6,962,430	\$ 7,436,130	\$ 8,005,930	\$ 7,654,305
Portfolio turnover rate <sup>L</sup>	179% <sup>K</sup>	70%	62%	80%	74%	86%

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

<sup>B</sup> Total distributions of \$3.34 per share is comprised of distributions from net investment income of \$.065 and distributions from net realized gain of \$3.276 per share.

<sup>C</sup> Total distributions of \$2.28 per share is comprised of distributions from net investment income of \$.364 and distributions from net realized gain of \$1.911 per share.

<sup>D</sup> Total distributions of \$3.66 per share is comprised of distributions from net investment income of \$.369 and distributions from net realized gain of \$3.295 per share.

<sup>E</sup> Amount represents less than \$.005 per share.

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

<sup>G</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

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

<sup>I</sup> Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>K</sup> Annualized

<sup>L</sup> 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 Contrafund Portfolio Service Class

	Six months ended (Unaudited) June 30, 2018	Years ended December 31, 2017	2016	2015	2014	2013
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.77	\$ 33.04	\$ 33.79	\$ 37.23	\$ 34.24	\$ 26.36
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.11	.31	.29	.32	.33	.29
Net realized and unrealized gain (loss)	.92	6.66	1.84	(.13)	3.73	7.91
Total from investment operations	1.03	6.97	2.13	.19	4.06	8.20
Distributions from net investment income	(.06)	(.33)	(.23)	(.33)	(.32)	(.31)
Distributions from net realized gain	(3.28)	(1.91)	(2.65)	(3.30)	(.75)	(.01)
Total distributions	(3.34)	(2.24)	(2.88)	(3.63)	(1.07)	(.32)
Redemption fees added to paid in capital <sup>A</sup>	—	—	—	—	<sup>B</sup>	<sup>B</sup>
Net asset value, end of period	\$ 35.46	\$ 37.77	\$ 33.04	\$ 33.79	\$ 37.23	\$ 34.24
<b>Total Return</b> <sup>C,D,E</sup>	3.17%	21.76%	7.91%	.56%	11.82%	31.14%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.72% <sup>H</sup>	.72%	.73%	.73%	.73%	.74%
Expenses net of fee waivers, if any	.72% <sup>H</sup>	.72%	.73%	.73%	.73%	.73%
Expenses net of all reductions	.70% <sup>H</sup>	.72%	.72%	.72%	.73%	.72%
Net investment income (loss)	.63% <sup>H</sup>	.88%	.94%	.91%	.91%	.95%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,538,671	\$ 1,569,798	\$ 1,428,793	\$ 1,546,864	\$ 1,714,615	\$ 1,688,448
Portfolio turnover rate <sup>I</sup>	179% <sup>H</sup>	70%	62%	80%	74%	86%

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

<sup>B</sup> Amount represents less than \$.005 per share.

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

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

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

<sup>F</sup> Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>H</sup> Annualized

<sup>I</sup> 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 Contrafund Portfolio Service Class 2

	Six months ended (Unaudited) June 30,	Years ended December 31,				
	2018	2017	2016	2015	2014	2013
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.05	\$ 32.45	\$ 33.25	\$ 36.70	\$ 33.77	\$ 26.00
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.08	.25	.24	.26	.27	.24
Net realized and unrealized gain (loss)	.90	6.54	1.80	(.14)	3.68	7.80
Total from investment operations	.98	6.79	2.04	.12	3.95	8.04
Distributions from net investment income	(.05)	(.28)	(.20)	(.28)	(.27)	(.26)
Distributions from net realized gain	(3.28)	(1.91)	(2.65)	(3.30)	(.75)	(.01)
Total distributions	(3.33)	(2.19)	(2.84) <sup>B</sup>	(3.57) <sup>C</sup>	(1.02)	(.27)
Redemption fees added to paid in capital <sup>A</sup>	—	—	—	—	— <sup>D</sup>	— <sup>D</sup>
Net asset value, end of period	\$ 34.70	\$ 37.05	\$ 32.45	\$ 33.25	\$ 36.70	\$ 33.77
<b>Total Return</b> <sup>E,F,G</sup>	3.09%	21.59%	7.76%	.39%	11.65%	30.95%
<b>Ratios to Average Net Assets</b> <sup>H,I</sup>						
Expenses before reductions	.87% <sup>J</sup>	.87%	.88%	.88%	.88%	.89%
Expenses net of fee waivers, if any	.87% <sup>J</sup>	.87%	.88%	.88%	.88%	.88%
Expenses net of all reductions	.85% <sup>J</sup>	.87%	.87%	.87%	.88%	.87%
Net investment income (loss)	.48% <sup>J</sup>	.73%	.79%	.76%	.76%	.80%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 8,924,940	\$ 9,255,124	\$ 8,138,206	\$ 8,363,076	\$ 8,764,266	\$ 8,472,780
Portfolio turnover rate <sup>K</sup>	179% <sup>J</sup>	70%	62%	80%	74%	86%

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

<sup>B</sup> Total distributions of \$2.84 per share is comprised of distributions from net investment income of \$.196 and distributions from net realized gain of \$2.648 per share.

<sup>C</sup> Total distributions of \$3.57 per share is comprised of distributions from net investment income of \$.279 and distributions from net realized gain of \$3.295 per share.

<sup>D</sup> Amount represents less than \$.005 per share.

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

<sup>F</sup> Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

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

<sup>H</sup> Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>J</sup> Annualized

<sup>K</sup> 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 Contrafund Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2018	Years ended December 31, 2017	2016	2015	2014	2013
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.74	\$ 33.01	\$ 33.76	\$ 37.21	\$ 34.22	\$ 26.35
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.12	.32	.30	.32	.33	.29
Net realized and unrealized gain (loss)	.91	6.66	1.84	(.13)	3.74	7.91
Total from investment operations	1.03	6.98	2.14	.19	4.07	8.20
Distributions from net investment income	(.06)	(.34)	(.24)	(.34)	(.33)	(.32)
Distributions from net realized gain	(3.28)	(1.91)	(2.65)	(3.30)	(.75)	(.01)
Total distributions	(3.34)	(2.25)	(2.89)	(3.64)	(1.08)	(.33)
Redemption fees added to paid in capital <sup>A</sup>	—	—	—	—	<sup>B</sup>	<sup>B</sup>
Net asset value, end of period	\$ 35.43	\$ 37.74	\$ 33.01	\$ 33.76	\$ 37.21	\$ 34.22
<b>Total Return</b> <sup>C,D,E</sup>	3.18%	21.81%	7.95%	.56%	11.85%	31.15%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.70% <sup>H</sup>	.70%	.71%	.71%	.71%	.72%
Expenses net of fee waivers, if any	.70% <sup>H</sup>	.70%	.71%	.71%	.71%	.71%
Expenses net of all reductions	.68% <sup>H</sup>	.70%	.70%	.70%	.71%	.71%
Net investment income (loss)	.65% <sup>H</sup>	.90%	.95%	.93%	.93%	.97%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,547,492	\$ 1,553,670	\$ 1,327,708	\$ 1,276,807	\$ 1,210,592	\$ 1,031,358
Portfolio turnover rate <sup>I</sup>	179% <sup>H</sup>	70%	62%	80%	74%	86%

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

<sup>B</sup> Amount represents less than \$.005 per share.

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

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

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

<sup>F</sup> Fees and expenses of any underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>H</sup> Annualized

<sup>I</sup> 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 (Unaudited)

For the period ended June 30, 2018

## 1. Organization.

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

## 2. Investments in Fidelity Central Funds.

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

The Money Market Central Funds seek preservation of capital and current income and are managed by Fidelity Investments Money Management, Inc. (FIMM), an affiliate of the investment adviser. Annualized expenses of the Money Market Central Funds as of their most recent shareholder report date are less than .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](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds are available on the SEC website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services — 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 Fund:

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

The Fund categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below:

Level 1 — quoted prices in active markets for identical investments

Level 2 — other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, etc.)

Level 3 — unobservable inputs (including the Fund's own assumptions based on the best information available)

Valuation techniques used to value the Fund's investments by major category are as follows:

Equity securities, including restricted securities, for which market quotations are readily available, are valued at the last reported sale price or official closing price as reported by a third party pricing vendor on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. In the event there were no sales during the day or closing prices are not available, securities are valued at the last quoted bid price or may be valued using the last available price and are generally categorized as Level 2 in the hierarchy. For foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, Exchange-Traded Funds (ETFs) and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. Utilizing these techniques may result in transfers between Level 1 and Level 2. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2018 is included at the end of the Fund's Schedule of Investments.

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

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

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



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

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred. Certain expense reductions may also differ by class. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. Expenses directly attributable to a fund are charged to that fund. Expenses attributable to more than one fund are allocated among the respective funds on the basis of relative net assets or other appropriate methods. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan), certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in a cross-section of Fidelity funds, are marked-to-market and remain in the Fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees of \$1,134,608 are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, respectively.

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

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

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

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

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

Gross unrealized appreciation	\$ 3,704,954,565
Gross unrealized depreciation	(345,402,533)
Net unrealized appreciation (depreciation)	<u>\$ 3,359,552,032</u>
Tax cost	<u>\$16,022,937,328</u>

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

**Consolidated Subsidiary.** The Fund invests in certain investments through a wholly-owned subsidiary ("Subsidiary"), which may be subject to federal and state taxes upon disposition.

As of period end, the Fund held an investment of \$0 in this Subsidiary, representing .00% of the Fund's net assets. The financial statements have been consolidated and include accounts of the Fund and the Subsidiary. Accordingly, all inter-company transactions and balances have been eliminated.

#### 4. Derivative Instruments.

**Risk Exposures and the Use of Derivative Instruments.** The Fund's investment objective allows the Fund to enter into various types of derivative contracts, including futures contracts. Derivatives are investments whose value is primarily derived from underlying assets, indices or reference rates and may be transacted on an exchange or over-the-counter (OTC). Derivatives may involve a future commitment to buy or sell a specified asset based on specified terms, to exchange future cash flows at periodic intervals based on a notional principal amount, or for one party to make one or more payments upon the occurrence of specified events in exchange for periodic payments from the other party.

The Fund used derivatives to increase returns and to manage exposure to certain risks as defined below. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the Fund may not achieve its objectives.

## Notes to Financial Statements (Unaudited) – continued

The Fund's use of derivatives increased or decreased its exposure to the following risk:

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

The Fund is also exposed to additional risks from investing in derivatives, such as liquidity risk and counterparty credit risk. Liquidity risk is the risk that the Fund will be unable to close out the derivative in the open market in a timely manner. Counterparty credit risk is the risk that the counterparty will not be able to fulfill its obligation to the Fund. Counterparty credit risk related to exchange-traded futures contracts may be mitigated by the protection provided by the exchange on which they trade.

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

**Futures Contracts.** A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. The Fund used futures contracts to manage its exposure to the stock market.

Upon entering into a futures contract, a fund is required to deposit either cash or securities (initial margin) with a clearing broker in an amount equal to a certain percentage of the face value of the contract. Futures contracts are marked-to-market daily and subsequent daily payments (variation margin) are made or received by a fund depending on the daily fluctuations in the value of the futures contracts and are recorded as unrealized appreciation or (depreciation). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Statement of Assets and Liabilities. Realized gain or (loss) is recorded upon the expiration or closing of a futures contract. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on futures contracts during the period is presented in the Statement of Operations.

Any open futures contracts at period end are presented in the Schedule of Investments under the caption "Futures Contracts". The notional amount at value reflects each contract's exposure to the underlying instrument or index at period end.

### 5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$17,555,171,510 and \$18,521,649,354, respectively.

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

**Management Fee.** Fidelity Management & Research Company (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .30% of the Fund's average net assets and an annualized group fee rate that averaged .24% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by the investment adviser, including any mutual funds previously advised by the investment adviser that are currently advised by Fidelity SelectCo, LLC, an affiliate of the investment adviser. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .54% of the Fund's average net assets.

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

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

Service Class	\$ 786,503
Service Class 2	<u>11,493,768</u>
	<u>\$12,280,271</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements, equal to an annual rate of class-level average net assets. The annual rate for Investor Class is .15% and the annual rate for all other classes is .07%. For the period, transfer agent fees for each class were as follows:

Initial Class	\$2,442,648
Service Class	506,254
Service Class 2	2,959,034
Investor Class	<u>1,121,779</u>
	<u>\$7,029,715</u>

**Accounting and Security Lending Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund’s accounting records. The accounting fee is based on the level of average net assets for each month. Under a separate contract, FSC administers the security lending program. The security lending fee is based on the number and duration of lending transactions. For the period, the fees were equivalent to an annualized rate of .01%.

**Brokerage Commissions.** The Fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were \$576,401 for the period.

**Interfund Lending Program.** Pursuant to an Exemptive Order issued by the SEC, the Fund, along with other registered investment companies having management contracts with Fidelity Management & Research Company (FMR) or other affiliated entities of FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the funds to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding. The Fund’s activity in this program during the period for which loans were outstanding was as follows:

Borrower or Lender	Average Loan Balance	Weighted Average Interest Rate	Interest Expense
Borrower	\$13,083,000	1.96%	\$711

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

**Other.** During the period, the investment adviser reimbursed the Fund for certain losses in the amount of \$30,617.

## 7. Committed Line of Credit.

The Fund participates with other funds managed by the investment adviser or an affiliate in a \$4.25 billion credit facility (the “line of credit”) to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The Fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which amounted to \$28,526 and is reflected in Miscellaneous expenses on the Statement of Operations. During the period, the Fund did not borrow on this line of credit.

## 8. Security Lending.

The Fund lends portfolio securities through a lending agent from time to time in order to earn additional income. For equity securities, a lending agent is used and may loan securities to certain qualified borrowers, including Fidelity Capital Markets (FCM), a broker-dealer affiliated with the Fund. On the settlement date of the loan, the Fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the Fund may apply collateral received from the borrower against the obligation. The Fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. The value of loaned securities and cash collateral at period end are disclosed on the Fund’s Statement of Assets and Liabilities. At period end, there were no security loans outstanding with FCM. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Total security lending income during the period amounted to \$261,417, including \$86 from securities loaned to FCM.

## 9. Expense Reductions.

Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of the Fund include an amount in addition to trade execution, which may be rebated back to the Fund to offset certain expenses. This amount totaled \$1,110,765 for the period. In addition, through arrangements with the Fund’s custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund’s expenses. During the period, these credits reduced the Fund’s custody expenses by \$293.

In addition, during the period the investment adviser reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$99,861.

## Notes to Financial Statements (Unaudited) – continued

### 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2018	Year ended December 31, 2017
<b>From net investment income</b>		
Initial Class	\$ 12,835,860	\$ 72,522,215
Service Class	2,419,441	13,446,755
Service Class 2	12,305,574	68,183,160
Investor Class	2,439,217	13,643,091
Total	<u>\$ 30,000,092</u>	<u>\$ 167,795,221</u>
<b>From net realized gain</b>		
Initial Class	\$ 646,927,364	\$ 387,865,841
Service Class	134,340,468	79,829,047
Service Class 2	806,261,203	472,898,767
Investor Class	133,181,259	77,044,959
Total	<u>\$1,720,710,294</u>	<u>\$1,017,638,614</u>

### 11. Share Transactions.

Transactions for each class of shares were as follows:

	Shares Six months ended June 30, 2018	Shares Year ended December 31, 2017	Dollars Six months ended June 30, 2018	Dollars Year ended December 31, 2017
<b>Initial Class</b>				
Shares sold	1,773,397	4,614,129	\$ 64,720,448	\$ 164,590,229
Reinvestment of distributions	19,467,785	13,138,586	659,763,224	460,388,056
Shares redeemed	(15,526,446)	(27,023,436)	(564,512,408)	(965,808,041)
Net increase (decrease)	<u>5,714,736</u>	<u>(9,270,721)</u>	<u>\$ 159,971,264</u>	<u>\$ (340,829,756)</u>
<b>Service Class</b>				
Shares sold	612,950	1,491,143	\$ 22,396,590	\$ 53,076,113
Reinvestment of distributions	4,055,751	2,676,168	136,759,909	93,275,802
Shares redeemed	(2,836,535)	(5,849,185)	(102,962,391)	(207,172,250)
Net increase (decrease)	<u>1,832,166</u>	<u>(1,681,874)</u>	<u>\$ 56,194,108</u>	<u>\$ (60,820,335)</u>
<b>Service Class 2</b>				
Shares sold	6,591,596	15,028,601	\$ 232,531,961	\$ 522,007,548
Reinvestment of distributions	24,790,030	15,821,660	818,566,777	541,081,927
Shares redeemed	(23,965,311)	(31,821,656)	(840,074,838)	(1,110,004,186)
Net increase (decrease)	<u>7,416,315</u>	<u>(971,395)</u>	<u>\$ 211,023,900</u>	<u>\$ (46,914,711)</u>
<b>Investor Class</b>				
Shares sold	551,494	1,548,363	\$ 19,839,626	\$ 54,849,925
Reinvestment of distributions	4,025,541	2,599,769	135,620,476	90,688,050
Shares redeemed	(2,066,126)	(3,193,633)	(75,216,307)	(114,863,669)
Net increase (decrease)	<u>2,510,909</u>	<u>954,499</u>	<u>\$ 80,243,795</u>	<u>\$ 30,674,306</u>

### 12. Other.

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

At the end of the period, the investment adviser or its affiliates were the owners of record of 12% of the total outstanding shares of the Fund and one otherwise unaffiliated shareholder was the owner of record of 10% of the total outstanding shares of the Fund.

# Shareholder Expense Example

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

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2018 to June 30, 2018).

## Actual Expenses

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

## Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2018	Ending Account Value June 30, 2018	Expenses Paid During Period <sup>B</sup> January 1, 2018 to June 30, 2018
Initial Class	.62%			
Actual		\$1,000.00	\$1,032.30	\$3.12
Hypothetical <sup>C</sup>		\$1,000.00	\$1,021.72	\$3.11
Service Class	.72%			
Actual		\$1,000.00	\$1,031.70	\$3.63
Hypothetical <sup>C</sup>		\$1,000.00	\$1,021.22	\$3.61
Service Class 2	.87%			
Actual		\$1,000.00	\$1,030.90	\$4.38
Hypothetical <sup>C</sup>		\$1,000.00	\$1,020.48	\$4.36
Investor Class	.70%			
Actual		\$1,000.00	\$1,031.80	\$3.53
Hypothetical <sup>C</sup>		\$1,000.00	\$1,021.32	\$3.51

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

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

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

