

Fidelity® Variable Insurance Products: Mid Cap Portfolio



Semiannual Report
June 30, 2011



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

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

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

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Neither the fund nor Fidelity Distributors Corporation is a bank.

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, 2011 to June 30, 2011).

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	Beginning Account Value January 1, 2011	Ending Account Value June 30, 2011	Expenses Paid During Period ^A January 1, 2011 to June 30, 2011
Initial Class	.66%			
Actual		\$ 1,000.00	\$ 1,009.50	\$ 3.29
Hypothetical ^A		\$ 1,000.00	\$ 1,021.52	\$ 3.31
Service Class	.76%			
Actual		\$ 1,000.00	\$ 1,008.90	\$ 3.79
Hypothetical ^A		\$ 1,000.00	\$ 1,021.03	\$ 3.81
Service Class 2	.91%			
Actual		\$ 1,000.00	\$ 1,008.10	\$ 4.53
Hypothetical ^A		\$ 1,000.00	\$ 1,020.28	\$ 4.56
Investor Class	.74%			
Actual		\$ 1,000.00	\$ 1,008.90	\$ 3.69
Hypothetical ^A		\$ 1,000.00	\$ 1,021.12	\$ 3.71

^A 5% return per year before expenses

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

Investment Changes (Unaudited)

Top Ten Stocks as of June 30, 2011

	% of fund's net assets	% of fund's net assets 6 months ago
Advance Auto Parts, Inc.	4.7	5.4
Reinsurance Group of America, Inc.	2.5	2.3
Allscripts-Misys Healthcare Solutions, Inc.	2.3	2.7
Hasbro, Inc.	2.2	2.9
Applied Materials, Inc.	2.2	0.0
Vertex Pharmaceuticals, Inc.	2.1	2.3
eBay, Inc.	1.8	6.3
Corning, Inc.	1.6	0.0
Rovi Corp.	1.6	0.5
Intuit, Inc.	1.6	0.0
	<u>22.6</u>	

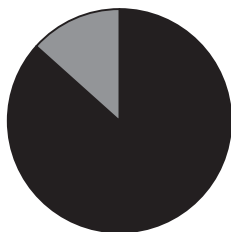
Top Five Market Sectors as of June 30, 2011

	% of fund's net assets	% of fund's net assets 6 months ago
Information Technology	22.4	20.1
Consumer Discretionary	16.9	19.7
Health Care	16.2	17.8
Financials	9.8	11.0
Energy	9.5	6.6

Asset Allocation (% of fund's net assets)

As of June 30, 2011 *

■ Stocks	86.6%
■ Short-Term Investments and Net Other Assets	13.4%
□ Other Investments	0.0%†

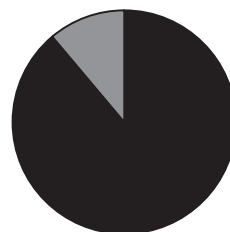


* Foreign investments 25.0%

† Amount represents less than 0.1%

As of December 31, 2010 **

■ Stocks	88.9%
■ Short-Term Investments and Net Other Assets	11.1%
□ Other Investments	0.0%†



** Foreign investments 23.6%

Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

Common Stocks – 86.6%

	Shares	Value
CONSUMER DISCRETIONARY – 16.9%		
Auto Components – 0.7%		
Exide Industries Ltd.	7,109,018	\$ 25,748,885
Fuel Systems Solutions, Inc. (a)(d)(e) ...	1,193,326	29,773,484
Minth Group Ltd.	540,000	872,966
New Focus Auto Tech Holdings Ltd. (a) .	5,687,675	1,754,158
		<u>58,149,493</u>
Automobiles – 0.1%		
Geely Automobile Holdings Ltd.	22,535,000	8,803,470
Thor Industries, Inc.	100	2,884
		<u>8,806,354</u>
Distributors – 0.0%		
LKQ Corp. (a)	100	2,609
Diversified Consumer Services – 0.6%		
DeVry, Inc.	32,500	1,921,725
Grand Canyon Education, Inc. (a)	2,009,518	28,494,965
MegaStudy Co. Ltd.	102,675	13,799,056
		<u>44,215,746</u>
Hotels, Restaurants & Leisure – 0.8%		
Jubilant Foodworks Ltd. (a)	1,197,618	25,573,156
Papa John's International, Inc. (a)	400	13,304
Spur Corp. Ltd.	13,016	26,660
Starbucks Corp.	1,064,987	42,056,337
		<u>67,669,457</u>
Household Durables – 0.0%		
La-Z-Boy, Inc. (a)	100	987
Internet & Catalog Retail – 0.1%		
Blue Nile, Inc. (a)	100	4,398
Nefflix, Inc. (a)(d)	11,968	3,143,874
Start Today Co. Ltd.	17,400	347,376
		<u>3,495,648</u>
Leisure Equipment & Products – 2.2%		
Hasbro, Inc.	4,128,366	181,359,118
Media – 3.8%		
Den Networks Ltd. (a)	2,368,234	4,632,463
Discovery Communications, Inc. (a)	1,185,898	48,574,382
E.W. Scripps Co. Class A (a)	33	319
Ipsos SA	110	5,152
Pearson PLC sponsored ADR	100	1,901
Proto Corp.	47,400	1,645,706
Sun TV Ltd.	8,563,390	66,599,880
The Walt Disney Co.	1,463,976	57,153,623
Time Warner, Inc.	3,397,250	123,557,983
Value Line, Inc. (d)	87,074	1,167,662
Zee Entertainment Enterprises Ltd.	1,004,507	3,036,253
		<u>306,375,324</u>
Multiline Retail – 0.2%		
Clicks Group Ltd.	2,217,122	13,853,324

	Shares	Value
Marisa Lojas SA	1,700	\$ 25,918
Mothercare PLC	33,409	213,400
		<u>14,092,642</u>
Specialty Retail – 8.3%		
Advance Auto Parts, Inc. (e)	6,509,352	380,731,999
Guess?, Inc.	893,026	37,560,674
Lumber Liquidators Holdings, Inc. (a) ...	100	2,540
Ross Stores, Inc.	1,201,178	96,238,381
Sally Beauty Holdings, Inc. (a)	3,827,792	65,455,243
TJX Companies, Inc.	797,027	41,867,828
Tsutsumi Jewelry Co. Ltd.	85,500	2,053,020
Urban Outfitters, Inc. (a)	1,839,661	51,786,457
		<u>675,696,142</u>
Textiles, Apparel & Luxury Goods – 0.1%		
Anta Sports Products Ltd.	1,000	1,786
Daphne International Holdings Ltd.	8,088,000	7,213,123
		<u>7,214,909</u>
TOTAL CONSUMER DISCRETIONARY		<u>1,367,078,429</u>
CONSUMER STAPLES – 1.8%		
Beverages – 0.6%		
Molson Coors Brewing Co. Class B	1,112,109	49,755,757
Food & Staples Retailing – 0.1%		
Breadtalk Group Ltd.	1,200	586
Circle K Sunkus Co. Ltd.	268,600	4,190,415
Fresh Market, Inc.	7,100	274,628
Heng Tai Consumables Group Ltd.	12,553,163	1,258,260
Magnit OJSC GDR (Reg. S)	100	3,139
PriceSmart, Inc.	100	5,123
		<u>5,732,151</u>
Food Products – 1.0%		
Britannia Industries Ltd.	208,920	2,243,210
Rocky Mountain Chocolate Factory, Inc.	105	1,037
Smart Balance, Inc. (a)	100	518
SunOpta, Inc. (a)	1,919,731	13,649,299
Want Want China Holdings Ltd.	65,053,600	63,116,225
		<u>79,010,289</u>
Household Products – 0.0%		
Jyothy Laboratories Ltd.	391,825	1,910,838
Personal Products – 0.1%		
Concern Kalina OJSC:		
GDR (f)	21,643	1,104,480
sponsored ADR	94,200	4,807,191
		<u>5,911,671</u>
TOTAL CONSUMER STAPLES		<u>142,320,706</u>
ENERGY – 9.5%		
Energy Equipment & Services – 7.1%		
Atwood Oceanics, Inc. (a)	1,277,653	56,382,827

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
ENERGY – continued		
Energy Equipment & Services – continued		
Dresser-Rand Group, Inc. (a)	808,204	\$ 43,440,965
Enesco International Ltd. ADR	1,540,203	82,092,820
FMC Technologies, Inc. (a)	476,000	21,320,040
Helix Energy Solutions Group, Inc. (a)	4,085,770	67,660,351
Nabors Industries Ltd. (a)	3,251,732	80,122,676
Parker Drilling Co. (a)	3,904,053	22,838,710
Patterson-UTI Energy, Inc.	3,033,380	95,885,142
Unit Corp. (a)	342,966	20,896,918
Weatherford International Ltd. (a)	4,498,477	84,346,444
		<u>574,986,893</u>
Oil, Gas & Consumable Fuels – 2.4%		
Apache Corp.	407,676	50,303,142
Clean Energy Fuels Corp. (a)	100	1,315
Kodiak Oil & Gas Corp. (a)(d)	1,848,887	10,668,078
Magnum Hunter Resources Corp. (a)(d)	5,043,896	34,096,737
Pioneer Natural Resources Co.	457,679	40,994,308
Plains Exploration & Production Co. (a)	4,800	182,976
Talisman Energy, Inc.	982,100	20,173,580
Uranium One, Inc.	11,629,900	32,077,493
Voyager Oil & Gas, Inc. warrants 2/4/16 (a)	908,661	984,512
Whiting Petroleum Corp. (a)	156,200	8,889,342
		<u>198,371,483</u>
TOTAL ENERGY		<u>773,358,376</u>
FINANCIALS – 9.8%		
Capital Markets – 3.0%		
Invesco Ltd.	5,051,481	118,204,655
Janus Capital Group, Inc.	5,615,437	53,009,725
Marusan Securities Co. Ltd.	2,856,700	11,673,316
Northern Trust Corp.	517,953	23,805,120
SEI Investments Co.	849,118	19,113,646
Waddell & Reed Financial, Inc. Class A	544,462	19,791,194
		<u>245,597,656</u>
Commercial Banks – 0.8%		
Bank of Baroda	634,966	12,692,591
Union Bank of India	7,699,690	50,708,773
		<u>63,401,364</u>
Consumer Finance – 0.3%		
Discover Financial Services	930,600	24,893,550
Diversified Financial Services – 0.2%		
CRISIL Ltd.	88,258	13,738,130
SREI Infrastructure Finance Ltd.	100	96
		<u>13,738,226</u>
Insurance – 4.7%		
Admiral Group	222,460	5,930,203
AFLAC, Inc.	100	4,668

	Shares	Value
Brasil Insurance Participacoes e Administracao SA	5,600	\$ 6,995,068
Lincoln National Corp.	357,500	10,185,175
Old Republic International Corp.	3,343,133	39,281,813
Porto Seguro SA	1,988,200	30,948,216
Progressive Corp.	1,636,438	34,987,044
Protective Life Corp.	2,007,169	46,425,819
Reinsurance Group of America, Inc.	3,393,011	206,498,649
		<u>381,256,655</u>
Real Estate Management & Development – 0.8%		
Goldcrest Co. Ltd.	1,040,610	21,638,227
Housing Development and Infrastructure Ltd. (a)	1,168,098	4,179,817
Iguatemi Empresa de Shopping Centers SA	568,900	13,975,604
Kenedix, Inc. (a)	31,405	5,503,320
Sobha Developers Ltd.	177,014	1,027,459
Songbird Estates PLC Class B (a)	6,900	16,998
Wharf Holdings Ltd.	3,085,000	21,427,603
		<u>67,769,028</u>
Thriffs & Mortgage Finance – 0.0%		
People's United Financial, Inc.	100	1,344
TOTAL FINANCIALS		<u>796,657,823</u>
HEALTH CARE – 16.2%		
Biotechnology – 2.8%		
3SBio, Inc. sponsored ADR (a)	414,462	7,224,073
Abcam PLC	1,071,400	7,165,974
Ardea Biosciences, Inc. (a)	219,966	5,600,334
Genomic Health, Inc. (a)	1,302,302	36,347,249
Halozyne Therapeutics, Inc. (a)	100	691
ImmunoGen, Inc. (a)	247,750	3,020,073
Nanosphere, Inc. (a)	669,053	1,210,986
Pharmacyclics, Inc. (a)	100	1,044
Sangamo Biosciences, Inc. (a)(d)	197,488	1,163,204
Sino Biopharmaceutical Ltd.	7,999	2,868
Vertex Pharmaceuticals, Inc. (a)	3,221,707	167,496,547
		<u>229,233,043</u>
Health Care Equipment & Supplies – 3.1%		
CareFusion Corp. (a)	12,800	347,776
Edwards Lifesciences Corp. (a)	917,400	79,978,932
Genmark Diagnostics, Inc.	587,100	3,422,793
HeartWare International, Inc. CDI (a)	100	207
Kinetic Concepts, Inc. (a)	1,686,348	97,184,235
Nobel Biocare Holding AG (Switzerland)	585,398	11,934,961
NxStage Medical, Inc. (a)	1,038,539	21,622,382
Opto Circuits India Ltd.	1,233,148	8,253,222
Quidel Corp. (a)(d)	868,123	13,152,063
Shandong Weigao Group Medical Polymer Co. Ltd. (H Shares)	8,916,000	12,855,401
		<u>248,751,972</u>

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

Common Stocks – continued

	Shares	Value
HEALTH CARE – continued		
Health Care Providers & Services – 2.9%		
HMS Holdings Corp. (a)	100	\$ 7,687
IPC The Hospitalist Co., Inc. (a)	192,991	8,945,133
Laboratory Corp. of America Holdings (a)	410,525	39,734,715
McKesson Corp.	1,283,783	107,388,448
Medco Health Solutions, Inc. (a)	1,352,800	76,460,256
		<u>232,536,239</u>
Health Care Technology – 4.7%		
Allscripts-Misys Healthcare Solutions, Inc. (a)	9,469,175	183,891,379
athenahealth, Inc. (a)(d)(e)	1,978,804	81,328,844
Cerner Corp. (a)(d)	1,742,566	106,488,208
Computer Programs & Systems, Inc.	147,822	9,383,741
So-net M3, Inc. (d)	342	2,489,186
		<u>383,581,358</u>
Life Sciences Tools & Services – 1.7%		
QIAGEN NV (a)	783,712	14,906,202
Thermo Fisher Scientific, Inc. (a)	1,909,505	122,953,027
		<u>137,859,229</u>
Pharmaceuticals – 1.0%		
Aspen Pharmacare Holdings Ltd.	1,343,358	16,688,171
AVANIR Pharmaceuticals Class A (a)	100	336
Cadila Healthcare Ltd.	305,994	6,295,743
China Pharma Holdings, Inc. (a)(d)	39,073	87,914
Cipla Ltd.	1,748,475	12,969,587
Hikma Pharmaceuticals PLC	100	1,220
Pharmstandard OJSC unit (a)	970,528	22,128,038
Piramal Healthcare Ltd.	849,860	7,565,525
Questcor Pharmaceuticals, Inc. (a)	652,191	15,717,803
Unichem Laboratories Ltd.	929,391	3,138,230
		<u>84,592,567</u>
TOTAL HEALTH CARE		<u>1,316,554,408</u>
INDUSTRIALS – 3.7%		
Air Freight & Logistics – 0.6%		
Business Post Group PLC	200	912
Deutsche Post AG	2,467,581	47,418,209
		<u>47,419,121</u>
Airlines – 0.2%		
Copa Holdings SA Class A	248,000	16,551,520
Building Products – 0.1%		
Blue Star Ltd.	1,013,255	6,754,277
Commercial Services & Supplies – 0.1%		
Blue Label Telecoms Ltd.	2,878,652	2,141,385
Copart, Inc. (a)	41	1,911

	Shares	Value
EnerNOC, Inc. (a)(d)	295,975	\$ 4,658,647
Steelcase, Inc. Class A	100	1,139
		<u>6,803,082</u>
Construction & Engineering – 0.2%		
Fluor Corp.	187,335	12,113,081
Electrical Equipment – 0.3%		
Acuity Brands, Inc.	410,492	22,897,244
AstroPower, Inc. (a)	100	0
		<u>22,897,244</u>
Industrial Conglomerates – 0.8%		
Carlisle Companies, Inc.	402,982	19,838,804
Koninklijke Philips Electronics NV	1,157,092	29,740,409
Max India Ltd. (a)	4,043,756	16,612,652
		<u>66,191,865</u>
Machinery – 0.7%		
AGCO Corp. (a)	403,087	19,896,374
CIRCOR International, Inc.	182,676	7,824,013
Eaton Corp.	148,645	7,647,785
Energy Recovery, Inc. (a)	100	327
EVA Precision Industrial Holdings Ltd.	12,184,000	3,726,401
Fanuc Corp.	66,200	11,067,417
Nippon Thompson Co. Ltd.	1,139,000	9,410,229
Spirax-Sarco Engineering PLC	100	3,211
Uzel Makina Sanayi AS (a)	456,690	3
		<u>59,575,760</u>
Professional Services – 0.7%		
Advisory Board Co. (a)	100	5,788
Corporate Executive Board Co.	339,957	14,839,123
eClerx	559,939	10,592,169
en-japan, Inc.	1,285	1,687,365
Equifax, Inc.	279,712	9,711,601
JobStreet Corp. Bhd	2,617,600	2,540,013
Randstad Holdings NV	433,336	20,032,392
		<u>59,408,451</u>
Road & Rail – 0.0%		
Old Dominion Freight Lines, Inc. (a)	150	5,595
TOTAL INDUSTRIALS		<u>297,719,996</u>
INFORMATION TECHNOLOGY – 22.4%		
Communications Equipment – 0.5%		
BYD Electronic International Co. Ltd.	100	42
DG FastChannel, Inc. (a)	770,371	24,690,391
HTC Corp.	358,000	12,008,542
MIC Electronics Ltd. (a)	1,883,689	588,785
		<u>37,287,760</u>
Computers & Peripherals – 1.0%		
Gemalto NV	1,672,915	80,004,889
Lenovo Group Ltd. ADR	10,700	121,766
		<u>80,126,655</u>

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

Investments (Unaudited) – continued

Common Stocks – continued

	Shares	Value
INFORMATION TECHNOLOGY – continued		
Electronic Equipment & Components – 3.0%		
Corning, Inc.	7,340,300	\$ 133,226,445
Digital China Holdings Ltd. (H Shares) ..	20,188,300	32,688,352
Ingenico SA (d)	1,343,180	65,492,230
Itron, Inc. (a)	287,857	13,863,193
L-1 Identity Solutions, Inc. (a)	100	1,175
SYNNEX Corp. (a)	100	3,170
		<u>245,274,565</u>
Internet Software & Services – 4.2%		
Alibaba.com Ltd.	500	797
Ancestry.com, Inc. (a)	100	4,139
comScore, Inc. (a)	100	2,590
Constant Contact, Inc. (a)(d)	659,485	16,737,729
DeNA Co. Ltd.	1,155,100	49,664,461
eBay, Inc. (a)	4,434,959	143,116,127
INFO Edge India Ltd.	70,574	1,141,945
Kakaku.com, Inc.	2,190	15,395,915
NHN Corp. (a)	55,606	9,849,609
Support.com, Inc. (a)	698,823	3,354,350
ValueClick, Inc. (a)	12,754	211,716
VeriSign, Inc.	706,097	23,626,006
VistaPrint Ltd. (a)	790,945	37,846,718
Web.com, Inc. (a)	43	530
WebMD Health Corp. (a)	785,810	35,817,220
		<u>336,769,852</u>
IT Services – 2.3%		
Computer Task Group, Inc. (a)	28,485	375,147
Fiserv, Inc. (a)	1,326,630	83,086,837
MasterCard, Inc. Class A	290,808	87,632,083
Wipro Ltd. sponsored ADR (d)	1,000,000	13,170,000
		<u>184,264,067</u>
Office Electronics – 0.9%		
Xerox Corp.	7,428,325	77,328,863
Semiconductors & Semiconductor Equipment – 5.3%		
Aixtron AG	60	2,048
Aixtron AG sponsored ADR	100	3,412
Altera Corp.	645,245	29,907,106
Applied Materials, Inc.	13,396,309	174,285,980
Entegris, Inc. (a)	4,403,614	44,564,574
KLA-Tencor Corp.	100	4,048
Kontron AG	2,664,720	28,447,640
Marvell Technology Group Ltd. (a)	4,059,743	59,942,105
NVIDIA Corp. (a)	100	1,594
PMC-Sierra, Inc. (a)	8,229,261	62,295,506
Siliconware Precision Industries Co. Ltd. sponsored ADR (d)	5,214,973	32,437,132
		<u>431,891,145</u>
Software – 5.2%		
Citrix Systems, Inc. (a)	100	8,000

	Shares	Value
Concur Technologies, Inc. (a)	100	\$ 5,007
DemandTec, Inc. (a)	100	910
ebix.com, Inc. (a)	41,749	795,318
Electronic Arts, Inc. (a)	1,686,949	39,811,996
Intuit, Inc. (a)	2,400,156	124,472,090
Kingdee International Software Group Co. Ltd.	41,512,800	22,298,777
Longtop Financial Technologies Ltd. ADR (a)(d)	4,261,208	8,066,467
MICROS Systems, Inc. (a)	100	4,971
NetSuite, Inc. (a)	43	1,686
PROS Holdings, Inc. (a)	100	1,749
Rovi Corp. (a)	2,278,952	130,720,687
Royalblue Group PLC	200	6,217
Solera Holdings, Inc.	582,353	34,452,003
Ubisoft Entertainment SA (a)(e)	5,093,234	51,064,377
VanceInfo Technologies, Inc. ADR (a)(d)	332,800	7,691,008
		<u>419,401,263</u>
TOTAL INFORMATION TECHNOLOGY		<u>1,812,344,170</u>
MATERIALS – 5.5%		
Chemicals – 0.3%		
Ecolab, Inc.	100	5,638
ShengdaTech, Inc. (a)	100	46
Zoltek Companies, Inc. (a)(d)(e)	2,507,325	26,402,132
		<u>26,407,816</u>
Containers & Packaging – 0.0%		
Aptargroup, Inc.	100	5,234
Ball Corp.	932	35,845
		<u>41,079</u>
Metals & Mining – 5.2%		
Barrick Gold Corp.	257,100	11,674,004
Centerra Gold, Inc.	469,400	7,787,640
Eldorado Gold Corp.	374,385	5,524,159
Goldcorp, Inc.	611,700	29,589,180
IAMGOLD Corp.	3,602,100	67,754,141
Kinross Gold Corp.	6,090,761	96,186,531
Kinross Gold Corp. warrants 9/17/14 (a)	85,492	217,187
Newcrest Mining Ltd.	3,069,496	124,142,620
Newmont Mining Corp.	1,088,808	58,762,968
Yamana Gold, Inc.	1,492,554	17,426,543
		<u>419,064,973</u>
TOTAL MATERIALS		<u>445,513,868</u>
TELECOMMUNICATION SERVICES – 0.7%		
Wireless Telecommunication Services – 0.7%		
NII Holdings, Inc. (a)	1,261,425	53,459,192

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

Common Stocks – continued

	Shares	Value
UTILITIES – 0.1%		
Gas Utilities – 0.0%		
China Natural Gas, Inc. (a)	100	\$ 382
Independent Power Producers & Energy Traders – 0.1%		
Calpine Corp. (a)	443,915	7,160,349
Water Utilities – 0.0%		
Cadiz, Inc. (a)	100	1,086
TOTAL UTILITIES		7,161,817
TOTAL COMMON STOCKS		
(Cost \$5,872,002,623)		7,012,168,785

Nonconvertible Bonds – 0.0%

	Principal Amount	
CONSUMER STAPLES – 0.0%		
Food Products – 0.0%		
Britannia Industries Ltd. 8.25% 3/22/13 (g)		
(Cost \$109,955)	INR 41,784	155,414

Money Market Funds – 13.8%

	Shares	
Fidelity Cash Central Fund, 0.11% (b)	856,340,972	856,340,972
Fidelity Securities Lending Cash Central Fund, 0.11% (b)(c)	259,808,314	259,808,314
TOTAL MONEY MARKET FUNDS		
(Cost \$1,116,149,286)		1,116,149,286
TOTAL INVESTMENT PORTFOLIO – 100.4%		
(Cost \$6,988,261,864)		8,128,473,485
NET OTHER ASSETS (LIABILITIES) – (0.4)%		
		(28,720,301)
NET ASSETS – 100%		
		\$ 8,099,753,184

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	\$ 834,576
Fidelity Securities Lending Cash Central Fund	1,047,186
Total	<u>\$ 1,881,762</u>

Legend

- (a) Non-income producing
- (b) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.
- (c) Investment made with cash collateral received from securities on loan.
- (d) Security or a portion of the security is on loan at period end.
- (e) Affiliated company
- (f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$1,104,480 or 0.0% of net assets.
- (g) Principal amount shown represents units.

Currency Abbreviations

INR — Indian Rupee

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

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	Value, end of period
Advance Auto Parts, Inc.	\$ 430,593,635	\$ —	\$ —	\$ 781,122	\$ 380,731,999
Allscripts-Misys Healthcare Solutions, Inc.	210,229,437	—	31,771,315	—	—
athenahealth, Inc.	104,807,702	—	27,351,436	—	81,328,844
Fuel Systems Solutions, Inc.	39,522,475	2,142,172	5,629,167	—	29,773,484
Parker Drilling Co.	29,028,608	—	13,803,454	—	—
Patterson-UTI Energy, Inc.	173,000,599	—	128,996,385	373,448	—
PMC-Sierra, Inc.	116,328,477	—	38,062,016	—	—
Ubisoft Entertainment SA	54,477,231	—	—	—	51,064,377
Zoltek Companies, Inc.	22,136,973	6,939,916	—	—	26,402,132
Total	<u>\$ 1,180,125,137</u>	<u>\$ 9,082,088</u>	<u>\$ 245,613,773</u>	<u>\$ 1,154,570</u>	<u>\$ 569,300,836</u>

Other Information

The following is a summary of the inputs used, as of June 30, 2011, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the tables below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Equities:				
Consumer Discretionary	\$ 1,367,078,429	\$ 1,363,032,327	\$ 4,046,102	\$ —
Consumer Staples	142,320,706	138,130,291	4,190,415	—
Energy	773,358,376	772,373,864	984,512	—
Financials	796,657,823	694,441,596	102,216,227	—
Health Care	1,316,554,408	1,314,065,222	2,489,186	—
Industrials	297,719,996	245,814,573	51,905,420	3
Information Technology	1,812,344,170	1,739,215,279	65,062,424	8,066,467
Materials	445,513,868	445,513,868	—	—
Telecommunication Services	53,459,192	53,459,192	—	—
Utilities	7,161,817	7,161,817	—	—
Corporate Bonds	155,414	—	155,414	—
Money Market Funds	1,116,149,286	1,116,149,286	—	—
Total Investments in Securities:	<u>\$ 8,128,473,485</u>	<u>\$ 7,889,357,315</u>	<u>\$ 231,049,700</u>	<u>\$ 8,066,470</u>

The following is a reconciliation of Investments in Securities for which Level 3 inputs were used in determining value:

Investments in Securities:

Beginning Balance	\$ 3
Total Realized Gain (Loss)	—
Total Unrealized Gain (Loss)	(146,104,038)
Cost of Purchases	—
Proceeds of Sales	—
Amortization/Accretion	—
Transfers in to Level 3	154,170,505
Transfers out of Level 3	—
Ending Balance	<u>\$ 8,066,470</u>

The change in unrealized gain (loss) for the period attributable to Level 3 securities held at June 30, 2011

\$(146,104,038)

The information used in the above reconciliation represents fiscal year to date activity for any Investments in Securities identified as using Level 3 inputs at either the beginning or the end of the current fiscal period. Transfers in or out of Level 3 represent the beginning value of any Security or Instrument where a change in the pricing level occurred from the beginning to the end of the period. The cost of purchases and the proceeds of sales may include securities received or delivered through corporate actions or exchanges. Realized and unrealized gains (losses) disclosed in the reconciliation are included in Net Gain (Loss) on the Fund's Statement of Operations.

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

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

United States of America	75.0%
Canada	4.0%
India	3.6%
Bermuda	2.7%
Netherlands	1.9%
Cayman Islands	1.7%
Japan	1.6%
Australia	1.5%
France	1.4%
United Kingdom	1.2%
Switzerland	1.1%
Others (Individually Less Than 1%)	4.3%
	<u>100.0%</u>

Income Tax Information

At December 31, 2010, the Fund had a capital loss carryforward of approximately \$915,744,188 of which \$37,988,452 and \$877,755,736 will expire in fiscal 2016 and 2017, respectively. Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited.

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

Financial Statements

Statement of Assets and Liabilities

June 30, 2011 (Unaudited)

Assets

Investment in securities, at value (including securities loaned of \$253,405,950) — See accom- panying schedule:		
Unaffiliated issuers (cost \$5,420,914,049)	\$6,443,023,363	
Fidelity Central Funds (cost \$1,116,149,286)	1,116,149,286	
Other affiliated issuers (cost \$451,198,529)	<u>569,300,836</u>	
Total Investments (cost \$6,988,261,864)		\$8,128,473,485
Cash		54,219
Receivable for investments sold		89,642,026
Receivable for fund shares sold		161,931,422
Dividends receivable		3,289,408
Interest receivable		3,062
Distributions receivable from Fidelity Central Funds		163,827
Other receivables		<u>291,885</u>
Total assets		<u>8,383,849,334</u>

Liabilities

Payable to custodian bank	\$ 43,482	
Payable for investments purchased	10,900,486	
Payable for fund shares redeemed	6,209,742	
Accrued management fee	3,623,009	
Distribution and service plan fees payable	1,189,491	
Other affiliated payables	555,783	
Other payables and accrued expenses	1,765,843	
Collateral on securities loaned, at value	<u>259,808,314</u>	
Total liabilities		<u>284,096,150</u>

Net Assets		<u>\$8,099,753,184</u>
Net Assets consist of:		
Paid in capital		\$6,745,490,779
Undistributed net investment income		68,350
Accumulated undistributed net real- ized gain (loss) on investments and foreign currency transactions		215,352,647
Net unrealized appreciation (depreciation) on investments and assets and liabilities in foreign currencies		<u>1,138,841,408</u>
Net Assets		<u>\$8,099,753,184</u>

Statement of Assets and Liabilities – continued

June 30, 2011 (Unaudited)

Initial Class:

Net Asset Value , offering price and redemption price per share (\$1,342,302,867 ÷ 40,675,388 shares)		<u>\$ 33.00</u>
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Service Class:

Net Asset Value , offering price and redemption price per share (\$703,392,850 ÷ 21,440,033 shares)		<u>\$ 32.81</u>
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Service Class 2:

Net Asset Value , offering price and redemption price per share (\$5,678,036,743 ÷ 175,321,854 shares)		<u>\$ 32.39</u>
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Investor Class:

Net Asset Value , offering price and redemption price per share (\$376,020,724 ÷ 11,434,031 shares)		<u>\$ 32.89</u>
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See accompanying notes which are an integral part of the financial statements.

Statement of Operations

Six months ended June 30, 2011 (Unaudited)

Investment Income

Dividends (including \$1,154,570 earned from other affiliated issuers)	\$ 32,128,010
Interest	36,247
Income from Fidelity Central Funds	1,881,762
Total income	<u>34,046,019</u>

Expenses

Management fee	\$ 22,691,071
Transfer agent fees	3,110,670
Distribution and service plan fees	7,426,058
Accounting and security lending fees	643,391
Custodian fees and expenses	348,192
Independent trustees' compensation	20,720
Audit	41,696
Legal	5,369
Miscellaneous	46,673
Total expenses before reductions	34,333,840
Expense reductions	(356,171)
	<u>33,977,669</u>

Net investment income (loss) 68,350

Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	1,113,006,245	
Other affiliated issuers	75,727,384	
Foreign currency transactions	(161,800)	
Total net realized gain (loss)		1,188,571,829
Change in net unrealized appreciation (depreciation) on:		
Investment securities (net of increase in deferred foreign taxes of \$1,421,875)	(1,120,950,342)	
Assets and liabilities in foreign currencies	64,185	
Total change in net unrealized appreciation (depreciation)		<u>(1,120,886,157)</u>
Net gain (loss)		<u>67,685,672</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 67,754,022</u>

Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 68,350	\$ 15,112,664
Net realized gain (loss)	1,188,571,829	619,912,988
Change in net unrealized appreciation (depreciation)	(1,120,886,157)	1,148,351,385
Net increase (decrease) in net assets resulting from operations	<u>67,754,022</u>	<u>1,783,377,037</u>
Distributions to shareholders from net investment income	—	(13,169,709)
Distributions to shareholders from net realized gain	—	(23,446,281)
Total distributions	<u>—</u>	<u>(36,615,990)</u>
Share transactions – net increase (decrease)	47,204,282	(578,316,054)
Total increase (decrease) in net assets	<u>114,958,304</u>	<u>1,168,444,993</u>
Net Assets		
Beginning of period	7,984,794,880	6,816,349,887
End of period (including undistributed net investment income of \$68,350 and undistributed net investment income of \$0, respectively)	<u>\$8,099,753,184</u>	<u>\$7,984,794,880</u>

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

Financial Highlights — Initial Class

	Six months ended June 30, 2011 (Unaudited)		Years ended December 31,			
	2010	2009	2008	2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 32.69	\$ 25.54	\$ 18.43	\$ 36.16	\$ 34.77	\$ 35.11
Income from Investment Operations						
Net investment income (loss) ^E	.03	.11	.12	.14	.21	.19
Net realized and unrealized gain (loss)	.28	7.24	7.26	(12.75)	4.80	3.93
Total from investment operations	.31	7.35	7.38	(12.61)	5.01	4.12
Distributions from net investment income	—	(.11)	(.15)	(.13)	(.33)	(.13)
Distributions from net realized gain	—	(.09)	(.12)	(4.99)	(3.29)	(4.33)
Total distributions	—	(.20)	(.27) ^I	(5.12)	(3.62)	(4.46)
Net asset value, end of period	\$ 33.00	\$ 32.69	\$ 25.54	\$ 18.43	\$ 36.16	\$ 34.77
Total Return^{B,C,D}	.95%	28.83%	40.09%	(39.44)%	15.63%	12.70%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.66% ^A	.66%	.68%	.68%	.67%	.68%
Expenses net of fee waivers, if any	.66% ^A	.66%	.68%	.68%	.67%	.68%
Expenses net of all reductions	.65% ^A	.66%	.68%	.67%	.66%	.66%
Net investment income (loss)	.19% ^A	.40%	.54%	.55%	.59%	.58%
Supplemental Data						
Net assets, end of period (000 omitted)	\$1,342,303	\$1,372,063	\$1,053,796	\$809,243	\$1,532,407	\$1,352,385
Portfolio turnover rate ^G	97% ^A	25%	57%	145%	113%	149%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^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 Calculated based on average shares outstanding during the period.

^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 Amount does not include the portfolio activity 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 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.

^I Total distributions of \$.27 per share is comprised of distributions from net investment income of \$.153 and distributions from net realized gain of \$.115 per share.

Financial Highlights — Service Class

	Six months ended June 30, 2011 (Unaudited)		Years ended December 31,			
	2010	2009	2008	2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 32.52	\$ 25.40	\$ 18.33	\$ 35.98	\$ 34.59	\$ 34.95
Income from Investment Operations						
Net investment income (loss) ^E	.01	.08	.09	.12	.17	.16
Net realized and unrealized gain (loss)	.28	7.21	7.23	(12.68)	4.77	3.91
Total from investment operations	.29	7.29	7.32	(12.56)	4.94	4.07
Distributions from net investment income	—	(.08)	(.13)	(.10)	(.26)	(.10)
Distributions from net realized gain	—	(.09)	(.12)	(4.99)	(3.29)	(4.33)
Total distributions	—	(.17)	(.25) ^I	(5.09)	(3.55)	(4.43)
Net asset value, end of period	\$ 32.81	\$ 32.52	\$ 25.40	\$ 18.33	\$ 35.98	\$ 34.59
Total Return^{B,C,D}	.89%	28.75%	39.96%	(39.51)%	15.49%	12.59%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.76% ^A	.76%	.78%	.78%	.76%	.78%
Expenses net of fee waivers, if any	.76% ^A	.76%	.78%	.78%	.76%	.78%
Expenses net of all reductions	.75% ^A	.75%	.78%	.77%	.75%	.76%
Net investment income (loss)	.09% ^A	.30%	.44%	.45%	.49%	.48%
Supplemental Data						
Net assets, end of period (000 omitted)	\$703,393	\$749,636	\$688,509	\$573,499	\$1,138,873	\$1,091,396
Portfolio turnover rate ^G	97% ^A	25%	57%	145%	113%	149%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^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 Calculated based on average shares outstanding during the period.

^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 Amount does not include the portfolio activity 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 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.

^I Total distributions of \$.25 per share is comprised of distributions from net investment income of \$.130 and distributions from net realized gain of \$.115 per share.

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

Financial Highlights — Service Class 2

	Six months ended June 30, 2011 (Unaudited)		Years ended December 31,			
	2010	2009	2008	2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 32.13	\$ 25.10	\$ 18.12	\$ 35.63	\$ 34.25	\$ 34.67
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.04	.06	.08	.12	.11
Net realized and unrealized gain (loss)	.27	7.12	7.13	(12.53)	4.73	3.87
Total from investment operations	.26	7.16	7.19	(12.45)	4.85	3.98
Distributions from net investment income	—	(.04)	(.10)	(.07)	(.18)	(.07)
Distributions from net realized gain	—	(.09)	(.12)	(4.99)	(3.29)	(4.33)
Total distributions	—	(.13)	(.21) ^I	(5.06)	(3.47)	(4.40)
Net asset value, end of period	\$ 32.39	\$ 32.13	\$ 25.10	\$ 18.12	\$ 35.63	\$ 34.25
Total Return^{B,C,D}	.81%	28.57%	39.75%	(39.61)%	15.34%	12.40%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.91% ^A	.91%	.93%	.93%	.91%	.93%
Expenses net of fee waivers, if any	.91% ^A	.91%	.93%	.93%	.91%	.93%
Expenses net of all reductions	.90% ^A	.90%	.93%	.92%	.90%	.91%
Net investment income (loss)	(.06)% ^A	.15%	.29%	.30%	.34%	.33%
Supplemental Data						
Net assets, end of period (000 omitted)	\$5,678,037	\$5,507,254	\$4,840,547	\$3,721,868	\$5,939,927	\$4,701,583
Portfolio turnover rate ^G	97% ^A	25%	57%	145%	113%	149%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^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 Calculated based on average shares outstanding during the period.

^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 Amount does not include the portfolio activity 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 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.

^I Total distributions of \$.21 per share is comprised of distributions from net investment income of \$.099 and distributions from net realized gain of \$.115 per share.

Financial Highlights — Investor Class

	Six months ended June 30, 2011 (Unaudited)		Years ended December 31,			
	2010	2009	2008	2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 32.60	\$ 25.47	\$ 18.38	\$ 36.07	\$ 34.69	\$ 35.08
Income from Investment Operations						
Net investment income (loss) ^E	.02	.09	.10	.12	.17	.15
Net realized and unrealized gain (loss)	.27	7.22	7.24	(12.71)	4.78	3.93
Total from investment operations	.29	7.31	7.34	(12.59)	4.95	4.08
Distributions from net investment income	—	(.09)	(.13)	(.11)	(.28)	(.14)
Distributions from net realized gain	—	(.09)	(.12)	(4.99)	(3.29)	(4.33)
Total distributions	—	(.18)	(.25) ^I	(5.10)	(3.57)	(4.47)
Net asset value, end of period	\$ 32.89	\$ 32.60	\$ 25.47	\$ 18.38	\$ 36.07	\$ 34.69
Total Return^{B,C,D}	.89%	28.76%	39.98%	(39.50)%	15.46%	12.59%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.74% ^A	.75%	.78%	.77%	.78%	.80%
Expenses net of fee waivers, if any	.74% ^A	.74%	.78%	.77%	.78%	.80%
Expenses net of all reductions	.73% ^A	.74%	.78%	.76%	.77%	.78%
Net investment income (loss)	.10% ^A	.32%	.44%	.46%	.47%	.45%
Supplemental Data						
Net assets, end of period (000 omitted)	\$376,021	\$355,842	\$233,498	\$163,319	\$255,371	\$163,646
Portfolio turnover rate ^G	97% ^A	25%	57%	145%	113%	149%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^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 Calculated based on average shares outstanding during the period.

^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 Amount does not include the portfolio activity 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 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.

^I Total distributions of \$.25 per share is comprised of distributions from net investment income of \$.133 and distributions from net realized gain of \$.115 per share.

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

Notes to Financial Statements

For the period ended June 30, 2011 (Unaudited)

1. Organization.

VIP Mid Cap Portfolio (the Fund) is a fund of Variable Insurance Products Fund III (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. Investment income, realized and unrealized capital gains and losses, the common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred. Certain expense reductions may also differ by class. The Fund's investments in emerging markets can be subject to social, economic, regulatory, and political uncertainties and can be extremely volatile.

2. Investments in Fidelity Central Funds.

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

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

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

3. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (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:

Security Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Fund uses independent pricing services approved by the Board of Trustees to value its investments. When current market prices or quotations are not readily available or reliable, valuations may be determined in good faith in accordance with procedures adopted by the Board of Trustees. Factors used in determining value may include market or security specific events, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The value used for net asset value (NAV) calculation under these procedures may differ from published prices for the same securities.

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)

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, 2011, as well as a roll forward of Level 3 securities, is included at the end of the Fund's Schedule of Investments. 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 an independent pricing service 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 significant 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 are used and are categorized as Level 2 in the hierarchy in these circumstances. Utilizing these techniques may result in transfers between Level 1 and Level 2. For restricted equity securities and private placements where observable inputs are limited, assumptions about market activity and risk are used and are categorized as Level 3 in the hierarchy.

3. Significant Accounting Policies – continued

Security Valuation – continued

Debt securities, including restricted securities, are valued based on evaluated prices received from independent pricing services or from dealers who make markets in such securities. For corporate bonds, pricing services utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and are generally categorized as Level 2 in the hierarchy.

When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing matrices which consider similar factors that would be used by independent pricing services. These are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

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

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

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

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

Expenses. 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.

Income Tax Information and Distributions to Shareholders. Each year, the Fund intends to qualify as a regulated investment company, including distributing substantially all of its taxable income and realized gains under Subchapter M of the Internal Revenue Code and filing its U.S. federal tax return. As a result, no provision for income taxes is required. A fund's federal tax return is subject to examination by the Internal Revenue Service (IRS) for a period of three years. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. The Fund is subject to a tax imposed on realized short term capital gains on securities of certain issuers domiciled in India. An estimated deferred tax liability for net unrealized gains on these securities is included in Other payables and accrued expenses on the Statement of Assets & Liabilities.

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. Temporary book-tax differences will reverse in a subsequent period.

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

Notes to Financial Statements (Unaudited) – continued

3. Significant Accounting Policies – continued

Income Tax Information and Distributions to Shareholders – continued

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

Gross unrealized appreciation	\$ 1,601,290,742
Gross unrealized depreciation	(515,336,982)
Net unrealized appreciation (depreciation) on securities and other investments	<u>\$ 1,085,953,760</u>
Tax cost	<u>\$ 7,042,519,725</u>

Under the recently enacted Regulated Investment Company Modernization Act of 2010 (the Act), the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to any losses incurred in pre-enactment taxable years, which generally expire after eight years from when they are incurred. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law. The Fund's first fiscal year end subject to the Act will be December 31, 2011.

New Accounting Pronouncement. In May 2011, the Financial Accounting Standards Board issued Accounting Standard Update No. 2011-04, *Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The update changes the wording used to describe the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. The update is effective during interim and annual periods beginning after December 15, 2011. Management is currently evaluating the impact of the update's adoption on the Fund's financial statement disclosures.

4. Operating Policies.

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

5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$3,474,253,577 and \$3,625,209,829, respectively.

6. Fees and Other Transactions with Affiliates.

Management Fee. FMR and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .30% of the Fund's average net assets and a group fee rate that averaged .26% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by FMR. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the period, the total annualized management fee rate was .56% 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 FMR, a service fee. For the period, the service fee is based on an annual rate of .10% of Service Class' average net assets and .25% of Service Class 2's 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	\$ 371,701
Service Class 2	7,054,357
	<u>\$ 7,426,058</u>

6. Fees and Other Transactions with Affiliates – continued

Transfer Agent Fees. Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of FMR, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class (with the exception of Investor Class) pays a transfer agent fee, excluding out of pocket expenses, equal to an annual rate of .07% of average net assets. Investor Class pays a monthly asset-based transfer agent fee of .15% of average net assets. In addition, FIIOC receives an asset-based fee of .0045% of average net assets for typesetting, printing and mailing of shareholder reports, except proxy statements. For the period, transfer agent fees for each class, including printing and out of pocket expenses, were as follows:

Initial Class	\$	506,612
Service Class		269,361
Service Class 2		2,035,108
Investor Class		299,589
	\$	<u>3,110,670</u>

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

Brokerage Commissions. The Fund placed a portion of its portfolio transactions with brokerage firms which are affiliates of the investment adviser. The commissions paid to these affiliated firms were \$22,551 for the period.

7. Committed Line of Credit.

The Fund participates with other funds managed by FMR or an affiliate in a \$4.0 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 \$13,783 and is reflected in Miscellaneous expenses on the Statement of Operations. During the period, there were no borrowings on this line of credit.

8. Security Lending.

The Fund lends portfolio securities through a lending agent from time to time in order to earn additional income. The lending agent 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. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. The value of loaned securities and cash collateral at period end are disclosed on the Fund's Statement of Assets and Liabilities. 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 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 \$1,047,186, including \$10,395 from securities loaned to FCM.

9. Expense Reductions.

Many of the brokers with whom FMR places trades on behalf of the Fund provided services to the Fund in addition to trade execution. These services included payments of certain expenses on behalf of the Fund totaling \$355,727 for the period. In addition, through arrangements with the Fund's custodian, credits realized as a result of uninvested cash balances were used to reduce the Fund's expenses. During the period, these credits reduced the Fund's custody expenses by \$444.

Notes to Financial Statements (Unaudited) – continued

10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2011	Year ended December 31, 2010
From net investment income		
Initial Class	\$ —	\$ 4,493,911
Service Class	—	1,775,850
Service Class 2	—	5,957,281
Investor Class	—	942,667
Total	<u>\$ —</u>	<u>\$ 13,169,709</u>
From net realized gain		
Initial Class	\$ —	\$ 3,766,612
Service Class	—	2,270,560
Service Class 2	—	16,498,263
Investor Class	—	910,846
Total	<u>\$ —</u>	<u>\$ 23,446,281</u>

11. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2011	Year ended December 31, 2010	Six months ended June 30, 2011	Year ended December 31, 2010
Initial Class				
Shares sold	3,099,933	6,744,710	\$ 103,346,799	\$ 192,398,751
Reinvestment of distributions	—	271,401	—	8,260,523
Shares redeemed	(4,390,474)	(6,311,889)	(146,771,424)	(176,817,594)
Net increase (decrease)	<u>(1,290,541)</u>	<u>704,222</u>	<u>\$ (43,424,625)</u>	<u>\$ 23,841,680</u>
Service Class				
Shares sold	999,594	2,199,123	\$ 33,415,893	\$ 63,020,500
Reinvestment of distributions	—	136,816	—	4,046,410
Shares redeemed	(2,611,268)	(6,385,739)	(87,023,753)	(176,865,437)
Net increase (decrease)	<u>(1,611,674)</u>	<u>(4,049,800)</u>	<u>\$ (53,607,860)</u>	<u>\$ (109,798,527)</u>
Service Class 2				
Shares sold	15,615,251	22,168,814	\$ 511,128,814	\$ 625,591,582
Reinvestment of distributions	—	789,024	—	22,455,544
Shares redeemed	(11,718,059)	(44,352,123)	(384,313,177)	(1,193,744,942)
Net increase (decrease)	<u>3,897,192</u>	<u>(21,394,285)</u>	<u>\$ 126,815,637</u>	<u>\$ (545,697,816)</u>
Investor Class				
Shares sold	1,127,862	2,390,287	\$ 37,753,021	\$ 70,748,930
Reinvestment of distributions	—	61,106	—	1,853,513
Shares redeemed	(610,842)	(702,570)	(20,331,891)	(19,263,834)
Net increase (decrease)	<u>517,020</u>	<u>1,748,823</u>	<u>\$ 17,421,130</u>	<u>\$ 53,338,609</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, FMR or its affiliates were the owners of record of 10% of the total outstanding shares of the Fund and one otherwise unaffiliated shareholder was the owner of record of 15% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

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

General Distributor

Fidelity Distributors Corporation
Boston, MA

Transfer and Service Agents

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

Custodian

Brown Brothers Harriman & Co.
Boston, MA