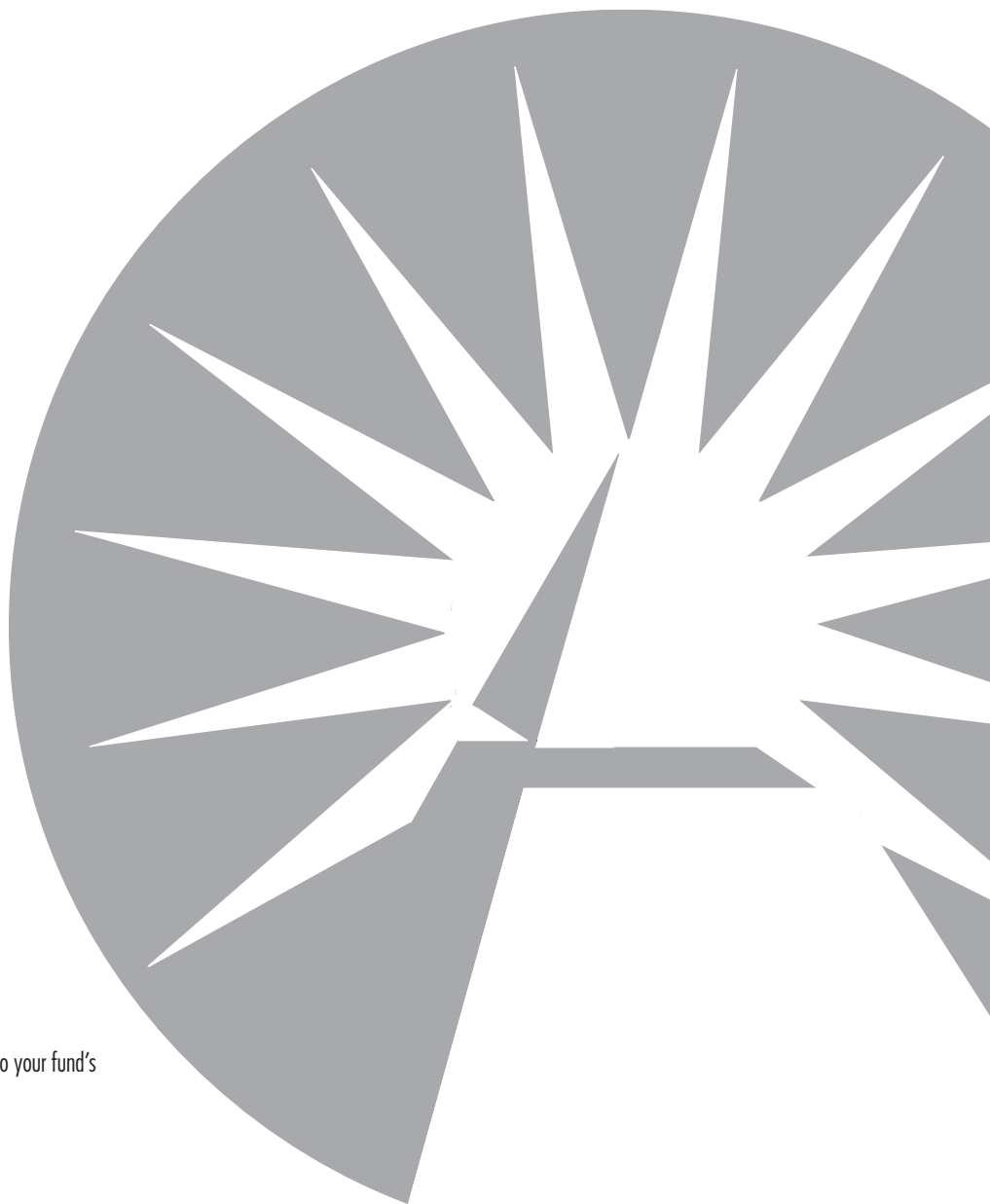


# Fidelity® Variable Insurance Products:

## Growth & Income Portfolio

**Annual Report**  
**December 31, 2019**



See the inside front cover for important information about access to your fund's shareholder reports.



Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, and if your insurance carrier elects to participate, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your variable insurance product unless you specifically request paper copies from your financial professional or the administrator of your variable insurance product. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically, by contacting your financial professional or the administrator of your variable insurance product. If you own a Fidelity-administered variable insurance product, please visit [fidelity.com/mailpreferences](https://www.fidelity.com/mailpreferences) to make your election or call 1-800-343-3548.

You may elect to receive all future reports in paper free of charge. If you wish to continue receiving paper copies of your shareholder reports, you may contact your financial professional or the administrator of your variable insurance product. If you own a Fidelity-administered variable insurance product, please visit [fidelity.com/mailpreferences](https://www.fidelity.com/mailpreferences) to make your election or call 1-800-343-3548. Your election to receive reports in paper will apply to all funds available under your variable insurance product.

# Contents

<b>Performance</b>	<b>4</b>
<b>Management's Discussion of Fund Performance</b>	<b>5</b>
<b>Investment Summary</b>	<b>6</b>
<b>Schedule of Investments</b>	<b>7</b>
<b>Financial Statements</b>	<b>12</b>
<b>Notes to Financial Statements</b>	<b>18</b>
<b>Report of Independent Registered Public Accounting Firm</b>	<b>24</b>
<b>Trustees and Officers</b>	<b>25</b>
<b>Shareholder Expense Example</b>	<b>31</b>
<b>Distributions</b>	<b>32</b>
<b>Board Approval of Investment Advisory Contracts</b>	<b>33</b>

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.

Standard & Poor's, S&P and S&P 500 are registered service marks of The McGraw-Hill Companies, Inc. and have been licensed for use by Fidelity Distributors Corporation.

Other third-party marks appearing herein are the property of their respective owners.

All other marks appearing herein are registered or unregistered trademarks or service marks of FMR LLC or an affiliated company. © 2020 FMR LLC. All rights reserved.

*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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.*

# Performance: The Bottom Line

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

## Average Annual Total Returns

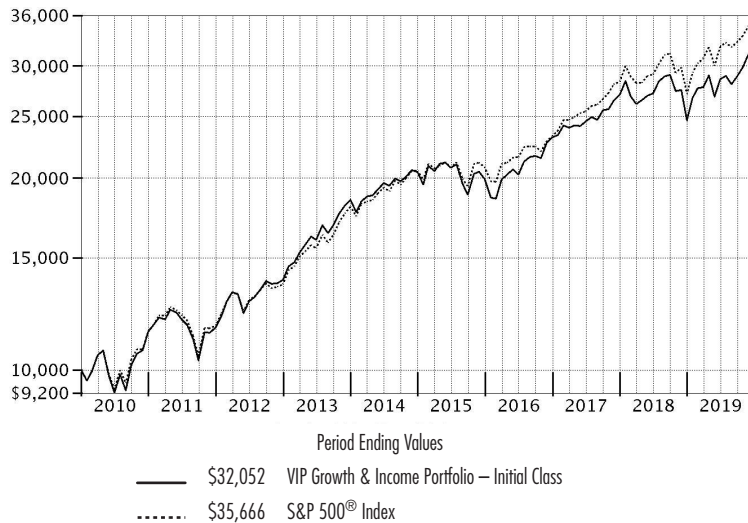
For the periods ended December 31, 2019

	Past 1 year	Past 5 years	Past 10 years
Initial Class	30.05%	9.44%	12.35%
Service Class	29.94%	9.33%	12.24%
Service Class 2	29.68%	9.16%	12.07%
Investor Class	29.97%	9.36%	12.26%

## \$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP Growth & Income Portfolio – Initial Class on December 31, 2009.

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



# Management's Discussion of Fund Performance

**Market Recap:** U.S. stocks continued to roll in 2019, with the S&P 500<sup>®</sup> index soaring 31.49% and marking history as the longest and strongest bull market ever, despite persistent, nagging concerns about global economic growth and trade. After a rough end to 2018, equities sharply reversed course to begin the new year amid upbeat company earnings and signs the Federal Reserve may pause on rates. The uptrend continued until May, when the index sunk as trade negotiations between the U.S. and China broke down. The bull market roared back to record a series of highs in July, when the Fed cut interest rates for the first time since 2008. Volatility intensified in August, as the Treasury yield curve inverted, which some investors viewed as a sign the U.S. economy could be heading for recession. But the market proved resilient, hitting a new high on October 30, when the Fed lowered rates for the third time in 2019, and moving even higher through year-end. Gains were robust and broad-based, with information technology (+50%) leading the way with its best calendar-year result in a decade, amid strong growth trends. Communication services (+33%) and financials (+32%) also stood out. In contrast, energy (+12%) was by far the weakest group — struggling amid sluggish oil prices — while several strong gainers nonetheless fell short of the broader market: industrials and real estate (+29% each), consumer discretionary and consumer staples (+28% each), utilities (+26%), materials (+25%), and health care (+21%).

**Comments from Portfolio Manager Matthew Fruhan:** For the year, the fund's share classes gained roughly 30%, trailing the benchmark S&P 500<sup>®</sup> index. The fund's underperformance of the benchmark was primarily due to sector positioning, especially a large underweight in the market-leading information technology sector and a meaningful overweight in the lagging energy sector. The fund's position in cash also hurt in a strong market. The biggest individual detractor was an overweight in integrated energy company Exxon Mobil (+7%), one of our largest holdings and a stock that trailed the benchmark because the price of oil remained sluggish for much of 2019. Another notable detractor was tobacco manufacturer Altria Group (+8%), also a big holding. Concern about the company's 35% ownership of e-cigarette maker Juul Labs hurt the stock, given new concerns about the health impact of Juul's product. In tech, it hurt to underweight consumer electronics and personal electronics maker Apple (+89%), whose valuation struck me as too high relative to the company's slowing growth trajectory. In contrast, security selection was highly favorable overall. The biggest individual relative contributor was industrial conglomerate General Electric (+53%), our largest year-end holding and a stock that I believed was significantly undervalued. Semiconductor and telecommunications equipment firm Qualcomm (+61%) also helped, benefiting from the successful resolution of a licensing dispute with Apple.

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

# Investment Summary (Unaudited)

## Top Ten Stocks as of December 31, 2019

	% of fund's net assets
General Electric Co.	5.8
Microsoft Corp. <sup>(a)</sup>	4.8
Exxon Mobil Corp.	4.6
Comcast Corp. Class A	3.8
Altria Group, Inc.	3.6
Wells Fargo & Co.	3.1
Bank of America Corp. <sup>(a)</sup>	3.0
Bristol-Myers Squibb Co.	2.6
Apple, Inc.	2.5
Johnson & Johnson	2.3
	<u>36.1</u>

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

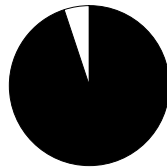
## Top Five Market Sectors as of December 31, 2019

	% of fund's net assets
Health Care	18.4
Financials	17.1
Industrials	14.9
Information Technology	14.2
Consumer Staples	9.4

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

As of December 31, 2019 \*, \*\*

■ Stocks	94.9%
□ Short-Term Investments and Net Other Assets (Liabilities)	5.1%



\* Foreign investments – 11.7%

\*\* Written options – (0.0)%

Percentages shown as 0.0% may reflect amounts less than 0.05%.

# Schedule of Investments December 31, 2019

Showing Percentage of Net Assets

## Common Stocks – 94.5%

	Shares	Value
<b>COMMUNICATION SERVICES – 8.4%</b>		
<b>Diversified Telecommunication Services – 1.5%</b>		
AT&T, Inc. (a)	41,989	\$ 1,640,930
Verizon Communications, Inc.	350,480	21,519,472
		<u>23,160,402</u>
<b>Entertainment – 1.8%</b>		
Activision Blizzard, Inc.	135,400	8,045,468
The Walt Disney Co.	42,300	6,117,849
Vivendi SA	446,300	12,925,872
		<u>27,089,189</u>
<b>Interactive Media &amp; Services – 0.4%</b>		
Alphabet, Inc.:		
Class A (b)	2,618	3,506,523
Class C (b)	2,483	3,319,821
		<u>6,826,344</u>
<b>Media – 4.7%</b>		
Comcast Corp. Class A	1,333,362	59,961,289
Interpublic Group of Companies, Inc.	276,900	6,396,390
Omnicom Group, Inc.	22,300	1,806,746
Sinclair Broadcast Group, Inc. Class A	166,900	5,564,446
		<u>73,728,871</u>
		<u>130,804,806</u>
<b>CONSUMER DISCRETIONARY – 1.5%</b>		
<b>Household Durables – 0.3%</b>		
Mohawk Industries, Inc. (b)	600	81,828
Whirlpool Corp.	29,100	4,293,123
		<u>4,374,951</u>
<b>Specialty Retail – 1.0%</b>		
Lowe's Companies, Inc. (a)	104,317	12,493,004
TJX Companies, Inc.	57,400	3,504,844
		<u>15,997,848</u>
<b>Textiles, Apparel &amp; Luxury Goods – 0.2%</b>		
Puma AG	2,201	168,747
PVH Corp.	23,900	2,513,085
Tapestry, Inc.	17,500	471,975
		<u>3,153,807</u>
		<u>23,526,606</u>
<b>CONSUMER STAPLES – 9.4%</b>		
<b>Beverages – 1.1%</b>		
The Coca-Cola Co.	323,353	17,897,589
<b>Food &amp; Staples Retailing – 1.9%</b>		
Walgreens Boots Alliance, Inc.	97,200	5,730,912
Walmart, Inc. (a)	194,900	23,161,916
		<u>28,892,828</u>
<b>Food Products – 0.3%</b>		
Nestle SA sponsored ADR	46,800	5,066,568
The Hershey Co.	400	58,792
		<u>5,125,360</u>
<b>Household Products – 1.3%</b>		
Colgate-Palmolive Co.	19,100	1,314,844
Energizer Holdings, Inc.	34,600	1,737,612

	Shares	Value
Procter & Gamble Co. (a)	98,950	\$ 12,358,855
Spectrum Brands Holdings, Inc.	74,000	4,757,460
		<u>20,168,771</u>
<b>Personal Products – 0.1%</b>		
Unilever NV	27,200	1,561,028
<b>Tobacco – 4.7%</b>		
Altria Group, Inc.	1,126,700	56,233,597
British American Tobacco PLC sponsored ADR	277,600	11,786,896
Philip Morris International, Inc.	60,800	5,173,472
		<u>73,193,965</u>
		<u>146,839,541</u>
<b>ENERGY – 8.4%</b>		
<b>Energy Equipment &amp; Services – 0.1%</b>		
Schlumberger Ltd.	30,200	1,214,040
<b>Oil, Gas &amp; Consumable Fuels – 8.3%</b>		
Cenovus Energy, Inc.	7,000	71,050
Cenovus Energy, Inc. (Canada)	2,068,904	21,030,790
Equinor ASA sponsored ADR	785,000	15,629,350
Exxon Mobil Corp.	1,033,100	72,089,718
Hess Corp.	232,900	15,560,049
Kosmos Energy Ltd.	825,621	4,706,040
Noble Energy, Inc.	24,400	606,096
		<u>129,693,093</u>
		<u>130,907,133</u>
<b>FINANCIALS – 17.1%</b>		
<b>Banks – 11.7%</b>		
Bank of America Corp. (a)	1,321,512	46,543,653
BB&T Corp.	314,804	17,729,761
Citigroup, Inc. (a)	86,218	6,887,956
First Hawaiian, Inc.	32,200	928,970
JPMorgan Chase & Co. (a)	186,532	26,002,561
M&T Bank Corp.	17,900	3,038,525
PNC Financial Services Group, Inc.	125,672	20,061,021
U.S. Bancorp	212,698	12,610,864
Wells Fargo & Co.	898,574	48,343,281
		<u>182,146,592</u>
<b>Capital Markets – 4.2%</b>		
Apollo Global Management LLC Class A	3,600	171,756
Brookfield Asset Management, Inc.	54,830	3,169,174
Cboe Global Markets, Inc.	9,400	1,128,000
Charles Schwab Corp.	71,384	3,395,023
FS KKR Capital Corp.	6,000	36,780
Julius Baer Group Ltd.	8,420	434,076
KKR & Co. LP	187,393	5,466,254
Morgan Stanley	96,683	4,942,435
Northern Trust Corp.	216,645	23,016,365
Raymond James Financial, Inc.	33,800	3,023,748
S&P Global, Inc.	600	163,830
State Street Corp.	254,579	20,137,199
Virtu Financial, Inc. Class A	23,400	374,166
		<u>65,458,806</u>

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

## Schedule of Investments – continued

### Common Stocks – continued

	Shares	Value
<b>FINANCIALS – continued</b>		
<b>Consumer Finance – 0.0%</b>		
Shriram Transport Finance Co. Ltd.	38,600	\$ 633,515
<b>Insurance – 0.9%</b>		
Chubb Ltd.	39,700	6,179,702
Marsh & McLennan Companies, Inc.	46,442	5,174,103
The Travelers Companies, Inc.	24,100	3,300,495
		<u>14,654,300</u>
<b>Thrifts &amp; Mortgage Finance – 0.3%</b>		
Radian Group, Inc.	162,550	4,089,758
		<u>266,982,971</u>
<b>HEALTH CARE – 18.0%</b>		
<b>Biotechnology – 1.9%</b>		
AbbVie, Inc.	79,900	7,074,346
Alexion Pharmaceuticals, Inc. (b)	77,500	8,381,625
Amgen, Inc.	36,400	8,774,948
Intercept Pharmaceuticals, Inc. (b)	48,358	5,992,523
		<u>30,223,442</u>
<b>Health Care Equipment &amp; Supplies – 0.3%</b>		
Becton, Dickinson & Co.	11,500	3,127,655
Boston Scientific Corp. (b)	39,900	1,804,278
		<u>4,931,933</u>
<b>Health Care Providers &amp; Services – 7.2%</b>		
AmerisourceBergen Corp.	107,010	9,097,990
Cardinal Health, Inc.	223,200	11,289,456
Cigna Corp.	97,990	20,037,975
CVS Health Corp.	424,264	31,518,573
McKesson Corp.	119,588	16,541,412
Patterson Companies, Inc.	143,743	2,943,857
UnitedHealth Group, Inc.	67,700	19,902,446
		<u>111,331,709</u>
<b>Pharmaceuticals – 8.6%</b>		
Bayer AG	321,433	26,131,425
Bristol-Myers Squibb Co.	641,200	41,158,628
GlaxoSmithKline PLC sponsored ADR (a)	615,594	28,926,762
Johnson & Johnson	247,859	36,155,192
Novartis AG sponsored ADR	1,625	153,871
Sanofi SA sponsored ADR	19,100	958,820
		<u>133,484,698</u>
		<u>279,971,782</u>
<b>INDUSTRIALS – 14.9%</b>		
<b>Aerospace &amp; Defense – 1.6%</b>		
General Dynamics Corp.	34,600	6,101,710
Huntington Ingalls Industries, Inc.	18,600	4,666,368
Meggitt PLC	820	7,134
The Boeing Co.	11,500	3,746,240
United Technologies Corp.	66,287	9,927,141
		<u>24,448,593</u>
<b>Air Freight &amp; Logistics – 2.1%</b>		
C.H. Robinson Worldwide, Inc.	17,800	1,391,960
Expeditors International of Washington, Inc.	2,095	163,452

	Shares	Value
FedEx Corp.	26,600	\$ 4,022,186
United Parcel Service, Inc. Class B (a)	233,172	27,295,114
		<u>32,872,712</u>
<b>Commercial Services &amp; Supplies – 0.5%</b>		
Healthcare Services Group, Inc. (c)	144,100	3,504,512
Interface, Inc.	132,100	2,191,539
Ritchie Bros. Auctioneers, Inc.	4,000	171,638
Stericycle, Inc. (b)	28,599	1,824,902
		<u>7,692,591</u>
<b>Electrical Equipment – 0.6%</b>		
Acuity Brands, Inc.	25,800	3,560,400
Hubbell, Inc. Class B	36,379	5,377,544
Rockwell Automation, Inc.	5,100	1,033,617
		<u>9,971,561</u>
<b>Industrial Conglomerates – 6.0%</b>		
3M Co.	13,300	2,346,386
General Electric Co.	8,166,350	91,136,464
		<u>93,482,850</u>
<b>Machinery – 0.9%</b>		
Donaldson Co., Inc.	52,100	3,002,002
Flowserve Corp.	66,400	3,304,728
Fortive Corp.	27,000	2,062,530
JOST Werke AG (d)	8,500	355,635
Westinghouse Air Brake Co.	60,221	4,685,194
		<u>13,410,089</u>
<b>Professional Services – 0.6%</b>		
RELX PLC (London Stock Exchange)	346,939	8,756,828
Robert Half International, Inc.	5,000	315,750
		<u>9,072,578</u>
<b>Road &amp; Rail – 1.9%</b>		
J.B. Hunt Transport Services, Inc. (a)	89,382	10,438,030
Knight-Swift Transportation Holdings, Inc. Class A	323,200	11,583,488
Union Pacific Corp.	40,100	7,249,679
		<u>29,271,197</u>
<b>Trading Companies &amp; Distributors – 0.7%</b>		
Fastenal Co.	41,600	1,537,120
MSC Industrial Direct Co., Inc. Class A	2,000	156,940
Watsco, Inc.	52,392	9,438,419
		<u>11,132,479</u>
		<u>231,354,650</u>
<b>INFORMATION TECHNOLOGY – 14.2%</b>		
<b>Communications Equipment – 0.2%</b>		
Cisco Systems, Inc.	82,004	3,932,912
<b>IT Services – 2.3%</b>		
Fidelity National Information Services, Inc.	1,100	152,999
Genpact Ltd.	63,700	2,686,229
IBM Corp.	33,800	4,530,552
MasterCard, Inc. Class A	510	152,281
Paychex, Inc.	24,031	2,044,077
Unisys Corp. (b)	202,596	2,402,789
Visa, Inc. Class A (a)	126,976	23,858,790
		<u>35,827,717</u>
<b>Semiconductors &amp; Semiconductor Equipment – 2.7%</b>		
Analog Devices, Inc.	16,700	1,984,628

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



## Common Stocks – continued

	Shares	Value
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Semiconductors &amp; Semiconductor Equipment – continued</b>		
Applied Materials, Inc.	66,900	\$ 4,083,576
Marvell Technology Group Ltd.	39,400	1,046,464
NVIDIA Corp.	800	188,240
Qualcomm, Inc.	376,061	33,179,862
Taiwan Semiconductor Manufacturing Co. Ltd. sponsored ADR	23,200	1,347,920
		<u>41,830,690</u>
<b>Software – 6.5%</b>		
Microsoft Corp. (a)	479,018	75,541,139
Oracle Corp.	161,591	8,561,091
SAP SE sponsored ADR	126,800	16,989,932
		<u>101,092,162</u>
<b>Technology Hardware, Storage &amp; Peripherals – 2.5%</b>		
Apple, Inc.	133,758	39,278,037
		<u>39,278,037</u>
TOTAL INFORMATION TECHNOLOGY		<u>221,961,518</u>
<b>MATERIALS – 0.9%</b>		
<b>Chemicals – 0.6%</b>		
Corteva, Inc.	65,933	1,948,979
International Flavors & Fragrances, Inc.	8,500	1,096,670
Nutrien Ltd.	123,680	5,921,363
		<u>8,967,012</u>
<b>Metals &amp; Mining – 0.3%</b>		
BHP Billiton Ltd. sponsored ADR	78,200	4,278,322
		<u>4,278,322</u>
TOTAL MATERIALS		<u>13,245,334</u>
<b>REAL ESTATE – 1.2%</b>		
<b>Equity Real Estate Investment Trusts (REITs) – 1.2%</b>		
American Tower Corp.	26,900	6,182,158
CoreSite Realty Corp.	25,400	2,847,848
Equinix, Inc.	8,400	4,903,080
Public Storage	9,400	2,001,824
Simon Property Group, Inc.	16,100	2,398,256
		<u>18,333,166</u>
<b>UTILITIES – 0.5%</b>		
<b>Electric Utilities – 0.3%</b>		
Duke Energy Corp.	30,200	2,754,542
Edison International	6,900	520,329
Exelon Corp.	32,200	1,467,998
PPL Corp.	19,900	714,012
Southern Co.	2,100	133,770
		<u>5,590,651</u>
<b>Multi-Utilities – 0.2%</b>		
Sempra Energy	17,900	2,711,492
		<u>2,711,492</u>
TOTAL UTILITIES		<u>8,302,143</u>
<b>TOTAL COMMON STOCKS</b>		<b><u>1,472,229,650</u></b>
(Cost \$1,075,203,492)		

## Convertible Preferred Stocks – 0.4%

	Shares	Value
<b>HEALTH CARE – 0.4%</b>		
<b>Health Care Equipment &amp; Supplies – 0.3%</b>		
Becton, Dickinson & Co. Series A, 6.125%	73,500	\$ 4,809,334
<b>Life Sciences Tools &amp; Services – 0.1%</b>		
Avantor, Inc. Series A 6.25%	13,800	868,233
		<u>868,233</u>
<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>		<b><u>5,677,567</u></b>
(Cost \$4,892,729)		

## Convertible Bonds – 0.0%

	Principal Amount	
<b>HEALTH CARE – 0.0%</b>		
<b>Biotechnology – 0.0%</b>		
Intercept Pharmaceuticals, Inc. 2% 5/15/26	\$470,000	621,861
(Cost \$472,087)		

## Money Market Funds – 5.6%

	Shares	
Fidelity Cash Central Fund 1.58% (e)	85,851,508	85,868,678
Fidelity Securities Lending Cash Central Fund 1.58% (e) (f)	2,345,920	2,346,154

<b>TOTAL MONEY MARKET FUNDS</b>		<b><u>88,214,832</u></b>
(Cost \$88,214,414)		
<b>TOTAL INVESTMENT IN SECURITIES – 100.5%</b>		<b><u>1,566,743,910</u></b>
(Cost \$1,168,782,722)		

<b>NET OTHER ASSETS (LIABILITIES) – (0.5%)</b>	<b><u>(8,244,375)</u></b>
<b>NET ASSETS – 100%</b>	<b><u>\$1,558,499,535</u></b>

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

## Schedule of Investments – continued

### Written Options

	Counterparty	Number of Contracts	Notional Amount	Exercise Price	Expiration Date	Value
<b>Call Options</b>						
AT&T, Inc.	Chicago Board Options Exchange	400	\$1,563,200	\$ 40.00	1/17/20	\$ (4,200)
Bank of America Corp.	Chicago Board Options Exchange	1,139	4,011,558	34.00	1/17/20	(173,697)
Citigroup, Inc.	Chicago Board Options Exchange	103	822,867	80.00	1/17/20	(16,068)
Flowserve Corp.	Bank of America NA	534	2,657,718	55.00	2/21/20	(27,150)
GlaxoSmithKline PLC sponsored ADR	Chicago Board Options Exchange	295	1,386,205	46.00	1/17/20	(36,875)
J.B. Hunt Transport Services, Inc.	Chicago Board Options Exchange	139	1,623,242	125.00	2/21/20	(20,850)
JPMorgan Chase & Co.	Chicago Board Options Exchange	120	1,672,800	130.00	1/17/20	(113,400)
JPMorgan Chase & Co.	Chicago Board Options Exchange	120	1,672,800	135.00	1/17/20	(57,000)
Lowe's Companies, Inc.	Chicago Board Options Exchange	52	622,752	120.00	1/17/20	(9,516)
Microsoft Corp.	Chicago Board Options Exchange	223	3,516,710	155.00	1/17/20	(84,183)
Procter & Gamble Co.	Chicago Board Options Exchange	103	1,286,470	125.00	3/20/20	(39,655)
Procter & Gamble Co.	Chicago Board Options Exchange	103	1,286,470	130.00	3/20/20	(17,562)
United Parcel Service, Inc. Class B	Chicago Board Options Exchange	224	2,622,144	130.00	4/17/20	(22,400)
Visa, Inc. Class A	Chicago Board Options Exchange	52	977,080	190.00	1/17/20	(8,138)
Walmart, Inc.	Chicago Board Options Exchange	86	1,022,024	125.00	1/17/20	(559)
<b>TOTAL WRITTEN OPTIONS</b>						<b>\$ (631,253)</b>

### Legend

- (a) Security or a portion of the security is pledged as collateral for call options written. At period end, the value of securities pledged amounted to \$24,086,322.
- (b) Non-income producing
- (c) Security or a portion of the security is on loan at period end.
- (d) 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 \$355,635 or 0.0% of net assets.

- (e) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request. In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.
- (f) Investment made with cash collateral received from securities on loan.

### 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	\$ 1,586,081
Fidelity Securities Lending Cash Central Fund	10,979
Total	<u>\$ 1,597,060</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. Amount for Fidelity Securities Lending Cash Central Fund 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.

### Investment Valuation

The following is a summary of the inputs used, as of December 31, 2019, 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
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	\$ 130,804,806	\$ 130,804,806	\$ —	\$ —
Consumer Discretionary	23,526,606	23,526,606	—	—
Consumer Staples	146,839,541	145,278,513	1,561,028	—
Energy	130,907,133	130,907,133	—	—
Financials	266,982,971	266,548,895	434,076	—
Health Care	285,649,349	253,840,357	31,808,992	—
Industrials	231,354,650	231,354,650	—	—

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

Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
Information Technology	\$ 221,961,518	\$ 221,961,518	\$ —	\$ —
Materials	13,245,334	13,245,334	—	—
Real Estate	18,333,166	18,333,166	—	—
Utilities	8,302,143	8,302,143	—	—
Corporate Bonds	621,861	—	621,861	—
Money Market Funds	88,214,832	88,214,832	—	—
<b>Total Investments in Securities:</b>	<u>\$1,566,743,910</u>	<u>\$1,532,317,953</u>	<u>\$34,425,957</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Liabilities</b>				
Written Options	\$ (631,253)	\$ (604,103)	\$ (27,150)	\$ —
<b>Total Liabilities</b>	<u>\$ (631,253)</u>	<u>\$ (604,103)</u>	<u>\$ (27,150)</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ (631,253)</u>	<u>\$ (604,103)</u>	<u>\$ (27,150)</u>	<u>\$ —</u>

### Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2019. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type

	Value	
	Asset	Liability
<b>Equity Risk</b>		
Written Options (a)	\$0	\$ (631,253)
<b>Total Equity Risk</b>	<u>0</u>	<u>(631,253)</u>
<b>Total Value of Derivatives</b>	<u>\$0</u>	<u>\$ (631,253)</u>

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

### Other Information

Distribution of investments by country or territory of incorporation, as a percentage of Total Net Assets, is as follows (Unaudited):

United States of America	88.3%
United Kingdom	3.3%
Germany	2.8%
Canada	2.0%
Norway	1.0%
France	1.0%
Others (Individually Less Than 1%)	1.6%
	<u>100.0%</u>

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

# Financial Statements

## Statement of Assets and Liabilities

December 31, 2019

### Assets

Investment in securities, at value (including securities loaned of \$2,305,536) — See accompanying schedule:

Unaffiliated issuers (cost \$1,080,568,308)	\$ 1,478,529,078	
Fidelity Central Funds (cost \$88,214,414)	<u>88,214,832</u>	
Total Investment in Securities (cost \$1,168,782,722)		\$ 1,566,743,910
Receivable for investments sold		89,222
Receivable for fund shares sold		832,236
Dividends receivable		2,779,035
Interest receivable		666
Distributions receivable from Fidelity Central Funds		99,951
Prepaid expenses		1,970
Other receivables		<u>60,439</u>
<b>Total assets</b>		<u>1,570,607,429</u>

### Liabilities

Payable to custodian bank	\$ 282	
Payable for investments purchased	1,836,083	
Payable for fund shares redeemed	6,305,873	
Accrued management fee	553,220	
Distribution and service plan fees payable	169,513	
Written options, at value (premium received \$519,450)	631,253	
Other affiliated payables	142,186	
Other payables and accrued expenses	123,184	
Collateral on securities loaned	<u>2,346,300</u>	
<b>Total liabilities</b>		<u>12,107,894</u>

**Net Assets** \$ 1,558,499,535

Net Assets consist of:

Paid in capital	\$ 1,087,539,117
Total accumulated earnings (loss)	<u>470,960,418</u>

**Net Assets** \$ 1,558,499,535

### Net Asset Value and Maximum Offering Price

#### Initial Class:

**Net Asset Value**, offering price and redemption price per share ( $\$358,102,843 \div 16,152,886$  shares) \$ 22.17

#### Service Class:

**Net Asset Value**, offering price and redemption price per share ( $\$118,197,666 \div 5,385,926$  shares) \$ 21.95

#### Service Class 2:

**Net Asset Value**, offering price and redemption price per share ( $\$790,495,452 \div 36,625,372$  shares) \$ 21.58

#### Investor Class:

**Net Asset Value**, offering price and redemption price per share ( $\$291,703,574 \div 13,220,112$  shares) \$ 22.07

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

## Statement of Operations

		Year ended December 31, 2019
<b>Investment Income</b>		
Dividends		\$ 38,763,919
Interest		67,354
Income from Fidelity Central Funds (including \$10,979 from security lending)		<u>1,597,060</u>
<b>Total income</b>		<u>40,428,333</u>
<b>Expenses</b>		
Management fee	\$ 6,284,098	
Transfer agent fees	1,156,205	
Distribution and service plan fees	1,783,747	
Accounting and security lending fees	453,278	
Custodian fees and expenses	39,789	
Independent trustees' fees and expenses	7,799	
Audit	65,223	
Legal	7,434	
Miscellaneous	<u>9,281</u>	
Total expenses before reductions	9,806,854	
Expense reductions	<u>(61,475)</u>	
Total expenses after reductions		<u>9,745,379</u>
<b>Net investment income (loss)</b>		<u>30,682,954</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	70,007,928	
Fidelity Central Funds	(146)	
Foreign currency transactions	3,194	
Written options	<u>843,235</u>	
Total net realized gain (loss)		70,854,211
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers (net of increase in deferred foreign taxes of \$10,244)	267,551,284	
Assets and liabilities in foreign currencies	1,499	
Written options	<u>(111,803)</u>	
Total change in net unrealized appreciation (depreciation)		<u>267,440,980</u>
<b>Net gain (loss)</b>		<u>338,295,191</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ 368,978,145</u>

## Statement of Changes in Net Assets

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 30,682,954	\$ 27,627,811
Net realized gain (loss)	70,854,211	126,110,568
Change in net unrealized appreciation (depreciation)	<u>267,440,980</u>	<u>(275,948,852)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>368,978,145</u>	<u>(122,210,473)</u>
Distributions to shareholders	<u>(169,253,703)</u>	<u>(84,265,435)</u>
Share transactions — net increase (decrease)	<u>109,647,473</u>	<u>29,169,830</u>
<b>Total increase (decrease) in net assets</b>	<u>309,371,915</u>	<u>(177,306,078)</u>
<b>Net Assets</b>		
Beginning of period	<u>1,249,127,620</u>	<u>1,426,433,698</u>
End of period	<u>\$ 1,558,499,535</u>	<u>\$ 1,249,127,620</u>

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

# Financial Highlights

## VIP Growth & Income Portfolio Initial Class

Years ended December 31, Selected Per-Share Data	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$ 19.38	\$ 22.71	\$ 20.15	\$ 18.88	\$ 20.78
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.46	.46	.38	.35	.40
Net realized and unrealized gain (loss)	4.91	(2.42)	2.96	2.38	(.86)
Total from investment operations	5.37	(1.96)	3.34	2.73	(.46)
Distributions from net investment income	(.77) <sup>B</sup>	(.08)	(.28)	(.32)	(.42) <sup>B</sup>
Distributions from net realized gain	(1.81) <sup>B</sup>	(1.29)	(.51)	(1.14)	(1.01) <sup>B</sup>
Total distributions	(2.58)	(1.37)	(.78) <sup>C</sup>	(1.46)	(1.44) <sup>D</sup>
Net asset value, end of period	\$ 22.17	\$ 19.38	\$ 22.71	\$ 20.15	\$ 18.88
<b>Total Return<sup>E,F</sup></b>	30.05%	(8.98)%	16.90%	16.08%	(2.27)%
<b>Ratios to Average Net Assets<sup>G,H</sup></b>					
Expenses before reductions	.54%	.55%	.55%	.56%	.56%
Expenses net of fee waivers, if any	.54%	.54%	.55%	.56%	.56%
Expenses net of all reductions	.54%	.54%	.55%	.56%	.56%
Net investment income (loss)	2.27%	2.08%	1.78%	1.91%	1.99%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 358,103	\$ 361,868	\$ 433,702	\$ 375,639	\$ 370,704
Portfolio turnover rate <sup>I</sup>	34%	41%	35%	34%	35%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

<sup>C</sup> Total distributions of \$.78 per share is comprised of distributions from net investment income of \$.275 and distributions from net realized gain of \$.507 per share.

<sup>D</sup> Total distributions of \$1.44 per share is comprised of distributions from net investment income of \$.422 and distributions from net realized gain of \$1.013 per share.

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

<sup>G</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>H</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>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.

## VIP Growth & Income Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$ 19.21	\$ 22.52	\$ 19.99	\$ 18.75	\$ 20.64
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.44	.43	.35	.33	.37
Net realized and unrealized gain (loss)	4.87	(2.39)	2.94	2.35	(.85)
Total from investment operations	5.31	(1.96)	3.29	2.68	(.48)
Distributions from net investment income	(.75) <sup>B</sup>	(.06)	(.25)	(.31)	(.40) <sup>B</sup>
Distributions from net realized gain	(1.81) <sup>B</sup>	(1.29)	(.51)	(1.14)	(1.01) <sup>B</sup>
Total distributions	(2.57) <sup>C</sup>	(1.35)	(.76)	(1.44) <sup>D</sup>	(1.41)
Net asset value, end of period	\$ 21.95	\$ 19.21	\$ 22.52	\$ 19.99	\$ 18.75
Total Return <sup>E,F</sup>	29.94%	(9.07)%	16.77%	15.94%	(2.35)%
Ratios to Average Net Assets <sup>G,H</sup>					
Expenses before reductions	.64%	.65%	.65%	.66%	.66%
Expenses net of fee waivers, if any	.64%	.64%	.65%	.66%	.66%
Expenses net of all reductions	.64%	.64%	.65%	.66%	.66%
Net investment income (loss)	2.17%	1.98%	1.68%	1.81%	1.89%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 118,198	\$ 101,089	\$ 125,661	\$ 119,952	\$ 116,035
Portfolio turnover rate <sup>I</sup>	34%	41%	35%	34%	35%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

<sup>C</sup> Total distributions of \$2.57 per share is comprised of distributions from net investment income of \$.746 and distributions from net realized gain of \$1.814 per share.

<sup>D</sup> Total distributions of \$1.44 per share is comprised of distributions from net investment income of \$.308 and distributions from net realized gain of \$1.135 per share.

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

<sup>G</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>H</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>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 Growth & Income Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$ 18.94	\$ 22.22	\$ 19.74	\$ 18.54	\$ 20.43
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.40	.39	.32	.30	.34
Net realized and unrealized gain (loss)	4.78	(2.35)	2.90	2.33	(.85)
Total from investment operations	5.18	(1.96)	3.22	2.63	(.51)
Distributions from net investment income	(.73) <sup>B</sup>	(.04)	(.23)	(.29)	(.37) <sup>B</sup>
Distributions from net realized gain	(1.81) <sup>B</sup>	(1.28)	(.51)	(1.14)	(1.01) <sup>B</sup>
Total distributions	(2.54)	(1.32)	(.74)	(1.43)	(1.38)
Net asset value, end of period	\$ 21.58	\$ 18.94	\$ 22.22	\$ 19.74	\$ 18.54
<b>Total Return</b> <sup>C,D</sup>	29.68%	(9.19)%	16.61%	15.81%	(2.54)%
<b>Ratios to Average Net Assets</b> <sup>E,F</sup>					
Expenses before reductions	.79%	.80%	.80%	.81%	.81%
Expenses net of fee waivers, if any	.79%	.79%	.80%	.81%	.81%
Expenses net of all reductions	.79%	.79%	.80%	.81%	.81%
Net investment income (loss)	2.02%	1.83%	1.53%	1.66%	1.74%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 790,495	\$ 527,879	\$ 546,278	\$ 356,194	\$ 290,102
Portfolio turnover rate <sup>G</sup>	34%	41%	35%	34%	35%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

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

<sup>E</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>F</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>G</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 Growth & Income Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$ 19.30	\$ 22.62	\$ 20.07	\$ 18.82	\$ 20.71
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.44	.44	.36	.33	.38
Net realized and unrealized gain (loss)	4.90	(2.41)	2.96	2.37	(.85)
Total from investment operations	5.34	(1.97)	3.32	2.70	(.47)
Distributions from net investment income	(.75) <sup>B</sup>	(.06)	(.26)	(.31)	(.40) <sup>B</sup>
Distributions from net realized gain	(1.81) <sup>B</sup>	(1.29)	(.51)	(1.14)	(1.01) <sup>B</sup>
Total distributions	(2.57) <sup>C</sup>	(1.35)	(.77)	(1.45)	(1.42) <sup>D</sup>
Net asset value, end of period	\$ 22.07	\$ 19.30	\$ 22.62	\$ 20.07	\$ 18.82
<b>Total Return<sup>E,F</sup></b>	29.97%	(9.05)%	16.83%	15.96%	(2.32)%
<b>Ratios to Average Net Assets<sup>G,H</sup></b>					
Expenses before reductions	.62%	.62%	.63%	.64%	.64%
Expenses net of fee waivers, if any	.62%	.62%	.63%	.64%	.64%
Expenses net of all reductions	.62%	.62%	.63%	.64%	.64%
Net investment income (loss)	2.19%	2.01%	1.70%	1.83%	1.91%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 291,704	\$ 258,292	\$ 320,793	\$ 278,661	\$ 238,765
Portfolio turnover rate <sup>I</sup>	34%	41%	35%	34%	35%

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

<sup>B</sup> The amounts shown reflect certain reclassifications related to book to tax differences that were made in the year shown.

<sup>C</sup> Total distributions of \$2.57 per share is comprised of distributions from net investment income of \$.746 and distributions from net realized gain of \$1.814 per share.

<sup>D</sup> Total distributions of \$1.42 per share is comprised of distributions from net investment income of \$.404 and distributions from net realized gain of \$1.013 per share.

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

<sup>G</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>H</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>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

For the period ended December 31, 2019

## 1. Organization.

VIP Growth & Income 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.

## 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 ranged from less than .005% to .01%.

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

## 3. Significant Accounting Policies.

The 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, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee oversees the Fund's valuation policies and procedures and 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. 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.

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

Exchange-traded options are valued using the last sale price or, in the absence of a sale, the last offering price and are categorized as Level 1 in the hierarchy. Options traded over-the-counter are valued using vendor or broker-supplied valuations and are categorized as Level 2 in the hierarchy. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of December 31, 2019 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.

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. As of December 31, 2019, the Fund did not have any unrecognized tax benefits in the financial statements; nor is the Fund aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax 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. The Fund is subject to a tax imposed on capital gains by certain countries in which it invests. An estimated deferred tax liability for net unrealized appreciation on the applicable 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 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. These differences resulted in distribution reclassifications.

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

Book-tax differences are primarily due to foreign currency transactions, market discount, certain conversion ratio adjustments, partnerships 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	\$ 447,065,608
Gross unrealized depreciation	(54,613,216)
Net unrealized appreciation (depreciation)	<u>\$ 392,452,392</u>
Tax Cost	<u>\$1,173,660,265</u>

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

Undistributed ordinary income	\$ 5,383,415
Undistributed long-term capital gain	<u>\$ 73,135,214</u>
Net unrealized appreciation (depreciation) on securities and other investments	<u>\$392,452,034</u>

The tax character of distributions paid was as follows:

	December 31, 2019	December 31, 2018
Ordinary Income	\$ 55,463,400	\$11,947,331
Long-term Capital Gains	<u>113,790,303</u>	<u>72,318,104</u>
Total	<u>\$169,253,703</u>	<u>\$84,265,435</u>

## Notes to Financial Statements – continued

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

### 4. Derivative Instruments.

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

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

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. Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain OTC derivatives such as options, the Fund attempts to reduce its exposure to counterparty credit risk by entering into an International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement with each of its counterparties. The ISDA Master Agreement gives the Fund the right to terminate all transactions traded under such agreement upon the deterioration in the credit quality of the counterparty beyond specified levels. The ISDA Master Agreement gives each party the right, upon an event of default by the other party or a termination of the agreement, to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net payable by one party to the other. To mitigate counterparty credit risk on bi-lateral OTC derivatives, the Fund receives collateral in the form of cash or securities once the Fund's net unrealized appreciation on outstanding derivative contracts under an ISDA Master Agreement exceeds certain applicable thresholds, subject to certain minimum transfer provisions. The collateral received is held in segregated accounts with the Fund's custodian bank in accordance with the collateral agreements entered into between the Fund, the counterparty and the Fund's custodian bank. The Fund could experience delays and costs in gaining access to the collateral even though it is held by the Fund's custodian bank. The Fund's maximum risk of loss from counterparty credit risk related to bi-lateral OTC derivatives is generally the aggregate unrealized appreciation and unpaid counterparty payments in excess of any collateral pledged by the counterparty to the Fund. The Fund may be required to pledge collateral for the benefit of the counterparties on bi-lateral OTC derivatives in an amount not less than each counterparty's unrealized appreciation on outstanding derivative contracts, subject to certain minimum transfer provisions, and any such pledged collateral is identified in the Schedule of Investments. Counterparty credit risk related to exchange-traded options may be mitigated by the protection provided by the exchange on which they trade.

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

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

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

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

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

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

### 5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$463,561,726 and \$517,824,903, respectively.

## 6. Fees and Other Transactions with Affiliates.

**Management Fee.** Fidelity Management & Research Company (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .20% of the Fund's average net assets and an annualized group fee rate that averaged .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 annual management fee rate was .44% 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	\$ 110,945
Service Class 2	<u>1,672,802</u>
	<u>\$1,783,747</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	\$ 243,378
Service Class	71,679
Service Class 2	432,166
Investor Class	<u>408,982</u>
	<u>\$1,156,205</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. Prior to April 1, 2019, FSC had a separate agreement with the Fund for administration of the security lending program, based on the number and duration of lending transactions. For the period, the total fees paid for accounting and administration of securities lending were equivalent to the following annual rates:

	% of Average Net Assets
VIP Growth & Income Portfolio	.03

**Brokerage Commissions.** A portion of portfolio transactions were placed 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 as follows:

	Amount
VIP Growth & Income Portfolio	<u>\$11,182</u>

**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.

## 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 \$3,729 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 from time to time in order to earn additional income. For equity securities, lending agents are used, including National Financial Services (NFS), an affiliate of the Fund. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of daily lending revenue, for its services as lending agent. The Fund may lend securities to certain qualified borrowers, including NFS. 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

## Notes to Financial Statements – continued

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. Total fees paid by the Fund to NFS, as lending agent, amounted to \$129. 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. During the period, there were no securities loaned to NFS.

### 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 \$49,255 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, custodian credits reduced the Fund's expenses by \$2,021.

In addition, during the period the investment adviser reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$10,199.

### 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Distributions to shareholders</b>		
Initial Class	\$ 46,606,368	\$25,683,175
Service Class	13,356,788	7,386,332
Service Class 2	75,342,570	32,407,914
Investor Class	<u>33,947,977</u>	<u>18,788,014</u>
Total	<u>\$169,253,703</u>	<u>\$84,265,435</u>

### 11. Share Transactions.

Transactions for each class of shares were as follows:

	Shares Year ended December 31, 2019	Shares Year ended December 31, 2018	Dollars Year ended December 31, 2019	Dollars Year ended December 31, 2018
<b>Initial Class</b>				
Shares sold	1,846,345	2,589,790	\$ 37,347,746	\$ 55,251,714
Reinvestment of distributions	2,438,613	1,242,070	46,606,368	25,683,175
Shares redeemed	<u>(6,804,914)</u>	<u>(4,253,917)</u>	<u>(138,699,268)</u>	<u>(93,482,125)</u>
Net increase (decrease)	<u>(2,519,956)</u>	<u>(422,057)</u>	<u>\$ (54,745,154)</u>	<u>\$ (12,547,236)</u>
<b>Service Class</b>				
Shares sold	164,313	113,374	\$ 3,299,507	\$ 2,482,762
Reinvestment of distributions	704,412	360,009	13,356,788	7,386,332
Shares redeemed	<u>(745,285)</u>	<u>(790,254)</u>	<u>(15,001,321)</u>	<u>(17,128,338)</u>
Net increase (decrease)	<u>123,440</u>	<u>(316,871)</u>	<u>\$ 1,654,974</u>	<u>\$ (7,259,244)</u>
<b>Service Class 2</b>				
Shares sold	8,237,220	5,340,838	\$ 162,227,794	\$ 113,497,512
Reinvestment of distributions	4,030,890	1,601,249	75,342,570	32,407,914
Shares redeemed	<u>(3,520,175)</u>	<u>(3,646,617)</u>	<u>(68,921,732)</u>	<u>(78,307,074)</u>
Net increase (decrease)	<u>8,747,935</u>	<u>3,295,470</u>	<u>\$ 168,648,632</u>	<u>\$ 67,598,352</u>
<b>Investor Class</b>				
Shares sold	1,144,138	1,535,711	\$ 22,973,119	\$ 33,044,003
Reinvestment of distributions	1,781,169	911,884	33,947,977	18,788,014
Shares redeemed	<u>(3,088,141)</u>	<u>(3,244,430)</u>	<u>(62,832,075)</u>	<u>(70,454,059)</u>
Net increase (decrease)	<u>(162,834)</u>	<u>(796,835)</u>	<u>\$ (5,910,979)</u>	<u>\$ (18,622,042)</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 23% of the total outstanding shares of the Fund and two otherwise unaffiliated shareholders were the owners of record of 50% of the total outstanding shares of the Fund.

Effective January 1, 2020, following any required regulatory notices and approvals:

Investment advisers Fidelity Investments Money Management, Inc., FMR Co., Inc., and Fidelity SelectCo, LLC, merged with and into Fidelity Management & Research Company. In connection with the merger transactions, the resulting, merged investment adviser was then redomiciled from Massachusetts to Delaware, changed its corporate structure from a corporation to a limited liability company, and changed its name to "Fidelity Management & Research Company LLC".

Broker-dealer Fidelity Distributors Corporation merged with and into Fidelity Investments Institutional Services Company, Inc. ("FIISC"). FIISC was then redomiciled from Massachusetts to Delaware, changed its corporate structure from a corporation to a limited liability company, and changed its name to "Fidelity Distributors Company LLC".

Fidelity Investments Institutional Operations Company, Inc. (FIIOC) converted from a Massachusetts corporation to a Massachusetts LLC, and changed its name to "Fidelity Investments Institutional Operations Company LLC".

# Report of Independent Registered Public Accounting Firm

To the Trustees of Variable Insurance Products Fund III and Shareholders of VIP Growth & Income Portfolio:

## Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of VIP Growth & Income Portfolio (the "Fund"), a fund of Variable Insurance Products Fund III, including the schedule of investments, as of December 31, 2019, the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2019, by correspondence with the custodians and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
February 10, 2020

We have served as the auditor of one or more of the Fidelity investment companies since 1999.



# Trustees and Officers

The Trustees, Members of the Advisory Board (if any), and officers of the trust and fund, as applicable, are listed below. The Board of Trustees governs the fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee the fund's activities, review contractual arrangements with companies that provide services to the fund, oversee management of the risks associated with such activities and contractual arrangements, and review the fund's performance. Except for Michael E Wiley, each of the Trustees oversees 302 funds. Mr. Wiley oversees 199 funds.

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

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

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

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

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

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

The Trustees operate using a system of committees to facilitate the timely and efficient consideration of all matters of importance to the Trustees, the fund, and fund shareholders and to facilitate compliance with legal and regulatory requirements and oversight of the fund's activities and associated risks. The Board, acting through its committees, has charged FMR and its affiliates with (i) identifying events or circumstances the occurrence of which could have demonstrably adverse effects on the fund's business and/or reputation; (ii) implementing processes and controls to lessen the possibility that such events or circumstances occur or to mitigate the effects of such events or circumstances if they do occur; and (iii) creating and maintaining a system designed to evaluate continuously business and market conditions in order to facilitate the identification and implementation processes described in (i) and (ii) above. Because the day-to-day operations and activities of the fund are carried out by or through FMR, its affiliates, and other service providers, the fund's exposure to risks is mitigated but not eliminated by the processes overseen by the Trustees. While each of the Board's committees has responsibility for overseeing different aspects of the fund's activities, oversight is exercised primarily through the Operations, Audit, and Compliance Committees. Appropriate personnel, including but not limited to the fund's Chief Compliance Officer (CCO), FMR's internal auditor, the independent accountants, the fund's Treasurer and portfolio management personnel, make periodic reports to the Board's committees, as appropriate, including an annual review of Fidelity's risk management program for the Fidelity® funds. The responsibilities of each standing committee, including their oversight responsibilities, are described further under "Standing Committees of the Trustees."

## Interested Trustees\*:

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

## Trustees and Officers – continued

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

James C. Curvey (1935)

Year of Election or Appointment: 2007

Trustee

Chairman of the Board of Trustees

Mr. Curvey also serves as Trustee of other Fidelity® funds. Mr. Curvey is Vice Chairman (2007-present) and Director of FMR LLC (diversified financial services company). In addition, Mr. Curvey is an Overseer Emeritus for the Boston Symphony Orchestra, a Director of Artis-Naples, and a Trustee of Brewster Academy in Wolfeboro, New Hampshire. Previously, Mr. Curvey served as a Director of Fidelity Research & Analysis Co. (investment adviser firm, 2009-2018), Director of Fidelity Investments Money Management, Inc. (investment adviser firm, 2009-2014) and a Director of FMR and FMR Co., Inc. (investment adviser firms, 2007-2014).

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

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

### Independent Trustees:

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

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

Dennis J. Dirks (1948)

Year of Election or Appointment: 2005

Trustee

Mr. Dirks also serves as Trustee of other Fidelity® funds. Prior to his retirement in May 2003, Mr. Dirks was Chief Operating Officer and a member of the Board of The Depository Trust & Clearing Corporation (DTCC). He also served as President, Chief Operating Officer, and Board member of The Depository Trust Company (DTC) and President and Board member of the National Securities Clearing Corporation (NSCC). In addition, Mr. Dirks served as Chief Executive Officer and Board member of the Government Securities Clearing Corporation, Chief Executive Officer and Board member of the Mortgage-Backed Securities Clearing Corporation, as a Trustee and a member of the Finance Committee of Manhattan College (2005-2008), as a Trustee and a member of the Finance Committee of AHRC of Nassau County (2006-2008), as a member of the Independent Directors Council (IDC) Governing Council (2010-2015), and as a member of the Board of Directors for The Brookville Center for Children’s Services, Inc. (2009-2017). Mr. Dirks is a member of the Finance Committee (2016-present) and Board of Directors (2017-present) and is Treasurer (2018-present) of the Asolo Repertory Theatre.

Donald F. Donahue (1950)

Year of Election or Appointment: 2018

Trustee

Mr. Donahue also serves as a Trustee of other Fidelity® funds. Mr. Donahue is President and Chief Executive Officer of Miranda Partners, LLC (risk consulting for the financial services industry, 2012-present). Previously, Mr. Donahue served as a Member of the Advisory Board of certain Fidelity® funds (2015-2018) and Chief Executive Officer (2006-2012), Chief Operating Officer (2003-2006), and Managing Director, Customer Marketing and Development (1999-2003) of The Depository Trust & Clearing Corporation (financial markets infrastructure). Mr. Donahue serves as a Member (2007-present) and Co-Chairman (2016-present) of the Board of Directors of United Way of New York, Member of the Board of Directors of NYC Leadership Academy (2012-present) and Member of the Board of Advisors of Ripple Labs, Inc. (financial services, 2015-present). He also served as Chairman (2010-2012) and Member of the Board of Directors (2012-2013) of Omgeo, LLC (financial services), Treasurer of United Way of New York (2012-2016), and Member of the Board of Directors of XBRL US (financial services non-profit, 2009-2012) and the International Securities Services Association (2009-2012).

Alan J. Lacy (1953)

Year of Election or Appointment: 2008

Trustee

Mr. Lacy also serves as Trustee of other Fidelity® funds. Mr. Lacy serves as a Director of Bristol-Myers Squibb Company (global pharmaceuticals, 2008-present). He is a Trustee of the California Chapter of The Nature Conservancy (2015-present) and a Director of the Center for Advanced Study in the Behavioral Sciences at Stanford University (2015-present). In addition, Mr. Lacy served as Senior Adviser (2007-2014) of Oak Hill Capital Partners, L.P. (private equity) and also served as Chief Executive Officer (2005) and Vice Chairman (2005-2006) of Sears Holdings Corporation (retail) and Chief Executive Officer and Chairman of the Board of Sears, Roebuck and Co. (retail, 2000-2005). Previously, Mr. Lacy served as Chairman (2014-2017) and a member (2010-2017) of the Board of Directors of Dave & Buster’s Entertainment, Inc. (restaurant and entertainment complexes), as Chairman (2008-2011) and a member (2006-2015) of the Board of Trustees of the National Parks Conservation Association, and as a member of the Board of Directors for The Hillman Companies, Inc. (hardware wholesalers, 2010-2014), Earth Fare, Inc. (retail grocery, 2010-2014), and The Western Union Company (global money transfer, 2006-2011).

Ned C. Lautenbach (1944)

Year of Election or Appointment: 2000

Trustee

Chairman of the Independent Trustees

Mr. Lautenbach also serves as Trustee of other Fidelity® funds. Mr. Lautenbach currently serves as Chair (2018-present) and Member (2013-present) of the Board of Governors, State University System of Florida and is a member of the Council on Foreign Relations (1994-present). He is also a member and has most recently served as Chairman of the Board of Directors of Artis-Naples (2012-present). Previously, Mr. Lautenbach served as a member and then Lead Director of the Board of Directors of Eaton Corporation (diversified industrial, 1997-2016). He was also a Partner and Advisory Partner at Clayton, Dubilier & Rice, LLC (private equity investment, 1998-2010), as well as a Director of Sony Corporation (2006-2007). In addition, Mr. Lautenbach also had a 30-year career with IBM (technology company) during which time he served as Senior Vice President and a member of the Corporate Executive Committee (1968-1998).

Joseph Mauriello (1944)

Year of Election or Appointment: 2008

Trustee

Mr. Mauriello also serves as Trustee of other Fidelity® funds. Prior to his retirement in January 2006, Mr. Mauriello served in numerous senior management positions including Deputy Chairman and Chief Operating Officer (2004-2005), and Vice Chairman of Financial Services (2002-2004) of KPMG LLP US (professional services, 1965-2005). Mr. Mauriello currently serves as a member of the Independent Directors Council (IDC) Governing Council (2015-present). Previously, Mr. Mauriello served as a member of the Board of Directors of XL Group plc. (global insurance and re-insurance, 2006-2018).

Cornelia M. Small (1944)

Year of Election or Appointment: 2005

Trustee

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

Garnett A. Smith (1947)

Year of Election or Appointment: 2018

Trustee

Mr. Smith also serves as Trustee of other Fidelity® funds. Prior to Mr. Smith's retirement, he served as Chairman and Chief Executive Officer of Inbrand Corp. (manufacturer of personal absorbent products, 1990-1997). He also served as President (1986-1990) of Inbrand Corp. Prior to his employment with Inbrand Corp., he was employed by a retail fabric chain and North Carolina National Bank. In addition, Mr. Smith served as a Member of the Advisory Board of certain Fidelity® funds (2012-2013) and as a board member of the Jackson Hole Land Trust (2009-2012).

David M. Thomas (1949)

Year of Election or Appointment: 2008

Trustee

Mr. Thomas also serves as Trustee of other Fidelity® funds. Mr. Thomas serves as Non-Executive Chairman of the Board of Directors of Fortune Brands Home and Security (home and security products, 2011-present) and as a member of the Board of Directors (2004-present) and Presiding Director (2013-present) of Interpublic Group of Companies, Inc. (marketing communication). Previously, Mr. Thomas served as Executive Chairman (2005-2006) and Chairman and Chief Executive Officer (2000-2005) of IMS Health, Inc. (pharmaceutical and healthcare information solutions), a Director of Fortune Brands, Inc. (consumer products, 2000-2011), and a member of the Board of Trustees of the University of Florida (2013-2018).

Michael E. Wiley (1950)

Year of Election or Appointment: 2018

Trustee

Mr. Wiley also serves as Trustee or Member of the Advisory Board of other Fidelity® funds. Mr. Wiley serves as a Director of High Point Resources (exploration and production, 2005-present). Previously, Mr. Wiley served as a Director of Andeavor Corporation (independent oil refiner and marketer, 2005-2018), a Director of Andeavor Logistics LP (natural resources logistics, 2015-2018), a Director of Post Oak Bank (privately-held bank, 2004-2018), a Director of Asia Pacific Exploration Consolidated (international oil and gas exploration and production, 2008-2013), a member of the Board of Trustees of the University of Tulsa (2000-2006; 2007-2010), a Senior Energy Advisor of Katzenbach Partners, LLC (consulting, 2006-2007), an Advisory Director of Riverstone Holdings (private investment), a Director of Spinnaker Exploration Company (exploration and production, 2001-2005) and Chairman, President, and CEO of Baker Hughes, Inc. (oilfield services, 2000-2004).

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

#### Advisory Board Members and Officers:

Correspondence intended for a Member of the Advisory Board (if any) may be sent to Fidelity Investments, P.O. Box 55235, Boston, Massachusetts 02205-5235. Correspondence intended for an officer or Peter S. Lynch may be sent to Fidelity Investments, 245 Summer Street, Boston, Massachusetts 02210. Officers appear below in alphabetical order.

## Trustees and Officers – continued

### Name, Year of Birth; Principal Occupation

Vicki L. Fuller (1957)

Year of Election or Appointment: 2018

Member of the Advisory Board

Ms. Fuller also serves as Member of the Advisory Board of other Fidelity® funds. Ms. Fuller serves as a member of the Board of Directors, Audit Committee, and Nominating and Governance Committee of The Williams Companies, Inc. (natural gas infrastructure, 2018-present). Previously, Ms. Fuller served as the Chief Investment Officer of the New York State Common Retirement Fund (2012-2018) and held a variety of positions at AllianceBernstein L.P. (global asset management, 1985-2012), including Managing Director (2006-2012) and Senior Vice President and Senior Portfolio Manager (2001-2006).

Patricia L. Kampling (1959)

Year of Election or Appointment: 2020

Member of the Advisory Board

Ms. Kampling also serves as Member of the Advisory Board of other Fidelity® funds. Prior to her retirement, Ms. Kampling served as Chairman of the Board and Chief Executive Officer (2012-2019), President and Chief Operating Officer (2011-2012) and Executive Vice President and Chief Financial Officer (2010-2011) of Alliant Energy Corporation. Ms. Kampling currently serves as a member of the Board, Compensation Committee and Executive Committee and as Chair of the Audit Committee of Briggs & Stratton Corporation (manufacturing, 2011-present) and as a member of the Board, Audit, Finance and Risk Committee and Safety, Environmental, Technology and Operations Committee of American Water Works Company, Inc. (utilities company, 2019-present). In addition, Ms. Kampling currently serves as a member of the Board of the Nature Conservancy, Wisconsin Chapter (2019-present). Previously, Ms. Kampling served as a member of the Board of Interstate Power and Light Company (2012-2019) and Wisconsin Power and Light Company (2012-2019) (each a subsidiary of Alliant Energy Corporation) and as a member of the Board and Workforce Development Committee of the Business Roundtable (2018-2019).

Peter S. Lynch (1944)

Year of Election or Appointment: 2003

Member of the Advisory Board

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

Susan Tomasky (1953)

Year of Election or Appointment: 2020

Member of the Advisory Board

Ms. Tomasky also serves as Member of the Advisory Board of other Fidelity® funds. Prior to her retirement, Ms. Tomasky served in various executive officer positions at American Electric Power Company, Inc. (1998-2011), including most recently as President of AEP Transmission (2007-2011). Ms. Tomasky currently serves as a member of the Board and Sustainability Committee and as Chair of the Audit Committee of Marathon Petroleum Corporation (2018-present) and as a member of the Board, Corporate Governance Committee and Organization and Compensation Committee and as Chair of the Audit Committee of Public Service Enterprise Group, Inc. (utilities company, 2012-present). In addition, Ms. Tomasky currently serves as a member of the Board of the Columbus Regional Airport Authority (2007-present), as a member of the Board of the Royal Shakespeare Company – America (2009-present), as a member of the Board of the Columbus Association for the Performing Arts (2011-present) and as a member of the Board of Kenyon College (2016-present). Previously, Ms. Tomasky served as a member of the Board (2011-2019) and as Lead Independent Director (2015-2018) of Andeavor Corporation (previously Tesoro Corporation) (independent oil refiner and marketer) and as a member of the Board of Summit Midstream Partners LP (energy, 2012-2018).

Elizabeth Paige Baumann (1968)

Year of Election or Appointment: 2017

Anti-Money Laundering (AML) Officer

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

Craig S. Brown (1977)

Year of Election or Appointment: 2019

Assistant Treasurer

Mr. Brown also serves as Assistant Treasurer of other funds. Mr. Brown is an employee of Fidelity Investments (2013-present).

John J. Burke III (1964)

Year of Election or Appointment: 2018

Chief Financial Officer

Mr. Burke also serves as Chief Financial Officer of other funds. Mr. Burke serves as Head of Investment Operations for Fidelity Fund and Investment Operations (2018-present) and is an employee of Fidelity Investments (1998-present). Previously Mr. Burke served as head of Asset Management Investment Operations (2012-2018).

William C. Coffey (1969)

Year of Election or Appointment: 2019

Assistant Secretary

Mr. Coffey also serves as Assistant Secretary of other funds. He is Senior Vice President and Deputy General Counsel of FMR LLC (diversified financial services company, 2010-present), and is an employee of Fidelity Investments. Previously, Mr. Coffey served as Secretary and CLO of certain funds (2018-2019); CLO, Secretary, and Senior Vice President of Fidelity Management & Research Company and FMR Co., Inc. (investment adviser firms, 2018-2019); Secretary of Fidelity SelectCo, LLC and Fidelity Investments Money Management, Inc. (investment adviser firms, 2018-2019); CLO of Fidelity Management & Research (Hong Kong) Limited, FMR Investment Management (UK) Limited, and Fidelity Management & Research (Japan) Limited (investment adviser firms, 2018-2019); and Assistant Secretary of certain funds (2009-2018).

Timothy M. Cohen (1969)

Year of Election or Appointment: 2018

Vice President

Mr. Cohen also serves as Vice President of other funds. Mr. Cohen serves as Co-Head of Equity (2018-present), a Director of Fidelity Management & Research (Japan) Limited (investment adviser firm, 2016-present), and is an employee of Fidelity Investments. Previously, Mr. Cohen served as Executive Vice President of Fidelity SelectCo, LLC (2019), Head of Global Equity Research (2016-2018), Chief Investment Officer – Equity and a Director of Fidelity Management & Research (U.K.) Inc. (investment adviser firm, 2013-2015) and as a Director of Fidelity Management & Research (Hong Kong) Limited (investment adviser firm, 2017).

Jonathan Davis (1968)

Year of Election or Appointment: 2010

Assistant Treasurer

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

Laura M. Del Prato (1964)

Year of Election or Appointment: 2018

Assistant Treasurer

Ms. Del Prato also serves as an officer of other funds. Ms. Del Prato is an employee of Fidelity Investments (2017-present). Prior to joining Fidelity Investments, Ms. Del Prato served as a Managing Director and Treasurer of the JPMorgan Mutual Funds (2014-2017). Prior to JPMorgan, Ms. Del Prato served as a partner at Cohen Fund Audit Services (accounting firm, 2012-2013) and KPMG LLP (accounting firm, 2004-2012).

Colm A. Hogan (1973)

Year of Election or Appointment: 2020

Assistant Treasurer

Mr. Hogan also serves as an officer of other funds. Mr. Hogan serves as Assistant Treasurer of FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments (2005-present). Previously, Mr. Hogan served as Deputy Treasurer of certain Fidelity® funds (2016-2020) and Assistant Treasurer of certain Fidelity® funds (2016-2018).

Pamela R. Holding (1964)

Year of Election or Appointment: 2018

Vice President

Ms. Holding also serves as Vice President of other funds. Ms. Holding serves as Co-Head of Equity (2018-present) and is an employee of Fidelity Investments (2013-present). Previously, Ms. Holding served as Executive Vice President of Fidelity SelectCo, LLC (2019) and as Chief Investment Officer of Fidelity Institutional Asset Management (2013-2018).

Cynthia Lo Bessette (1969)

Year of Election or Appointment: 2019

Secretary and Chief Legal Officer (CLO)

Ms. Lo Bessette also serves as an officer of other funds. Ms. Lo Bessette serves as CLO, Secretary, and Senior Vice President of Fidelity Management & Research Company LLC (investment adviser firm, 2019-present); and CLO of Fidelity Management & Research (Hong Kong) Limited, FMR Investment Management (UK) Limited, and Fidelity Management & Research (Japan) Limited (investment adviser firms, 2019-present). She is a Senior Vice President and Deputy General Counsel of FMR LLC (diversified financial services company, 2019-present), and is an employee of Fidelity Investments. Previously, Ms. Lo Bessette served as CLO, Secretary, and Senior Vice President of FMR Co., Inc. (investment adviser firm, 2019); Secretary of Fidelity SelectCo, LLC and Fidelity Investments Money Management, Inc. (investment adviser firms, 2019). Prior to joining Fidelity Investments, Ms. Lo Bessette was Executive Vice President, General Counsel (2016-2019) and Senior Vice President, Deputy General Counsel (2015-2016) of OppenheimerFunds (investment management company) and Deputy Chief Legal Officer (2013-2015) of Jennison Associates LLC (investment adviser firm).

## Trustees and Officers – continued

Chris Maher (1972)

Year of Election or Appointment: 2020

Deputy Treasurer

Mr. Maher also serves as an officer of other funds. Mr. Maher serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), and is an employee of Fidelity Investments (2008-present). Previously, Mr. Maher served as Assistant Treasurer of certain funds (2013-2020); Vice President of Asset Management Compliance (2013), Vice President of the Program Management Group of FMR (investment adviser firm, 2010-2013), and Vice President of Valuation Oversight (2008-2010).

Kenneth B. Robins (1969)

Year of Election or Appointment: 2016

Chief Compliance Officer

Mr. Robins also serves as an officer of other funds. Mr. Robins serves as Compliance Officer of Fidelity Management & Research Company LLC (investment adviser firm, 2016-present) and is an employee of Fidelity Investments (2004-present). Previously, Mr. Robins served as Compliance Officer of FMR Co., Inc. (investment adviser firm, 2016-2019), as Executive Vice President of Fidelity Investments Money Management, Inc. (investment adviser firm, 2013-2016) and served in other fund officer roles.

Stacie M. Smith (1974)

Year of Election or Appointment: 2016

President and Treasurer

Ms. Smith also serves as an officer of other funds. Ms. Smith serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), is an employee of Fidelity Investments (2009-present), and has served in other fund officer roles. Prior to joining Fidelity Investments, Ms. Smith served as Senior Audit Manager of Ernst & Young LLP (accounting firm, 1996-2009). Previously, Ms. Smith served as Assistant Treasurer (2013-2019) and Deputy Treasurer (2013-2016) of certain Fidelity® funds.

Marc L. Spector (1972)

Year of Election or Appointment: 2016

Assistant Treasurer

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

Jim Wegmann (1979)

Year of Election or Appointment: 2019

Assistant Treasurer

Mr. Wegmann also serves as Assistant Treasurer of other funds. Mr. Wegmann is an employee of Fidelity Investments (2011-present).

# 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 (July 1, 2019 to December 31, 2019).

## 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 July 1, 2019	Ending Account Value December 31, 2019	Expenses Paid During Period- <sup>B</sup> July 1, 2019 to December 31, 2019
Initial Class	.54%			
Actual		\$1,000.00	\$1,121.40	\$2.89
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,022.48	\$2.75
Service Class	.64%			
Actual		\$1,000.00	\$1,120.80	\$3.42
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,021.98	\$3.26
Service Class 2	.79%			
Actual		\$1,000.00	\$1,119.80	\$4.22
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,021.22	\$4.02
Investor Class	.62%			
Actual		\$1,000.00	\$1,120.80	\$3.31
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,022.08	\$3.16

<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 184/365 (to reflect the one-half year period).

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

## Distributions (Unaudited)

The Board of Trustees of VIP Growth & Income Portfolio voted to pay to shareholders of record at the opening of business on record date, the following distributions per share derived from capital gains realized from sales of portfolio securities, and dividends derived from net investment income:

	Pay Date	Record Date	Dividends	Capital Gains
<b>VIP Growth &amp; Income Portfolio</b>				
Initial Class	02/07/20	02/07/20	\$0.081	\$1.031
Service Class	02/07/20	02/07/20	\$0.078	\$1.031
Service Class 2	02/07/20	02/07/20	\$0.073	\$1.031
Investor Class	02/07/20	02/07/20	\$0.079	\$1.031

The fund hereby designates as a capital gain dividend with respect to the taxable year ended December 31, 2019, \$73,459,499, or, if subsequently determined to be different, the net capital gain of such year.

Initial Class designates 74% and 100%; Service Class designates 75% and 100%; Service Class 2 designates 76% and 100%; and Investor designates 75% and 100%; of the dividends distributed in February and December, respectively during the fiscal year as qualifying for the dividends—received deduction for corporate shareholders.



# Board Approval of Investment Advisory Contracts

## VIP Growth & Income Portfolio

At its November 2019 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to approve an amended and restated management contract and amended and restated sub-advisory agreements (together, the Amended and Restated Contracts) for the fund, effective January 1, 2020, for a one month period through January 31, 2020, in connection with an upcoming consolidation of certain of Fidelity's advisory businesses.

The Board considered that, on or about January 1, 2020, each of FMR Co., Inc. (FMRC), Fidelity Investments Money Management, Inc. (FIMM), and SelectCo, LLC (SelectCo) will merge with and into Fidelity Management & Research Company (FMR) and that, after the merger, FMR will redomicile as a Delaware limited liability company. The Board also approved the termination of the sub-advisory agreement with FMRC upon the completion of the merger. The Board noted that the Amended and Restated Contracts would be updated to reflect the renamed adviser, Fidelity Management & Research Company LLC and its new form of organization and domicile. The Board also noted that the Amended and Restated Contracts will not change the investment processes, the level or nature of services provided, the resources and personnel allocated, trading and compliance operations, or any fees or expenses paid by the fund.

The Board concluded that the fund's Amended and Restated Contracts are fair and reasonable, and that the fund's Advisory Contracts should be approved through January 31, 2020.

In connection with its consideration of future renewals of the fund's Amended and Restated Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Amended and Restated Contracts should be approved.

