

# **Fidelity® Variable Insurance Products:**

## **International Capital Appreciation Portfolio**

**Annual Report**  
**December 31, 2020**



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

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

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

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

*A fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-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.*

## Note to Shareholders:

Early in 2020, the outbreak and spread of a new coronavirus emerged as a public health emergency that had a major influence on financial markets, primarily based on its impact on the global economy and the outlook for corporate earnings. The virus causes a respiratory disease known as COVID-19. On March 11, the World Health Organization declared the COVID-19 outbreak a pandemic, citing sustained risk of further global spread.

In the weeks following, as the crisis worsened, we witnessed an escalating human tragedy with wide-scale social and economic consequences from coronavirus-containment measures. The outbreak of COVID-19 prompted a number of measures to limit the spread, including travel and border restrictions, quarantines, and restrictions on large gatherings. In turn, these resulted in lower consumer activity, diminished demand for a wide range of products and services, disruption in manufacturing and supply chains, and — given the wide variability in outcomes regarding the outbreak — significant market uncertainty and volatility. Amid the turmoil, global governments and central banks took unprecedented action to help support consumers, businesses, and the broader economies, and to limit disruption to financial systems.

The situation continues to unfold, and the extent and duration of its impact on financial markets and the economy remain highly uncertain. Extreme events such as the coronavirus crisis are “exogenous shocks” that can have significant adverse effects on mutual funds and their investments. Although multiple asset classes may be affected by market disruption, the duration and impact may not be the same for all types of assets.

Fidelity is committed to helping you stay informed amid news about COVID-19 and during increased market volatility, and we’re taking extra steps to be responsive to customer needs. We encourage you to visit our websites, where we offer ongoing updates, commentary, and analysis on the markets and our funds.

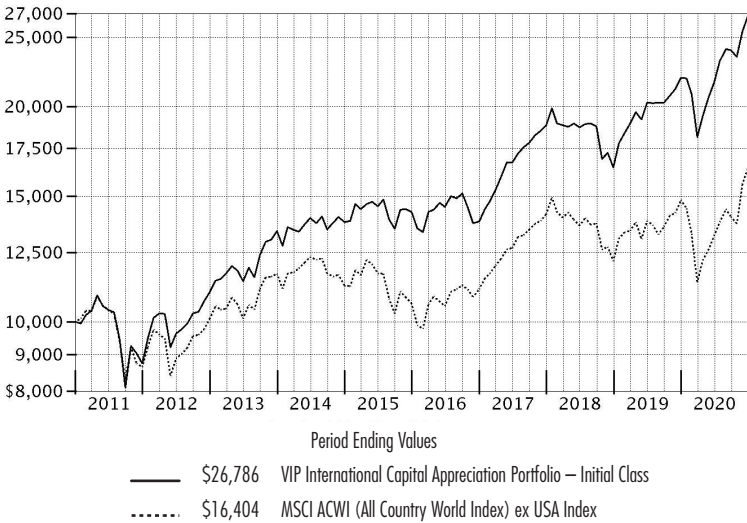
# Performance: The Bottom Line

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, 2020			
	Past 1 year	Past 5 years	Past 10 years
Initial Class	22.18%	13.48%	10.35%
Service Class	22.11%	13.36%	10.25%
Service Class 2	21.91%	13.19%	10.08%
Investor Class	22.14%	13.40%	10.27%

## \$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP International Capital Appreciation Portfolio – Initial Class on December 31, 2010. The chart shows how the value of your investment would have changed, and also shows how the MSCI ACWI (All Country World Index) ex USA Index performed over the same period.



# Management's Discussion of Fund Performance

**Market Recap:** The MSCI ACWI (All Country World Index) ex USA Index gained 10.81% in 2020, a volatile and unpredictable year that will be remembered by most investors for the impact of the coronavirus pandemic. The early-2020 outbreak and spread of COVID-19 resulted in non-U.S. stocks suffering one of the quickest declines on record in March, followed by a historic rebound through year-end. The crisis and containment efforts caused broad contraction in global economic activity, along with dislocation in financial markets. Rapid and expansive monetary/fiscal-policy responses partially offset the economic disruption and fueled the market surge, as did resilient corporate earnings and the potential for a COVID-19 vaccine breakthrough. The rally slowed in early September (-2.45%), when the index began a two-month retreat. November (+13.46%) was a much different story, however, as investors reacted favorably to election results in the U.S. The momentum continued in December (+5.42%), driven by regulatory approvals for COVID-19 vaccines in certain regions. For the full year, emerging markets (+19%) was the top region, followed by Japan (+15%) and Europe ex U.K. (+12%). Conversely, the U.K. (-10%), Canada (+6%) and Asia Pacific ex Japan (+7%) lagged. By sector, information technology (+46%) led the way, while consumer discretionary (+23%) and materials (+22%) also outpaced the index. In contrast, the energy (-23%), real estate (-9%) and financials (-4%) sectors underperformed.

**Comments from Portfolio Manager Sammy Simnagar:** For the year ending December 31, 2020, the fund's share classes gained roughly 22%, outperforming the 10.81% increase in the benchmark MSCI All Country World ex USA (Net MA) Index. From a regional standpoint, security selection in Europe ex U.K. and largely non-benchmark exposure to the U.S. contributed to the fund's relative result. By sector, the top contributor to performance versus the benchmark was an overweighting in information technology, followed by positioning in energy and financials stocks. Our non-benchmark stake in MercadoLibre, a position we established this period, was the fund's top individual relative contributor, driven by a 239% gain. Also adding value was our overweighting in Wuliangye Yibin, which rose 69% and was not held at period end. Another notable relative contributor was an overweighting in Orsted (+104%). In contrast, an underweighting in emerging markets and an overweighting Europe ex U.K., primarily driven by France, detracted from the portfolio's relative result. By sector, the largest detractor from performance versus the benchmark was stock selection in the software & services segment of information technology. An underweighting in the communication services sector, primarily within the media & entertainment industry, also hampered the fund's relative performance. Further pressuring the fund's relative return was an overweighting in industrials, capital goods firms in particular. Lastly, the fund's position in cash was a notable detractor. Our largest individual relative detractor was an outsized stake in Capitec Bank Holdings, which returned -65%. This is a position that was sold the past year. Also hurting performance was our overweighting in MTU Aero Engines, which returned approximately -64% and was no longer held at the end of 2020. Also holding back performance was our outsized stake in Aristocrat Leisure, which returned -58% and was another position not held at period end. Notable changes in positioning include a higher allocation to the U.S. and Japan. By sector, meaningful shifts in positioning were higher exposure to communication services and information technology stocks.

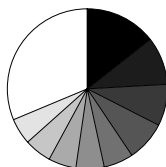
*The views expressed above reflect those of the portfolio manager(s) only through the end of the period as stated on the cover of this report and do not necessarily represent the views of Fidelity or any other person in the Fidelity organization. Any such views are subject to change at any time based 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)

## Geographic Diversification (% of fund's net assets)

As of December 31, 2020

United States of America*	14.4%
Cayman Islands	9.7%
France	8.4%
Japan	8.1%
Switzerland	6.0%
Germany	5.7%
Canada	5.6%
Korea (South)	5.5%
Netherlands	5.3%
Other	31.3%



\* Includes Short-Term investments and Net Other Assets (Liabilities).

Percentages are based on country or territory of incorporation and are adjusted for the effect of futures contracts, if applicable.

## Asset Allocation as of December 31, 2020

	% of fund's net assets
Stocks	97.9
Short-Term Investments and Net Other Assets (Liabilities)	2.1

## Top Ten Stocks as of December 31, 2020

	% of fund's net assets
Taiwan Semiconductor Manufacturing Co. Ltd. (Taiwan, Semiconductors & Semiconductor Equipment)	2.6
Samsung Electronics Co. Ltd. (Korea (South), Technology Hardware, Storage & Peripherals)	2.5
Tencent Holdings Ltd. (Cayman Islands, Interactive Media & Services)	2.5
Nestle SA (Reg. S) (Switzerland, Food Products)	2.1
Alibaba Group Holding Ltd. sponsored ADR (Cayman Islands, Internet & Direct Marketing Retail)	1.8
ASML Holding NV (Netherlands) (Netherlands, Semiconductors & Semiconductor Equipment)	1.6
LVMH Moët Hennessy Louis Vuitton SE (France, Textiles, Apparel & Luxury Goods)	1.5
Meituan Class B (Cayman Islands, Internet & Direct Marketing Retail)	1.4
AIA Group Ltd. (Hong Kong, Insurance)	1.4
Sony Corp. (Japan, Household Durables)	1.4
	<u>18.8</u>

## Top Market Sectors as of December 31, 2020

	% of fund's net assets
Information Technology	24.7
Industrials	15.9
Consumer Discretionary	15.6
Communication Services	10.1
Financials	7.7
Consumer Staples	7.3
Utilities	5.9
Health Care	4.7
Materials	3.9
Energy	1.1

# Schedule of Investments December 31, 2020

Showing Percentage of Net Assets

## Common Stocks – 97.9%

	Shares	Value
<b>Bailiwick of Jersey – 0.9%</b>		
Ferguson PLC	43,900	\$ 5,333,866
<b>Bermuda – 0.8%</b>		
IHS Markit Ltd.	53,000	4,760,990
<b>Brazil – 0.9%</b>		
Magazine Luiza SA	1,072,600	5,152,164
<b>Canada – 5.6%</b>		
Brookfield Asset Management, Inc. Class A	143,346	5,915,889
Canadian National Railway Co.	56,700	6,233,481
Canadian Pacific Railway Ltd.	16,800	5,827,405
Constellation Software, Inc.	3,950	5,129,259
Thomson Reuters Corp.	60,000	4,910,676
Topicus.Com, Inc. (a) (b)	7,532	28,475
Waste Connection, Inc. (Canada)	46,350	4,752,614
<b>TOTAL CANADA</b>		<b>32,797,799</b>
<b>Cayman Islands – 9.7%</b>		
Alibaba Group Holding Ltd. sponsored ADR (a)	44,730	10,410,013
JD.com, Inc. sponsored ADR (a)	76,400	6,715,560
Meituan Class B (a)	221,300	8,409,597
New Oriental Education & Technology Group, Inc. sponsored ADR (a)	31,400	5,834,434
Sea Ltd. ADR (a)	25,800	5,135,490
Shenzhen International Group Holdings Ltd.	279,200	5,474,192
Tencent Holdings Ltd.	203,450	14,639,000
<b>TOTAL CAYMAN ISLANDS</b>		<b>56,618,286</b>
<b>Denmark – 2.2%</b>		
DSV Panalpina A/S	33,700	5,663,682
Novo Nordisk A/S Series B	17,566	1,225,390
ORSTED A/S (c)	30,600	6,260,922
<b>TOTAL DENMARK</b>		<b>13,149,994</b>
<b>France – 8.4%</b>		
Air Liquide SA	38,910	6,379,173
Dassault Systemes SA	26,700	5,419,490
Hermes International SCA	5,089	5,468,453
L'Oreal SA	17,640	6,730,580
LVMH Moet Hennessy Louis Vuitton SE	14,221	8,902,366
Pernod Ricard SA	29,700	5,689,175
SR Teleperformance SA	15,200	5,037,791
Worldline SA (a) (c)	54,700	5,285,799
<b>TOTAL FRANCE</b>		<b>48,912,827</b>
<b>Germany – 5.7%</b>		
Delivery Hero AG (a) (c)	36,900	5,770,755
HelloFresh AG (a)	69,416	5,369,478
Infineon Technologies AG	160,800	6,140,730
Merck KGaA	28,200	4,836,708

	Shares	Value
RWE AG	126,100	\$ 5,334,945
Vonovia SE	79,000	5,769,693
<b>TOTAL GERMANY</b>		<b>33,222,309</b>
<b>Hong Kong – 2.4%</b>		
AIA Group Ltd.	676,600	8,245,130
Techtronic Industries Co. Ltd.	387,500	5,528,252
<b>TOTAL HONG KONG</b>		<b>13,773,382</b>
<b>India – 2.0%</b>		
HDFC Bank Ltd. (a)	267,350	5,266,796
Reliance Industries Ltd.	236,200	6,418,882
<b>TOTAL INDIA</b>		<b>11,685,678</b>
<b>Indonesia – 0.9%</b>		
PT Bank Central Asia Tbk	2,127,700	5,126,167
<b>Ireland – 5.1%</b>		
Accenture PLC Class A	18,300	4,780,143
Aon PLC	22,600	4,774,702
Flutter Entertainment PLC (Ireland)	28,800	5,872,129
Kerry Group PLC Class A	34,700	5,023,364
Kingspan Group PLC (Ireland) (a)	70,700	4,957,676
Linde PLC	18,040	4,753,720
<b>TOTAL IRELAND</b>		<b>30,161,734</b>
<b>Italy – 1.1%</b>		
Enel SpA	660,800	6,723,466
<b>Japan – 8.1%</b>		
Daikin Industries Ltd.	24,200	5,383,705
Hoya Corp.	42,700	5,901,206
Keyence Corp.	11,916	6,693,410
Olympus Corp.	218,900	4,783,767
Recruit Holdings Co. Ltd.	145,500	6,111,430
SMC Corp.	8,000	4,877,246
Sony Corp.	78,300	7,890,141
Tokyo Electron Ltd.	16,400	6,099,075
<b>TOTAL JAPAN</b>		<b>47,739,980</b>
<b>Korea (South) – 5.5%</b>		
LG Chemical Ltd.	7,468	5,653,807
NAVER Corp.	20,660	5,552,207
Samsung Electronics Co. Ltd.	196,990	14,660,159
Samsung SDI Co. Ltd.	10,970	6,329,592
<b>TOTAL KOREA (SOUTH)</b>		<b>32,195,765</b>
<b>Luxembourg – 0.8%</b>		
Spotify Technology SA (a)	14,700	4,625,502

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

## Schedule of Investments – continued

### Common Stocks – continued

	Shares	Value
<b>Netherlands – 5.3%</b>		
Airbus Group NV	52,924	\$ 5,808,102
ASML Holding NV (Netherlands)	20,200	9,780,380
Ferrari NV	22,600	5,241,878
Wolters Kluwer NV	60,632	5,115,349
Yandex NV Series A (a) (d)	77,200	5,371,576
<b>TOTAL NETHERLANDS</b>		<b>31,317,285</b>
<b>Portugal – 0.9%</b>		
Energias de Portugal SA	866,447	5,457,600
<b>Spain – 3.1%</b>		
Aena Sme SA (a) (c)	11,284	1,960,241
Amadeus IT Holding SA Class A	65,000	4,798,122
Cellnex Telecom SA (c)	83,279	4,997,360
Iberdrola SA	461,288	6,593,330
<b>TOTAL SPAIN</b>		<b>18,349,053</b>
<b>Sweden – 2.8%</b>		
Atlas Copco AB (A Shares)	111,000	5,705,001
Hexagon AB (B Shares)	60,500	5,546,764
Swedish Match Co. AB	64,300	5,003,877
<b>TOTAL SWEDEN</b>		<b>16,255,642</b>
<b>Switzerland – 6.0%</b>		
Logitech International SA (Reg.)	53,910	5,234,392
Lonza Group AG	9,476	6,104,125
Nestle SA (Reg. S)	106,130	12,545,767
Partners Group Holding AG	4,559	5,357,016
Sika AG	21,305	5,807,599
<b>TOTAL SWITZERLAND</b>		<b>35,048,899</b>
<b>Taiwan – 2.6%</b>		
Taiwan Semiconductor Manufacturing Co. Ltd.	816,000	15,431,717
<b>United Kingdom – 4.8%</b>		
Ashtead Group PLC	114,400	5,378,476
Atlassian Corp. PLC (a)	19,800	4,630,626
Aveva Group PLC	119,933	5,251,548
Diageo PLC	171,730	6,795,144
London Stock Exchange Group PLC	47,300	5,838,548
<b>TOTAL UNITED KINGDOM</b>		<b>27,894,342</b>
<b>United States of America – 12.3%</b>		
Adobe, Inc. (a)	9,200	4,601,104
Alphabet, Inc. Class A (a)	2,600	4,556,864
Autodesk, Inc. (a)	16,000	4,885,440
Charter Communications, Inc. Class A (a)	7,000	4,630,850
Facebook, Inc. Class A (a)	17,500	4,780,300
MasterCard, Inc. Class A	13,490	4,815,121
MercadoLibre, Inc. (a)	2,800	4,690,616
Microsoft Corp.	20,900	4,648,578

	Shares	Value
Moody's Corp.	16,600	\$ 4,817,984
Netflix, Inc. (a)	8,800	4,758,424
NextEra Energy, Inc.	61,240	4,724,666
NICE Systems Ltd. sponsored ADR (a)	19,700	5,585,738
NVIDIA Corp.	9,100	4,752,020
Thermo Fisher Scientific, Inc.	10,000	4,657,800
Visa, Inc. Class A	22,680	4,960,796
<b>TOTAL UNITED STATES OF AMERICA</b>		<b>71,866,301</b>

### TOTAL COMMON STOCKS

(Cost \$401,243,439)

**573,600,748**

### Money Market Funds – 2.5%

Fidelity Cash Central Fund 0.11% (e)	11,309,695	11,311,957
Fidelity Securities Lending Cash Central Fund 0.11% (e) (f)	3,400,560	3,400,900

### TOTAL MONEY MARKET FUNDS

(Cost \$14,712,857)

**14,712,857**

### TOTAL INVESTMENT IN SECURITIES – 100.4%

(Cost \$415,956,296)

**588,313,605**

### NET OTHER ASSETS (LIABILITIES) – (0.4)%

**(2,350,965)**

### NET ASSETS – 100%

**\$585,962,640**

Categorizations in the Schedule of Investments are based on country or territory of incorporation.

### Legend

- (a) Non-income producing
- (b) Level 3 security
- (c) 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 \$24,275,077 or 4.1% of net assets.
- (d) Security or a portion of the security is on loan at period end.
- (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.

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



## Affiliated Central Funds

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

Fund	Income earned
Fidelity Cash Central Fund	\$ 32,484
Fidelity Securities Lending Cash Central Fund	22,813
Total	<u>\$ 55,297</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, 2020, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<u>Investments in Securities:</u>				
<u>Equities:</u>				
Communication Services	\$ 59,047,573	\$ 44,408,573	\$ 14,639,000	\$ —
Consumer Discretionary	91,201,776	58,027,158	33,174,618	—
Consumer Staples	41,787,907	10,712,539	31,075,368	—
Energy	6,418,882	6,418,882	—	—
Financials	45,342,232	20,634,742	24,707,490	—
Health Care	27,508,996	15,342,773	12,166,223	—
Industrials	93,345,983	59,340,197	34,005,786	—
Information Technology	145,488,478	98,527,898	46,932,105	28,475
Materials	22,594,299	10,407,527	12,186,772	—
Real Estate	5,769,693	—	5,769,693	—
Utilities	35,094,929	16,775,596	18,319,333	—
Money Market Funds	14,712,857	14,712,857	—	—
<u>Total Investments in Securities:</u>	<u>\$588,313,605</u>	<u>\$355,308,742</u>	<u>\$232,976,388</u>	<u>\$28,475</u>

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

# Financial Statements

## Statement of Assets and Liabilities

December 31, 2020

### Assets

Investment in securities, at value (including securities loaned of \$3,332,882) — See accompanying schedule:

Unaffiliated issuers (cost \$401,243,439)	\$ 573,600,748	
Fidelity Central Funds (cost \$14,712,857)	<u>14,712,857</u>	
Total Investment in Securities (cost \$415,956,296)		\$ 588,313,605
Foreign currency held at value (cost \$895,412)		895,412
Receivable for investments sold		5,105,683
Receivable for fund shares sold		212,999
Dividends receivable		724,244
Distributions receivable from Fidelity Central Funds		792
Prepaid expenses		590
Other receivables		<u>177,722</u>
<b>Total assets</b>		<b>595,431,047</b>

### Liabilities

Payable to custodian bank	\$ 133	
Payable for investments purchased	5,231,597	
Payable for fund shares redeemed	150,370	
Accrued management fee	318,569	
Distribution and service plan fees payable	8,469	
Other affiliated payables	77,456	
Other payables and accrued expenses	280,913	
Collateral on securities loaned	<u>3,400,900</u>	
<b>Total liabilities</b>		<b>9,468,407</b>

**Net Assets** \$ 585,962,640

Net Assets consist of:

Paid in capital	\$ 399,991,900
Total accumulated earnings (loss)	<u>185,970,740</u>

**Net Assets** \$ 585,962,640

### Net Asset Value and Maximum Offering Price

#### Initial Class:

**Net Asset Value**, offering price and redemption price per share (\$162,289,022 ÷ 7,045,387 shares) \$ 23.03

#### Service Class:

**Net Asset Value**, offering price and redemption price per share (\$3,297,849 ÷ 143,599 shares) \$ 22.97

#### Service Class 2:

**Net Asset Value**, offering price and redemption price per share (\$41,511,999 ÷ 1,819,590 shares) \$ 22.81

#### Investor Class:

**Net Asset Value**, offering price and redemption price per share (\$378,863,770 ÷ 16,582,849 shares) \$ 22.85

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

## Statement of Operations

	Year ended December 31, 2020	
<b>Investment Income</b>		
Dividends		\$ 6,761,015
Income from Fidelity Central Funds (including \$22,813 from security lending)		55,297
Income before foreign taxes withheld		6,816,312
Less foreign taxes withheld		(794,887)
<b>Total income</b>		<u>6,021,425</u>
<b>Expenses</b>		
Management fee	\$ 3,447,253	
Transfer agent fees	562,418	
Distribution and service plan fees	72,962	
Accounting fees	258,604	
Custodian fees and expenses	124,654	
Independent trustees' fees and expenses	2,889	
Audit	88,280	
Legal	7,217	
Interest	8,026	
Miscellaneous	8,905	
Total expenses before reductions	4,581,208	
Expense reductions	(237,757)	
Total expenses after reductions		<u>4,343,451</u>
<b>Net investment income (loss)</b>		<u>1,677,974</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers (net of foreign taxes of \$28,338)	14,355,402	
Fidelity Central Funds	567	
Foreign currency transactions	(362,732)	
Total net realized gain (loss)		<u>13,993,237</u>
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers (net of decrease in deferred foreign taxes of \$47,228)	75,532,921	
Assets and liabilities in foreign currencies	41,556	
Total change in net unrealized appreciation (depreciation)		<u>75,574,477</u>
<b>Net gain (loss)</b>		<u>89,567,714</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ 91,245,688</u>

## Statement of Changes in Net Assets

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 1,677,974	\$ 2,460,988
Net realized gain (loss)	13,993,237	29,953,570
Change in net unrealized appreciation (depreciation)	75,574,477	67,458,177
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>91,245,688</u>	<u>99,872,735</u>
Distributions to shareholders	(22,905,349)	(7,049,260)
Share transactions — net increase (decrease)	(64,519,839)	210,100,139
<b>Total increase (decrease) in net assets</b>	<u>3,820,500</u>	<u>302,923,614</u>
<b>Net Assets</b>		
Beginning of period	582,142,140	279,218,526
End of period	<u>\$ 585,962,640</u>	<u>\$ 582,142,140</u>

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

# Financial Highlights

## VIP International Capital Appreciation Portfolio Initial Class

Years ended December 31, Selected Per-Share Data	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$ 19.50	\$ 14.82	\$ 17.39	\$ 12.80	\$ 13.32
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.08	.14 <sup>B</sup>	.12	.09	.12
Net realized and unrealized gain (loss)	4.13	4.79	(2.31)	4.57	(.52)
Total from investment operations	4.21	4.93	(2.19)	4.66	(.40)
Distributions from net investment income	(.06)	(.09) <sup>C</sup>	(.12)	(.07)	(.11) <sup>C</sup>
Distributions from net realized gain	(.61)	(.16) <sup>C</sup>	(.26)	—	—
Tax return of capital	—	—	—	—	(.01) <sup>C</sup>
Total distributions	(.68) <sup>D</sup>	(.25)	(.38)	(.07)	(.12)
Net asset value, end of period	\$ 23.03	\$ 19.50	\$ 14.82	\$ 17.39	\$ 12.80
Total Return <sup>E,F</sup>	22.18%	33.33%	(12.75)%	36.45%	(2.98)%
Ratios to Average Net Assets <sup>G,H</sup>					
Expenses before reductions	.85%	.86%	.89%	.92%	.99%
Expenses net of fee waivers, if any	.85%	.86%	.89%	.92%	.99%
Expenses net of all reductions	.80%	.84%	.85%	.89%	.97%
Net investment income (loss)	.39%	.78% <sup>B</sup>	.69%	.57%	.89%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 162,289	\$ 235,985	\$ 20,921	\$ 28,572	\$ 16,644
Portfolio turnover rate <sup>I</sup>	158%	137%	184%	153%	188%

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

<sup>B</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .46%.

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

<sup>D</sup> Total distributions per share do not sum due to rounding.

<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 mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP International Capital Appreciation Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$ 19.46	\$ 14.79	\$ 17.36	\$ 12.78	\$ 13.30
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.06	.12 <sup>B</sup>	.10	.07	.10
Net realized and unrealized gain (loss)	4.12	4.78	(2.30)	4.57	(.51)
Total from investment operations	4.18	4.90	(2.20)	4.64	(.41)
Distributions from net investment income	(.06)	(.07) <sup>C</sup>	(.11)	(.06)	(.10) <sup>C</sup>
Distributions from net realized gain	(.61)	(.16) <sup>C</sup>	(.26)	—	—
Tax return of capital	—	—	—	—	(.01) <sup>C</sup>
Total distributions	(.67)	(.23)	(.37)	(.06)	(.11)
Net asset value, end of period	\$ 22.97	\$ 19.46	\$ 14.79	\$ 17.36	\$ 12.78
<b>Total Return</b> <sup>D,E</sup>	22.11%	33.15%	(12.85)%	36.35%	(3.11)%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>					
Expenses before reductions	.94%	.96%	.99%	1.02%	1.09%
Expenses net of fee waivers, if any	.94%	.96%	.99%	1.02%	1.09%
Expenses net of all reductions	.90%	.94%	.95%	.99%	1.07%
Net investment income (loss)	.30%	.68% <sup>B</sup>	.59%	.47%	.79%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 3,298	\$ 739	\$ 503	\$ 236	\$ 142
Portfolio turnover rate <sup>H</sup>	158%	137%	184%	153%	188%

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

<sup>B</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .36%.

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

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

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

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights – continued

### VIP International Capital Appreciation Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$ 19.33	\$ 14.70	\$ 17.26	\$ 12.72	\$ 13.24
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.03	.09 <sup>B</sup>	.07	.05	.08
Net realized and unrealized gain (loss)	4.09	4.75	(2.28)	4.54	(.50)
Total from investment operations	4.12	4.84	(2.21)	4.59	(.42)
Distributions from net investment income	(.03)	(.04) <sup>C</sup>	(.09)	(.05)	(.09) <sup>C</sup>
Distributions from net realized gain	(.61)	(.16) <sup>C</sup>	(.26)	—	—
Tax return of capital	—	—	—	—	(.01) <sup>C</sup>
Total distributions	(.64)	(.21) <sup>D</sup>	(.35)	(.05)	(.10)
Net asset value, end of period	\$ 22.81	\$ 19.33	\$ 14.70	\$ 17.26	\$ 12.72
Total Return <sup>E,F</sup>	21.91%	32.93%	(12.98)%	36.09%	(3.18)%
Ratios to Average Net Assets <sup>G,H</sup>					
Expenses before reductions	1.09%	1.11%	1.14%	1.17%	1.24%
Expenses net of fee waivers, if any	1.09%	1.11%	1.14%	1.17%	1.24%
Expenses net of all reductions	1.05%	1.09%	1.10%	1.14%	1.22%
Net investment income (loss)	.15%	.53% <sup>B</sup>	.44%	.32%	.64%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 41,512	\$ 25,986	\$ 17,134	\$ 12,533	\$ 6,144
Portfolio turnover rate <sup>I</sup>	158%	137%	184%	153%	188%

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

<sup>B</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .21%.

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

<sup>D</sup> Total distributions per share do not sum due to rounding.

<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 mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP International Capital Appreciation Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2020	2019	2018	2017	2016
Net asset value, beginning of period	\$ 19.35	\$ 14.71	\$ 17.26	\$ 12.71	\$ 13.22
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.06	.12 <sup>B</sup>	.10	.08	.11
Net realized and unrealized gain (loss)	4.10	4.75	(2.28)	4.54	(.51)
Total from investment operations	4.16	4.87	(2.18)	4.62	(.40)
Distributions from net investment income	(.05)	(.07) <sup>C</sup>	(.11)	(.07)	(.10) <sup>C</sup>
Distributions from net realized gain	(.61)	(.16) <sup>C</sup>	(.26)	—	—
Tax return of capital	—	—	—	—	(.01) <sup>C</sup>
Total distributions	(.66)	(.23)	(.37)	(.07)	(.11)
Net asset value, end of period	\$ 22.85	\$ 19.35	\$ 14.71	\$ 17.26	\$ 12.71
<b>Total Return</b> <sup>D,E</sup>	22.14%	33.16%	(12.80)%	36.33%	(3.01)%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>					
Expenses before reductions	.92%	.94%	.97%	1.00%	1.07%
Expenses net of fee waivers, if any	.92%	.94%	.97%	1.00%	1.07%
Expenses net of all reductions	.88%	.92%	.93%	.97%	1.05%
Net investment income (loss)	.32%	.70% <sup>B</sup>	.61%	.49%	.80%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 378,864	\$ 319,432	\$ 240,661	\$ 286,191	\$ 155,518
Portfolio turnover rate <sup>H</sup>	158%	137%	184%	153%	188%

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

<sup>B</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .38%.

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

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

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

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements

For the period ended December 31, 2020

## 1. Organization.

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

Effective January 1, 2020:

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

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

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

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

Level 1 — quoted prices in active markets for identical investments

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

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

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

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

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



Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of December 31, 2020 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds 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. 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. 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, 2020, 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.

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, certain foreign taxes, passive foreign investment companies (PFIC) 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	\$171,835,070
Gross unrealized depreciation	(1,697,434)
Net unrealized appreciation (depreciation)	<u>\$170,137,636</u>
Tax Cost	<u>\$418,175,969</u>

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

Undistributed long-term capital gain	<u>\$ 16,003,038</u>
Net unrealized appreciation (depreciation) on securities and other investments	<u>\$170,150,998</u>

## Notes to Financial Statements – continued

The tax character of distributions paid was as follows:

	December 31, 2020	December 31, 2019
Ordinary Income	\$ 2,310,726	\$7,049,260
Long-term Capital Gains	<u>20,594,623</u>	<u>—</u>
Total	<u>\$22,905,349</u>	<u>\$7,049,260</u>

**Restricted Securities (including Private Placements).** 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. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, are noted in the table below.

	Purchases (\$)	Sales (\$)
VIP International Capital Appreciation Portfolio	805,543,117	896,924,321

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

**Management Fee.** Fidelity Management & Research Company LLC (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 .45% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. 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 .68% 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 Company LLC (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	\$ 1,501
Service Class 2	<u>71,461</u>
	<u>\$72,962</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (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. Effective February 1, 2020, the Board approved to change the fee from .145% to .142% for Investor Class, and from .065% to .064% for all other classes. For the period, transfer agent fees for each class were as follows:

	Amount	% of Class-Level Average Net Assets
Initial Class	\$104,602	.06
Service Class	957	.06
Service Class 2	18,176	.06
Investor Class	<u>438,683</u>	.14
	<u>\$562,418</u>	

**Accounting 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. For the period, the fees were equivalent to the following annual rates:

	% of Average Net Assets
VIP International Capital Appreciation Portfolio	.05

**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:

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

	Borrower or Lender	Average Loan Balance	Weighted Average Interest Rate	Interest Expense
VIP International Capital Appreciation Portfolio	Borrower	\$15,282,667	1.26%	\$8,026

**Interfund Trades.** Funds 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, and amounted to \$25,544,215 and \$92,136,491, respectively.

## 6. Committed Line of Credit.

Certain Funds participate 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are as follows:

VIP International Capital Appreciation Portfolio	Amount \$1,151
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During the period, there were no borrowings on this line of credit.

## 7. Security Lending.

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund’s daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a 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 a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A 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. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. 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. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Income Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP International Capital Appreciation Portfolio	\$436	\$—	\$—

## 8. 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 \$232,181 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 \$3,289.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$2,287.

## 9. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

## Notes to Financial Statements – continued

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Distributions to shareholders</b>		
Initial Class	\$10,959,512	\$3,006,827
Service Class	30,662	8,372
Service Class 2	870,743	273,250
Investor Class	11,044,432	3,760,811
Total	<u>\$22,905,349</u>	<u>\$7,049,260</u>

### 10. Share Transactions.

Transactions for each class of shares were as follows:

	Shares Year ended December 31, 2020	Shares Year ended December 31, 2019	Dollars Year ended December 31, 2020	Dollars Year ended December 31, 2019
<b>Initial Class</b>				
Shares sold	5,538,612	10,785,295	\$ 110,616,163	\$ 203,835,613
Reinvestment of distributions	563,120	158,588	10,959,512	3,006,827
Shares redeemed	(11,159,510)	(252,058)	(205,269,702)	(4,413,276)
Net increase (decrease)	<u>(5,057,778)</u>	<u>10,691,825</u>	<u>\$ (83,694,027)</u>	<u>\$ 202,429,164</u>
<b>Service Class</b>				
Shares sold	116,500	14,556	\$ 2,322,828	\$ 263,840
Reinvestment of distributions	1,348	378	27,061	7,157
Shares redeemed	(12,240)	(10,941)	(248,765)	(202,995)
Net increase (decrease)	<u>105,608</u>	<u>3,993</u>	<u>\$ 2,101,124</u>	<u>\$ 68,002</u>
<b>Service Class 2</b>				
Shares sold	979,178	586,179	\$ 19,037,415	\$ 10,272,648
Reinvestment of distributions	45,038	14,535	870,743	273,250
Shares redeemed	(548,785)	(422,273)	(10,288,458)	(7,543,579)
Net increase (decrease)	<u>475,431</u>	<u>178,441</u>	<u>\$ 9,619,700</u>	<u>\$ 3,002,319</u>
<b>Investor Class</b>				
Shares sold	1,981,361	1,939,976	\$ 40,356,311	\$ 34,794,598
Reinvestment of distributions	569,420	199,831	11,044,432	3,760,811
Shares redeemed	(2,476,898)	(1,996,670)	(43,947,379)	(33,954,755)
Net increase (decrease)	<u>73,883</u>	<u>143,137</u>	<u>\$ 7,453,364</u>	<u>\$ 4,600,654</u>

### 11. 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 70% of the total outstanding shares of the Fund and one otherwise unaffiliated shareholder was the owner of record of 22% of the total outstanding shares of the Fund.

### 12. Coronavirus (COVID-19) Pandemic.

An outbreak of COVID-19 first detected in China during December 2019 has since spread globally and was declared a pandemic by the World Health Organization during March 2020. Developments that disrupt global economies and financial markets, such as the COVID-19 pandemic, may magnify factors that affect the Fund's performance.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Variable Insurance Products Fund II and Shareholders of VIP International Capital Appreciation Portfolio

## ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of VIP International Capital Appreciation Portfolio (one of the funds constituting Variable Insurance Products Fund II, referred to hereafter as the “Fund”) as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2020 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, 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 ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

## ***Basis for Opinion***

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the 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 of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP  
Boston, Massachusetts  
February 10, 2021

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

# Trustees and Officers

The Trustees, Members of the Advisory Board (if any), and officers of the trust and 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. Each of the Trustees oversees 305 funds.

The Trustees hold office without limit in time except that (a) any Trustee may resign; (b) any Trustee may be removed by written instrument, signed by at least two-thirds of the number of Trustees prior to such removal; (c) any Trustee who requests to be retired or who has become incapacitated by illness or injury may be retired by written instrument signed by a majority of the other Trustees; and (d) any Trustee may be removed at any special meeting of shareholders by a two-thirds vote of the outstanding voting securities of the trust. Each Trustee who is not an interested person (as defined in the 1940 Act) of the trust and the fund 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.** Robert A. Lawrence is an interested person and currently serves as Acting 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. David M. Thomas serves as Lead Independent Trustee 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.

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

Bettina Doulton (1964)

Year of Election or Appointment: 2020

Trustee

Ms. Doulton also serves as Trustee of other Fidelity® funds. Prior to her retirement, Ms. Doulton served in a variety of positions at Fidelity Investments, including as a managing director of research (2006-2007), portfolio manager to certain Fidelity® funds (1993-2005), equity analyst and portfolio assistant (1990-1993), and research assistant (1987-1990). Ms. Doulton currently owns and operates Phi Builders + Architects and Cellardoor Winery. Previously, Ms. Doulton served as a member of the Board of Brown Capital Management, LLC (2013-2018).

Robert A. Lawrence (1952)

Year of Election or Appointment: 2020

Trustee

Acting Chairman of the Board of Trustees

Mr. Lawrence also serves as Trustee of other funds. Previously, Mr. Lawrence served as a Member of the Advisory Board of certain funds. Prior to his retirement in 2008, Mr. Lawrence served as Vice President of certain Fidelity® funds (2006-2008), Senior Vice President, Head of High Income Division of Fidelity Management & Research Company (investment adviser firm, 2006-2008), and President of Fidelity Strategic Investments (investment adviser firm, 2002-2005).

\* 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 served as Chief Operating Officer and as a member of the Board of The Depository Trust & Clearing Corporation (financial markets infrastructure), President, Chief Operating Officer and a member of the Board of The Depository Trust Company (DTC), President and a member of the Board of the National Securities Clearing Corporation (NSCC), Chief Executive Officer and a member of the Board of the Government Securities Clearing Corporation and Chief Executive Officer and a member of the Board of the Mortgage-Backed Securities Clearing Corporation. Mr. Dirks currently serves as a member of the Finance Committee (2016-present) and Board (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 Trustee of other Fidelity® funds. Mr. Donahue serves as President and Chief Executive Officer of Miranda Partners, LLC (risk consulting for the financial services industry, 2012-present). Previously, Mr. Donahue served as 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 currently serves as a member (2007-present) and Co-Chairman (2016-present) of the Board of United Way of New York, a member of the Board of NYC Leadership Academy (2012-present) and a member of the Board of Advisors of Ripple Labs, Inc. (financial services, 2015-present). Mr. Donahue previously served as a member of the Advisory Board of certain Fidelity® funds (2015-2018).

Vicki L. Fuller (1957)

Year of Election or Appointment: 2020

Trustee

Ms. Fuller also serves as Trustee of other Fidelity® funds. Previously, Ms. Fuller served as a member of the Advisory Board of certain Fidelity® funds (2018-2020), 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). Ms. Fuller currently serves as a member of the Board, Audit Committee and Nominating and Governance Committee of The Williams Companies, Inc. (natural gas infrastructure, 2018-present), as a member of the Board, Audit Committee and Nominating and Governance Committee of two Blackstone business development companies (2020-present) and as a member of the Board of Treliant, LLC (consulting, 2019-present).



## Trustees and Officers – continued

Patricia L. Kampling (1959)

Year of Election or Appointment: 2020

Trustee

Ms. Kampling also serves as Trustee 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 Advisory Board of certain Fidelity® funds (2020), 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).

Thomas A. Kennedy (1955)

Year of Election or Appointment: 2021

Trustee

Mr. Kennedy also serves as Trustee of other Fidelity® funds. Previously, Mr. Kennedy served as a Member of the Advisory Board of certain Fidelity® funds (2020) and held a variety of positions at Raytheon Company (aerospace and defense, 1983-2020), including Chairman and Chief Executive Officer (2014-2020) and Executive Vice President and Chief Operating Officer (2013-2014). Mr. Kennedy currently serves as Executive Chairman of the Board of Directors of Raytheon Technologies Corporation (aerospace and defense, 2020-present). He is also a member of the Rutgers School of Engineering Industry Advisory Board (2011-present) and a member of the UCLA Engineering Dean's Executive Board (2016-present).

Garnett A. Smith (1947)

Year of Election or Appointment: 2018

Trustee

Mr. Smith also serves as Trustee of other Fidelity® funds. Prior to his retirement, Mr. Smith served as Chairman and Chief Executive Officer (1990-1997) and President (1986-1990) of Inbrand Corp. (manufacturer of personal absorbent products). Prior to his employment with Inbrand Corp., he was employed by a retail fabric chain and North Carolina National Bank (now Bank of America). Mr. Smith previously served as a member of the Advisory Board of certain Fidelity® funds (2012-2013).

David M. Thomas (1949)

Year of Election or Appointment: 2008

Trustee

Lead Independent Trustee

Mr. Thomas also serves as Trustee of other Fidelity® funds. 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). Mr. Thomas currently serves as Non-Executive Chairman of the Board of Fortune Brands Home and Security (home and security products, 2011-present), and a member of the Board (2004-present) and Presiding Director (2013-present) of Interpublic Group of Companies, Inc. (marketing communication).

Susan Tomasky (1953)

Year of Election or Appointment: 2020

Trustee

Ms. Tomasky also serves as Trustee 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 Advisory Board of certain Fidelity® funds (2020), 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).

Michael E. Wiley (1950)

Year of Election or Appointment: 2018

Trustee

Mr. Wiley also serves as Trustee of other Fidelity® funds. Previously, Mr. Wiley served as a member of the Advisory Board of certain Fidelity® funds (2018-2020), Chairman, President and CEO of Baker Hughes, Inc. (oilfield services, 2000-2004). Mr. Wiley also previously served as a member of the Board of Andeavor Corporation (independent oil refiner and marketer, 2005-2018), a member of the Board of Andeavor Logistics LP (natural resources logistics, 2015-2018) and a member of the Board of High Point Resources (exploration and production, 2005-2020).

+ 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.

#### Name, Year of Birth; Principal Occupation

Ned C. Lautenbach (1944)

Year of Election or Appointment: 2021

Member of the Advisory Board

Mr. Lautenbach also serves as a Member of the Advisory Board of other Fidelity® funds. Mr. Lautenbach currently serves as Chair of the Board of Governors, State University System of Florida (2013-present) and is a member of the Council on Foreign Relations (1994-present). He is also a member and has in the past served as Chairman of the Board of Directors of Artis-Naples (2012-present). Previously, Mr. Lautenbach served as a Trustee of certain Fidelity® funds (2000-2020) and a member and then Lead Director of the Board of Directors of Eaton Corporation (diversified industrial, 1997-2016). He was also a Partner at Clayton, Dubilier & Rice, LLC (private equity investment, 1998-2010); as well as Director of Sony Corporation (2006-2007). In addition, Mr. Lautenbach had a 30-year career with IBM (technology company), during which time he served as Senior Vice President and as a member of the Corporate Executive Committee (1968-1998).

Peter S. Lynch (1944)

Year of Election or Appointment: 2003

Member of the Advisory Board

Mr. Lynch also serves as a 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).

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).

## Trustees and Officers – continued

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). Previously, Ms. Del Prato served as President and Treasurer of The North Carolina Capital Management Trust: Cash Portfolio and Term Portfolio (2018-2020). 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).

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).

Jason P. Pogorelec (1975)

Year of Election or Appointment: 2020

Chief Compliance Officer

Mr. Pogorelec also serves as Chief Compliance Officer of other funds. Mr. Pogorelec is a senior Vice President of Asset Management Compliance for Fidelity Investments and is an employee of Fidelity Investments (2006-present). Previously, Mr. Pogorelec served as Vice President, Associate General Counsel for Fidelity Investments (2010-2020) and Assistant Secretary of certain Fidelity funds (2015-2020).

Brett Segaloff (1972)

Year of Election or Appointment: 2021

Anti-Money Laundering (AML) Officer

Mr. Segaloff also serves as an AML Officer of other funds and other related entities. He is Director, Anti-Money Laundering (2007-present) of FMR LLC (diversified financial services company) and is an employee of Fidelity Investments (1996-present).

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 LLP (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, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include 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 a 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, 2020 to December 31, 2020).

## Actual Expenses

The first line of the accompanying table 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/Fund under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. If any fund is a shareholder of any underlying mutual funds or exchange-traded funds (ETFs) (the Underlying Funds), such fund indirectly bears its proportional share of the expenses of the Underlying Funds in addition to the direct expenses incurred presented in the table. These fees and expenses are not included in the annualized expense ratio used to calculate the expense estimate in the table below. 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.

## Hypothetical Example for Comparison Purposes

The second line of the accompanying table provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the 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. If any fund is a shareholder of any Underlying Funds, such fund indirectly bears its proportional share of the expenses of the Underlying Funds in addition to the direct expenses as presented in the table. These fees and expenses are not included in the annualized expense ratio used to calculate the expense estimate in the table below. 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.

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, 2020	Ending Account Value December 31, 2020	Expenses Paid During Period- <sup>B</sup> July 1, 2020 to December 31, 2020
VIP International Capital Appreciation Portfolio				
Initial Class	.83%			
Actual		\$1,000.00	\$1,239.60	\$4.67
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,020.96	\$4.22
Service Class	.95%			
Actual		\$1,000.00	\$1,239.70	\$5.35
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,020.36	\$4.82
Service Class 2	1.09%			
Actual		\$1,000.00	\$1,238.00	\$6.13
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,019.66	\$5.53
Investor Class	.91%			
Actual		\$1,000.00	\$1,239.40	\$5.12
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,020.56	\$4.62

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

<sup>B</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period). The fees and expenses of any Underlying Funds are not included in each annualized expense ratio.

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

## Distributions (Unaudited)

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

	Pay Date	Record Date	Capital Gains
<b>VIP International Capital Appreciation Portfolio</b>			
Initial Class	02/05/21	02/05/21	\$0.615
Service Class	02/05/21	02/05/21	\$0.615
Service Class 2	02/05/21	02/05/21	\$0.615
Investor Class	02/05/21	02/05/21	\$0.615

The fund hereby designates as a capital gain dividend with respect to the taxable year ended December 31, 2020, \$16,084,259, or, if subsequently determined to be different, the net capital gain of such year.

Initial Class designates 0% and 7%; Service Class designates 0% and 7%; Service Class 2 designates 0% and 10%; and Investor Class designates 0% and 7%; of the dividends distributed in February and December, respectively during the fiscal year as qualifying for the dividends—received deduction for corporate shareholders

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

	Pay Date	Income	Taxes
<b>VIP International Capital Appreciation Portfolio</b>			
Initial Class	12/01/2020	\$0.0918	\$0.0308
Service Class	12/01/2020	\$0.0918	\$0.0308
Service Class 2	12/01/2020	\$0.0598	\$0.0308
Investor Class	12/01/2020	\$0.0818	\$0.0308

# Proxy Voting Results

A special meeting of shareholders was held on June 9, 2020. The results of votes taken among shareholders on the proposals before them are reported below. Each vote reported represents one dollar of net asset value held on the record date for the meeting.

## PROPOSAL 1

To elect a Board of Trustees.

	# of Votes	% of Votes		# of Votes	% of Votes
Dennis J. Dirks			Affirmative	21,551,120,396.219	95.299
Affirmative	21,597,050,616.024	95.502	Withheld	1,063,170,848.382	4.701
Withheld	1,017,240,628.578	4.498	TOTAL	22,614,291,244.601	100.000
TOTAL	22,614,291,244.601	100.000	Cornelia M. Small		
Donald F. Donahue			Affirmative	21,592,890,757.027	95.483
Affirmative	21,605,904,576.366	95.541	Withheld	1,021,400,487.575	4.517
Withheld	1,008,386,668.235	4.459	TOTAL	22,614,291,244.601	100.000
TOTAL	22,614,291,244.601	100.000	Garnett A. Smith		
Bettina Doulton			Affirmative	21,519,273,578.917	95.158
Affirmative	21,645,998,598.109	95.718	Withheld	1,095,017,665.685	4.842
Withheld	968,292,646.493	4.282	TOTAL	22,614,291,244.601	100.000
TOTAL	22,614,291,244.601	100.000	David M. Thomas		
Vicki L. Fuller			Affirmative	21,574,034,388.063	95.400
Affirmative	21,660,928,063.243	95.784	Withheld	1,040,256,856.538	4.600
Withheld	953,363,181.358	4.216	TOTAL	22,614,291,244.601	100.000
TOTAL	22,614,291,244.601	100.000	Susan Tomasky		
Patricia L. Kampling			Affirmative	21,607,546,330.771	95.548
Affirmative	21,663,944,422.383	95.798	Withheld	1,006,744,913.831	4.452
Withheld	950,346,822.218	4.202	TOTAL	22,614,291,244.601	100.000
TOTAL	22,614,291,244.601	100.000	Michael E. Wiley		
Alan J. Lacy			Affirmative	21,549,685,089.255	95.292
Affirmative	21,569,159,491.891	95.378	Withheld	1,064,606,155.346	4.708
Withheld	1,045,131,752.710	4.622	TOTAL	22,614,291,244.601	100.000
TOTAL	22,614,291,244.601	100.000			
Ned C. Lautenbach					
Affirmative	21,469,914,492.101	94.940			
Withheld	1,144,376,752.501	5.060			
TOTAL	22,614,291,244.601	100.000			
Robert A. Lawrence					
Affirmative	21,583,601,126.100	95.442			
Withheld	1,030,690,118.501	4.558			
TOTAL	22,614,291,244.601	100.000			
Joseph Mauriello					

## PROPOSAL 2

To convert a fundamental investment policy to a non-fundamental investment policy.

	# of Votes	% of Votes
Affirmative	245,671,441.827	81.524
Against	32,716,010.567	10.857
Abstain	22,960,440.846	7.619
Broker Non-Vote	0.00	0.00
TOTAL	301,347,893.240	100.000

Proposal 1 reflects trust wide proposal and voting results.



