

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

**FundsManager 20% Portfolio**

**FundsManager 50% Portfolio**

**FundsManager 60% Portfolio**

**FundsManager 70% Portfolio**

**FundsManager 85% Portfolio**

**Annual Report  
December 31, 2018**



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

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

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

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

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

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

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

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

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

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

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

VIP FundsManager® 20% Portfolio

# Performance: The Bottom Line

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

## Average Annual Total Returns

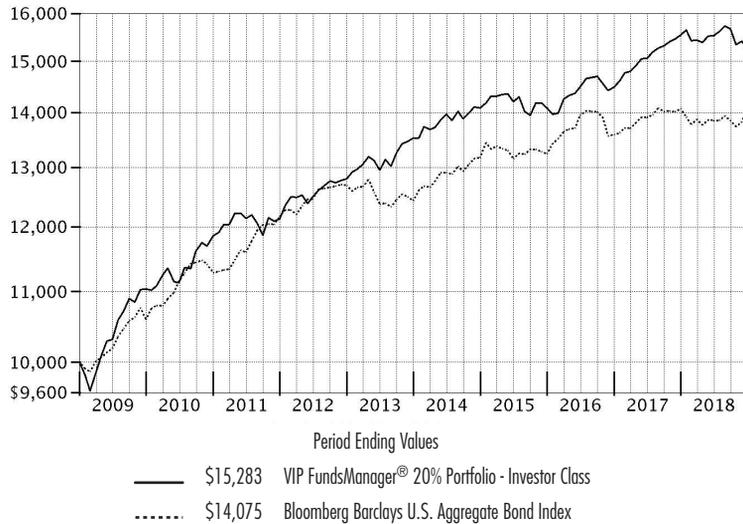
For the periods ended December 31, 2018

	Past 1 year	Past 5 years	Past 10 years
Service Class	-1.67%	2.49%	4.34%
Service Class 2	-1.82%	2.32%	4.17%
Investor Class	-1.67%	2.47%	4.33%

## \$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 20% Portfolio - Investor Class on December 31, 2008.

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



**VIP FundsManager® 50% Portfolio**

**Performance: The Bottom Line**

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

**Average Annual Total Returns**

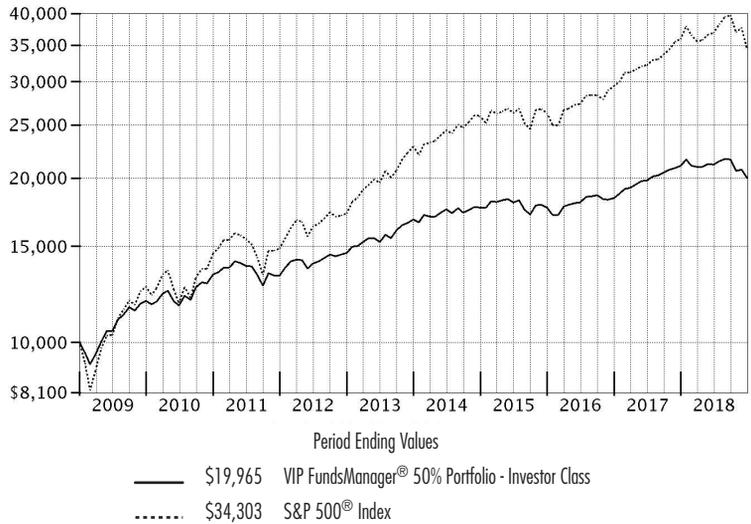
For the periods ended December 31, 2018

	Past 1 year	Past 5 years	Past 10 years
Service Class	-5.28%	3.54%	7.14%
Service Class 2	-5.38%	3.38%	6.99%
Investor Class	-5.20%	3.54%	7.16%

**\$10,000 Over 10 Years**

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 50% Portfolio - Investor Class on December 31, 2008.

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



**VIP FundsManager® 60% Portfolio**

**Performance: The Bottom Line**

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

**Average Annual Total Returns**

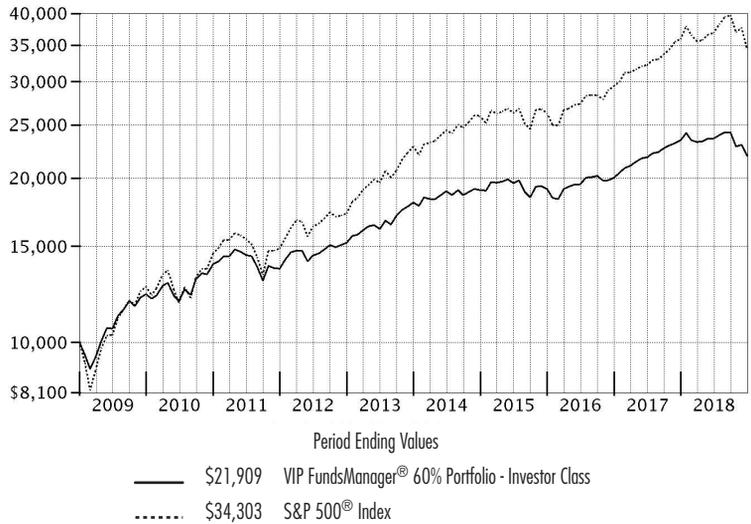
For the periods ended December 31, 2018

	Past 1 year	Past 5 years	Past 10 years
Service Class	-6.44%	3.95%	8.16%
Service Class 2	-6.51%	3.81%	7.99%
Investor Class	-6.44%	3.95%	8.16%

**\$10,000 Over 10 Years**

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 60% Portfolio - Investor Class on December 31, 2008.

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



**VIP FundsManager® 70% Portfolio**

**Performance: The Bottom Line**

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

**Average Annual Total Returns**

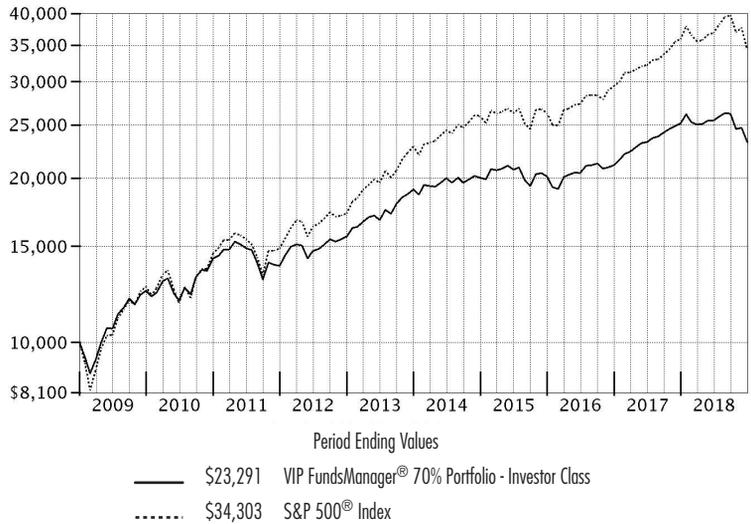
For the periods ended December 31, 2018

	Past 1 year	Past 5 years	Past 10 years
Service Class	-7.50%	4.11%	8.82%
Service Class 2	-7.60%	3.97%	8.67%
Investor Class	-7.49%	4.11%	8.82%

**\$10,000 Over 10 Years**

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 70% Portfolio - Investor Class on December 31, 2008.

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



**VIP FundsManager® 85% Portfolio**

**Performance: The Bottom Line**

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

**Average Annual Total Returns**

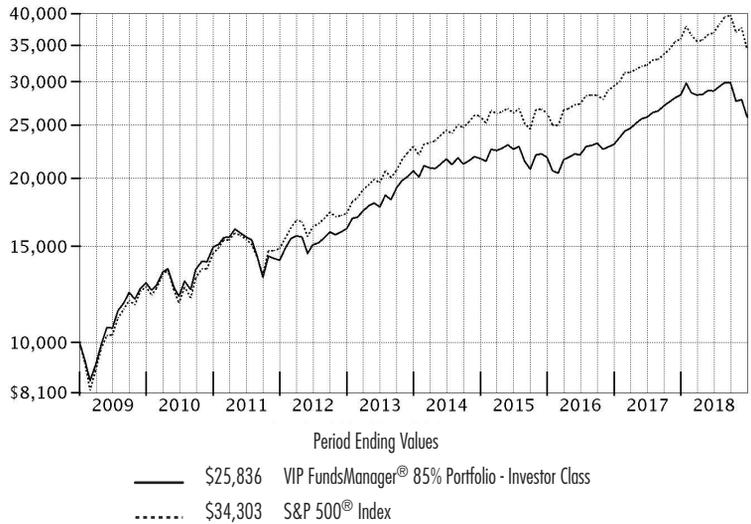
For the periods ended December 31, 2018

	Past 1 year	Past 5 years	Past 10 years
Service Class	-8.90%	4.60%	9.95%
Service Class 2	-9.08%	4.44%	9.77%
Investor Class	-8.89%	4.61%	9.96%

**\$10,000 Over 10 Years**

Let's say hypothetically that \$10,000 was invested in VIP FundsManager® 85% Portfolio - Investor Class on December 31, 2008.

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



# Management's Discussion of Fund Performance

**Market Recap:** The global economy remained in expansion in 2018, but growth became less synchronous and more uneven. Meanwhile, global monetary policy became a headwind, and this uncertainty spurred an increase in volatility among risk assets. This was particularly true in the latter part of the year due to several factors including China entering a growth recession, emerging late-cycle conditions in the U.S., falling commodity prices, China-U.S. trade-policy uncertainty and the U.K.'s planned "Brexit" from the European Union.

Against this backdrop, U.S. equities, as measured by the S&P 500<sup>®</sup> index returned -4.38% in 2018. Sector-wise, seven of the 11 major sectors in the S&P 500<sup>®</sup> lost ground this period. Falling crude-oil prices caused energy stocks (-18%) to suffer most, while slowing global growth concerns felled the materials (-15%), industrials (-13%) and financials (-13%) sectors. Conversely, health care (+6%) led the way, followed by the utilities (+4%), information technology (+3%) and consumer discretionary (+2%) sectors. Overseas, equities suffered a pronounced, broad-based correction, returning -14.04% for the year, according to the MSCI ACWI ex USA Index. Among regions in the index, Asia-Pacific (-11%) and Japan (-13%) held up best, whereas resource-rich Canada (-17%), Europe (-14%) and emerging markets (-14%) lagged.

In terms of fixed income, investment-grade bonds were roughly flat for the 12 months, according to the Bloomberg Barclays U.S. Aggregate Bond Index. Late in the year, concerns about global growth pushed Treasury yields lower and credit spreads wider. Short-term debt led most U.S. investment-grade sectors, followed by asset-backed securities and agency bonds while corporate credit produced negative returns according to Bloomberg Barclays.

**Comments from Portfolio Manager Geoff Stein:** For the year, the Portfolios' share classes posted returns ranging from roughly -2% to -9%, trailing their respective Composite benchmarks. The Portfolios underperformed primarily because of weak U.S. stock selection during the final quarter of 2018. The majority of the domestic equity subportfolio was allocated to Fidelity<sup>®</sup> Stock Selector All Cap Fund, which substantially lagged the broader U.S. equity market. Security selection in information technology had the greatest negative impact on results. Picks among foreign developed-markets (DM) equities also notably detracted from relative performance. Overall, asset allocation added value from a relative performance standpoint, driven by equity positioning. Underweighted exposure to international DM stocks fueled the Portfolios' positive equity allocation results, as this asset class lagged U.S. equities, primarily due to a strengthening U.S. dollar. An average overweighting in U.S. stocks also meaningfully contributed, bolstered by tax reform, strong corporate profit growth and better economic growth in the United States versus Europe and other regions. Conversely, a small, out-of-benchmark allocation to commodities hampered the Portfolios' equity strategy, largely due to falling oil prices. My fixed-income allocation strategy — underweighting cash and investment-grade bonds to help fund various out-of-benchmark positions — detracted versus the Composite benchmarks and partially offset the benefit of my equity positioning. Underweighting investment-grade debt worked against my strategy, primarily because some of the alternative bond sectors I invested in didn't perform as well as expected. Looking ahead, I have a broadly neutral view toward stocks, but believe international equities — particularly in emerging markets — may offer more attractive opportunities than the U.S.

*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.*

# VIP FundsManager® 20% Portfolio

## Investment Summary (Unaudited)

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

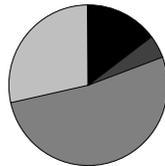
### Top Holdings as of December 31, 2018

	% of fund's net assets
Fidelity U.S. Bond Index Fund Institutional Premium Class	43.6
Fidelity Investments Money Market Prime Reserves Portfolio – Institutional Class 2.49%	16.8
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29%	11.4
Fidelity Stock Selector All Cap Fund	11.2
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	4.2
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	2.9
Fidelity Floating Rate High Income Fund	1.0
Fidelity Mega Cap Stock Fund	0.8
Fidelity Japan Fund	0.8
Fidelity Overseas Fund	<u>0.7</u>
	<u>93.4</u>

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

Period end\*

■ Domestic Equity Funds	14.7%
■ International Equity Funds	4.6%
■ Bond Funds	52.2%
■ Short-Term Funds	28.4%
□ Short-Term Investments	0.1%
* Futures – 0.7%	



# Schedule of Investments December 31, 2018

Showing Percentage of Net Assets

## Equity Funds – 19.3%

	Shares	Value
Fidelity Contrafund (a)	384,449	\$ 4,232,782
Fidelity Diversified International Fund (a)	139,996	4,430,870
Fidelity Equity-Income Fund (a)	82,584	4,206,824
Fidelity Europe Fund (a)	52,762	1,656,737
Fidelity Global Commodity Stock Fund (a)	305,831	3,425,312
Fidelity International Capital Appreciation Fund (a)	59,320	1,057,683
Fidelity International Discovery Fund (a)	100,340	3,659,396
Fidelity International Enhanced Index Fund (a)	406,266	3,432,947
Fidelity International Small Cap Fund (a)	60,683	1,437,579
Fidelity International Small Cap Opportunities Fund (a)	112,326	1,812,941
Fidelity International Value Fund (a)	318,165	2,313,061
Fidelity Japan Fund (a)	439,843	5,766,339
Fidelity Japan Smaller Companies Fund (a)	182,710	2,766,230
Fidelity Low-Priced Stock Fund (a)	95,790	4,156,325
Fidelity Mega Cap Stock Fund (a)	451,840	6,104,354
Fidelity Overseas Fund (a)	123,227	5,037,536
Fidelity Pacific Basin Fund (a)	32,291	849,900
Fidelity Real Estate Investment Portfolio (a)	19,379	744,366
Fidelity Stock Selector All Cap Fund (a)	2,123,226	81,595,573
Fidelity Value Discovery Fund (a)	83,075	2,090,155

### TOTAL EQUITY FUNDS

(Cost \$160,935,422)

**140,776,910**

## Fixed-Income Funds – 52.2%

Fidelity Floating Rate High Income Fund (a)	800,604	7,365,560
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	3,239,942	30,747,046
Fidelity Long Term Treasury Bond Index Fund Institutional Premium (a)	1,653,165	20,962,126
Fidelity New Markets Income Fund (a)	241,602	3,447,653
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	28,126,296	317,264,615

### TOTAL FIXED-INCOME FUNDS

(Cost \$379,797,235)

**379,787,000**

## Money Market Funds – 28.4%

Fidelity Cash Central Fund, 2.42% (b)	1,192,708	1,192,947
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29% (a) (c)	83,379,133	83,379,133
Fidelity Investments Money Market Prime Reserves Portfolio-Institutional Class 2.49% (a) (c)	122,616,503	122,641,026

### TOTAL MONEY MARKET FUNDS

(Cost \$207,212,825)

**207,213,106**

## U.S. Treasury Obligations – 0.1%

	Principal Amount	Value
U.S. Treasury Bills, yield at date of purchase 2.34% to 2.41% 2/14/19 to 3/28/19 (d) (Cost \$507,732)	\$510,000	\$ 507,715
<b>TOTAL INVESTMENT IN SECURITIES – 100.0%</b> (Cost \$748,453,214)		<b>728,284,731</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b>		<b>(159,659)</b>
<b>NET ASSETS – 100%</b>		<b><u>\$728,125,072</u></b>

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

## Schedule of Investments – continued

### Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
ICE E-mini MSCI Emerging Markets Index Contracts (United States)	151	March 2019	\$7,299,340	\$ (43,203)	<u>\$ (43,203)</u>
<b>Sold</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	17	March 2019	2,129,420	122,358	<u>122,358</u>
<b>TOTAL FUTURES CONTRACTS</b>					<b><u>\$79,155</u></b>

The notional amount of futures purchased as a percentage of Net Assets is 1.0%

The notional amount of futures sold as a percentage of Net Assets is 0.3%

For the period, the average monthly underlying face amount at value for futures contracts in the aggregate was \$6,066,722.

### Legend

(a) Affiliated Fund

(b) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.

In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.

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

(d) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$179,420.

### 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	\$ 15,134
Total	<u>\$ 15,134</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.

Fiscal year to date information regarding the Fund's investments in non-Money Market Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Consumer Discretionary Central Fund	\$—	\$ 8,953,396	\$ 9,027,548	\$ 74,152	\$—	\$—	0.0%
Fidelity Consumer Staples Central Fund	—	4,816,241	4,856,996	40,755	—	—	0.0%
Fidelity Energy Central Fund	—	4,301,390	4,345,882	44,492	—	—	0.0%
Fidelity Financials Central Fund	—	12,918,479	12,983,948	65,469	—	—	0.0%
Fidelity Health Care Central Fund	—	11,314,305	11,351,684	37,379	—	—	0.0%
Fidelity Industrials Central Fund	—	8,410,818	8,495,300	84,482	—	—	0.0%
Fidelity Information Technology Central Fund	—	20,550,696	20,625,411	74,715	—	—	0.0%
Fidelity Materials Central Fund	—	2,544,166	2,570,338	26,172	—	—	0.0%
Fidelity Telecom Services Central Fund	—	1,315,216	1,334,397	19,181	—	—	0.0%
Fidelity Utilities Central Fund	—	2,158,269	2,185,539	27,270	—	—	0.0%
	<u>\$—</u>	<u>\$77,282,976</u>	<u>\$77,777,043</u>	<u>\$494,067</u>	<u>\$—</u>	<u>\$—</u>	

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

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

## Affiliated Underlying Funds

Fiscal year to date information regarding the Fund's investments in affiliated Underlying Funds, excluding any Money Market Central Funds, is presented below. Exchanges between classes of the same affiliated Underlying Funds may occur.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 545,347	\$ 38,495	\$ 526,059	\$ 28,339	\$ 125	\$ (57,908)	\$ —
Fidelity Banking Portfolio	1,290,495	121,924	1,313,647	95,719	602,081	(700,853)	—
Fidelity Biotechnology Portfolio	648,913	41,351	686,045	25,901	127,802	(132,021)	—
Fidelity Brokerage and Investment Management Portfolio	284,833	19,686	292,087	13,626	30,625	(43,057)	—
Fidelity Chemicals Portfolio	288,919	21,974	278,973	16,683	119,225	(151,145)	—
Fidelity Commodity Strategy Fund	6,280,442	861,811	7,089,260	—	158,949	(211,942)	—
Fidelity Communication Services Portfolio	473,209	34,497	460,099	25,707	(25,833)	(21,774)	—
Fidelity Construction and Housing Portfolio	409,106	25,964	385,039	18,538	(62,102)	12,071	—
Fidelity Consumer Discretionary Portfolio	5,710,919	2,143,257	7,877,116	124,491	3,160,325	(3,137,385)	—
Fidelity Consumer Staples Portfolio	4,194,088	1,276,565	4,913,097	297,520	1,283,059	(1,840,615)	—
Fidelity Contrafund	3,044,565	2,490,293	806,461	362,937	(7,306)	(488,309)	4,232,782
Fidelity Defense and Aerospace Portfolio	1,903,687	95,117	2,084,246	58,324	656,965	(571,523)	—
Fidelity Diversified International Fund	6,779,012	484,161	1,730,273	303,721	(59,729)	(1,042,301)	4,430,870
Fidelity Emerging Asia Fund	791,868	7,658	810,698	—	284,555	(273,383)	—
Fidelity Emerging Markets Discovery Fund	1,418,774	13,785	1,491,466	—	80,132	(21,225)	—
Fidelity Emerging Markets Fund	5,855,111	55,906	6,001,938	—	1,539,412	(1,448,491)	—
Fidelity Energy Portfolio	3,352,628	963,161	4,378,928	—	652,355	(589,216)	—
Fidelity Equity-Income Fund	5,038,472	1,527,286	1,566,620	399,772	(51,621)	(740,693)	4,206,824
Fidelity Europe Fund	2,594,533	262,054	675,421	178,223	27,932	(552,361)	1,656,737
Fidelity Extended Market Index Fund Premium Class	22,360	21	23,957	21	9,164	(7,588)	—
Fidelity Financial Services Portfolio	6,667,195	2,546,105	8,896,507	210,192	2,337,899	(2,654,692)	—
Fidelity Floating Rate High Income Fund	7,814,907	736,527	848,520	352,117	(3,880)	(333,474)	7,365,560
Fidelity Focused High Income Fund	272	5	268	6	(2)	(7)	—
Fidelity Global Commodity Stock Fund	6,485,492	952,777	3,557,356	75,282	193,259	(648,860)	3,425,312
Fidelity Health Care Portfolio	7,117,118	2,790,576	10,169,261	343,576	1,260,422	(998,855)	—
Fidelity Industrial Equipment Portfolio	1,351,273	177,012	4,234	170,990	(13)	(275,682)	—
Fidelity Industrials Portfolio	2,606,708	1,902,951	5,570,757	227,698	(115,134)	(72,124)	—
Fidelity Inflation-Protected Bond Index Fund Institutional Class	29,469,230	5,310,291	3,074,255	80,819	(35,629)	21,883	—
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	—	826,611	703,299	603,136	(11,123)	(1,056,663)	30,747,046
Fidelity Insurance Portfolio	693,241	94,723	685,566	81,238	288,263	(390,661)	—
Fidelity International Capital Appreciation Fund	1,565,433	80,289	402,427	31,106	60,487	(246,099)	1,057,683
Fidelity International Discovery Fund	5,646,974	289,331	1,386,938	136,291	(36,218)	(853,753)	3,659,396
Fidelity International Enhanced Index Fund	5,228,217	211,766	1,330,946	79,554	(12,332)	(663,758)	3,432,947
Fidelity International Small Cap Fund	3,013,116	180,208	1,401,846	84,120	268,230	(622,129)	1,437,579
Fidelity International Small Cap Opportunities Fund	2,794,621	140,717	783,846	53,103	170,322	(508,873)	1,812,941
Fidelity International Value Fund	3,699,827	182,265	1,010,191	74,957	(8,393)	(550,447)	2,313,061
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29%	77,831,034	42,062,347	36,514,248	1,286,961	—	—	83,379,133
Fidelity Investments Money Market Prime Reserves Portfolio — Institutional Class 2.49%	138,479,547	19,077,491	34,916,307	2,586,173	111	184	122,641,026
Fidelity Japan Fund	—	6,251,912	—	21,912	—	(485,573)	5,766,339
Fidelity Japan Smaller Companies Fund	3,758,756	809,609	1,148,311	145,972	15,318	(669,142)	2,766,230
Fidelity Leisure Portfolio	399,725	28,793	404,940	21,369	(3,840)	(19,738)	—
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	—	246,337	452,120	96,795	(9,301)	(284,677)	20,962,126
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	14,139,803	9,101,256	1,577,808	432,172	(26,315)	(175,049)	—
Fidelity Low-Priced Stock Fund	5,084,008	1,564,351	1,426,416	537,041	(32,610)	(1,033,008)	4,156,325
Fidelity Materials Portfolio	1,864,826	648,623	2,316,677	111,831	(173,136)	(23,636)	—
Fidelity Medical Equipment and Systems Portfolio	617,066	39,579	673,391	26,860	133,334	(116,588)	—

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

## Schedule of Investments – continued

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Mega Cap Stock Fund	\$ 7,599,940	\$ 2,807,049	\$ 2,572,510	\$ 1,263,968	\$ (91,911)	\$ (1,638,214)	\$ 6,104,354
Fidelity Natural Gas Portfolio	3,887	19	4,097	19	(561)	752	—
Fidelity New Markets Income Fund	3,984,659	366,644	424,251	174,444	(13,284)	(466,115)	3,447,653
Fidelity Overseas Fund	17,819,753	1,999,516	13,560,761	283,972	2,510,764	(3,731,736)	5,037,536
Fidelity Pacific Basin Fund	1,385,939	128,109	391,951	84,274	63,154	(335,351)	849,900
Fidelity Real Estate Investment Portfolio	2,065,589	897,170	2,060,711	38,022	(61,340)	(96,342)	744,366
Fidelity Stock Selector All Cap Fund	—	105,912,506	10,877,605	3,489,438	(97,768)	(13,341,560)	81,595,573
Fidelity Technology Portfolio	15,749,249	5,889,137	20,947,968	1,964,669	3,880,826	(4,571,244)	—
Fidelity Telecommunications Portfolio	973,395	439,981	1,340,290	19,404	(65,973)	(7,113)	—
Fidelity Transportation Portfolio	402,893	26,023	391,490	18,598	44,804	(82,230)	—
Fidelity U.S. Bond Index Fund Institutional Premium Class	341,502,115	57,342,235	72,019,614	9,170,028	(2,100,370)	(7,459,751)	317,264,615
Fidelity Utilities Portfolio	1,634,310	544,130	2,199,932	10,067	144,837	(123,345)	—
Fidelity Value Discovery Fund	2,587,016	712,388	883,834	98,551	(14,196)	(311,219)	2,090,155
	<u>\$772,964,415</u>	<u>\$283,802,325</u>	<u>\$290,322,879</u>	<u>\$26,436,247</u>	<u>\$16,984,816</u>	<u>\$ (56,844,608)</u>	<u>\$726,584,069</u>

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

## Investment Valuation

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
Equity Funds	\$140,776,910	\$140,776,910	\$ —	\$ —
Fixed-Income Funds	379,787,000	379,787,000	—	—
Money Market Funds	207,213,106	207,213,106	—	—
Other Short-Term Investments	507,715	—	507,715	—
<b>Total Investments in Securities:</b>	<u>\$728,284,731</u>	<u>\$727,777,016</u>	<u>\$507,715</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 122,358	\$ 122,358	\$ —	\$ —
<b>Total Assets</b>	<u>\$ 122,358</u>	<u>\$ 122,358</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Futures Contracts	\$ (43,203)	\$ (43,203)	\$ —	\$ —
<b>Total Liabilities</b>	<u>\$ (43,203)</u>	<u>\$ (43,203)</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ 79,155</u>	<u>\$ 79,155</u>	<u>\$ —</u>	<u>\$ —</u>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2018. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

### Primary Risk Exposure / Derivative Type

	Value	
	Asset	Liability
<b>Equity Risk</b>		
Futures Contracts <sup>(a)</sup>	\$122,358	\$ (43,203)
<b>Total Equity Risk</b>	<u>122,358</u>	<u>(43,203)</u>
<b>Total Value of Derivatives</b>	<u>\$122,358</u>	<u>\$ (43,203)</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in net unrealized appreciation (depreciation).

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

# VIP FundsManager® 20% Portfolio

## Financial Statements

### Statement of Assets and Liabilities

December 31, 2018

#### Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$507,732)	\$ 507,715	
Fidelity Central Funds (cost \$1,192,858)	1,192,947	
Other affiliated issuers (cost \$746,752,624)	<u>726,584,069</u>	
Total Investment in Securities (cost \$748,453,214)		\$ 728,284,731
Segregated cash with brokers for derivative instruments		316,989
Cash		11,053
Receivable for investments sold		344,841
Receivable for fund shares sold		11,151
Distributions receivable from Fidelity Central Funds		2,467
Other receivables		<u>97</u>
<b>Total assets</b>		<u>728,971,329</u>

#### Liabilities

Payable for investments purchased	\$ 328,061	
Payable for fund shares redeemed	352,361	
Accrued management fee	122,073	
Distribution and service plan fees payable	1,032	
Payable for daily variation margin on futures contracts	<u>42,730</u>	
<b>Total liabilities</b>		<u>846,257</u>

**Net Assets** \$ 728,125,072

Net Assets consist of:

Paid in capital	\$ 719,380,710
Total distributable earnings (loss)	<u>8,744,362</u>
<b>Net Assets</b>	<u>\$ 728,125,072</u>

#### Net Asset Value and Maximum Offering Price

Service Class:

**Net Asset Value**, offering price and redemption price per share ( $\$54,853 \div 5,104$  shares) \$ 10.75

Service Class 2:

**Net Asset Value**, offering price and redemption price per share ( $\$8,285,900 \div 772,920$  shares) \$ 10.72

Investor Class:

**Net Asset Value**, offering price and redemption price per share ( $\$719,784,319 \div 67,003,494$  shares) \$ 10.74

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

## Financial Statements – continued

### Statement of Operations

	Year ended December 31, 2018
<b>Investment Income</b>	
Dividends:	
Unaffiliated issuers	\$ 28,666
Affiliated issuers	15,831,227
Interest	5,926
Income from Fidelity Central Funds	<u>15,134</u>
<b>Total income</b>	<u>15,880,953</u>
<b>Expenses</b>	
Management fee	\$ 1,914,634
Distribution and service plan fees	21,129
Independent trustees' fees and expenses	<u>3,563</u>
Total expenses before reductions	1,939,326
Expense reductions	<u>(393,219)</u>
Total expenses after reductions	<u>1,546,107</u>
<b>Net investment income (loss)</b>	<u>14,334,846</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment securities:	
Unaffiliated issuers	536,327
Fidelity Central Funds	493,969
Other affiliated issuers	16,984,816
Futures contracts	1,621,498
Capital gain distributions from underlying funds:	
Affiliated issuers	<u>10,605,020</u>
Total net realized gain (loss)	30,241,630
Change in net unrealized appreciation (depreciation) on:	
Investment securities:	
Unaffiliated issuers	(367,005)
Fidelity Central Funds	89
Other affiliated issuers	(56,844,608)
Futures contracts	<u>79,155</u>
Total change in net unrealized appreciation (depreciation)	<u>(57,132,369)</u>
<b>Net gain (loss)</b>	<u>(26,890,739)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ (12,555,893)</u>

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

## Statement of Changes in Net Assets

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 14,334,846	\$ 10,609,958
Net realized gain (loss)	30,241,630	32,992,467
Change in net unrealized appreciation (depreciation)	(57,132,369)	9,275,256
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(12,555,893)</u>	<u>52,877,681</u>
Distributions to shareholders	(46,235,998)	—
Distributions to shareholders from net investment income	—	(10,031,370)
Distributions to shareholders from net realized gain	—	(4,376,254)
<b>Total distributions</b>	<u>(46,235,998)</u>	<u>(14,407,624)</u>
Share transactions — net increase (decrease)	1,378,738	405,746
<b>Total increase (decrease) in net assets</b>	<u>(57,413,153)</u>	<u>38,875,803</u>
<b>Net Assets</b>		
Beginning of period	785,538,225	746,662,422
End of period	<u>\$ 728,125,072</u>	<u>\$ 785,538,225</u>
<b>Other Information</b>		
Undistributed net investment income end of period		<u>\$ 594,616</u>

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

# Financial Highlights

## VIP FundsManager 20% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 11.63	\$ 11.04	\$ 11.02	\$ 11.51	\$ 11.33
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.21	.16	.14	.13	.15
Net realized and unrealized gain (loss)	(.40)	.65	.17	(.13)	.32
Total from investment operations	(.19)	.81	.31	— <sup>B</sup>	.47
Distributions from net investment income	(.21)	(.15)	(.14)	(.13)	(.15)
Distributions from net realized gain	(.48)	(.07)	(.15)	(.36)	(.15)
Total distributions	(.69)	(.22)	(.29)	(.49)	(.29) <sup>C</sup>
Net asset value, end of period	\$ 10.75	\$ 11.63	\$ 11.04	\$ 11.02	\$ 11.51
Total Return <sup>D,E</sup>	(1.67)%	7.33%	2.83%	(.03)%	4.21%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.87%	1.41%	1.25%	1.16%	1.31%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 55	\$ 59	\$ 60	\$ 62	\$ 68
Portfolio turnover rate <sup>I</sup>	47%	61%	58%	44%	28%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## VIP FundsManager 20% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 11.60	\$ 11.01	\$ 11.00	\$ 11.49	\$ 11.32
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.19	.14	.12	.11	.13
Net realized and unrealized gain (loss)	(.40)	.65	.17	(.12)	.32
Total from investment operations	(.21)	.79	.29	(.01)	.45
Distributions from net investment income	(.19)	(.13)	(.13)	(.12)	(.13)
Distributions from net realized gain	(.48)	(.07)	(.15)	(.36)	(.15)
Total distributions	(.67)	(.20)	(.28)	(.48)	(.28)
Net asset value, end of period	\$ 10.72	\$ 11.60	\$ 11.01	\$ 11.00	\$ 11.49
<b>Total Return<sup>B,C</sup></b>	(1.82)%	7.19%	2.66%	(.17)%	3.98%
<b>Ratios to Average Net Assets<sup>D,E,F</sup></b>					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.72%	1.26%	1.10%	1.01%	1.16%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 8,286	\$ 8,188	\$ 7,529	\$ 1,454	\$ 1,426
Portfolio turnover rate <sup>D,G</sup>	47%	61%	58%	44%	28%

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

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

<sup>D</sup> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## Financial Highlights – continued

### VIP FundsManager 20% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 11.62	\$ 11.04	\$ 11.01	\$ 11.50	\$ 11.33
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.21	.16	.14	.13	.15
Net realized and unrealized gain (loss)	(.40)	.64	.18	(.13)	.31
Total from investment operations	(.19)	.80	.32	<u>.<sup>B</sup></u>	.46
Distributions from net investment income	(.21)	(.15)	(.14)	(.13)	(.15)
Distributions from net realized gain	(.48)	(.07)	(.15)	(.36)	(.15)
Total distributions	(.69)	(.22)	(.29)	(.49)	(.29) <sup>C</sup>
Net asset value, end of period	\$ 10.74	\$ 11.62	\$ 11.04	\$ 11.01	\$ 11.50
Total Return <sup>D,E</sup>	(1.67)%	7.24%	2.93%	(.03)%	4.12%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.87%	1.41%	1.25%	1.16%	1.31%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 719,784	\$ 777,291	\$ 739,074	\$ 732,911	\$ 760,583
Portfolio turnover rate <sup>I</sup>	47%	61%	58%	44%	28%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

# VIP FundsManager® 50% Portfolio

## Investment Summary (Unaudited)

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

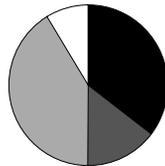
### Top Holdings as of December 31, 2018

	% of fund's net assets
Fidelity U.S. Bond Index Fund Institutional Premium Class	32.9
Fidelity Stock Selector All Cap Fund	26.7
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29%	4.9
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	4.1
Fidelity Overseas Fund	4.1
Fidelity Investments Money Market Prime Reserves Portfolio – Institutional Class 2.49%	3.4
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	2.6
Fidelity Mega Cap Stock Fund	2.2
Fidelity Japan Fund	1.9
Fidelity Equity-Income Fund	1.5
	<u>84.3</u>

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

Period end\*

■ Domestic Equity Funds	35.4%
■ International Equity Funds	14.7%
■ Bond Funds	41.2%
□ Short-Term Funds	8.7%



\* Futures – (0.4)%

# Schedule of Investments December 31, 2018

Showing Percentage of Net Assets

## Equity Funds – 50.1%

	Shares	Value
Fidelity Contrafund (a)	7,395,497	\$ 81,424,422
Fidelity Diversified International Fund (a)	2,660,843	84,215,670
Fidelity Emerging Asia Fund (a)	131,169	4,851,952
Fidelity Emerging Markets Discovery Fund (a)	698,627	8,544,213
Fidelity Emerging Markets Fund (a)	463,733	12,349,217
Fidelity Equity-Income Fund (a)	1,657,232	84,419,412
Fidelity Europe Fund (a)	1,002,100	31,465,933
Fidelity Global Commodity Stock Fund (a)	4,830,064	54,096,716
Fidelity International Capital Appreciation Fund (a)	1,127,876	20,110,027
Fidelity International Discovery Fund (a)	1,880,156	68,569,273
Fidelity International Enhanced Index Fund (a)	7,706,527	65,120,150
Fidelity International Small Cap Fund (a)	1,270,711	30,103,155
Fidelity International Small Cap Opportunities Fund (a)	2,030,229	32,767,889
Fidelity International Value Fund (a)	6,135,394	44,604,317
Fidelity Japan Fund (a)	8,093,963	106,111,858
Fidelity Japan Smaller Companies Fund (a)	4,421,975	66,948,708
Fidelity Large Cap Value Enhanced Index Fund (a)	1,436,088	16,385,760
Fidelity Low-Priced Stock Fund (a)	1,818,437	78,901,999
Fidelity Mega Cap Stock Fund (a)	9,138,351	123,459,126
Fidelity Overseas Fund (a)	5,646,611	230,833,465
Fidelity Pacific Basin Fund (a)	632,131	16,637,686
Fidelity Real Estate Investment Portfolio (a)	358,620	13,774,581
Fidelity Stock Selector All Cap Fund (a)	39,081,516	1,501,902,653
Fidelity Value Discovery Fund (a)	1,640,146	41,266,067

### TOTAL EQUITY FUNDS

(Cost \$3,159,379,718)

**2,818,864,249**

## Fixed-Income Funds – 41.2%

Fidelity Floating Rate High Income Fund (a)	6,383,460	58,727,834
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	24,329,795	230,889,750
Fidelity Long Term Treasury Bond Index Fund Institutional Premium (a)	11,586,362	146,915,068
Fidelity New Markets Income Fund (a)	1,901,672	27,136,859
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	164,252,949	1,852,773,265

### TOTAL FIXED-INCOME FUNDS

(Cost \$2,355,901,284)

**2,316,442,776**

## Money Market Funds – 8.7%

Fidelity Cash Central Fund, 2.42% (b)	24,683,261	24,688,197
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29% (a) (c)	272,552,553	272,552,553
Fidelity Investments Money Market Prime Reserves Portfolio Institutional Class 2.49% (a) (c)	190,645,786	190,683,915

### TOTAL MONEY MARKET FUNDS

(Cost \$487,923,784)

**487,924,665**

## U.S. Treasury Obligations – 0.0%

	Principal Amount	Value
U.S. Treasury Bills, yield at date of purchase 2.34% to 2.36% 2/14/19 to 3/21/19 (d) (Cost \$4,074,970)	\$ 4,090,000	<b>\$ 4,074,757</b>
<b>TOTAL INVESTMENT IN SECURITIES – 100.0%</b> (Cost \$6,007,279,756)		<b>5,627,306,447</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b>		<b>(1,369,214)</b>
<b>NET ASSETS – 100%</b>		<b><u>\$5,625,937,233</u></b>

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

## Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
ICE E-mini MSCI Emerging Markets Index Contracts (United States)	640	March 2019	\$30,937,600	\$ (183,046)	\$ (183,046)
<b>Sold</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	391	March 2019	48,976,660	2,814,231	<u>2,814,231</u>
<b>TOTAL FUTURES CONTRACTS</b>					<b><u>\$2,631,185</u></b>

The notional amount of futures purchased as a percentage of Net Assets is 0.5%

The notional amount of futures sold as a percentage of Net Assets is 0.9%

For the period, the average monthly underlying face amount at value for futures contracts in the aggregate was \$88,295,898.

## Legend

(a) Affiliated Fund

(b) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.

In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.

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

(d) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$2,602,408.

## 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	\$ 178,982
Total	<u>\$ 178,982</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.

Fiscal year to date information regarding the Fund's investments in non-Money Market Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Consumer Discretionary Central Fund	\$—	\$ 189,203,265	\$ 190,770,242	\$ 1,566,977	\$—	\$—	0.0%
Fidelity Consumer Staples Central Fund	—	104,325,190	105,207,984	882,794	—	—	0.0%
Fidelity Energy Central Fund	—	89,827,001	90,756,150	929,149	—	—	0.0%
Fidelity Financials Central Fund	—	274,408,628	275,799,301	1,390,673	—	—	0.0%
Fidelity Health Care Central Fund	—	239,542,218	240,333,599	791,381	—	—	0.0%
Fidelity Industrials Central Fund	—	181,252,381	183,072,913	1,820,532	—	—	0.0%
Fidelity Information Technology Central Fund	—	444,657,410	446,274,025	1,616,615	—	—	0.0%
Fidelity Materials Central Fund	—	54,198,352	54,755,890	557,538	—	—	0.0%
Fidelity Telecom Services Central Fund	—	25,256,683	25,625,022	368,339	—	—	0.0%
Fidelity Utilities Central Fund	—	43,898,700	44,453,359	554,659	—	—	0.0%
	<u>\$—</u>	<u>\$1,646,569,828</u>	<u>\$1,657,048,485</u>	<u>\$10,478,657</u>	<u>\$—</u>	<u>\$—</u>	

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

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

## Schedule of Investments – continued

### Affiliated Underlying Funds

Fiscal year to date information regarding the Fund's investments in affiliated Underlying Funds, excluding any Money Market Central Funds, is presented below. Exchanges between classes of the same affiliated Underlying Funds may occur.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 14,747,470	\$ 751,251	\$ 13,969,681	\$ 750,313	\$ 55,704	\$ (1,584,744)	\$ —
Fidelity Banking Portfolio	34,638,556	2,514,773	34,599,047	2,512,353	15,286,931	(17,841,213)	—
Fidelity Biotechnology Portfolio	19,549,696	764,331	20,219,680	762,909	3,525,188	(3,619,535)	—
Fidelity Brokerage and Investment Management Portfolio	7,804,487	366,055	7,843,927	365,540	855,351	(1,181,966)	—
Fidelity Chemicals Portfolio	7,337,432	414,799	6,959,082	414,329	3,131,282	(3,924,431)	—
Fidelity Commodity Strategy Fund	66,593,972	7,540,626	73,164,179	—	924,600	(1,895,019)	—
Fidelity Communication Services Portfolio	12,580,033	670,194	12,017,202	669,392	(646,345)	(586,680)	—
Fidelity Construction and Housing Portfolio	11,092,599	492,810	10,251,085	492,129	3,790,902	(5,125,226)	—
Fidelity Consumer Discretionary Portfolio	153,712,647	6,143,735	161,668,800	2,533,150	44,083,902	(42,271,484)	—
Fidelity Consumer Staples Portfolio	112,465,179	7,651,857	107,231,720	6,444,629	4,271,866	(17,157,182)	—
Fidelity Contrafund	81,685,393	22,611,268	14,376,537	7,108,787	216,290	(8,711,992)	81,424,422
Fidelity Defense and Aerospace Portfolio	50,734,762	1,525,354	54,572,294	1,521,965	16,156,114	(13,843,936)	—
Fidelity Diversified International Fund	119,653,990	8,625,679	23,015,437	5,815,544	1,768,156	(22,816,718)	84,215,670
Fidelity Emerging Asia Fund	10,085,110	162,844	4,437,124	161,175	1,492,763	(2,451,641)	4,851,952
Fidelity Emerging Markets Discovery Fund	18,037,291	160,686	7,816,815	157,713	416,557	(2,253,506)	8,544,213
Fidelity Emerging Markets Fund	74,534,500	712,909	61,116,976	101,193	4,552,192	(6,333,408)	12,349,217
Fidelity Energy Portfolio	90,149,858	1,605,856	92,162,070	—	8,103,954	(7,697,598)	—
Fidelity Equity-Income Fund	94,272,283	17,971,883	12,172,395	7,973,545	(283,557)	(15,368,802)	84,419,412
Fidelity Europe Fund	45,709,460	4,460,810	8,771,480	3,381,282	970,065	(10,902,922)	31,465,933
Fidelity Financial Services Portfolio	179,831,845	8,169,736	181,813,452	4,257,473	52,131,482	(58,319,611)	—
Fidelity Floating Rate High Income Fund	66,515,556	3,139,509	8,240,212	2,885,177	60,243	(2,747,262)	58,727,834
Fidelity Global Commodity Stock Fund	68,904,073	8,213,876	14,049,183	1,190,788	556,997	(9,529,047)	54,096,716
Fidelity Health Care Portfolio	190,274,554	11,183,736	208,074,825	6,970,311	44,110,297	(37,493,762)	—
Fidelity Industrial Equipment Portfolio	36,202,251	4,548,434	213,665	4,546,758	7,106	(7,917,047)	—
Fidelity Industrials Portfolio	69,739,946	7,135,281	106,836,133	4,328,229	19,789,434	(22,455,607)	—
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	230,269,258	50,088,283	41,252,765	5,173,296	(876,748)	(7,338,278)	230,889,750
Fidelity Insurance Portfolio	18,878,213	2,163,836	18,318,298	2,162,550	6,184,139	(8,907,890)	—
Fidelity International Capital Appreciation Fund	27,646,304	1,231,801	5,243,719	593,248	845,971	(4,370,330)	20,110,027
Fidelity International Discovery Fund	99,518,789	4,894,570	19,032,148	2,571,385	(26,600)	(16,785,338)	68,569,273
Fidelity International Enhanced Index Fund	92,140,913	3,687,337	17,837,186	1,522,018	(302,107)	(12,568,807)	65,120,150
Fidelity International Small Cap Fund	53,335,370	2,991,389	18,774,721	1,765,694	3,465,195	(10,914,078)	30,103,155
Fidelity International Small Cap Opportunities Fund	49,520,645	2,082,305	12,749,099	962,974	2,966,612	(9,052,574)	32,767,889
Fidelity International Value Fund	65,028,668	2,981,220	12,594,477	1,453,443	(240,560)	(10,570,534)	44,604,317
Fidelity Investments Money Market Government Portfolio – Institutional Class 2.29%	153,462,044	413,774,646	294,684,137	2,746,881	—	—	272,552,553
Fidelity Investments Money Market Prime Reserves Portfolio – Institutional Class 2.49%	273,777,011	87,979,786	171,073,808	4,647,248	872	54	190,683,915
Fidelity Japan Fund	—	115,073,223	—	403,223	—	(8,961,365)	106,111,858
Fidelity Japan Smaller Companies Fund	61,436,651	22,981,176	1,021,899	3,532,838	23,083	(16,470,303)	66,948,708
Fidelity Large Cap Value Enhanced Index Fund	—	19,240,234	—	1,130,235	—	(2,854,474)	16,385,760
Fidelity Leisure Portfolio	10,502,583	550,622	10,450,420	549,958	(174,800)	(427,985)	—
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	—	754,506	3,636,710	680,576	(128,166)	(1,772,817)	146,915,068
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	120,234,118	51,212,287	16,647,862	3,250,709	(1,054,799)	(2,045,489)	—
Fidelity Low-Priced Stock Fund	95,296,782	16,250,919	12,973,010	10,051,965	(250,540)	(19,422,152)	78,901,999

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

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Materials Portfolio	\$ 50,059,868	\$ 3,238,276	\$ 48,786,422	\$ 2,334,900	\$ (4,621,715)	\$ 109,993	\$ —
Fidelity Medical Equipment and Systems Portfolio	16,529,722	704,819	17,694,832	703,670	4,075,657	(3,615,366)	—
Fidelity Mega Cap Stock Fund	141,648,822	34,358,046	18,997,665	24,249,690	(352,146)	(33,197,931)	123,459,126
Fidelity New Markets Income Fund	33,617,791	1,544,576	4,120,111	1,417,366	(349,753)	(3,555,644)	27,136,859
Fidelity Overseas Fund	414,602,655	23,644,541	154,627,410	13,007,232	14,024,600	(66,810,921)	230,833,465
Fidelity Pacific Basin Fund	24,346,923	2,213,604	4,611,690	1,647,667	(157,770)	(5,153,381)	16,637,686
Fidelity Real Estate Investment Portfolio	55,213,638	4,272,245	41,346,462	715,588	(4,379,532)	14,692	13,774,581
Fidelity Stock Selector All Cap Fund	—	1,946,280,564	198,051,937	64,184,505	(616,691)	(245,709,283)	1,501,902,653
Fidelity Technology Portfolio	421,603,033	48,039,443	456,610,906	42,509,726	115,669,419	(128,700,989)	—
Fidelity Telecommunications Portfolio	26,241,468	1,374,406	25,991,496	372,619	(1,854,857)	230,479	—
Fidelity Transportation Portfolio	11,140,085	504,449	10,629,017	503,768	762,213	(1,777,730)	—
Fidelity U.S. Bond Index Fund Institutional Premium Class	2,245,883,377	408,325,373	734,951,489	58,410,296	(31,903,481)	(34,580,515)	1,852,773,265
Fidelity Utilities Portfolio	43,697,149	1,407,877	45,155,455	204,758	1,814,139	(1,763,710)	—
Fidelity Value Discovery Fund	47,348,530	6,189,756	6,121,642	1,891,494	(46,500)	(6,104,077)	41,266,067
	<u>\$6,519,833,353</u>	<u>\$3,407,574,407</u>	<u>\$3,669,579,794</u>	<u>\$320,696,204</u>	<u>\$327,822,609</u>	<u>\$ (987,107,082)</u>	<u>\$5,598,543,493</u>

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

## Investment Valuation

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
Equity Funds	\$2,818,864,249	\$2,818,864,249	\$ —	\$ —
Fixed-Income Funds	2,316,442,776	2,316,442,776	—	—
Money Market Funds	487,924,665	487,924,665	—	—
Other Short-Term Investments	4,074,757	—	4,074,757	—
<b>Total Investments in Securities:</b>	<u>\$5,627,306,447</u>	<u>\$5,623,231,690</u>	<u>\$4,074,757</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 2,814,231	\$ 2,814,231	\$ —	\$ —
<b>Total Assets</b>	<u>\$ 2,814,231</u>	<u>\$ 2,814,231</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Futures Contracts	\$ (183,046)	\$ (183,046)	\$ —	\$ —
<b>Total Liabilities</b>	<u>\$ (183,046)</u>	<u>\$ (183,046)</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ 2,631,185</u>	<u>\$ 2,631,185</u>	<u>\$ —</u>	<u>\$ —</u>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2018. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

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

## Schedule of Investments – continued

Primary Risk Exposure / Derivative Type	Value	
	Asset	Liability
Equity Risk		
Futures Contracts <sup>(a)</sup>	\$2,814,231	\$ (183,046)
<b>Total Equity Risk</b>	<u>2,814,231</u>	<u>(183,046)</u>
<b>Total Value of Derivatives</b>	<u>\$2,814,231</u>	<u>\$ (183,046)</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in net unrealized appreciation (depreciation).

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

# VIP FundsManager® 50% Portfolio

## Financial Statements

### Statement of Assets and Liabilities

December 31, 2018

#### Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$4,074,970)	\$ 4,074,757	
Fidelity Central Funds (cost \$24,687,370)	24,688,197	
Other affiliated issuers (cost \$5,978,517,416)	<u>5,598,543,493</u>	
Total Investment in Securities (cost \$6,007,279,756)		\$ 5,627,306,447
Segregated cash with brokers for derivative instruments		1,433,852
Cash		1,754,070
Receivable for investments sold		1,632,844
Receivable for fund shares sold		498,603
Distributions receivable from Fidelity Central Funds		<u>43,950</u>
<b>Total assets</b>		<u>5,632,669,766</u>

#### Liabilities

Payable for investments purchased	\$ 1,471,298	
Payable for fund shares redeemed	4,258,226	
Accrued management fee	950,254	
Distribution and service plan fees payable	11,390	
Payable for daily variation margin on futures contracts	<u>41,365</u>	
<b>Total liabilities</b>		<u>6,732,533</u>

**Net Assets** \$ 5,625,937,233

Net Assets consist of:

Paid in capital	\$ 5,454,195,647
Total distributable earnings (loss)	<u>171,741,586</u>

**Net Assets** \$ 5,625,937,233

#### Net Asset Value and Maximum Offering Price

Service Class:

**Net Asset Value**, offering price and redemption price per share ( $\$55,232 \div 4,728$  shares) \$ 11.68

Service Class 2:

**Net Asset Value**, offering price and redemption price per share ( $\$90,233,741 \div 7,752,930$  shares) \$ 11.64

Investor Class:

**Net Asset Value**, offering price and redemption price per share ( $\$5,535,648,260 \div 474,114,493$  shares) \$ 11.68

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

## Financial Statements – continued

### Statement of Operations

	Year ended December 31, 2018
<b>Investment Income</b>	
Dividends:	
Unaffiliated issuers	\$ 959,833
Affiliated issuers	108,582,443
Interest	85,253
Income from Fidelity Central Funds	<u>178,982</u>
<b>Total income</b>	<u>109,806,511</u>
<b>Expenses</b>	
Management fee	\$ 15,893,740
Distribution and service plan fees	246,306
Independent trustees' fees and expenses	<u>29,812</u>
Total expenses before reductions	16,169,858
Expense reductions	<u>(3,295,017)</u>
Total expenses after reductions	<u>12,874,841</u>
<b>Net investment income (loss)</b>	<u>96,931,670</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment securities:	
Unaffiliated issuers	8,639,890
Fidelity Central Funds	10,477,729
Other affiliated issuers	327,822,609
Futures contracts	22,075,137
Capital gain distributions from underlying funds:	
Affiliated issuers	<u>212,113,761</u>
Total net realized gain (loss)	581,129,126
Change in net unrealized appreciation (depreciation) on:	
Investment securities:	
Unaffiliated issuers	(6,157,385)
Fidelity Central Funds	827
Other affiliated issuers	(987,107,082)
Futures contracts	<u>2,631,185</u>
Total change in net unrealized appreciation (depreciation)	<u>(990,632,455)</u>
<b>Net gain (loss)</b>	<u>(409,503,329)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ (312,571,659)</u>

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

## Statement of Changes in Net Assets

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 96,931,670	\$ 79,301,919
Net realized gain (loss)	581,129,126	495,314,605
Change in net unrealized appreciation (depreciation)	(990,632,455)	304,741,713
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(312,571,659)</u>	<u>879,358,237</u>
Distributions to shareholders	(574,970,718)	—
Distributions to shareholders from net investment income	—	(75,263,279)
Distributions to shareholders from net realized gain	—	(40,613,695)
<b>Total distributions</b>	<u>(574,970,718)</u>	<u>(115,876,974)</u>
Share transactions — net increase (decrease)	(210,578,783)	(310,047,364)
<b>Total increase (decrease) in net assets</b>	<u>(1,098,121,160)</u>	<u>453,433,899</u>
<b>Net Assets</b>		
Beginning of period	6,724,058,393	6,270,624,494
End of period	<u>\$ 5,625,937,233</u>	<u>\$ 6,724,058,393</u>
<b>Other Information</b>		
Undistributed net investment income end of period		<u>\$ 4,157,131</u>

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

# Financial Highlights

## VIP FundsManager 50% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 13.53	\$ 12.03	\$ 11.85	\$ 12.39	\$ 12.01
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.19	.16	.15	.15	.17
Net realized and unrealized gain (loss)	(.86)	1.58	.35	(.13)	.45
Total from investment operations	(.67)	1.74	.50	.02	.62
Distributions from net investment income	(.18)	(.15)	(.15)	(.14)	(.14)
Distributions from net realized gain	(1.00)	(.08)	(.16)	(.42)	(.10)
Total distributions	(1.18)	(.24) <sup>B</sup>	(.32) <sup>C</sup>	(.56)	(.24)
Net asset value, end of period	\$ 11.68	\$ 13.53	\$ 12.03	\$ 11.85	\$ 12.39
Total Return <sup>D,E</sup>	(5.28)%	14.45%	4.31%	.06%	5.18%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.52%	1.21%	1.26%	1.19%	1.38%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 55	\$ 64	\$ 62	\$ 64	\$ 73
Portfolio turnover rate <sup>I</sup>	80%	47%	40%	24%	25%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## VIP FundsManager 50% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 13.48	\$ 11.99	\$ 11.82	\$ 12.35	\$ 11.98
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.17	.14	.13	.13	.15
Net realized and unrealized gain (loss)	(.85)	1.57	.34	(.12)	.44
Total from investment operations	(.68)	1.71	.47	.01	.59
Distributions from net investment income	(.16)	(.13)	(.13)	(.12)	(.12)
Distributions from net realized gain	(1.00)	(.08)	(.16)	(.42)	(.10)
Total distributions	(1.16)	(.22) <sup>B</sup>	(.30) <sup>C</sup>	(.54)	(.22)
Net asset value, end of period	\$ 11.64	\$ 13.48	\$ 11.99	\$ 11.82	\$ 12.35
<b>Total Return<sup>D,E</sup></b>	(5.38)%	14.24%	4.08%	(.02)%	4.95%
<b>Ratios to Average Net Assets<sup>F,G,H</sup></b>					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.37%	1.06%	1.11%	1.04%	1.23%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 90,234	\$ 100,867	\$ 90,983	\$ 83,447	\$ 88,771
Portfolio turnover rate <sup>I</sup>	80%	47%	40%	24%	25%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## Financial Highlights – continued

### VIP FundsManager 50% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 13.52	\$ 12.02	\$ 11.85	\$ 12.38	\$ 12.01
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.19	.16	.15	.15	.17
Net realized and unrealized gain (loss)	(.85)	1.58	.34	(.12)	.44
Total from investment operations	(.66)	1.74	.49	.03	.61
Distributions from net investment income	(.18)	(.15)	(.15)	(.14)	(.14)
Distributions from net realized gain	(1.00)	(.08)	(.16)	(.42)	(.10)
Total distributions	(1.18)	(.24) <sup>B</sup>	(.32) <sup>C</sup>	(.56)	(.24)
Net asset value, end of period	\$ 11.68	\$ 13.52	\$ 12.02	\$ 11.85	\$ 12.38
<b>Total Return</b> <sup>D,E</sup>	(5.20)%	14.46%	4.22%	.14%	5.10%
<b>Ratios to Average Net Assets</b> <sup>F,G,H</sup>					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.52%	1.21%	1.26%	1.19%	1.38%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 5,535,648	\$ 6,623,127	\$ 6,179,579	\$ 6,046,146	\$ 5,085,755
Portfolio turnover rate <sup>I</sup>	80%	47%	40%	24%	25%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

# VIP FundsManager® 60% Portfolio

## Investment Summary (Unaudited)

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

### Top Holdings as of December 31, 2018

	% of fund's net assets
Fidelity Stock Selector All Cap Fund	32.3
Fidelity U.S. Bond Index Fund Institutional Premium Class	26.8
Fidelity Overseas Fund	5.3
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	3.7
Fidelity Investments Money Market Government Portfolio Institutional Class	3.3
2.29%	3.3
Fidelity Mega Cap Stock Fund	2.5
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	2.3
Fidelity Japan Fund	2.0
Fidelity Diversified International Fund	1.9
Fidelity Equity-Income Fund	1.7
	<u>81.8</u>

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



# Schedule of Investments December 31, 2018

Showing Percentage of Net Assets

## Equity Funds – 60.5%

	Shares	Value
Fidelity Contrafund (a)	7,997,357	\$ 88,050,901
Fidelity Diversified International Fund (a)	3,127,089	98,972,374
Fidelity Emerging Asia Fund (a)	127,491	4,715,904
Fidelity Emerging Markets Discovery Fund (a)	676,940	8,278,973
Fidelity Emerging Markets Fund (a)	780,874	20,794,682
Fidelity Equity-Income Fund (a)	1,793,914	91,381,985
Fidelity Europe Fund (a)	1,179,791	37,045,442
Fidelity Global Commodity Stock Fund (a)	4,592,217	51,432,835
Fidelity International Capital Appreciation Fund (a)	1,322,426	23,578,856
Fidelity International Discovery Fund (a)	2,208,900	80,558,575
Fidelity International Enhanced Index Fund (a)	9,087,983	76,793,458
Fidelity International Small Cap Fund (a)	1,513,719	35,860,014
Fidelity International Small Cap Opportunities Fund (a)	2,334,560	37,679,803
Fidelity International Value Fund (a)	7,219,255	52,483,982
Fidelity Japan Fund (a)	8,257,506	108,255,908
Fidelity Japan Smaller Companies Fund (a)	5,055,826	76,545,198
Fidelity Large Cap Value Enhanced Index Fund (a)	2,383,268	27,193,093
Fidelity Low-Priced Stock Fund (a)	1,964,563	85,242,387
Fidelity Mega Cap Stock Fund (a)	9,900,363	133,753,904
Fidelity Overseas Fund (a)	6,907,046	282,360,057
Fidelity Pacific Basin Fund (a)	747,646	19,678,051
Fidelity Real Estate Investment Portfolio (a)	406,044	15,596,157
Fidelity Stock Selector All Cap Fund (a)	44,566,397	1,712,686,646
Fidelity Value Discovery Fund (a)	1,773,995	44,633,718

### TOTAL EQUITY FUNDS

(Cost \$3,588,211,944)

**3,213,572,903**

## Fixed-Income Funds – 34.3%

Fidelity Floating Rate High Income Fund (a)	6,077,843	55,916,157
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	20,521,531	194,749,331
Fidelity Long Term Treasury Bond Index Fund Institutional Premium (a)	9,862,231	125,053,091
Fidelity New Markets Income Fund (a)	1,815,974	25,913,953
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	125,987,035	1,421,133,755

### TOTAL FIXED-INCOME FUNDS

(Cost \$1,829,998,852)

**1,822,766,287**

## Money Market Funds – 5.1%

Fidelity Cash Central Fund, 2.42% (b)	13,355,937	13,358,608
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29% (a) (c)	175,947,358	175,947,358
Fidelity Investments Money Market Prime Reserves Portfolio Institutional Class 2.49% (a) (c)	82,770,145	82,786,699

### TOTAL MONEY MARKET FUNDS

(Cost \$272,092,634)

**272,092,665**

## U.S. Treasury Obligations – 0.1%

	Principal Amount	Value
U.S. Treasury Bills, yield at date of purchase 2.34% to 2.37% 2/14/19 to 3/14/19 (d) (Cost \$3,568,203)	\$ 3,580,000	<b>\$ 3,567,951</b>
<b>TOTAL INVESTMENT IN SECURITIES – 100.0%</b> (Cost \$5,693,871,633)		<b>5,311,999,806</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b>		<b>(1,346,213)</b>
<b>NET ASSETS – 100%</b>		<b><u>\$5,310,653,593</u></b>

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

## Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
ICE E-mini MSCI Emerging Markets Index Contracts (United States)	413	March 2019	\$19,964,420	\$ (118,077)	\$ (118,077)
<b>Sold</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	367	March 2019	45,970,420	2,641,491	<u>2,641,491</u>
<b>TOTAL FUTURES CONTRACTS</b>					<b><u>\$2,523,414</u></b>

The notional amount of futures purchased as a percentage of Net Assets is 0.4%

The notional amount of futures sold as a percentage of Net Assets is 0.9%

For the period, the average monthly underlying face amount at value for futures contracts in the aggregate was \$83,668,373.

## Legend

(a) Affiliated Fund

(b) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.

In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.

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

(d) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$3,328,649.

## 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	\$ 116,084
Total	<u>\$ 116,084</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.

Fiscal year to date information regarding the Fund's investments in non-Money Market Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Consumer Discretionary Central Fund	\$—	\$ 218,396,936	\$ 220,205,695	\$ 1,808,759	\$—	\$—	0.0%
Fidelity Consumer Staples Central Fund	—	120,259,490	121,277,119	1,017,629	—	—	0.0%
Fidelity Energy Central Fund	—	103,608,782	104,680,486	1,071,704	—	—	0.0%
Fidelity Financials Central Fund	—	316,169,389	317,771,701	1,602,312	—	—	0.0%
Fidelity Health Care Central Fund	—	276,430,194	277,343,443	913,249	—	—	0.0%
Fidelity Industrials Central Fund	—	209,101,483	211,201,736	2,100,253	—	—	0.0%
Fidelity Information Technology Central Fund	—	512,782,056	514,646,348	1,864,292	—	—	0.0%
Fidelity Materials Central Fund	—	62,547,233	63,190,656	643,423	—	—	0.0%
Fidelity Telecom Services Central Fund	—	29,243,667	29,670,151	426,484	—	—	0.0%
Fidelity Utilities Central Fund	—	50,874,242	51,517,036	642,794	—	—	0.0%
	<u>\$—</u>	<u>\$1,899,413,472</u>	<u>\$1,911,504,371</u>	<u>\$12,090,899</u>	<u>\$—</u>	<u>\$—</u>	

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

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

## Schedule of Investments – continued

### Affiliated Underlying Funds

Fiscal year to date information regarding the Fund's investments in affiliated Underlying Funds, excluding any Money Market Central Funds, is presented below. Exchanges between classes of the same affiliated Underlying Funds may occur.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 17,065,030	\$ 907,927	\$ 16,208,639	\$ 865,807	\$ 129,248	\$ (1,893,566)	\$ —
Fidelity Banking Portfolio	38,833,828	2,914,917	38,903,834	2,804,494	22,211,439	(25,056,350)	—
Fidelity Biotechnology Portfolio	22,793,392	952,490	23,640,886	885,894	3,856,816	(3,961,812)	—
Fidelity Brokerage and Investment Management Portfolio	8,995,032	443,667	9,064,764	419,760	989,828	(1,363,763)	—
Fidelity Chemicals Portfolio	8,507,109	500,663	8,092,132	478,467	5,176,143	(6,091,783)	—
Fidelity Commodity Strategy Fund	62,581,079	7,918,036	69,495,117	—	855,176	(1,859,174)	—
Fidelity Communication Services Portfolio	14,598,427	811,615	13,985,502	774,048	(744,280)	(680,260)	—
Fidelity Construction and Housing Portfolio	12,720,366	593,806	11,788,485	562,500	6,347,812	(7,873,499)	—
Fidelity Consumer Discretionary Portfolio	177,742,463	8,006,935	187,852,468	2,925,963	82,414,033	(80,310,963)	—
Fidelity Consumer Staples Portfolio	130,079,825	9,158,902	124,377,264	7,428,955	34,733,218	(49,594,681)	—
Fidelity Contrafund	94,504,663	23,200,414	20,751,950	7,727,040	263,326	(9,165,552)	88,050,901
Fidelity Defense and Aerospace Portfolio	58,700,862	1,910,453	63,286,706	1,755,066	18,041,054	(15,365,663)	—
Fidelity Diversified International Fund	133,146,732	13,834,091	23,767,752	6,804,403	(200,089)	(24,040,608)	98,972,374
Fidelity Emerging Asia Fund	9,493,333	185,128	4,025,000	156,656	1,434,526	(2,372,083)	4,715,904
Fidelity Emerging Markets Discovery Fund	16,855,779	202,597	6,968,291	152,818	363,411	(2,174,523)	8,278,973
Fidelity Emerging Markets Fund	70,162,222	977,995	46,470,380	170,398	2,124,791	(5,999,946)	20,794,682
Fidelity Energy Portfolio	104,068,551	2,366,633	106,913,543	—	15,925,701	(15,447,342)	—
Fidelity Equity-Income Fund	107,052,709	19,442,674	17,953,379	8,767,872	(594,075)	(16,565,944)	91,381,985
Fidelity Europe Fund	50,969,904	6,651,783	9,085,549	3,969,470	576,715	(12,067,411)	37,045,442
Fidelity Financial Services Portfolio	208,293,961	10,586,394	211,732,523	4,928,082	101,680,852	(108,828,684)	—
Fidelity Floating Rate High Income Fund	62,457,906	3,707,121	7,699,899	2,713,749	18,202	(2,567,173)	55,916,157
Fidelity Global Commodity Stock Fund	64,730,477	8,390,497	13,182,199	1,126,863	521,930	(9,027,870)	51,432,835
Fidelity Health Care Portfolio	219,824,598	14,054,946	241,541,183	8,044,149	106,672,075	(99,010,436)	—
Fidelity Industrial Equipment Portfolio	41,888,749	5,296,521	373,830	5,250,930	11,856	(16,038,159)	—
Fidelity Industrials Portfolio	80,646,819	8,683,142	123,940,410	4,995,148	49,974,989	(46,149,677)	—
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	216,326,281	50,690,965	65,196,272	4,401,584	(1,213,613)	(5,858,030)	194,749,331
Fidelity Insurance Portfolio	21,811,401	2,548,870	21,222,939	2,490,812	9,054,817	(12,192,149)	—
Fidelity International Capital Appreciation Fund	30,788,374	2,289,203	5,463,585	692,512	727,532	(4,762,668)	23,578,856
Fidelity International Discovery Fund	110,711,503	8,829,757	19,665,048	3,007,604	(767,926)	(18,549,711)	80,558,575
Fidelity International Enhanced Index Fund	102,707,287	7,213,615	18,306,937	1,786,747	(298,194)	(14,522,313)	76,793,458
Fidelity International Small Cap Fund	59,491,088	5,156,993	20,139,398	2,092,019	3,549,603	(12,198,272)	35,860,014
Fidelity International Small Cap Opportunities Fund	55,147,039	3,919,748	14,559,304	1,102,503	3,417,029	(10,244,709)	37,679,803
Fidelity International Value Fund	72,391,124	5,539,041	12,997,412	1,702,435	(232,335)	(12,216,436)	52,483,982
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29%	43,179,157	319,567,111	186,798,910	1,217,330	—	—	175,947,358
Fidelity Investments Money Market Prime Reserves – Institutional Class 2.49%	77,188,157	104,976,239	99,379,523	1,487,806	1,794	32	82,786,699
Fidelity Japan Fund	—	117,411,371	—	411,371	—	(9,155,463)	108,255,908
Fidelity Japan Smaller Companies Fund	67,756,712	29,065,493	1,415,948	4,039,238	29,370	(18,890,429)	76,545,198
Fidelity Large Cap Value Enhanced Index Fund	—	33,132,788	1,170,000	1,875,688	(32,079)	(4,737,616)	27,193,093
Fidelity Leisure Portfolio	12,137,474	664,367	12,108,289	633,061	(252,258)	(441,294)	—
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	—	1,145,359	2,672,141	577,002	(95,378)	(2,147,482)	125,053,091
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	112,926,633	33,802,338	15,235,105	2,796,570	(1,023,764)	(1,647,369)	—
Fidelity Low-Priced Stock Fund	108,316,039	17,459,394	18,956,331	11,081,641	(445,825)	(21,130,890)	85,242,387

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

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Materials Portfolio	\$ 57,905,087	\$ 3,948,003	\$ 56,650,386	\$ 2,694,325	\$ (5,378,274)	\$ 175,570	\$ —
Fidelity Medical Equipment and Systems Portfolio	18,997,921	858,639	20,387,158	805,705	4,830,574	(4,299,976)	—
Fidelity Mega Cap Stock Fund	161,014,872	37,280,069	27,924,292	26,708,668	(799,563)	(35,817,182)	133,753,904
Fidelity New Markets Income Fund	31,606,024	1,831,495	3,849,994	1,334,729	(236,735)	(3,436,837)	25,913,953
Fidelity Overseas Fund	467,435,604	41,704,423	163,382,937	15,883,594	28,404,873	(91,801,906)	282,360,057
Fidelity Pacific Basin Fund	27,229,545	3,352,861	4,780,628	1,943,265	886,316	(7,010,043)	19,678,051
Fidelity Real Estate Investment Portfolio	63,760,160	5,094,236	48,218,973	806,669	(5,113,541)	74,275	15,596,157
Fidelity Stock Selector All Cap Fund	—	2,197,248,661	204,654,485	73,186,488	474,264	(280,381,794)	1,712,686,646
Fidelity Technology Portfolio	487,638,801	56,974,005	529,681,468	49,022,523	168,423,083	(183,354,421)	—
Fidelity Telecommunications Portfolio	30,354,838	1,813,398	30,289,088	431,440	(1,925,113)	45,965	—
Fidelity Transportation Portfolio	12,874,248	611,912	12,316,978	580,038	1,386,397	(2,555,579)	—
Fidelity U.S. Bond Index Fund Institutional Premium Class	1,766,660,900	320,864,430	613,662,687	45,644,196	(21,150,975)	(31,577,913)	1,421,133,755
Fidelity Utilities Portfolio	50,613,596	1,979,677	52,656,269	237,294	4,223,760	(4,160,764)	—
Fidelity Value Discovery Fund	54,185,632	6,253,944	9,076,463	2,067,041	(97,148)	(6,632,247)	44,633,718
	<u>\$6,137,869,313</u>	<u>\$3,574,927,752</u>	<u>\$3,693,920,633</u>	<u>\$336,450,430</u>	<u>\$639,131,388</u>	<u>\$ (1,362,934,573)</u>	<u>\$5,295,073,247</u>

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

## Investment Valuation

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
Equity Funds	\$3,213,572,903	\$3,213,572,903	\$ —	\$ —
Fixed-Income Funds	1,822,766,287	1,822,766,287	—	—
Money Market Funds	272,092,665	272,092,665	—	—
Other Short-Term Investments	3,567,951	—	3,567,951	—
<b>Total Investments in Securities:</b>	<u>\$5,311,999,806</u>	<u>\$5,308,431,855</u>	<u>\$3,567,951</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 2,641,491	\$ 2,641,491	\$ —	\$ —
<b>Total Assets</b>	<u>\$ 2,641,491</u>	<u>\$ 2,641,491</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Futures Contracts	\$ (118,077)	\$ (118,077)	\$ —	\$ —
<b>Total Liabilities</b>	<u>\$ (118,077)</u>	<u>\$ (118,077)</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ 2,523,414</u>	<u>\$ 2,523,414</u>	<u>\$ —</u>	<u>\$ —</u>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2018. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

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

## Schedule of Investments – continued

Primary Risk Exposure / Derivative Type	Value	
	Asset	Liability
Equity Risk		
Futures Contracts <sup>(a)</sup>	\$2,641,491	\$ (118,077)
<b>Total Equity Risk</b>	<u>2,641,491</u>	<u>(118,077)</u>
<b>Total Value of Derivatives</b>	<u>\$2,641,491</u>	<u>\$ (118,077)</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in net unrealized appreciation (depreciation).

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

# VIP FundsManager® 60% Portfolio

## Financial Statements

### Statement of Assets and Liabilities

December 31, 2018

#### Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$3,568,203)	\$ 3,567,951	
Fidelity Central Funds (cost \$13,358,608)	13,358,608	
Other affiliated issuers (cost \$5,676,944,822)	<u>5,295,073,247</u>	
Total Investment in Securities (cost \$5,693,871,633)		\$ 5,311,999,806
Receivable for investments sold		2,140,349
Receivable for fund shares sold		707,456
Distributions receivable from Fidelity Central Funds		<u>20,640</u>
<b>Total assets</b>		<u><u>5,314,868,251</u></u>

#### Liabilities

Payable for investments purchased	\$ 390,039	
Payable for fund shares redeemed	2,435,481	
Accrued management fee	897,320	
Distribution and service plan fees payable	67,223	
Payable for daily variation margin on futures contracts	<u>424,595</u>	
<b>Total liabilities</b>		<u>4,214,658</u>

**Net Assets** \$ 5,310,653,593

Net Assets consist of:

Paid in capital	\$ 4,798,354,075
Total distributable earnings (loss)	<u>512,299,518</u>
<b>Net Assets</b>	<u><u>\$ 5,310,653,593</u></u>

#### Net Asset Value and Maximum Offering Price

Service Class:

Net Asset Value, offering price and redemption price per share ( $\$49,869 \div 4,878$  shares) \$ 10.22

Service Class 2:

Net Asset Value, offering price and redemption price per share ( $\$533,023,748 \div 52,266,463$  shares) \$ 10.20

Investor Class:

Net Asset Value, offering price and redemption price per share ( $\$4,777,579,976 \div 467,341,710$  shares) \$ 10.22

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

## Financial Statements – continued

### Statement of Operations

		Year ended December 31, 2018
<b>Investment Income</b>		
Dividends:		
Unaffiliated issuers		\$ 910,712
Affiliated issuers		95,161,895
Interest		80,800
Income from Fidelity Central Funds		116,084
<b>Total income</b>		<u>96,269,491</u>
<b>Expenses</b>		
Management fee	\$ 15,013,330	
Distribution and service plan fees	1,457,946	
Independent trustees' fees and expenses	28,162	
Total expenses before reductions	<u>16,499,438</u>	
Expense reductions	<u>(3,602,642)</u>	
Total expenses after reductions		<u>12,896,796</u>
<b>Net investment income (loss)</b>		<u>83,372,695</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	8,194,205	
Fidelity Central Funds	12,089,711	
Other affiliated issuers	639,131,388	
Futures contracts	20,481,284	
Capital gain distributions from underlying funds:		
Affiliated issuers	<u>241,288,535</u>	
Total net realized gain (loss)		921,185,123
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	(5,837,486)	
Affiliated issuers	(1,362,934,573)	
Futures contracts	<u>2,523,414</u>	
Total change in net unrealized appreciation (depreciation)		<u>(1,366,248,645)</u>
<b>Net gain (loss)</b>		<u>(445,063,522)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ (361,690,827)</u>

### Statement of Changes in Net Assets

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 83,372,695	\$ 69,528,865
Net realized gain (loss)	921,185,123	728,591,827
Change in net unrealized appreciation (depreciation)	(1,366,248,645)	198,428,497
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(361,690,827)</u>	<u>996,549,189</u>
Distributions to shareholders	(782,439,317)	—
Distributions to shareholders from net investment income	—	(65,831,245)
Distributions to shareholders from net realized gain	—	(134,172,261)
<b>Total distributions</b>	<u>(782,439,317)</u>	<u>(200,003,506)</u>
Share transactions — net increase (decrease)	123,840,689	(847,339,302)
<b>Total increase (decrease) in net assets</b>	<u>(1,020,289,455)</u>	<u>(50,793,619)</u>
<b>Net Assets</b>		
Beginning of period	6,330,943,048	6,381,736,667
End of period	<u>\$ 5,310,653,593</u>	<u>\$ 6,330,943,048</u>
<b>Other Information</b>		
Undistributed net investment income end of period		<u>\$ 3,921,430</u>

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

# Financial Highlights

## VIP FundsManager 60% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 12.50	\$ 11.03	\$ 11.06	\$ 11.97	\$ 11.81
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.16	.13	.13	.13	.15
Net realized and unrealized gain (loss)	(.87)	1.73	.36	(.07)	.48
Total from investment operations	(.71)	1.86	.49	.06	.63
Distributions from net investment income	(.14)	(.13)	(.14)	(.13)	(.15)
Distributions from net realized gain	(1.42)	(.25)	(.38)	(.84)	(.32)
Total distributions	(1.57) <sup>B</sup>	(.39) <sup>C</sup>	(.52)	(.97)	(.47)
Net asset value, end of period	\$ 10.22	\$ 12.50	\$ 11.03	\$ 11.06	\$ 11.97
Total Return <sup>D,E</sup>	(6.44)%	16.99%	4.79%	.41%	5.40%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.40%	1.11%	1.19%	1.11%	1.26%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 50	\$ 61	\$ 59	\$ 60	\$ 69
Portfolio turnover rate <sup>I</sup>	91%	47%	35%	30%	36%

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

<sup>B</sup> Total distributions of \$1.57 per share is comprised of distributions from net investment income of \$.142 and distributions from net realized gain of \$1.424 per share.

<sup>C</sup> Total distributions of \$.39 per share is comprised of distributions from net investment income of \$.134 and distributions from net realized gain of \$.251 per share.

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## Financial Highlights – continued

### VIP FundsManager 60% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 12.47	\$ 11.01	\$ 11.04	\$ 11.95	\$ 11.79
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.14	.11	.11	.11	.13
Net realized and unrealized gain (loss)	(.86)	1.72	.36	(.07)	.48
Total from investment operations	(.72)	1.83	.47	.04	.61
Distributions from net investment income	(.13)	(.12)	(.12)	(.11)	(.13)
Distributions from net realized gain	(1.42)	(.25)	(.38)	(.84)	(.32)
Total distributions	(1.55)	(.37)	(.50)	(.95)	(.45)
Net asset value, end of period	\$ 10.20	\$ 12.47	\$ 11.01	\$ 11.04	\$ 11.95
<b>Total Return</b> <sup>B,C</sup>	(6.51)%	16.76%	4.65%	.27%	5.26%
<b>Ratios to Average Net Assets</b> <sup>D,E,F</sup>					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.25%	.96%	1.04%	.96%	1.11%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 533,024	\$ 585,346	\$ 507,162	\$ 497,768	\$ 425,719
Portfolio turnover rate <sup>D,G</sup>	91%	47%	35%	30%	36%

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

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

<sup>D</sup> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>G</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## VIP FundsManager 60% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 12.50	\$ 11.03	\$ 11.06	\$ 11.97	\$ 11.81
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.16	.13	.13	.13	.15
Net realized and unrealized gain (loss)	(.87)	1.73	.36	(.07)	.48
Total from investment operations	(.71)	1.86	.49	.06	.63
Distributions from net investment income	(.14)	(.13)	(.14)	(.13)	(.15)
Distributions from net realized gain	(1.42)	(.25)	(.38)	(.84)	(.32)
Total distributions	(1.57) <sup>B</sup>	(.39) <sup>C</sup>	(.52)	(.97)	(.47)
Net asset value, end of period	\$ 10.22	\$ 12.50	\$ 11.03	\$ 11.06	\$ 11.97
<b>Total Return</b> <sup>D,E</sup>	(6.44)%	16.99%	4.79%	.41%	5.40%
<b>Ratios to Average Net Assets</b> <sup>F,G,H</sup>					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.40%	1.11%	1.19%	1.11%	1.26%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 4,777,580	\$ 5,745,537	\$ 5,874,515	\$ 6,378,497	\$ 6,172,435
Portfolio turnover rate <sup>F,I</sup>	91%	47%	35%	30%	36%

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

<sup>B</sup> Total distributions of \$1.57 per share is comprised of distributions from net investment income of \$.142 and distributions from net realized gain of \$1.424 per share.

<sup>C</sup> Total distributions of \$.39 per share is comprised of distributions from net investment income of \$.134 and distributions from net realized gain of \$.251 per share.

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

# VIP FundsManager® 70% Portfolio

## Investment Summary (Unaudited)

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

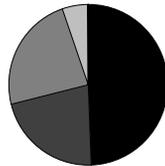
### Top Holdings as of December 31, 2018

	% of fund's net assets
Fidelity Stock Selector All Cap Fund	37.7
Fidelity U.S. Bond Index Fund Institutional Premium Class	16.3
Fidelity Overseas Fund	7.0
Fidelity Investments Money Market Government Portfolio Institutional Class	3.5
2.29%	3.5
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	3.5
Fidelity Mega Cap Stock Fund	2.9
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	2.2
Fidelity Diversified International Fund	2.2
Fidelity Japan Fund	2.1
Fidelity Equity-Income Fund	2.0
	<u>79.4</u>

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

Period end\*

■ Domestic Equity Funds	49.4%
■ International Equity Funds	21.7%
■ Bond Funds	23.6%
■ Short-Term Funds	5.2%
□ Short-Term Investments	0.1%
* <i>Futures</i> – (0.5)%	



# Schedule of Investments December 31, 2018

Showing Percentage of Net Assets

## Equity Funds – 71.1%

	Shares	Value
Fidelity Contrafund (a)	2,377,518	\$ 26,176,473
Fidelity Diversified International Fund (a)	956,682	30,278,992
Fidelity Emerging Asia Fund (a)	44,911	1,661,240
Fidelity Emerging Markets Discovery Fund (a)	241,524	2,953,842
Fidelity Emerging Markets Fund (a)	277,821	7,398,374
Fidelity Equity-Income Fund (a)	533,654	27,184,323
Fidelity Europe Fund (a)	361,739	11,358,592
Fidelity Global Commodity Stock Fund (a)	1,202,079	13,463,284
Fidelity International Capital Appreciation Fund (a)	401,458	7,157,990
Fidelity International Discovery Fund (a)	675,631	24,640,244
Fidelity International Enhanced Index Fund (a)	2,776,274	23,459,518
Fidelity International Small Cap Fund (a)	464,896	11,013,386
Fidelity International Small Cap Opportunities Fund (a)	697,684	11,260,626
Fidelity International Value Fund (a)	2,224,025	16,168,659
Fidelity Japan Fund (a)	2,235,771	29,310,956
Fidelity Japan Smaller Companies Fund (a)	1,422,479	21,536,336
Fidelity Large Cap Value Enhanced Index Fund (a)	956,510	10,913,775
Fidelity Low-Priced Stock Fund (a)	586,127	25,432,068
Fidelity Mega Cap Stock Fund (a)	2,946,295	39,804,444
Fidelity Overseas Fund (a)	2,380,582	97,318,194
Fidelity Pacific Basin Fund (a)	228,221	6,006,789
Fidelity Real Estate Investment Portfolio (a)	123,012	4,724,873
Fidelity Stock Selector All Cap Fund (a)	13,547,748	520,639,968
Fidelity Value Discovery Fund (a)	531,080	13,361,982

### TOTAL EQUITY FUNDS

(Cost \$1,111,435,180)

**983,224,928**

## Fixed-Income Funds – 23.6%

Fidelity Floating Rate High Income Fund (a)	1,595,881	14,682,106
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	5,146,332	48,838,691
Fidelity Long Term Treasury Bond Index Fund Institutional Premium (a)	2,402,513	30,463,870
Fidelity New Markets Income Fund (a)	481,100	6,865,297
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	19,934,441	224,860,498

### TOTAL FIXED-INCOME FUNDS

(Cost \$325,985,861)

**325,710,462**

## Money Market Funds – 5.2%

Fidelity Cash Central Fund, 2.42% (b)	1,706,177	1,706,518
Fidelity Institutional Money Market Funds Prime Reserves Portfolio Class I (a)	21,325,842	21,330,108
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29% (a) (c)	48,850,295	48,850,295

### TOTAL MONEY MARKET FUNDS

(Cost \$71,886,906)

**71,886,921**

## U.S. Treasury Obligations – 0.1%

	Principal Amount	Value
U.S. Treasury Bills, yield at date of purchase 2.31% to 2.37% 2/7/19 to 3/14/19 (d) (Cost \$1,046,508)	\$ 1,050,000	<b>\$1,046,439</b>
<b>TOTAL INVESTMENT IN SECURITIES – 100.0%</b> (Cost \$1,510,354,455)		<b>1,381,868,750</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b>		<b>(323,665)</b>
<b>NET ASSETS – 100%</b>		<b><u>\$1,381,545,085</u></b>

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

## Schedule of Investments – continued

### Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
ICE E-mini MSCI Emerging Markets Index Contracts (United States)	43	March 2019	\$ 2,078,620	\$ (12,272)	\$ (12,272)
<b>Sold</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	82	March 2019	10,271,320	590,197	590,197
<b>TOTAL FUTURES CONTRACTS</b>					<b><u>\$577,925</u></b>

The notional amount of futures purchased as a percentage of Net Assets is 0.2%

The notional amount of futures sold as a percentage of Net Assets is 0.7%

### Legend

(a) Affiliated Fund

(b) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.

In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.

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

(d) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$622,675.

### 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	\$ 29,895
Total	<u>\$ 29,895</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.

Fiscal year to date information regarding the Fund's investments in non-Money Market Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Consumer Discretionary Central Fund	\$—	\$ 60,733,440	\$ 61,236,433	\$ 502,993	\$—	\$—	0.0%
Fidelity Consumer Staples Central Fund	—	33,629,099	33,913,667	284,568	—	—	0.0%
Fidelity Energy Central Fund	—	29,013,937	29,314,050	300,113	—	—	0.0%
Fidelity Financials Central Fund	—	88,396,207	88,844,189	447,982	—	—	0.0%
Fidelity Health Care Central Fund	—	77,015,902	77,270,341	254,439	—	—	0.0%
Fidelity Industrials Central Fund	—	58,579,667	59,168,052	588,385	—	—	0.0%
Fidelity Information Technology Central Fund	—	143,385,996	143,907,296	521,300	—	—	0.0%
Fidelity Materials Central Fund	—	17,529,562	17,709,889	180,327	—	—	0.0%
Fidelity Telecom Services Central Fund	—	7,877,583	7,992,468	114,885	—	—	0.0%
Fidelity Utilities Central Fund	—	13,940,381	14,116,517	176,136	—	—	0.0%
	<u>\$—</u>	<u>\$530,101,774</u>	<u>\$533,472,902</u>	<u>\$3,371,128</u>	<u>\$—</u>	<u>\$—</u>	

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

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

## Affiliated Underlying Funds

Fiscal year to date information regarding the Fund's investments in affiliated Underlying Funds, excluding any Money Market Central Funds, is presented below. Exchanges between classes of the same affiliated Underlying Funds may occur.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 4,740,075	\$ 320,483	\$ 4,557,137	\$ 247,945	\$ 2,831	\$ (506,252)	\$ —
Fidelity Banking Portfolio	11,006,567	1,013,712	11,171,210	821,767	6,018,484	(6,867,553)	—
Fidelity Biotechnology Portfolio	6,354,617	370,364	6,679,877	255,422	1,085,477	(1,130,581)	—
Fidelity Brokerage and Investment Management Portfolio	2,563,433	163,789	2,614,429	123,449	273,735	(386,528)	—
Fidelity Chemicals Portfolio	2,515,918	184,994	2,421,986	146,153	1,494,848	(1,773,774)	—
Fidelity Commodity Strategy Fund	14,661,971	2,319,760	16,690,430	—	92,216	(383,517)	—
Fidelity Communication Services Portfolio	4,055,925	286,723	3,932,748	221,748	(237,375)	(172,525)	—
Fidelity Construction and Housing Portfolio	3,508,428	214,897	3,292,924	160,007	1,650,519	(2,080,920)	—
Fidelity Consumer Discretionary Portfolio	48,924,798	1,660,084	51,133,483	807,936	15,321,814	(14,773,213)	—
Fidelity Consumer Staples Portfolio	35,726,421	2,654,657	34,238,293	2,077,417	6,857,616	(11,000,401)	—
Fidelity Contrafund	25,982,868	7,666,496	4,621,142	2,262,455	(43,785)	(2,807,964)	26,176,473
Fidelity Defense and Aerospace Portfolio	16,230,339	770,448	17,727,788	500,221	4,221,605	(3,494,604)	—
Fidelity Diversified International Fund	34,964,806	6,676,731	4,133,491	2,079,491	(154,862)	(7,074,192)	30,278,992
Fidelity Emerging Asia Fund	2,927,113	116,667	1,046,844	55,184	261,707	(597,403)	1,661,240
Fidelity Emerging Markets Discovery Fund	5,247,601	163,705	1,782,991	54,524	90,468	(764,941)	2,953,842
Fidelity Emerging Markets Fund	21,698,337	806,702	13,639,940	60,624	592,156	(2,058,881)	7,398,374
Fidelity Energy Portfolio	28,932,517	465,130	29,524,424	—	4,023,593	(3,896,816)	—
Fidelity Equity-Income Fund	28,181,266	7,848,710	3,820,672	2,545,139	(198,126)	(4,826,855)	27,184,323
Fidelity Europe Fund	13,454,199	2,972,239	1,624,368	1,216,466	77,354	(3,520,832)	11,358,592
Fidelity Financial Services Portfolio	57,607,418	2,353,187	57,933,761	1,369,089	16,931,172	(18,958,016)	—
Fidelity Floating Rate High Income Fund	14,510,876	1,754,344	913,036	675,646	(4,001)	(666,077)	14,682,106
Fidelity Global Commodity Stock Fund	15,082,990	2,801,985	2,163,962	294,630	57,311	(2,315,040)	13,463,284
Fidelity Health Care Portfolio	60,650,947	3,299,865	65,998,126	2,227,086	12,399,977	(10,352,663)	—
Fidelity Industrial Equipment Portfolio	11,598,859	1,505,639	64,968	1,460,154	2,792	(1,562,177)	—
Fidelity Industrials Portfolio	22,278,587	1,919,559	33,828,201	1,379,612	9,648,352	(11,498,442)	—
Fidelity Inflation-Protected Bond Index Fund Institutional Class	50,113,381	14,246,131	14,408,319	140,907	(252,893)	(11,809)	—
Fidelity Inflation-Protected Bond Index Fund Institutional Class	—	1,496,800	871,436	955,118	(4,218)	(1,468,946)	48,838,691
Fidelity Institutional Money Market Funds	8,522,203	21,687,338	8,879,407	350,893	(41)	15	21,330,108
Fidelity Insurance Portfolio	6,086,712	819,706	6,001,998	717,946	2,473,516	(3,377,936)	—
Fidelity International Capital Appreciation Fund	8,063,346	1,256,435	968,867	209,962	(3,862)	(1,189,062)	7,157,990
Fidelity International Discovery Fund	29,098,951	4,725,524	3,451,915	918,948	(108,631)	(5,623,685)	24,640,244
Fidelity International Enhanced Index Fund	26,910,815	4,104,039	3,162,783	545,271	(49,823)	(4,342,730)	23,459,518
Fidelity International Small Cap Fund	15,637,038	2,653,959	4,712,351	641,664	654,250	(3,219,510)	11,013,386
Fidelity International Small Cap Opportunities Fund	14,448,234	2,172,355	3,355,169	329,155	355,775	(2,360,569)	11,260,626
Fidelity International Value Fund	19,144,694	3,030,365	2,289,338	523,868	(32,577)	(3,684,485)	16,168,659
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29%	5,017,733	83,253,662	39,421,100	309,199	—	—	48,850,295
Fidelity Japan Fund	—	31,791,381	—	111,381	—	(2,480,425)	29,310,956
Fidelity Japan Smaller Companies Fund	17,538,787	9,515,434	184,755	1,136,458	842	(5,333,972)	21,536,336
Fidelity Large Cap Value Enhanced Index Fund	—	13,688,492	850,000	752,795	(23,305)	(1,901,412)	10,913,775
Fidelity Leisure Portfolio	3,443,734	237,603	3,477,157	185,234	(74,262)	(129,918)	—
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	—	466,799	512,227	140,079	3,745	(647,663)	30,463,870
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	26,182,740	7,830,803	2,375,139	672,018	(180,063)	(305,125)	—
Fidelity Low-Priced Stock Fund	28,413,564	7,290,106	3,821,045	3,286,162	(271,756)	(6,178,801)	25,432,068
Fidelity Materials Portfolio	15,916,471	1,014,928	15,479,553	745,425	(1,459,942)	8,096	—
Fidelity Medical Equipment and Systems Portfolio	5,299,173	322,914	5,765,441	232,150	1,271,429	(1,128,075)	—

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

## Schedule of Investments – continued

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Mega Cap Stock Fund	\$ 42,150,387	\$ 14,659,979	\$ 6,120,824	\$ 7,860,148	\$ (300,555)	\$ (10,584,543)	\$ 39,804,444
Fidelity New Markets Income Fund	7,358,800	872,093	456,531	332,720	(16,499)	(892,566)	6,865,297
Fidelity Overseas Fund	128,232,790	22,086,497	31,606,731	5,471,422	4,258,367	(25,652,729)	97,318,194
Fidelity Pacific Basin Fund	7,115,823	1,519,834	827,926	592,883	(11,324)	(1,789,618)	6,006,789
Fidelity Real Estate Investment Portfolio	17,600,677	1,273,019	12,708,072	236,805	(1,369,726)	(71,025)	4,724,873
Fidelity Stock Selector All Cap Fund	—	636,428,957	29,187,694	22,242,504	(859,580)	(85,741,715)	520,639,968
Fidelity Technology Portfolio	134,135,816	16,079,137	145,777,505	13,707,859	36,287,258	(40,724,706)	—
Fidelity Telecommunications Portfolio	8,355,094	261,074	8,105,171	116,220	(624,186)	113,189	—
Fidelity Transportation Portfolio	3,580,542	221,246	3,468,514	166,356	197,734	(531,008)	—
Fidelity U.S. Bond Index Fund Institutional Premium Class	265,768,692	81,312,355	113,984,193	7,304,763	(3,843,967)	(4,392,389)	224,860,498
Fidelity Utilities Portfolio	13,942,184	315,409	14,261,220	65,022	235,144	(231,517)	—
Fidelity Value Discovery Fund	14,148,254	3,116,902	1,905,076	615,935	(50,350)	(1,947,748)	13,361,982
	<u>\$1,415,633,511</u>	<u>\$1,040,062,146</u>	<u>\$863,953,688</u>	<u>\$92,659,435</u>	<u>\$116,666,378</u>	<u>\$ (329,292,554)</u>	<u>\$1,379,115,793</u>

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

## Investment Valuation

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
Equity Funds	\$ 983,224,928	\$ 983,224,928	\$ —	\$ —
Fixed-Income Funds	325,710,462	325,710,462	—	—
Money Market Funds	71,886,921	71,886,921	—	—
Other Short-Term Investments	1,046,439	—	1,046,439	—
<b>Total Investments in Securities:</b>	<u>\$1,381,868,750</u>	<u>\$1,380,822,311</u>	<u>\$1,046,439</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 590,197	\$ 590,197	\$ —	\$ —
<b>Total Assets</b>	<u>\$ 590,197</u>	<u>\$ 590,197</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Futures Contracts	\$ (12,272)	\$ (12,272)	\$ —	\$ —
<b>Total Liabilities</b>	<u>\$ (12,272)</u>	<u>\$ (12,272)</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ 577,925</u>	<u>\$ 577,925</u>	<u>\$ —</u>	<u>\$ —</u>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2018. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type	Value	
	Asset	Liability
<b>Equity Risk</b>		
Futures Contracts <sup>(a)</sup>	\$590,197	\$ (12,272)
<b>Total Equity Risk</b>	<u>590,197</u>	<u>(12,272)</u>
<b>Total Value of Derivatives</b>	<u>\$590,197</u>	<u>\$ (12,272)</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in net unrealized appreciation (depreciation).

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

# VIP FundsManager® 70% Portfolio

## Financial Statements

### Statement of Assets and Liabilities

December 31, 2018

#### Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$1,046,508)	\$ 1,046,439	
Fidelity Central Funds (cost \$1,706,518)	1,706,518	
Other affiliated issuers (cost \$1,507,601,429)	<u>1,379,115,793</u>	
Total Investment in Securities (cost \$1,510,354,455)		\$ 1,381,868,750
Receivable for investments sold		585,243
Receivable for fund shares sold		55,292
Distributions receivable from Fidelity Central Funds		<u>2,073</u>
<b>Total assets</b>		<u><b>1,382,511,358</b></u>

#### Liabilities

Payable for investments purchased	\$ 11	
Payable for fund shares redeemed	640,177	
Accrued management fee	233,977	
Distribution and service plan fees payable	5,863	
Payable for daily variation margin on futures contracts	<u>86,245</u>	
<b>Total liabilities</b>		<u><b>966,273</b></u>

**Net Assets** \$ 1,381,545,085

Net Assets consist of:

Paid in capital	\$ 1,319,354,392
Total distributable earnings (loss)	<u>62,190,693</u>

**Net Assets** \$ 1,381,545,085

#### Net Asset Value and Maximum Offering Price

Service Class:

**Net Asset Value**, offering price and redemption price per share ( $\$63,030 \div 5,382$  shares) \$ 11.71

Service Class 2:

**Net Asset Value**, offering price and redemption price per share ( $\$46,406,036 \div 3,978,211$  shares) \$ 11.67

Investor Class:

**Net Asset Value**, offering price and redemption price per share ( $\$1,335,076,019 \div 114,024,428$  shares) \$ 11.71

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

## Financial Statements – continued

### Statement of Operations

	Year ended December 31, 2018
<b>Investment Income</b>	
Dividends:	
Unaffiliated issuers	\$ 279,398
Affiliated issuers	21,798,086
Interest	19,318
Income from Fidelity Central Funds	<u>29,895</u>
<b>Total income</b>	<u>22,126,697</u>
<b>Expenses</b>	
Management fee	\$ 3,740,903
Distribution and service plan fees	125,618
Independent trustees' fees and expenses	<u>6,953</u>
Total expenses before reductions	3,873,474
Expense reductions	<u>(803,311)</u>
Total expenses after reductions	<u>3,070,163</u>
<b>Net investment income (loss)</b>	<u>19,056,534</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment securities:	
Unaffiliated issuers	2,580,127
Fidelity Central Funds	3,371,100
Other affiliated issuers	116,666,378
Futures contracts	4,741,612
Capital gain distributions from underlying funds:	
Affiliated issuers	<u>70,861,349</u>
Total net realized gain (loss)	198,220,566
Change in net unrealized appreciation (depreciation) on:	
Investment securities:	
Unaffiliated issuers	(1,782,403)
Affiliated issuers	(329,292,554)
Futures contracts	<u>577,925</u>
Total change in net unrealized appreciation (depreciation)	<u>(330,497,032)</u>
<b>Net gain (loss)</b>	<u>(132,276,466)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ (113,219,932)</u>

### Statement of Changes in Net Assets

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 19,056,534	\$ 13,321,959
Net realized gain (loss)	198,220,566	132,697,043
Change in net unrealized appreciation (depreciation)	<u>(330,497,032)</u>	<u>84,272,124</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(113,219,932)</u>	<u>230,291,126</u>
Distributions to shareholders	(146,548,936)	–
Distributions to shareholders from net investment income	–	(12,662,563)
Distributions to shareholders from net realized gain	–	<u>(9,720,946)</u>
<b>Total distributions</b>	<u>(146,548,936)</u>	<u>(22,383,509)</u>
Share transactions — net increase (decrease)	166,190,308	90,530,791
<b>Total increase (decrease) in net assets</b>	<u>(93,578,560)</u>	<u>298,438,408</u>
<b>Net Assets</b>		
Beginning of period	<u>1,475,123,645</u>	<u>1,176,685,237</u>
End of period	<u>\$ 1,381,545,085</u>	<u>\$ 1,475,123,645</u>
<b>Other Information</b>		
Undistributed net investment income end of period		<u>\$ 753,546</u>

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

# Financial Highlights

## VIP FundsManager 70% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 14.04	\$ 11.97	\$ 12.05	\$ 12.40	\$ 12.01
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.17	.13	.13	.12	.15
Net realized and unrealized gain (loss)	(1.13)	2.16	.41	(.06)	.48
Total from investment operations	(.96)	2.29	.54	.06	.63
Distributions from net investment income	(.13)	(.12)	(.13)	(.12)	(.14)
Distributions from net realized gain	(1.24)	(.09)	(.49)	(.29)	(.10)
Total distributions	(1.37)	(.22) <sup>B</sup>	(.62)	(.41)	(.24)
Net asset value, end of period	\$ 11.71	\$ 14.04	\$ 11.97	\$ 12.05	\$ 12.40
Total Return <sup>C,D</sup>	(7.50)%	19.11%	5.04%	.41%	5.24%
Ratios to Average Net Assets <sup>E,F,G</sup>					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.27%	1.01%	1.11%	.97%	1.23%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 63	\$ 76	\$ 71	\$ 72	\$ 78
Portfolio turnover rate <sup>E,H</sup>	98%	57%	45%	44%	49%

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

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

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

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

<sup>E</sup> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>H</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## Financial Highlights – continued

### VIP FundsManager 70% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 13.99	\$ 11.93	\$ 12.02	\$ 12.37	\$ 11.98
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.15	.11	.11	.10	.13
Net realized and unrealized gain (loss)	(1.12)	2.15	.41	(.06)	.48
Total from investment operations	(.97)	2.26	.52	.04	.61
Distributions from net investment income	(.11)	(.10)	(.12)	(.10)	(.13)
Distributions from net realized gain	(1.24)	(.09)	(.49)	(.29)	(.10)
Total distributions	(1.35)	(.20) <sup>B</sup>	(.61)	(.39)	(.22) <sup>C</sup>
Net asset value, end of period	\$ 11.67	\$ 13.99	\$ 11.93	\$ 12.02	\$ 12.37
Total Return <sup>D,E</sup>	(7.60)%	18.94%	4.86%	.29%	5.10%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.13%	.86%	.96%	.82%	1.08%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 46,406	\$ 48,977	\$ 38,443	\$ 12,028	\$ 7,610
Portfolio turnover rate <sup>I</sup>	98%	57%	45%	44%	49%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## VIP FundsManager 70% Portfolio Investor Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 14.04	\$ 11.96	\$ 12.05	\$ 12.39	\$ 12.01
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.17	.13	.13	.12	.15
Net realized and unrealized gain (loss)	(1.13)	2.17	.40	(.05)	.47
Total from investment operations	(.96)	2.30	.53	.07	.62
Distributions from net investment income	(.13)	(.12)	(.13)	(.12)	(.14)
Distributions from net realized gain	(1.24)	(.09)	(.49)	(.29)	(.10)
Total distributions	(1.37)	(.22) <sup>B</sup>	(.62)	(.41)	(.24)
Net asset value, end of period	\$ 11.71	\$ 14.04	\$ 11.96	\$ 12.05	\$ 12.39
<b>Total Return</b> <sup>C,D</sup>	(7.49)%	19.21%	4.96%	.49%	5.15%
<b>Ratios to Average Net Assets</b> <sup>E,F,G</sup>					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.28%	1.01%	1.11%	.97%	1.23%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 1,335,076	\$ 1,426,071	\$ 1,138,172	\$ 1,096,702	\$ 1,019,291
Portfolio turnover rate <sup>E,H</sup>	98%	57%	45%	44%	49%

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

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

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

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

<sup>E</sup> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>H</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

# VIP FundsManager® 85% Portfolio

## Investment Summary (Unaudited)

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

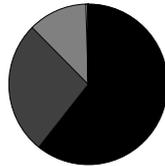
### Top Holdings as of December 31, 2018

	% of fund's net assets
Fidelity Stock Selector All Cap Fund	46.6
Fidelity Overseas Fund	8.7
Fidelity U.S. Bond Index Fund Institutional Premium Class	5.5
Fidelity Mega Cap Stock Fund	3.4
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class	3.2
Fidelity Japan Fund	3.0
Fidelity Diversified International Fund	2.7
Fidelity Equity-Income Fund	2.3
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	2.2
Fidelity Contrafund	2.2
	<u>79.8</u>

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

Period end\*

■ Domestic Equity Funds	60.7%
■ International Equity Funds	26.8%
■ Bond Funds	12.0%
■ Short-Term Funds	0.4%
□ Short-Term Investments	0.1%
* Futures – (1.1)%	



# Schedule of Investments December 31, 2018

Showing Percentage of Net Assets

## Equity Funds – 87.5%

	Shares	Value
Fidelity Contrafund (a)	991,040	\$ 10,911,353
Fidelity Diversified International Fund (a)	424,096	13,422,645
Fidelity Emerging Asia Fund (a)	21,697	802,584
Fidelity Emerging Markets Discovery Fund (a)	49,865	609,850
Fidelity Emerging Markets Fund (a)	39,021	1,039,125
Fidelity Equity-Income Fund (a)	222,778	11,348,316
Fidelity Europe Fund (a)	169,317	5,316,539
Fidelity Global Commodity Stock Fund (a)	432,394	4,842,808
Fidelity International Capital Appreciation Fund (a)	178,370	3,180,337
Fidelity International Discovery Fund (a)	298,116	10,872,288
Fidelity International Enhanced Index Fund (a)	1,218,531	10,296,585
Fidelity International Small Cap Fund (a)	208,617	4,942,145
Fidelity International Small Cap Opportunities Fund (a)	307,310	4,959,991
Fidelity International Value Fund (a)	967,874	7,036,441
Fidelity Japan Fund (a)	1,106,718	14,509,068
Fidelity Japan Smaller Companies Fund (a)	617,478	9,348,619
Fidelity Large Cap Value Enhanced Index Fund (a)	627,095	7,155,153
Fidelity Low-Priced Stock Fund (a)	243,933	10,584,251
Fidelity Mega Cap Stock Fund (a)	1,227,589	16,584,723
Fidelity Overseas Fund (a)	1,045,487	42,739,512
Fidelity Pacific Basin Fund (a)	106,478	2,802,500
Fidelity Real Estate Investment Portfolio (a)	53,240	2,044,945
Fidelity Stock Selector All Cap Fund (a)	5,954,795	228,842,766
Fidelity Value Discovery Fund (a)	220,395	5,545,150

### TOTAL EQUITY FUNDS

(Cost \$488,131,513)

**429,737,694**

## Fixed-Income Funds – 12.0%

Fidelity Floating Rate High Income Fund (a)	585,402	5,385,696
Fidelity Inflation-Protected Bond Index Fund Institutional Premium Class (a)	1,631,529	15,483,207
Fidelity Long Term Treasury Bond Index Fund Institutional Premium (a)	862,539	10,936,994
Fidelity U.S. Bond Index Fund Institutional Premium Class (a)	2,402,553	27,100,800

### TOTAL FIXED-INCOME FUNDS

(Cost \$58,842,949)

**58,906,697**

## Money Market Funds – 0.4%

Fidelity Cash Central Fund, 2.42% (b)	1,736,679	1,737,026
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29% (a) (c)	166,257	166,257

### TOTAL MONEY MARKET FUNDS

(Cost \$1,903,224)

**1,903,283**

## U.S. Treasury Obligations – 0.1%

	Principal Amount	Value
U.S. Treasury Bills, yield at date of purchase 2.31% to 2.37% 2/7/19 to 3/21/19 (d) (Cost \$517,961)	\$520,000	<b>\$ 517,944</b>
<b>TOTAL INVESTMENT IN SECURITIES – 100.0%</b> (Cost \$549,395,647)		<b>491,065,618</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b>		<b>(155,599)</b>
<b>NET ASSETS – 100%</b>		<b><u>\$490,910,019</u></b>

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

## Schedule of Investments – continued

### Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
ICE E-mini MSCI Emerging Markets Index Contracts (United States)	54	March 2019	\$2,610,360	\$ (15,444)	\$ (15,444)
<b>Sold</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	61	March 2019	7,640,860	439,049	439,049
<b>TOTAL FUTURES CONTRACTS</b>					<b>\$423,605</b>

The notional amount of futures purchased as a percentage of Net Assets is 0.5%

The notional amount of futures sold as a percentage of Net Assets is 1.6%

For the period, the average monthly underlying face amount at value for futures contracts in the aggregate was \$6,082,616.

### Legend

(a) Affiliated Fund

(b) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.

In addition, each Fidelity Central Fund's financial statements, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.

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

(d) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$279,184.

### Affiliated Central Funds

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

Fund	Income earned
Fidelity Cash Central Fund	\$ 21,989
Total	\$ 21,989

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.

Fiscal year to date information regarding the Fund's investments in non-Money Market Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Consumer Discretionary Central Fund	\$ —	\$ 27,692,943	\$ 27,922,295	\$ 229,352	\$ —	\$ —	0.0%
Fidelity Consumer Staples Central Fund	—	15,299,989	15,429,457	129,468	—	—	0.0%
Fidelity Energy Central Fund	—	13,209,918	13,346,558	136,640	—	—	0.0%
Fidelity Financials Central Fund	—	40,267,335	40,471,405	204,070	—	—	0.0%
Fidelity Health Care Central Fund	—	35,171,979	35,288,177	116,198	—	—	0.0%
Fidelity Industrials Central Fund	—	26,520,581	26,786,958	266,377	—	—	0.0%
Fidelity Information Technology Central Fund	—	65,165,061	65,401,978	236,917	—	—	0.0%
Fidelity Materials Central Fund	—	7,976,736	8,058,793	82,057	—	—	0.0%
Fidelity Telecom Services Central Fund	—	3,705,101	3,759,136	54,035	—	—	0.0%
Fidelity Utilities Central Fund	—	6,416,927	6,498,005	81,078	—	—	0.0%
	\$ —	\$241,426,570	\$242,962,762	\$1,536,192	\$ —	\$ —	

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

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

## Affiliated Underlying Funds

Fiscal year to date information regarding the Fund's investments in affiliated Underlying Funds, excluding any Money Market Central Funds, is presented below. Exchanges between classes of the same affiliated Underlying Funds may occur.

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Air Transportation Portfolio	\$ 2,070,849	\$ 173,013	\$ 2,020,421	\$ 110,174	\$ (471)	\$ (222,970)	\$ —
Fidelity Banking Portfolio	4,912,947	540,522	5,063,228	373,452	2,570,062	(2,960,303)	—
Fidelity Biotechnology Portfolio	2,749,582	212,842	2,939,380	112,671	442,671	(465,715)	—
Fidelity Brokerage and Investment management Portfolio	1,092,950	89,865	1,133,020	53,596	114,835	(164,630)	—
Fidelity Chemicals Portfolio	1,038,722	95,949	1,017,440	61,495	340,854	(458,085)	—
Fidelity Commodity Strategy Fund	5,177,087	1,895,135	6,937,847	—	(6,402)	(127,973)	—
Fidelity Communication Services Portfolio	1,774,584	154,277	1,746,010	98,691	(103,320)	(79,531)	—
Fidelity Construction and Housing Portfolio	1,541,447	118,051	1,468,365	71,533	(236,270)	45,137	—
Fidelity Consumer Discretionary Portfolio	21,631,752	1,440,713	23,291,655	370,571	7,523,616	(7,304,426)	—
Fidelity Consumer Staples Portfolio	15,802,762	1,552,390	15,488,896	945,147	1,801,483	(3,667,739)	—
Fidelity Contrafund	11,487,804	3,370,335	2,773,207	956,072	(25,803)	(1,147,776)	10,911,353
Fidelity Defense and Aerospace Portfolio	7,146,864	461,846	7,926,425	224,171	1,779,393	(1,461,678)	—
Fidelity Diversified International Fund	14,697,502	4,570,521	2,755,767	923,587	(107,583)	(2,982,028)	13,422,645
Fidelity Emerging Asia Fund	1,305,968	84,192	424,323	26,661	120,535	(283,788)	802,584
Fidelity Emerging Markets Discovery Fund	2,339,352	112,222	1,642,775	11,257	(23,596)	(175,353)	609,850
Fidelity Emerging Markets Fund	9,654,078	526,430	8,776,574	8,515	567,771	(932,580)	1,039,125
Fidelity Energy Portfolio	12,678,515	604,551	13,363,233	—	1,706,635	(1,626,468)	—
Fidelity Equity-Income Fund	12,252,712	3,710,416	2,473,326	1,096,032	(121,361)	(2,020,125)	11,348,316
Fidelity Europe Fund	5,584,434	1,965,771	664,754	570,632	7,630	(1,576,542)	5,316,539
Fidelity Financial Services Portfolio	25,342,798	1,801,790	26,209,229	623,314	5,601,829	(6,537,188)	—
Fidelity Floating Rate High Income Fund	7,552,468	3,481,125	5,410,759	252,858	124,571	(361,709)	5,385,696
Fidelity Focused High Income Fund	3,788	67	3,737	78	138	(256)	—
Fidelity Global Commodity Stock Fund	5,378,234	1,863,699	1,611,648	106,301	53,003	(840,480)	4,842,808
Fidelity Health Care Portfolio	26,796,811	2,371,140	30,066,931	1,022,096	7,969,544	(7,070,564)	—
Fidelity Industrial Equipment Portfolio	5,092,739	683,420	15,447	646,483	(769)	(337,637)	—
Fidelity Industrials Portfolio	9,805,105	1,319,064	15,349,169	631,020	4,289,358	(5,486,664)	—
Fidelity Inflation-Protected Bond Index Fund Institutional Class	2,591,763	15,098,854	1,714,284	29,957	(23,805)	(33,478)	—
Fidelity Inflation-Protected Bond Index Fund Premium Class	—	396,658	492,427	302,562	(5,757)	(334,317)	15,483,207
Fidelity Insurance Portfolio	2,663,128	407,874	2,668,373	319,963	1,048,913	(1,451,542)	—
Fidelity International Capital Appreciation Fund	3,383,963	917,864	617,637	93,442	(3,276)	(500,577)	3,180,337
Fidelity International Discovery Fund	12,176,860	3,420,548	2,292,051	406,271	(93,291)	(2,339,778)	10,872,288
Fidelity International Enhanced Index Fund	11,318,749	3,061,940	2,239,816	239,800	(30,996)	(1,813,292)	10,296,585
Fidelity International Small Cap Fund	6,577,820	1,883,740	2,415,982	288,560	75,407	(1,178,840)	4,942,145
Fidelity International Small Cap Opportunities Fund	6,083,243	1,603,343	1,881,485	145,282	133,421	(978,531)	4,959,991
Fidelity International Value Fund	8,010,399	2,216,192	1,622,194	228,460	(35,139)	(1,532,817)	7,036,441
Fidelity Investments Money Market Government Portfolio Institutional Class 2.29%	—	7,806,503	7,640,246	23,207	—	—	166,257
Fidelity Japan Fund	—	15,735,135	—	55,134	—	(1,226,067)	14,509,068
Fidelity Japan Smaller Companies Fund	7,341,195	4,394,081	65,376	493,320	(55)	(2,321,226)	9,348,619
Fidelity Large Cap Value Enhanced Index Fund	—	9,593,538	1,160,000	493,538	(31,805)	(1,246,580)	7,155,153
Fidelity Leisure Portfolio	1,481,606	125,730	1,517,973	81,025	(21,170)	(68,193)	—
Fidelity Long Term Treasury Bond Index Fund Institutional Premium	—	116,304	328,215	50,540	(10,521)	(84,068)	10,936,994
Fidelity Long-Term Treasury Bond Index Fund Institutional Class	8,820,548	3,707,176	992,941	237,289	(57,468)	(233,821)	—
Fidelity Low-Priced Stock Fund	12,393,825	3,551,960	2,573,333	1,437,570	(199,443)	(2,588,758)	10,584,251
Fidelity Materials Portfolio	7,040,928	680,469	7,059,976	343,229	(697,971)	36,550	—
Fidelity Medical Equipment and Systems Portfolio	2,335,897	184,781	2,582,821	104,242	585,083	(522,940)	—
Fidelity Mega Cap Stock Fund	18,458,585	6,878,708	4,113,319	3,408,812	(218,819)	(4,420,432)	16,584,723
Fidelity Overseas Fund	54,118,389	16,291,878	18,687,332	2,412,015	2,228,538	(11,211,961)	42,739,512

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

## Schedule of Investments – continued

Affiliate	Value, beginning of period	Purchases <sup>(a)</sup>	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain (loss)	Change in Unrealized appreciation (depreciation)	Value, end of period
Fidelity Pacific Basin Fund	\$ 2,990,711	\$ 1,007,206	\$ 392,205	\$ 277,226	\$ (10,902)	\$ (792,310)	\$ 2,802,500
Fidelity Real Estate Investment Portfolio	7,727,591	786,767	5,843,625	104,271	(629,198)	3,410	2,044,945
Fidelity Stock Selector All Cap Fund	—	285,638,481	18,582,593	9,767,861	(620,418)	(37,592,704)	228,842,766
Fidelity Technology Portfolio	59,231,269	8,819,692	65,939,940	6,229,852	16,280,622	(18,391,643)	—
Fidelity Telecommunications Portfolio	3,698,240	287,118	3,751,862	54,662	(299,467)	65,971	—
Fidelity Transportation Portfolio	1,555,377	121,101	1,529,528	73,518	181,085	(328,035)	—
Fidelity U.S. Bond Index Fund Institutional Class	37,856,867	10,991,580	19,292,155	959,518	(951,429)	(986,433)	—
Fidelity U.S. Bond Index Fund Institutional Premium Class	—	426,594	1,559,019	122,218	(34,726)	649,521	27,100,800
Fidelity Utilities Portfolio	6,137,965	351,167	6,498,617	29,931	61,575	(52,090)	—
Fidelity Value Discovery Fund	6,214,544	1,420,064	1,240,259	263,789	(34,808)	(814,391)	5,545,150
	<u>\$505,121,316</u>	<u>\$441,122,392</u>	<u>\$367,869,150</u>	<u>\$38,373,471</u>	<u>\$50,972,533</u>	<u>\$ (140,536,443)</u>	<u>\$488,810,648</u>

(a) Includes the value of shares purchased or redeemed through in-kind transactions, if applicable. See the Notes to Financial Statements for additional details.

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

## Investment Valuation

The following is a summary of the inputs used, as of December 31, 2018, involving the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
<b>Investments in Securities:</b>				
Equity Funds	\$429,737,694	\$429,737,694	\$ —	\$ —
Fixed-Income Funds	58,906,697	58,906,697	—	—
Money Market Funds	1,903,283	1,903,283	—	—
Other Short-Term Investments	517,944	—	517,944	—
<b>Total Investments in Securities:</b>	<u>\$491,065,618</u>	<u>\$490,547,674</u>	<u>\$517,944</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 439,049	\$ 439,049	\$ —	\$ —
<b>Total Assets</b>	<u>\$ 439,049</u>	<u>\$ 439,049</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Futures Contracts	\$ (15,444)	\$ (15,444)	\$ —	\$ —
<b>Total Liabilities</b>	<u>\$ (15,444)</u>	<u>\$ (15,444)</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ 423,605</u>	<u>\$ 423,605</u>	<u>\$ —</u>	<u>\$ —</u>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of December 31, 2018. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type	Value	
	Asset	Liability
<b>Equity Risk</b>		
Futures Contracts <sup>(a)</sup>	\$439,049	\$ (15,444)
<b>Total Equity Risk</b>	<u>439,049</u>	<u>(15,444)</u>
<b>Total Value of Derivatives</b>	<u>\$439,049</u>	<u>\$ (15,444)</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in net unrealized appreciation (depreciation).

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

# VIP FundsManager® 85% Portfolio

## Financial Statements

### Statement of Assets and Liabilities

December 31, 2018

#### Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$517,961)	\$ 517,944	
Fidelity Central Funds (cost \$1,736,967)	1,737,026	
Other affiliated issuers (cost \$547,140,719)	<u>488,810,648</u>	
Total Investment in Securities (cost \$549,395,647)		\$ 491,065,618
Segregated cash with brokers for derivative instruments		230,113
Cash		105,625
Receivable for investments sold		21,240
Receivable for fund shares sold		41,259
Distributions receivable from Fidelity Central Funds		<u>2,634</u>
<b>Total assets</b>		<u>491,466,489</u>

#### Liabilities

Payable for investments purchased	\$ 261,717	
Payable for fund shares redeemed	139,104	
Accrued management fee	83,639	
Distribution and service plan fees payable	4,000	
Payable for daily variation margin on futures contracts	<u>68,010</u>	
<b>Total liabilities</b>		<u>556,470</u>

**Net Assets** \$ 490,910,019

Net Assets consist of:

Paid in capital	\$ 465,450,573
Total distributable earnings (loss)	<u>25,459,446</u>

**Net Assets** \$ 490,910,019

**Net Asset Value and Maximum Offering Price**

**Service Class:**

**Net Asset Value**, offering price and redemption price per share (\$276 ÷ 23.7 shares) \$ 11.65

**Service Class 2:**

**Net Asset Value**, offering price and redemption price per share (\$31,555,392 ÷ 2,722,192.3 shares) \$ 11.59

**Investor Class:**

**Net Asset Value**, offering price and redemption price per share (\$459,354,351 ÷ 39,409,888.5 shares) \$ 11.66

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

## Financial Statements – continued

### Statement of Operations

	Year ended December 31, 2018
<b>Investment Income</b>	
Dividends:	
Unaffiliated issuers	\$ 104,693
Affiliated issuers	6,914,641
Interest	5,804
Income from Fidelity Central Funds	<u>21,989</u>
<b>Total income</b>	<u>7,047,127</u>
<b>Expenses</b>	
Management fee	\$ 1,370,055
Distribution and service plan fees	85,506
Independent trustees' fees and expenses	<u>2,546</u>
Total expenses before reductions	1,458,107
Expense reductions	<u>(310,084)</u>
Total expenses after reductions	<u>1,148,023</u>
<b>Net investment income (loss)</b>	<u>5,899,104</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment securities:	
Unaffiliated issuers	918,032
Fidelity Central Funds	1,536,124
Other affiliated issuers	50,972,533
Futures contracts	732,396
Capital gain distributions from underlying funds:	
Affiliated issuers	<u>31,458,830</u>
Total net realized gain (loss)	85,617,915
Change in net unrealized appreciation (depreciation) on:	
Investment securities:	
Unaffiliated issuers	(635,144)
Fidelity Central Funds	59
Other affiliated issuers	(140,536,443)
Futures contracts	<u>423,605</u>
Total change in net unrealized appreciation (depreciation)	<u>(140,747,923)</u>
<b>Net gain (loss)</b>	<u>(55,130,008)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ (49,230,904)</u>

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

## Statement of Changes in Net Assets

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 5,899,104	\$ 3,835,244
Net realized gain (loss)	85,617,915	55,274,276
Change in net unrealized appreciation (depreciation)	(140,747,923)	38,870,529
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(49,230,904)</u>	<u>97,980,049</u>
Distributions to shareholders	(56,714,400)	–
Distributions to shareholders from net investment income	–	(3,643,445)
Distributions to shareholders from net realized gain	–	(4,663,732)
<b>Total distributions</b>	<u>(56,714,400)</u>	<u>(8,307,177)</u>
Share transactions – net increase (decrease)	70,482,604	4,657,475
<b>Total increase (decrease) in net assets</b>	<u>(35,462,700)</u>	<u>94,330,347</u>
<b>Net Assets</b>		
Beginning of period	526,372,719	432,042,372
End of period	<u>\$ 490,910,019</u>	<u>\$ 526,372,719</u>
<b>Other Information</b>		
Undistributed net investment income end of period		<u>\$ 191,799</u>

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

# Financial Highlights

## VIP FundsManager 85% Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 14.30	\$ 11.81	\$ 11.87	\$ 12.46	\$ 12.07
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.15	.11	.11	.09	.13
Net realized and unrealized gain (loss)	(1.29)	2.61	.48	(.03)	.51
Total from investment operations	(1.14)	2.72	.59	.06	.64
Distributions from net investment income	(.10)	(.10)	(.11)	(.16) <sup>B</sup>	(.13)
Distributions from net realized gain	(1.41)	(.13)	(.54)	(.49) <sup>B</sup>	(.13)
Total distributions	(1.51)	(.23)	(.65)	(.65)	(.25) <sup>C</sup>
Net asset value, end of period	\$ 11.65	\$ 14.30	\$ 11.81	\$ 11.87	\$ 12.46
Total Return <sup>D,E</sup>	(8.90)%	23.05%	5.66%	.39%	5.29%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.33% <sup>I</sup>	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.17% <sup>I</sup>	.20%	.20%	.20%	.20%
Expenses net of all reductions	.17% <sup>I</sup>	.20%	.20%	.20%	.20%
Net investment income (loss)	1.11%	.81%	.96%	.74%	1.04%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ —	\$ 2	\$ 8	\$ 8	\$ 8
Portfolio turnover rate <sup>F,J</sup>	116%	70%	59%	67%	72%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> On certain classes, the size and fluctuation of net assets and expense amounts may cause ratios to differ from contractual rates.

<sup>J</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## VIP FundsManager 85% Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 14.24	\$ 11.76	\$ 11.83	\$ 12.41	\$ 12.03
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.12	.09	.09	.07	.11
Net realized and unrealized gain (loss)	(1.28)	2.60	.47	(.01)	.50
Total from investment operations	(1.16)	2.69	.56	.06	.61
Distributions from net investment income	(.09)	(.08)	(.09)	(.15) <sup>B</sup>	(.11)
Distributions from net realized gain	(1.41)	(.13)	(.54)	(.49) <sup>B</sup>	(.13)
Total distributions	(1.49) <sup>C</sup>	(.21)	(.63)	(.64)	(.23) <sup>D</sup>
Net asset value, end of period	\$ 11.59	\$ 14.24	\$ 11.76	\$ 11.83	\$ 12.41
Total Return <sup>E,F</sup>	(9.08)%	22.90%	5.47%	.35%	5.08%
Ratios to Average Net Assets <sup>G,H,I</sup>					
Expenses before reductions	.50%	.50%	.50%	.50%	.50%
Expenses net of fee waivers, if any	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	.93%	.66%	.81%	.59%	.89%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 31,555	\$ 33,540	\$ 24,790	\$ 10,346	\$ 8,207
Portfolio turnover rate <sup>G,J</sup>	116%	70%	59%	67%	72%

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

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

<sup>C</sup> Total distributions of \$1.49 per share is comprised of distributions from net investment income of \$.085 and distributions from net realized gain of \$1.409 per share.

<sup>D</sup> Total distributions of \$.23 per share is comprised of distributions from net investment income of \$.107 and distributions from net realized gain of \$.126 per share.

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>J</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

## Financial Highlights – continued

### VIP FundsManager 85% Portfolio Investor Class

Years ended December 31, Selected Per–Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 14.31	\$ 11.81	\$ 11.87	\$ 12.46	\$ 12.07
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.14	.11	.11	.09	.13
Net realized and unrealized gain (loss)	(1.28)	2.62	.48	(.03)	.51
Total from investment operations	(1.14)	2.73	.59	.06	.64
Distributions from net investment income	(.10)	(.10)	(.11)	(.16) <sup>B</sup>	(.13)
Distributions from net realized gain	(1.41)	(.13)	(.54)	(.49) <sup>B</sup>	(.13)
Total distributions	(1.51)	(.23)	(.65)	(.65)	(.25) <sup>C</sup>
Net asset value, end of period	\$ 11.66	\$ 14.31	\$ 11.81	\$ 11.87	\$ 12.46
Total Return <sup>D,E</sup>	(8.89)%	23.13%	5.66%	.39%	5.29%
Ratios to Average Net Assets <sup>F,G,H</sup>					
Expenses before reductions	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.08%	.81%	.96%	.74%	1.04%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 459,354	\$ 492,831	\$ 407,244	\$ 399,068	\$ 376,927
Portfolio turnover rate <sup>I</sup>	116%	70%	59%	67%	72%

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

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

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

<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> Amounts do not include the activity of the Underlying Funds.

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

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

<sup>I</sup> Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

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

# Notes to Financial Statements

For the period ended December 31, 2018

## 1. Organization.

VIP FundsManager 20% Portfolio, VIP FundsManager 50% Portfolio, VIP FundsManager 60% Portfolio, VIP FundsManager 70% Portfolio, and VIP FundsManager 85% Portfolio (the Funds) are funds of Variable Insurance Products Fund V (the Trust). The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Each Fund is authorized to issue an unlimited number of shares. The Funds invest primarily in a combination of other Fidelity equity, fixed income, and short-term funds (the Underlying Funds) managed by Fidelity Management & Research Company (FMR). Shares of each Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. Each Fund offers three classes of shares: Service Class shares, Service Class 2 shares, and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class. Certain Underlying Funds incurred name changes since their most recent shareholder report. The names of the Underlying Funds are those in effect at period end.

## 2. Investments in Fidelity Central Funds.

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

The Money Market Central Funds seek preservation of capital and current income and are managed by Fidelity Investments Money Management, Inc. (FIMM), an affiliate of the investment adviser. Annualized expenses of the Money Market Central Funds as of their most recent shareholder report date are less than .005%.

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

## 3. Significant Accounting Policies.

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

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

Level 1 — quoted prices in active markets for identical investments

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

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

Valuation techniques used to value each Fund's investments by major category are as follows. Investments in the Underlying Funds are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy. Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing vendors or from brokers who make markets in such securities. U.S. government and government agency obligations are valued by pricing vendors who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing vendors. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy.

**Investment Transactions and Income.** For financial reporting purposes, the Funds' investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per share for processing shareholder transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of identified cost. Income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned. Interest income includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of each Fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of each Fund. Each class differs with respect to distribution and service plan fees incurred. Certain expense reductions may also differ by class. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. Expenses directly attributable to a fund are charged to that fund. Expenses attributable to more

## Notes to Financial Statements – continued

than one fund are allocated among the respective funds on the basis of relative net assets or other appropriate methods. Expenses included in the accompanying financial statements reflect the expenses of each Fund and do not include any expenses associated with the Underlying Funds. Although not included in each Fund's expenses, each Fund indirectly bears its proportionate share of the Underlying Funds' expenses through the impact of these expenses on each Underlying Fund's NAV. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Income Tax Information and Distributions to Shareholders.** Each year, each Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. As of December 31, 2018, each Fund did not have any unrecognized tax benefits in the financial statements; nor is each Fund aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. Each Fund files a U.S. federal tax return, in addition to state and local tax returns as required. Each Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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 the short-term gain distributions from the Underlying Funds, futures contracts, market discount and losses deferred due to wash sales.

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

	Tax cost	Gross unrealized appreciation	Gross unrealized depreciation	Net unrealized appreciation (depreciation)
VIP FundsManager 20% Portfolio	\$ 749,326,345	\$ 6,548,234	\$ (27,589,848)	\$ (21,041,614)
VIP FundsManager 50% Portfolio	6,013,598,874	48,651,930	(434,944,357)	(386,292,427)
VIP FundsManager 60% Portfolio	5,699,729,282	86,588,228	(474,317,704)	(387,729,476)
VIP FundsManager 70% Portfolio	1,512,323,955	14,141,822	(144,597,027)	(130,455,205)
VIP FundsManager 85% Portfolio	550,334,596	4,579,244	(63,848,222)	(59,268,978)

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

	Undistributed ordinary income	Undistributed long-term capital gain	Net unrealized appreciation (depreciation) on securities and other investments
VIP FundsManager 20% Portfolio	\$ 1,905,937	\$ 27,880,038	\$ (21,041,614)
VIP FundsManager 50% Portfolio	21,607,798	536,426,213	(386,292,427)
VIP FundsManager 60% Portfolio	23,184,190	876,844,805	(387,729,476)
VIP FundsManager 70% Portfolio	6,534,672	186,111,225	(130,455,205)
VIP FundsManager 85% Portfolio	2,589,831	82,138,594	(59,268,978)

The tax character of distributions paid was as follows:

December 31, 2018

	Ordinary Income	Long-term Capital Gains	Total
VIP FundsManager 20% Portfolio	\$ 18,418,143	\$ 27,817,855	\$ 46,235,998
VIP FundsManager 50% Portfolio	153,079,849	421,890,869	574,970,718
VIP FundsManager 60% Portfolio	136,267,099	646,172,218	782,439,317
VIP FundsManager 70% Portfolio	34,974,259	111,574,677	146,548,936
VIP FundsManager 85% Portfolio	12,602,923	44,111,477	56,714,400

December 31, 2017

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

**New Rule Issuance.** During August 2018, the U.S. Securities and Exchange Commission issued Final Rule Release No. 33-10532, Disclosure Update and Simplification. This Final Rule includes amendments specific to registered investment companies that are intended to eliminate overlap in disclosure requirements between Regulation S-X and GAAP. In accordance with these amendments, certain line-items in the Funds’ financial statements have been combined or removed for the current period as outlined in the table below.

Financial Statement	Current Line-Item Presentation	Prior Line-Item Presentation
Statement of Assets and Liabilities	Total distributable earnings (loss)	Undistributed/Distributions in excess of/Accumulated net investment income (loss) Accumulated/Undistributed net realized gain (loss) Net unrealized appreciation (depreciation)
Statement of Changes in Net Assets	N/A – removed	Undistributed/Distributions in excess of/Accumulated net investment income (loss) end of period
Statement of Changes in Net Assets	Distributions to shareholders	Distributions to shareholders from net investment income Distributions to shareholders from net realized gain
Distributions to Shareholders Note to Financial Statements	Distributions to shareholders	Distributions to shareholders from net investment income Distributions to shareholders from net realized gain

#### 4. Derivative Instruments.

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

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

The Funds’ use of derivatives increased or decreased their exposure to the following risk:

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

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

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

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

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

Any open futures contracts at period end are presented in the Schedule of Investments under the caption “Futures Contracts”. The notional amount at value reflects each contract’s exposure to the underlying instrument or index at period end and, for VIP FundsManager 70% Portfolio, is representative of volume of activity during the period. Securities deposited to meet initial margin requirements are identified in the Schedule of Investments. Cash deposited to meet initial margin requirements is presented as segregated cash with brokers for derivative instruments in the Statement of Assets and Liabilities.

#### 5. Purchases and Redemptions of Underlying Fund Shares.

Purchases and sales of securities, including in-kind transactions, other than short term securities and U.S. government securities, are noted in the table below.

## Notes to Financial Statements – continued

	Purchases (\$)	Redemptions (\$)
VIP FundsManager 20% Portfolio	361,085,301	380,190,330
VIP FundsManager 50% Portfolio	5,054,144,235	5,528,893,376
VIP FundsManager 60% Portfolio	5,474,341,224	5,797,190,062
VIP FundsManager 70% Portfolio	1,570,163,920	1,456,068,789
VIP FundsManager 85% Portfolio	682,548,962	631,735,656

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

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

The investment adviser has contractually agreed to waive 0.05% of its management fee, thereby limiting each Fund's management fee to an annual rate of 0.20% of average net assets, until April 30, 2019.

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

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

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

	Service Class	Service Class 2	Total
VIP FundsManager 20% Portfolio	\$57	\$ 21,072	\$ 21,129
VIP FundsManager 50% Portfolio	60	246,246	246,306
VIP FundsManager 60% Portfolio	55	1,457,891	1,457,946
VIP FundsManager 70% Portfolio	71	125,547	125,618
VIP FundsManager 85% Portfolio	1	85,505	85,506

**Brokerage Commissions.** Certain Funds placed a portion of their portfolio transactions with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	Amount
VIP FundsManager 50% Portfolio	\$307
VIP FundsManager 60% Portfolio	292
VIP FundsManager 70% Portfolio	89
VIP FundsManager 85% Portfolio	34

**Interfund Trades.** The 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.

**Reallocation of Underlying Fund Investments.** During the period, the investment adviser reallocated investments of the Funds. This involved taxable redemptions of the Funds' interest in Fidelity Consumer Discretionary Portfolio, Fidelity Consumer Staples Portfolio, Fidelity Energy Portfolio, Fidelity Financial Services Portfolio, Fidelity Health Care Portfolio, Fidelity Industrials Portfolio, Fidelity Materials Portfolio, Fidelity Real Estate Investment Portfolio, Fidelity Technology Portfolio, Fidelity Telecommunications Portfolio and Fidelity Utilities Portfolio (selected Underlying Funds) for investments and cash and non-taxable exchanges of those investments and cash for shares of Fidelity Consumer Discretionary Central Fund, Fidelity Consumer Staples Central Fund, Fidelity Energy Central Fund, Fidelity Financials Central Fund, Fidelity Health Care Central Fund, Fidelity Industrials Central Fund, Fidelity Information Technology Central Fund, Fidelity Materials Central Fund, Fidelity Telecom Services Central Fund and Fidelity Utilities Central Fund (selected Affiliated Central Funds) which are affiliated investment companies managed by FMR.

In addition, the investment adviser reallocated investments of the Funds. This involved taxable redemptions of the Funds' interest in the selected Affiliated Central Funds for investments and non-taxable exchanges of those investments for shares of Fidelity Stock Selector All Cap. Net realized gain (loss) on the redemptions of the selected Underlying Funds and Affiliated Central Funds in connection with the reallocation is included in the accompanying Statements of Operations as "Net realized gain (loss) on: Fidelity Central Funds and Other Affiliated issuers".

Details of these transactions with the related net gain (loss) for the Funds are presented in the accompanying table:

	Value of Investments and Cash reallocated	Net realized Gain (Loss) on redemptions of selected Underlying Funds and Affiliated Central Funds
VIP FundsManager 20% Portfolio	\$ 147,071,445	\$ 12,809,582
VIP FundsManager 50% Portfolio	3,091,857,292	289,073,621
VIP FundsManager 60% Portfolio	3,568,089,514	562,952,084
VIP FundsManager 70% Portfolio	993,477,105	101,761,955
VIP FundsManager 85% Portfolio	453,153,954	45,157,797

## 7. Expense Reductions.

The investment adviser contractually agreed to limit each Funds' management fee to an annual rate of 0.20% of each Funds' average net assets until April 30, 2019. For the period, each Fund's management fees were reduced by the following amounts:

	Management Fee Waiver
VIP FundsManager 20% Portfolio	\$ 386,639
VIP FundsManager 50% Portfolio	3,184,711
VIP FundsManager 60% Portfolio	3,008,299
VIP FundsManager 70% Portfolio	749,571
VIP FundsManager 85% Portfolio	274,521

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

	Reimbursement
VIP FundsManager 20% Portfolio	
Service Class	\$ 57
Service Class 2	8,429
VIP FundsManager 50% Portfolio	
Service Class	60
Service Class 2	98,498
VIP FundsManager 60% Portfolio	
Service Class	55
Service Class 2	583,156
VIP FundsManager 70% Portfolio	
Service Class	70
Service Class 2	50,219
VIP FundsManager 85% Portfolio	
Service Class	1
Service Class 2	34,202

Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of Certain Funds and certain Central Funds include an amount in addition to trade execution, which may be rebated back to the Funds to offset certain expenses. Through arrangements with each applicable Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. All of the applicable expense reductions are noted in the table below.

	Brokerage Service reduction	Custody expense reduction
VIP FundsManager 20% Portfolio	\$ 928	\$166
VIP FundsManager 50% Portfolio	11,711	37
VIP FundsManager 60% Portfolio	11,101	31
VIP FundsManager 70% Portfolio	3,387	64
VIP FundsManager 85% Portfolio	1,195	165

## Notes to Financial Statements – continued

### 8. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
<b>VIP FundsManager 20% Portfolio</b>		
<b>Distributions to shareholders</b>		
Service Class	\$ 3,503	\$ —
Service Class 2	502,761	—
Investor Class	45,729,734	—
Total	<u>\$ 46,235,998</u>	<u>\$ —</u>
<b>From net investment income</b>		
Service Class	\$ —	\$ 766
Service Class 2	—	92,500
Investor Class	—	9,938,104
Total	<u>\$ —</u>	<u>\$ 10,031,370</u>
<b>From net realized gain</b>		
Service Class	\$ —	\$ 346
Service Class 2	—	45,931
Investor Class	—	4,329,977
Total	<u>\$ —</u>	<u>\$ 4,376,254</u>
<b>VIP FundsManager 50% Portfolio</b>		
<b>Distributions to shareholders</b>		
Service Class	\$ 5,597	\$ —
Service Class 2	8,613,442	—
Investor Class	566,351,679	—
Total	<u>\$574,970,718</u>	<u>\$ —</u>
<b>From net investment income</b>		
Service Class	\$ —	\$ 731
Service Class 2	—	989,026
Investor Class	—	74,273,522
Total	<u>\$ —</u>	<u>\$ 75,263,279</u>
<b>From net realized gain</b>		
Service Class	\$ —	\$ 393
Service Class 2	—	612,425
Investor Class	—	40,000,877
Total	<u>\$ —</u>	<u>\$ 40,613,695</u>
<b>VIP FundsManager 60% Portfolio</b>		
<b>Distributions to shareholders</b>		
Service Class	\$ 7,614	\$ —
Service Class 2	73,545,828	—
Investor Class	708,885,875	—
Total	<u>\$782,439,317</u>	<u>\$ —</u>
<b>From net investment income</b>		
Service Class	\$ —	\$ 649
Service Class 2	—	5,348,956
Investor Class	—	60,481,640
Total	<u>\$ —</u>	<u>\$ 65,831,245</u>
<b>From net realized gain</b>		
Service Class	\$ —	\$ 1,287
Service Class 2	—	11,583,334
Investor Class	—	122,587,640
Total	<u>\$ —</u>	<u>\$134,172,261</u>
<b>VIP FundsManager 70% Portfolio</b>		
<b>Distributions to shareholders</b>		
Service Class	\$ 7,360	\$ —

	Year ended December 31, 2018	Year ended December 31, 2017
Service Class 2	4,845,803	—
Investor Class	141,695,773	—
Total	<u>\$146,548,936</u>	<u>\$ —</u>
<b>From net investment income</b>		
Service Class	\$ —	\$ 662
Service Class 2	—	359,186
Investor Class	—	12,302,715
Total	<u>\$ —</u>	<u>\$ 12,662,563</u>
<b>From net realized gain</b>		
Service Class	\$ —	\$ 506
Service Class 2	—	324,459
Investor Class	—	9,395,981
Total	<u>\$ —</u>	<u>\$ 9,720,946</u>
<b>VIP FundsManager 85% Portfolio</b>		
<b>Distributions to shareholders</b>		
Service Class	\$ 189	\$ —
Service Class 2	3,582,347	—
Investor Class	53,131,864	—
Total	<u>\$ 56,714,400</u>	<u>\$ —</u>
<b>From net investment income</b>		
Service Class	\$ —	\$ 13
Service Class 2	—	192,253
Investor Class	—	3,451,179
Total	<u>\$ —</u>	<u>\$ 3,643,445</u>
<b>From net realized gain</b>		
Service Class	\$ —	\$ 18
Service Class 2	—	298,443
Investor Class	—	4,365,271
Total	<u>\$ —</u>	<u>\$ 4,663,732</u>

## 9. Share Transactions.

Transactions for each class of shares were as follows:

	Shares Year ended December 31, 2018	Shares Year ended December 31, 2017	Dollars Year ended December 31, 2018	Dollars Year ended December 31, 2017
<b>VIP FundsManager 20% Portfolio</b>				
<b>Service Class</b>				
Shares sold	334	282	\$ 3,729	\$ 3,244
Reinvestment of distributions	6	96	68	1,112
Shares redeemed	(316) <sup>(a)</sup>	(724)	(3,544) <sup>(a)</sup>	(8,404)
Net increase (decrease)	<u>24</u>	<u>(346)</u>	<u>\$ 253</u>	<u>\$ (4,048)</u>
<b>Service Class 2</b>				
Shares sold	138,319	118,495	\$ 1,564,823	\$ 1,345,436
Reinvestment of distributions	46,031	12,043	502,761	138,431
Shares redeemed	(117,406) <sup>(a)</sup>	(108,177)	(1,316,347) <sup>(a)</sup>	(1,232,660)
Net increase (decrease)	<u>66,944</u>	<u>22,361</u>	<u>\$ 751,237</u>	<u>\$ 251,207</u>
<b>Investor Class</b>				
Shares sold	3,903,632	5,096,986	\$ 43,753,843	\$ 58,749,629
Reinvestment of distributions	4,181,062	1,238,346	45,729,734	14,268,081
Shares redeemed	(7,963,696) <sup>(a)</sup>	(6,426,351)	(88,856,329) <sup>(a)</sup>	(72,859,123)
Net increase (decrease)	<u>120,998</u>	<u>(91,019)</u>	<u>\$ 627,248</u>	<u>\$ 158,587</u>

## Notes to Financial Statements – continued

	Shares Year ended December 31, 2018	Shares Year ended December 31, 2017	Dollars Year ended December 31, 2018	Dollars Year ended December 31, 2017
<b>VIP FundsManager 50% Portfolio</b>				
<b>Service Class</b>				
Shares sold	56	64	\$ 720	\$ 833
Reinvestment of distributions	6	83	77	1,124
Shares redeemed	(74) <sup>(a)</sup>	(584)	(944) <sup>(a)</sup>	(7,870)
Net increase (decrease)	<u>(12)</u>	<u>(437)</u>	<u>\$ (147)</u>	<u>\$ (5,913)</u>
<b>Service Class 2</b>				
Shares sold	1,211,481	1,289,799	\$ 15,423,342	\$ 16,633,568
Reinvestment of distributions	698,544	119,256	8,613,442	1,601,451
Shares redeemed	(1,638,938) <sup>(a)</sup>	(1,515,620)	(20,874,932) <sup>(a)</sup>	(19,679,465)
Net increase (decrease)	<u>271,087</u>	<u>(106,565)</u>	<u>\$ 3,161,852</u>	<u>\$ (1,444,446)</u>
<b>Investor Class</b>				
Shares sold	6,174,967	6,677,690	\$ 79,048,025	\$ 86,961,201
Reinvestment of distributions	45,791,933	8,484,112	566,351,679	114,274,399
Shares redeemed	(67,644,697) <sup>(a)</sup>	(39,276,673)	(859,140,192) <sup>(a)</sup>	(509,832,605)
Net increase (decrease)	<u>(15,677,797)</u>	<u>(24,114,871)</u>	<u>\$ (213,740,488)</u>	<u>\$ (308,597,005)</u>
<b>VIP FundsManager 60% Portfolio</b>				
<b>Service Class</b>				
Shares sold	189	171	\$ 2,180	\$ 2,030
Reinvestment of distributions	14	162	152	1,936
Shares redeemed	(170) <sup>(a)</sup>	(838)	(1,941) <sup>(a)</sup>	(10,318)
Net increase (decrease)	<u>33</u>	<u>(505)</u>	<u>\$ 391</u>	<u>\$ (6,352)</u>
<b>Service Class 2</b>				
Shares sold	5,419,475	5,455,249	\$ 61,883,322	\$ 64,794,478
Reinvestment of distributions	6,675,535	1,415,209	73,545,828	16,932,290
Shares redeemed	(6,763,203) <sup>(a)</sup>	(6,007,106)	(77,091,178) <sup>(a)</sup>	(71,637,670)
Net increase (decrease)	<u>5,331,807</u>	<u>863,352</u>	<u>\$ 58,337,972</u>	<u>\$ 10,089,098</u>
<b>Investor Class</b>				
Shares sold	6,235,842	5,362,355	\$ 71,295,270	\$ 64,258,948
Reinvestment of distributions	64,171,254	15,291,539	708,885,875	183,069,280
Shares redeemed	(62,771,042) <sup>(a)</sup>	(93,531,178)	(714,678,819) <sup>(a)</sup>	(1,104,750,276)
Net increase (decrease)	<u>7,636,054</u>	<u>(72,877,284)</u>	<u>\$ 65,502,326</u>	<u>\$ (857,422,048)</u>
<b>VIP FundsManager 70% Portfolio</b>				
<b>Service Class</b>				
Shares sold	145	130	\$ 1,914	\$ 1,718
Reinvestment of distributions	3	84	42	1,168
Shares redeemed	(145) <sup>(a)</sup>	(736)	(1,915) <sup>(a)</sup>	(10,148)
Net increase (decrease)	<u>3</u>	<u>(522)</u>	<u>\$ 41</u>	<u>\$ (7,262)</u>
<b>Service Class 2</b>				
Shares sold	438,715	458,084	\$ 5,751,035	\$ 5,964,434
Reinvestment of distributions	381,426	49,096	4,845,803	683,645
Shares redeemed	(343,103) <sup>(a)</sup>	(229,488)	(4,500,104) <sup>(a)</sup>	(2,995,288)
Net increase (decrease)	<u>477,038</u>	<u>277,692</u>	<u>\$ 6,096,734</u>	<u>\$ 3,652,791</u>
<b>Investor Class</b>				
Shares sold	6,685,015	9,314,585	\$ 88,731,097	\$ 123,018,642
Reinvestment of distributions	11,129,997	1,552,500	141,695,773	21,698,696
Shares redeemed	(5,379,869) <sup>(a)</sup>	(4,403,710)	(70,333,337) <sup>(a)</sup>	(57,832,076)
Net increase (decrease)	<u>12,435,143</u>	<u>6,463,375</u>	<u>\$ 160,093,533</u>	<u>\$ 86,885,262</u>
<b>VIP FundsManager 85% Portfolio</b>				
<b>Service Class</b>				
Shares sold	92	109	\$ 1,234	\$ 1,463
Reinvestment of distributions	14	2	189	31

	Shares Year ended December 31, 2018	Shares Year ended December 31, 2017	Dollars Year ended December 31, 2018	Dollars Year ended December 31, 2017
Shares redeemed	(215) <sup>(a)</sup>	(680)	(2,802) <sup>(a)</sup>	(9,519)
Net increase (decrease)	<u>(109)</u>	<u>(569)</u>	<u>\$ (1,379)</u>	<u>\$ (8,025)</u>
<b>Service Class 2</b>				
Shares sold	305,628	418,848	\$ 4,020,661	\$ 5,497,731
Reinvestment of distributions	277,618	34,579	3,582,347	490,696
Shares redeemed	(216,908) <sup>(a)</sup>	(205,975)	(2,863,246) <sup>(a)</sup>	(2,696,501)
Net increase (decrease)	<u>366,338</u>	<u>247,452</u>	<u>\$ 4,739,762</u>	<u>\$ 3,291,926</u>
<b>Investor Class</b>				
Shares sold	3,997,486	2,659,836	\$ 53,742,128	\$ 35,473,379
Reinvestment of distributions	4,102,344	548,117	53,131,864	7,816,450
Shares redeemed	(3,134,984) <sup>(a)</sup>	(3,236,201)	(41,129,771) <sup>(a)</sup>	(41,916,255)
Net increase (decrease)	<u>4,964,846</u>	<u>(28,248)</u>	<u>\$ 65,744,221</u>	<u>\$ 1,373,574</u>

(a) Amount includes in-kind redemptions (see the Reallocation of Underlying Fund Investments note for additional details)

## 10. Other.

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

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

Fund	VIP FundsManager 50% Portfolio	VIP FundsManager 60% Portfolio
Fidelity Global Commodity Stock Fund	11%	10%
Fidelity Japan Smaller Companies Fund	10%	12%
Fidelity International Value Fund	11%	13%
Fidelity Stock Selector All Cap Fund	18%	21%
Fidelity Japan Fund	17%	17%

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

Fund	% of shares held
Fidelity Global Commodity Stock Fund	25%
Fidelity Japan Smaller Companies Fund	28%
Fidelity International Value Fund	29%
Fidelity Stock Selector All Cap Fund	48%
Fidelity Japan Fund	42%

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

	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP FundsManager 20% Portfolio	99%	—	—%
VIP FundsManager 50% Portfolio	26%	1	67%
VIP FundsManager 60% Portfolio	34%	2	51%
VIP FundsManager 70% Portfolio	97%	—	—%
VIP FundsManager 85% Portfolio	94%	—	—%

# Report of Independent Registered Public Accounting Firm

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

## **Opinions on the Financial Statements**

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of VIP FundsManager 20% Portfolio, VIP FundsManager 50% Portfolio, VIP FundsManager 60% Portfolio, VIP FundsManager 70% Portfolio and VIP FundsManager 85% Portfolio (five of the funds constituting Variable Insurance Products Fund V, hereafter collectively referred to as the "Funds") as of December 31, 2018, the related statements of operations for the year ended December 31, 2018, the statements of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2018 and each of the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

## **Basis for Opinions**

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP  
Boston, Massachusetts  
February 19, 2019

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

# Trustees and Officers

The Trustees, Members of the Advisory Board (if any), and officers of the trust and funds, as applicable, are listed below. The Board of Trustees governs each fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee each fund's activities, review contractual arrangements with companies that provide services to each fund, oversee management of the risks associated with such activities and contractual arrangements, and review each fund's performance. If the interests of a fund and an underlying Fidelity® fund were to diverge, a conflict of interest could arise and affect how the Trustees and Members of the Advisory Board fulfill their fiduciary duties to the affected funds. FMRC has structured the funds to avoid these potential conflicts, although there may be situations where a conflict of interest is unavoidable. In such instances, FMRC, the Trustees, and Members of the Advisory Board would take reasonable steps to minimize and, if possible, eliminate the conflict. Each of the Trustees oversees 260 funds.

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

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

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

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

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

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

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

## Interested Trustees\*:

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

## Trustees and Officers – continued

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

Abigail P. Johnson (1961)

Year of Election or Appointment: 2009

Trustee

Chairman of the Board of Trustees

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

Jennifer Toolin McAuliffe (1959)

Year of Election or Appointment: 2016

Trustee

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

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

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

### Independent Trustees:

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

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

Elizabeth S. Acton (1951)

Year of Election or Appointment: 2013

Trustee

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

Ann E. Dunwoody (1953)

Year of Election or Appointment: 2018

Trustee

General Dunwoody also serves as Trustee of other Fidelity® funds. General Dunwoody (United States Army, Retired) was the first woman in U.S. military history to achieve the rank of four-star general and prior to her retirement in 2012 held a variety of positions within the U.S. Army, including Commanding General, U.S. Army Material Command (2008-2012). She is the President of First to Four LLC (leadership and mentoring services, 2012-present). She also serves as a member of the Board of Directors and Nominating and Corporate Governance Committee of L3 Technologies, Inc. (communication, electronic, sensor, and aerospace systems, 2013-present), Board of Directors and Nomination and Corporate Governance Committees of Kforce Inc. (professional staffing services, 2016-present) and Board of Directors of Automattic Inc. (software engineering, 2018-present). Previously, General Dunwoody served as a Member of the Advisory Board of certain Fidelity® funds (2018), a member of the Board of Directors and Audit and Sustainability and Corporate Responsibility Committees of Republic Services, Inc. (waste collection, disposal and recycling, 2013-2016). Ms. Dunwoody also serves on several boards for non-profit organizations, including as a member of the Board of Directors, Chair of the Nomination and Governance Committee and member of the Audit Committee of Logistics Management Institute (consulting non-profit, 2012-present), a member of the Board of Directors of the Army Historical Foundation (2015-present), a member of the Council of Trustees for the Association of the United States Army (advocacy non-profit, 2013-present) and a member of the Board of Trustees of Florida Institute of Technology (2015-present) and ThanksUSA (military family education non-profit, 2014-present).

John Engler (1948)

Year of Election or Appointment: 2014

Trustee

Mr. Engler also serves as Trustee of other Fidelity® funds. He serves on the board of directors for Universal Forest Products (manufacturer and distributor of wood and wood-alternative products, 2003-present) and K12 Inc. (technology-based education company, 2012-present). Previously, Mr. Engler served as interim president of Michigan State University (2018-2019), a Member of the Advisory Board of certain Fidelity® funds (2014-2016), president of the Business Roundtable (2011-2017), a trustee of The Munder Funds (2003-2014), president and CEO of the National Association of Manufacturers (2004-2011), member of the Board of Trustees of the Annie E. Casey Foundation (2004-2015), and as governor of Michigan (1991-2003). He is a past chairman of the National Governors Association.

Robert F. Gartland (1951)

Year of Election or Appointment: 2010

Trustee

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

Arthur E. Johnson (1947)

Year of Election or Appointment: 2008

Trustee

Chairman of the Independent Trustees

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

Michael E. Kenneally (1954)

Year of Election or Appointment: 2009

Trustee

Vice Chairman of the Independent Trustees

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

Marie L. Knowles (1946)

Year of Election or Appointment: 2001

Trustee

Ms. Knowles also serves as Trustee of other Fidelity® funds. Prior to Ms. Knowles' retirement in June 2000, she served as Executive Vice President and Chief Financial Officer of Atlantic Richfield Company (ARCO) (diversified energy, 1996-2000). From 1993 to 1996, she was a Senior Vice President of ARCO and President of ARCO Transportation Company (pipeline and tanker operations). Ms. Knowles currently serves as a Director and Chairman of the Audit Committee of McKesson Corporation (healthcare service, since 2002). Ms. Knowles is a member of the Board of the Santa Catalina Island Company (real estate, 2009-present). Ms. Knowles is a Member of the Investment Company Institute Board of Governors and a Member of the Governing Council of the Independent Directors Council (2014-present). She also serves as a member of the Advisory Board for the School of Engineering of the University of Southern California. Previously, Ms. Knowles served as a Director of Phelps Dodge Corporation (copper mining and manufacturing, 1994-2007), URS Corporation (engineering and construction, 2000-2003) and America West (airline, 1999-2002). Ms. Knowles previously served as Chairman (2015-2018) and Vice Chairman (2012-2015) of the Independent Trustees of certain Fidelity® funds.

Mark A. Murray (1954)

Year of Election or Appointment: 2016

Trustee

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

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

## Trustees and Officers – continued

### Advisory Board Members and Officers:

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

### Name, Year of Birth; Principal Occupation

Elizabeth Paige Baumann (1968)

Year of Election or Appointment: 2017  
Anti-Money Laundering (AML) Officer

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

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: 2018  
Secretary and Chief Legal Officer (CLO)

Mr. Coffey also serves as Secretary and CLO of other funds. Mr. Coffey serves as CLO, Secretary, and Senior Vice President of Fidelity Management & Research Company and FMR Co., Inc. (investment adviser firms, 2018-present); Secretary of Fidelity SelectCo, LLC and Fidelity Investments Money Management, Inc. (investment adviser firms, 2018-present); and CLO of Fidelity Management & Research (Hong Kong) Limited, FMR Investment Management (UK) Limited, and Fidelity Management & Research (Japan) Limited (investment adviser firms, 2018-present). 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 Assistant Secretary of certain funds (2009-2018) and as Vice President and Associate General Counsel of FMR LLC (2005-2009).

Jonathan Davis (1968)

Year of Election or Appointment: 2010  
Assistant Treasurer

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

Adrien E. Deberghes (1967)

Year of Election or Appointment: 2010  
Assistant Treasurer

Mr. Deberghes also serves as an officer of other funds. He serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), Executive Vice President of Fidelity Investments Money Management, Inc. (FIMM) (investment adviser firm, 2016-present), and is an employee of Fidelity Investments (2008-present). Previously, Mr. Deberghes served as President and Treasurer of certain Fidelity® funds (2013-2018). Prior to joining Fidelity Investments, Mr. Deberghes was Senior Vice President of Mutual Fund Administration at State Street Corporation (2007-2008), Senior Director of Mutual Fund Administration at Investors Bank & Trust (2005-2007), and Director of Finance for Dunkin' Brands (2000-2005). Previously, Mr. Deberghes served in other fund officer roles.

Laura M. Del Prato (1964)

Year of Election or Appointment: 2018  
President and Treasurer

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

Colm A. Hogan (1973)

Year of Election or Appointment: 2016

Assistant Treasurer

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

Chris Maher (1972)

Year of Election or Appointment: 2013

Assistant Treasurer

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

John B. McGinty, Jr. (1962)

Year of Election or Appointment: 2016

Chief Compliance Officer

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

Jason P. Pogorelec (1975)

Year of Election or Appointment: 2015

Assistant Secretary

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

Nancy D. Prior (1967)

Year of Election or Appointment: 2014

Vice President

Ms. Prior also serves as Vice President of other funds. Ms. Prior serves as President Fixed Income, High Income/Emerging Market Debt and Multi Asset Class Strategies of FIAM LLC (2018-present), President (2016-present) and Director (2014-present) of Fidelity Investments Money Management, Inc. (FIMM) (investment adviser firm), President, Fixed Income (2014-present), and is an employee of Fidelity Investments (2002-present). Previously, Ms. Prior served as Vice Chairman of FIAM LLC (investment adviser firm, 2014-2018), a Director of FMR Investment Management (UK) Limited (investment adviser firm, 2015-2018), President Multi-Asset Class Strategies of FMR's Global Asset Allocation Division (2017-2018), Vice President of Fidelity's Money Market Funds (2012-2014), President, Money Market and Short Duration Bond Group of Fidelity Management & Research (FMR) (investment adviser firm, 2013-2014), President, Money Market Group of FMR (2011-2013), Managing Director of Research (2009-2011), Senior Vice President and Deputy General Counsel (2007-2009), and Assistant Secretary of certain Fidelity® funds (2008-2009).

Stacie M. Smith (1974)

Year of Election or Appointment: 2013

Assistant Treasurer

Ms. Smith also serves as an officer of other funds. Ms. Smith serves as Assistant Treasurer of FMR Capital, Inc. (2017-present), is an employee of Fidelity Investments (2009-present), and has served in other fund officer roles. Prior to joining Fidelity Investments, Ms. Smith served as Senior Audit Manager of Ernst & Young LLP (accounting firm, 1996-2009). Previously, Ms. Smith served as Assistant Treasurer (2013-2018) and Deputy Treasurer (2013-2016) of certain Fidelity® funds.

Marc L. Spector (1972)

Year of Election or Appointment: 2016

Deputy Treasurer

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

Jim Wegmann (1979)

Year of Election or Appointment: 2019

Assistant Treasurer

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

# Shareholder Expense Example

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

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (July 1, 2018 to December 31, 2018).

## Actual Expenses

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

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

## Hypothetical Example for Comparison Purposes

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

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

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

	Annualized Expense Ratio- <sup>A</sup>	Beginning Account Value July 1, 2018	Ending Account Value December 31, 2018	Expenses Paid During Period. <sup>B</sup> July 1, 2018 to December 31, 2018
<b>VIP FundsManager 20% Portfolio</b>				
Service Class	.20%			
Actual		\$1,000.00	\$984.90	\$1.00
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$984.20	\$1.75
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.44	\$1.79
Investor Class	.20%			
Actual		\$1,000.00	\$984.00	\$1.00
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
<b>VIP FundsManager 50% Portfolio</b>				
Service Class	.20%			
Actual		\$1,000.00	\$943.20	\$.98
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$942.20	\$1.71
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.44	\$1.79

	Annualized Expense Ratio- <sup>A</sup>	Beginning Account Value July 1, 2018	Ending Account Value December 31, 2018	Expenses Paid During Period- <sup>B</sup> July 1, 2018 to December 31, 2018
Investor Class	.20%			
Actual		\$1,000.00	\$943.20	\$.98
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
VIP FundsManager 60% Portfolio				
Service Class	.20%			
Actual		\$1,000.00	\$928.20	\$.97
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$928.30	\$1.70
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.44	\$1.79
Investor Class	.20%			
Actual		\$1,000.00	\$929.10	\$.97
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
VIP FundsManager 70% Portfolio				
Service Class	.20%			
Actual		\$1,000.00	\$914.40	\$.97
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$914.70	\$1.69
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.44	\$1.79
Investor Class	.20%			
Actual		\$1,000.00	\$915.10	\$.97
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
VIP FundsManager 85% Portfolio				
Service Class	-%			
Actual		\$1,000.00	\$896.00	\$-
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,025.21	\$-
Service Class 2	.35%			
Actual		\$1,000.00	\$894.80	\$1.67
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.44	\$1.79
Investor Class	.20%			
Actual		\$1,000.00	\$896.10	\$.96
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02

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

<sup>B</sup> Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period). The fees and expenses of the underlying Fidelity Funds in which each Fund invests are not included in each Class' annualized expense ratio.

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

## Distributions (Unaudited)

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

	Pay Date	Record Date	Dividends	Capital Gains
<b>VIP FundsManager 20%</b>				
Investor Class	02/15/19	02/15/19	\$0.018	\$0.432
Service Class	02/15/19	02/15/19	\$0.018	\$0.432
Service Class 2	02/15/19	02/15/19	\$0.017	\$0.432
<b>VIP FundsManager 50%</b>				
Investor Class	02/15/19	02/15/19	\$0.031	\$1.150
Service Class	02/15/19	02/15/19	\$0.031	\$1.150
Service Class 2	02/15/19	02/15/19	\$0.030	\$1.150
<b>VIP FundsManager 60%</b>				
Investor Class	02/15/19	02/15/19	\$0.031	\$1.737
Service Class	02/15/19	02/15/19	\$0.031	\$1.737
Service Class 2	02/15/19	02/15/19	\$0.030	\$1.737
<b>VIP FundsManager 70%</b>				
Investor Class	02/15/19	02/15/19	\$0.039	\$1.605
Service Class	02/15/19	02/15/19	\$0.039	\$1.605
Service Class 2	02/15/19	02/15/19	\$0.038	\$1.605
<b>VIP FundsManager 85%</b>				
Investor Class	02/15/19	02/15/19	\$0.045	\$1.985
Service Class	02/15/19	02/15/19	\$0.045	\$1.985
Service Class 2	02/15/19	02/15/19	\$0.045	\$1.985

The funds hereby designate as capital gain dividend the amounts noted below for the taxable year ended December 31, 2018, or, if subsequently determined to be different, the net capital gain of such year.

VIP FundsManager 20%	\$ 27,893,593
VIP FundsManager 50%	\$536,550,412
VIP FundsManager 60%	\$877,427,062
VIP FundsManager 70%	\$186,205,156
VIP FundsManager 85%	\$ 82,143,459

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

VIP FundsManager 20%	15.34%
VIP FundsManager 50%	7.44%
VIP FundsManager 60%	5.66%
VIP FundsManager 70%	3.90%
VIP FundsManager 85%	2.12%

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

	Investor Class	Service Class	Service Class 2
<b>VIP FundsManager 20%</b>			
December 2018	7%	7%	8%
<b>VIP FundsManager 50%</b>			
December 2018	17%	17%	18%
<b>VIP FundsManager 60%</b>			
December 2018	22%	22%	23%
<b>VIP FundsManager 70%</b>			
December 2018	27%	27%	30%
<b>VIP FundsManager 85%</b>			
February 2018	1%	1%	1%
December 2018	40%	40%	44%

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 FundsManager 20%</b>			
Investor Class	12/21/18	\$0.0094	\$0.0010
Service Class	12/21/18	\$0.0094	\$0.0010
Service Class 2	12/21/18	\$0.0087	\$0.0010
<b>VIP FundsManager 50%</b>			
Investor Class	12/21/18	\$0.0308	\$0.0034
Service Class	12/21/18	\$0.0308	\$0.0034
Service Class 2	12/21/18	\$0.0286	\$0.0034
<b>VIP FundsManager 60%</b>			
Investor Class	12/21/18	\$0.0333	\$0.0037
Service Class	12/21/18	\$0.0333	\$0.0037
Service Class 2	12/21/18	\$0.0309	\$0.0037
<b>VIP FundsManager 70%</b>			
Investor Class	12/21/18	\$0.0457	\$0.0051
Service Class	12/21/18	\$0.0457	\$0.0051
Service Class 2	12/21/18	\$0.0419	\$0.0051
<b>VIP FundsManager 85%</b>			
Investor Class	12/21/18	\$0.0553	\$0.0061
Service Class	12/21/18	\$0.0553	\$0.0061
Service Class 2	12/21/18	\$0.0502	\$0.0061

# Board Approval of Investment Advisory Contracts and Management Fees

## VIP Funds Manager Funds

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract (the Advisory Contract) with FMR Co., Inc. (FMRC), an affiliate of Fidelity Management & Research Company (FMR), for each fund. The Board, assisted by the advice of fund counsel and Independent Trustees' counsel, requests and considers a broad range of information relevant to the renewal of the Advisory Contracts throughout the year.

The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of each fund's Advisory Contract, including the services and support provided to each fund and its shareholders. The Board has established four standing committees (Committees) — Operations, Audit, Fair Valuation, and Governance and Nominating — each composed of and chaired by Independent Trustees with varying backgrounds, to which the Board has assigned specific subject matter responsibilities in order to enhance effective decision-making by the Board. The Operations Committee, of which all of the Independent Trustees are members, meets regularly throughout the year and considers, among other matters, information specifically related to the annual consideration of the renewal of each fund's Advisory Contract. The Board, acting directly and through its Committees, requests and receives information concerning the annual consideration of the renewal of each fund's Advisory Contract. The Board also meets as needed to review matters specifically related to the Board's annual consideration of the renewal of the Advisory Contracts. Members of the Board may also meet with trustees of other Fidelity funds through joint ad hoc committees to discuss certain matters relevant to all of the Fidelity funds.

At its September 2018 meeting, the Board unanimously determined to renew each fund's Advisory Contract. In reaching its determination, the Board considered all factors it believed relevant, including (i) the nature, extent, and quality of the services to be provided to each fund and its shareholders (including the investment performance of each fund); (ii) the competitiveness of each fund's management fee and total expense ratio relative to peer funds; (iii) the total costs of the services to be provided by and the profits to be realized by Fidelity from its relationships with each fund; and (iv) the extent to which, if any, economies of scale exist and would be realized as each fund grows, and whether any economies of scale are appropriately shared with fund shareholders.

In considering whether to renew the Advisory Contract for each fund, the Board reached a determination, with the assistance of fund counsel and Independent Trustees' counsel and through the exercise of its business judgment, that the renewal of the Advisory Contract was in the best interests of each fund and its shareholders and that the compensation payable under the Advisory Contracts was fair and reasonable. The Board's decision to renew the Advisory Contracts was not based on any single factor, but rather was based on a comprehensive consideration of all the information provided to the Board at its meetings throughout the year. The Board, in reaching its determination to renew the Advisory Contracts, was aware that shareholders of each fund have a broad range of investment choices available to them, including a wide choice among funds offered by Fidelity's competitors, and that each fund's shareholders, who have the opportunity to review and weigh the disclosure provided by the fund in its prospectus and other public disclosures, have chosen to invest in that fund, which is part of the Fidelity family of funds.

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

**Resources Dedicated to Investment Management and Support Services.** The Board reviewed the general qualifications and capabilities of Fidelity's investment staff, including its size, education, experience, and resources, as well as Fidelity's approach to recruiting, managing, and compensating investment personnel. The Board noted that Fidelity has continued to increase the resources devoted to non-U.S. offices, including expansion of Fidelity's global investment organization. The Board also noted that Fidelity's analysts have extensive resources, tools and capabilities that allow them to conduct sophisticated quantitative and fundamental analysis, as well as credit analysis of issuers, counterparties and guarantors. Further, the Board considered that Fidelity's investment professionals have sufficient access to global information and data so as to provide competitive investment results over time, and that those professionals also have access to sophisticated tools that permit them to assess portfolio construction and risk and performance attribution characteristics continuously, as well as to transmit new information and research conclusions rapidly around the world. Additionally, in its deliberations, the Board considered Fidelity's risk management, compliance, and technology and operations capabilities and resources, which are integral parts of the investment management process.

**Shareholder and Administrative Services.** The Board considered (i) the nature, extent, quality, and cost of advisory, administrative, and shareholder services performed by Fidelity under the Advisory Contract and under separate agreements covering transfer agency, and pricing and bookkeeping services for each fund; (ii) the nature and extent of the supervision of third party service providers, principally custodians, subcustodians, and pricing vendors; and (iii) the resources devoted to, and the record of compliance with, each fund's compliance policies and procedures.

The Board noted that the growth of fund assets over time across the complex allows Fidelity to reinvest in the development of services designed to enhance the value and convenience of the Fidelity funds as investment vehicles. These services include 24-hour access to account information and market information through telephone representatives and over the Internet, investor education materials and asset allocation tools, and the expanded availability of Fidelity Investor Centers.

**Investment in a Large Fund Family.** The Board considered the benefits to shareholders of investing in a Fidelity fund, including the benefits of investing in a fund that is part of a large family of funds offering a variety of investment disciplines and providing a large variety of mutual fund investor services. The Board noted that Fidelity had taken, or had made recommendations that resulted in the Fidelity funds taking, a number of actions over the previous year that benefited particular funds, including: (i) continuing to dedicate additional resources to Fidelity's investment research process, which includes meetings with management of issuers of securities in which the funds invest, and to the support of the senior management team that oversees asset management; (ii) continuing efforts to enhance Fidelity's global research capabilities; (iii) launching new funds and making other enhancements to meet client needs; (iv) launching new share classes of existing funds; (v) eliminating purchase minimums and broadening eligibility requirements for certain funds and share classes; (vi) reducing management fees and total expenses for certain growth equity funds and index funds; (vii) lowering expense caps for certain existing funds and classes, and converting certain voluntary expense caps to contractual caps, to reduce expenses borne by shareholders; (viii) eliminating short-term redemption fees for funds that had such fees; (ix) rationalizing product lines and gaining increased efficiencies from fund mergers and share class consolidations; (x) continuing to develop, acquire and implement systems and technology to improve services to the funds and shareholders, strengthen information security, and increase efficiency; and (xi) continuing to implement enhancements to further strengthen Fidelity's product line to increase investors' probability of success in achieving their investment goals, including retirement income goals.

**Investment Performance.** The Board considered whether each fund has operated in accordance with its investment objective, as well as its record of compliance with its investment restrictions and its performance history. The Board noted that there was a portfolio management change for each fund in January 2018.

The Board took into account discussions that occur at Board meetings throughout the year with representatives of the investment adviser about fund investment performance. In this regard the Board noted that as part of regularly scheduled fund reviews and other reports to the Board on fund performance, the Board considers annualized return information for each fund for different time periods, measured against one or more appropriate securities market indices, including a customized blended index that reflects the respective weights of the fund's asset classes (each a "benchmark index") and a peer group of funds with similar objectives ("peer group"), if any. In its evaluation of fund investment performance at meetings throughout the year, the Board gave particular attention to information indicating underperformance of certain Fidelity funds for specific time periods and discussed with the investment adviser the reasons for such underperformance.

In addition to reviewing absolute and relative fund performance, the Independent Trustees periodically consider the appropriateness of fund performance metrics in evaluating the results achieved. In general, the Independent Trustees believe that fund performance should be evaluated based on gross performance (before fees and expenses, including acquired fund fees and expenses, but after transaction costs, if any) compared to appropriate benchmark indices, over appropriate time periods that may include full market cycles, and on net performance (after fees and expenses, including acquired fund fees and expenses) compared to peer groups, as applicable, over the same periods, taking into account relevant factors including the following: general market conditions; the extent to which particular underlying funds affected performance; and fund cash flows and other factors. Depending on the circumstances, the Independent Trustees may be satisfied with a fund's performance notwithstanding that it lags its benchmark index or peer group for certain periods.

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

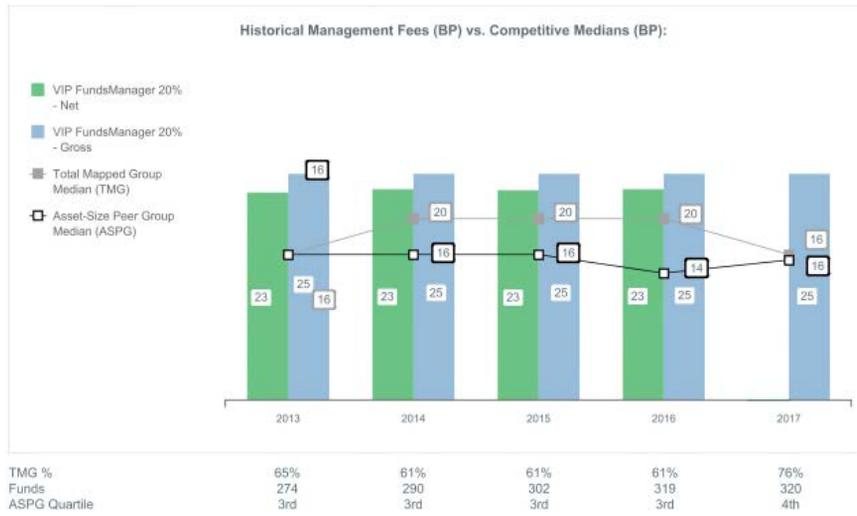
Based on its review, the Board concluded that the nature, extent, and quality of services provided to each fund under the Advisory Contracts should continue to benefit the shareholders of each fund.

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

**Management Fee.** The Board considered two proprietary management fee comparisons for the 12-month periods shown in basis points (BP) in the charts below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the "Total Mapped Group." The Total Mapped Group comparison focuses on a fund's standing in terms of gross management fees before expense reimbursements or caps relative to the total universe of funds with comparable investment mandates, regardless of whether their management fee structures also are comparable. Funds with comparable investment mandates offer exposure to similar types of securities. Funds with comparable management fee structures have similar management fee contractual arrangements (e.g., flat rate charged for advisory services, all-inclusive fee rate, etc.). "TMG %" represents the percentage of funds in the Total Mapped Group that had management fees that were lower than a fund's. For example, a hypothetical TMG % of 20% would mean that 80% of the funds in the Total Mapped Group had higher, and 20% had lower, management fees than a fund. The funds' actual TMG %s and the number of funds in the Total Mapped Group are in the charts below. The "Asset-Size Peer Group" (ASPG) comparison focuses on a fund's standing relative to a subset of non-Fidelity funds within the Total Mapped Group that are similar in size and management fee structure. For example, if a fund is in the first quartile of the ASPG, the fund's management fee ranks in the least expensive or lowest 25% of funds in the ASPG. The ASPG represents at least 15% of the funds in the Total Mapped Group with comparable asset size and management fee structures, subject to a minimum of 50 funds (or all funds in the Total Mapped Group if fewer than 50). Additional information, such as the ASPG quartile in which a fund's management fee rate ranked, is also included in the charts and was considered by the Board. Because the vast majority of competitor funds' management fees do not cover non-management expenses, in prior years, each fund was compared on the basis of a hypothetical "net management fee," which was derived by subtracting payments made by FMR for non-management expenses (including pricing and bookkeeping fees and fees paid to non-affiliated custodians) from the fund's all-inclusive fee. Fidelity no longer calculates hypothetical net management fees for the funds and, as a result, the charts do not include hypothetical net management fees for 2017.

# Board Approval of Investment Advisory Contracts and Management Fees – continued

## VIP FundsManager 20%



## VIP FundsManager 50%



## VIP FundsManager 60%



## VIP FundsManager 70%



## Board Approval of Investment Advisory Contracts and Management Fees – continued

### VIP FundsManager 85%



The Board noted that each fund's management fee rate ranked above the median of its Total Mapped Group and above the median of its ASPG for 2017. The Board considered that the funds are more actively managed than most funds in their Total Mapped Group and ASPG and have a larger universe of funds in which to invest.

The Board considered that FMRC has contractually agreed to waive 0.05% of each fund's management fee through April 30, 2019.

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

Based on its review, the Board concluded that each fund's management fee is fair and reasonable in light of the services that the fund receives and the other factors considered.

**Total Expense Ratio.** In its review of the total expense ratio of each class of each fund, the Board considered the fund's all-inclusive fee rate. The Board also considered other expenses, such as pricing and bookkeeping fees and custodial, legal, and audit fees, paid by FMR under the all-inclusive arrangement. The Board also considered fund-paid 12b-1 fees. The Board also noted that Fidelity may agree to waive fees and expenses from time to time, and the extent to which, if any, it has done so for each fund. As part of its review, the Board also considered the current and historical total expense ratios of each class of each fund compared to competitive fund median expenses. Each class of each fund is compared to those funds and classes in the Total Mapped Group (used by the Board for management fee comparisons) that have a similar sales load structure.

The Board noted that each fund offers multiple classes, each of which has a different 12b-1 fee structure, and that the multiple structures are intended to offer a range of pricing options for the intermediary market. The Board also noted that the total expense ratios of the classes of each fund vary primarily by the level of their 12b-1 fees.

The Board noted that the total expense ratio of each of Investor Class and Service Class of each fund ranked below the competitive median for 2017 and the total expense ratio of Service Class 2 of each fund ranked above the competitive median for 2017. The Board considered that, in general, various factors can affect total expense ratios. The Board noted that the total expense ratio of Service Class 2 was above the competitive median because of its 12b-1 fees and that excluding 12b-1 fees of both the class and competitor classes, the total expense ratio of Service Class 2 ranked below the median.

In considering the total expense ratio of each class of each fund, the Board also considered an alternative competitive analysis that included both top level (*i.e.*, direct) fund fees and acquired fund fees and expenses for the class and the other funds and classes to which it is compared. The Board noted that, under this alternative competitive analysis, the total expense ratio of each of Investor Class and Service Class of each fund, except VIP FundsManager 85%, ranked below the competitive median for 2017 and the total expense ratio of each of Investor Class and Service Class of VIP FundsManager 85% ranked above the competitive median for 2017 because of its 12b-1 fees and higher acquired fund fees and expenses compared to competitor funds. The Board noted that the total expense ratio of Service Class 2 of VIP FundsManager 20% and VIP FundsManager 50% ranked below the competitive median for 2017, the total expense ratio of Service Class 2 of VIP FundsManager 60% ranked equal to the competitive median for 2017, and the total expense ratio of Service Class 2 of VIP FundsManager 70% and VIP FundsManager 85% ranked above the competitive median for 2017. The Board noted that, for each fund for which Service Class 2 was above the competitive median, the class was above the median because of its 12b-1 fees and, in the case of VIP FundsManager 85%, because of its higher acquired fund fees and expenses compared to competitor funds.

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

**Fees Charged to Other Fidelity Clients.** The Board also considered Fidelity fee structures and other information with respect to clients of Fidelity, such as other funds advised or subadvised by Fidelity, pension plan clients, and other institutional clients with similar mandates. The Board noted that a joint ad hoc committee created by it and the boards of other Fidelity funds periodically reviews and compares Fidelity's institutional investment advisory business with its business of providing services to the Fidelity funds and also noted the most recent findings of the committee. The Board noted

that the committee's review included a consideration of the differences in services provided, fees charged, and costs incurred, as well as competition in the markets serving the different categories of clients.

Based on its review of total expense ratios and fees charged to other Fidelity clients, the Board concluded that the total expense ratio of each class of each fund was reasonable in light of the services that the fund and its shareholders receive and the other factors considered.

**Costs of the Services and Profitability.** The Board considered the revenues earned and the expenses incurred by Fidelity in conducting the business of developing, marketing, distributing, managing, administering and servicing each fund and servicing each fund's shareholders. The Board also considered the level of Fidelity's profits in respect of all the Fidelity funds, including the Fidelity funds in which the funds invest.

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

PricewaterhouseCoopers LLP (PwC), auditor to Fidelity and certain Fidelity funds, has been engaged annually by the Board as part of the Board's assessment of Fidelity's profitability analysis. PwC's engagement includes the review and assessment of the methodologies used by Fidelity in determining the revenues and expenses attributable to Fidelity's mutual fund business, and completion of agreed-upon procedures in respect of the mathematical accuracy of the fund profitability information and its conformity to established allocation methodologies. After considering PwC's reports issued under the engagement and information provided by Fidelity, the Board concluded that while other allocation methods may also be reasonable, Fidelity's profitability methodologies are reasonable in all material respects.

The Board also reviewed Fidelity's non-fund businesses and potential indirect benefits such businesses may have received as a result of their association with Fidelity's mutual fund business (i.e., fall-out benefits) as well as cases where Fidelity's affiliates may benefit from the funds' business. The Board noted that changes to fall-out benefits year-over-year reflect business developments at Fidelity's various businesses.

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

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

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

**Additional Information Requested by the Board.** In order to develop fully the factual basis for consideration of the Fidelity funds' advisory contracts, the Board requested and received additional information on certain topics, including: (i) Fidelity's fund profitability methodology, profitability trends for certain funds, the allocation of various costs to different funds, and the impact of certain factors on fund profitability results; (ii) portfolio manager changes that have occurred during the past year and the amount of the investment that each portfolio manager has made in the Fidelity fund(s) that he or she manages; (iii) Fidelity's compensation structure for portfolio managers, research analysts, and other key personnel, including its effects on fund profitability, the rationale for the compensation structure, and the extent to which current market conditions have affected retention and recruitment; (iv) the arrangements with and compensation paid to certain fund sub-advisers on behalf of the Fidelity funds and the treatment of such compensation within Fidelity's fund profitability methodology; (v) the terms of Fidelity's voluntary expense limitation agreements; (vi) the methodology with respect to competitive fund data and peer group classifications; (vii) Fidelity's transfer agent fee, expense, and service structures for different funds and classes relative to competitive trends, and the impact of the increased use of omnibus accounts; (viii) new developments in the retail and institutional marketplaces and the competitive positioning of the funds relative to other investment products and services; (ix) the impact of recent changes to the money market fund landscape, including the full implementation of money market fund reform and rising interest rates, on Fidelity's money market funds; (x) the funds' share class structures and distribution channels; and (xi) explanations regarding the relative total expense ratios of certain funds and classes, total expense competitive trends and methodologies for total expense competitive comparisons, and actions that might be taken by Fidelity to reduce total expense ratios for certain classes. In addition, the Board considered its discussions with Fidelity throughout the year regarding enhanced information security initiatives and the funds' fair valuation policies.

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

