

# Fidelity® Variable Insurance Products:

**Index 500 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.

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

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

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

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

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

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

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

# Performance: The Bottom Line

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.

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

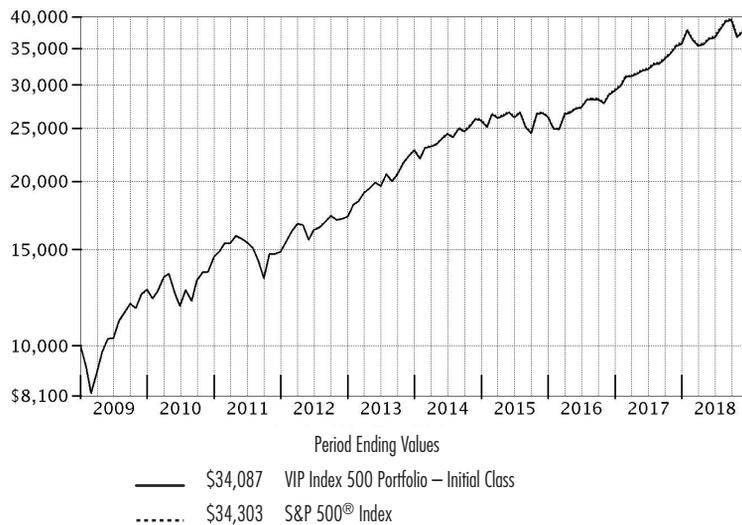
For the periods ended December 31, 2018

	Past 1 year	Past 5 years	Past 10 years
Initial Class	-4.49%	8.40%	13.05%
Service Class	-4.59%	8.29%	12.93%
Service Class 2	-4.73%	8.13%	12.77%

## \$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP Index 500 Portfolio – Initial 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:** A 10<sup>th</sup> straight year of gains proved elusive for U.S. stocks in 2018, as resurgent market volatility upset the aging bull market. The S&P 500<sup>®</sup> index returned -4.38% for the year after reversing course (-14%) in the fourth quarter. The retreat was in sharp contrast to the benchmark's steady climb from May into September, when it achieved a record close. As the third quarter began, rising U.S. Treasury yields and concern about peaking corporate earnings growth sent many investors fleeing from risk assets as they were still dealing with lingering uncertainty related to global trade and the U.S. Federal Reserve picking up the pace of interest rate hikes. The index returned -6.84% in October, at the time its largest monthly drop in seven years. But things got worse in December, as jitters about the economy and another hike in rates led to a spike in volatility and a -9% result for the month. For the full period, some economically sensitive sectors were at the bottom of the 12-month performance scale: energy (-18%), materials (-15%) and industrials (-13%) fared worst, followed by financials (-13%) and consumer staples (-9%). Meanwhile, communication services, which includes dividend-rich telecom stocks, returned about -7%. In contrast, the defensive health care sector gained roughly 6%. Information technology and consumer discretionary were rattled in the late-year downturn, but earlier strength resulted in advances of 3% and 2%, respectively. Utilities (+4%) and real estate (-2%) also topped the broader market.

**Comments from Patrick Waddell, Senior Portfolio Manager of the Geode Capital Management, LLC, investment management team:** For the fiscal year, the fund's share classes performed roughly in line with the -4.38% return of the benchmark S&P 500<sup>®</sup> index. In a difficult and volatile investment environment, the majority of index sectors produced negative returns, led by energy, which struggled as the price of oil fell. Here, integrated energy company Exxon Mobil (-15%) and oilfield services firm Schlumberger (-45%) did not fare well. Elsewhere, social media giant Facebook returned -26%, reporting slower-than-expected active-user growth, and also struggled to manage customer privacy concerns. Shares of industrial conglomerate General Electric, which experienced a variety of business challenges, returned -55%. In an environment of rising interest rates and financial market turmoil, bank stocks such as Wells Fargo (-22%), Citigroup (-28%) and Bank of America (-15%) all struggled. Another notable detractor was tobacco manufacturer Philip Morris International (-33%). On the positive side, software company Microsoft advanced 21%. Strong financial results, especially from the firm's cloud-computing business, helped drive performance. Internet retail giant Amazon.com (+28%) continued to produce better-than-expected financial performance, while in the health care sector — the strongest-performing category of the period — pharmaceutical companies Merck (+40%) and Pfizer (+25%) both added value.

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

# Investment Summary (Unaudited)

## Top Ten Stocks as of December 31, 2018

	% of fund's net assets
Microsoft Corp.	3.7
Apple, Inc.	3.4
Amazon.com, Inc.	2.9
Berkshire Hathaway, Inc. Class B	1.9
Johnson & Johnson	1.7
JPMorgan Chase & Co.	1.5
Alphabet, Inc. Class C	1.5
Facebook, Inc. Class A	1.5
Alphabet, Inc. Class A	1.5
Exxon Mobil Corp.	1.4
	<u>21.0</u>

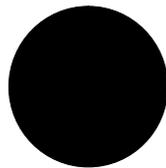
## Top Market Sectors as of December 31, 2018

	% of fund's net assets
Information Technology	20.1
Health Care	15.6
Financials	13.8
Communication Services	10.1
Consumer Discretionary	9.9
Industrials	9.2
Consumer Staples	7.4
Energy	5.3
Utilities	3.3
Real Estate	3.0

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

As of December 31, 2018 \*

■ Stocks and Equity Futures	100.3%
■ Short-Term Investments and Net Other Assets (Liabilities)	(0.3)%**



\* Foreign investments — 3.4%

\*\* Short-Term Investments and Net Other Assets (Liabilities) are not included in the pie chart

# Schedule of Investments December 31, 2018

Showing Percentage of Net Assets

## Common Stocks – 100.0%

	Shares	Value
<b>COMMUNICATION SERVICES – 10.1%</b>		
<b>Diversified Telecommunication Services – 2.1%</b>		
AT&T, Inc.	2,362,056	\$ 67,413,078
CenturyLink, Inc.	308,638	4,675,866
Verizon Communications, Inc.	1,341,035	75,392,988
		<u>147,481,932</u>
<b>Entertainment – 2.1%</b>		
Activision Blizzard, Inc.	247,646	11,532,874
Electronic Arts, Inc. (a)	98,055	7,737,520
Nefflix, Inc. (a)	141,530	37,881,920
Take-Two Interactive Software, Inc. (a)	36,957	3,804,354
The Walt Disney Co.	483,144	52,976,740
Twenty-First Century Fox, Inc.:		
Class A	343,038	16,506,989
Class B	158,086	7,553,349
Viacom, Inc. Class B (non-vtg.)	114,707	2,947,970
		<u>140,941,716</u>
<b>Interactive Media &amp; Services – 4.6%</b>		
Alphabet, Inc.:		
Class A (a)	97,030	101,392,469
Class C (a)	99,851	103,406,694
Facebook, Inc. Class A (a)	779,714	102,212,708
TripAdvisor, Inc. (a) (b)	33,230	1,792,426
Twitter, Inc. (a)	234,709	6,745,537
		<u>315,549,834</u>
<b>Media – 1.3%</b>		
CBS Corp. Class B	109,276	4,777,547
Charter Communications, Inc. Class A (a)	57,207	16,302,279
Comcast Corp. Class A	1,473,465	50,171,483
Discovery Communications, Inc.:		
Class A (a) (b)	50,871	1,258,549
Class C (non-vtg.) (a)	116,917	2,698,444
DISH Network Corp. Class A (a)	74,399	1,857,743
Interpublic Group of Companies, Inc.	124,740	2,573,386
News Corp.:		
Class A	125,021	1,418,988
Class B	40,169	463,952
Omnicom Group, Inc.	72,733	5,326,965
		<u>86,849,336</u>
		<u>690,822,818</u>
<b>CONSUMER DISCRETIONARY – 9.9%</b>		
<b>Auto Components – 0.1%</b>		
Aptiv PLC	85,509	5,264,789
BorgWarner, Inc.	67,594	2,348,216
The Goodyear Tire & Rubber Co.	75,623	1,543,465
		<u>9,156,470</u>
<b>Automobiles – 0.4%</b>		
Ford Motor Co.	1,268,023	9,700,376
General Motors Co.	426,003	14,249,800
Harley-Davidson, Inc.	52,847	1,803,140
		<u>25,753,316</u>

	Shares	Value
<b>Distributors – 0.1%</b>		
Genuine Parts Co.	47,630	\$ 4,573,433
LKQ Corp. (a)	103,272	2,450,645
		<u>7,024,078</u>
<b>Diversified Consumer Services – 0.0%</b>		
H&R Block, Inc.	66,704	1,692,280
<b>Hotels, Restaurants &amp; Leisure – 1.9%</b>		
Carnival Corp.	129,951	6,406,584
Chipotle Mexican Grill, Inc. (a)	7,936	3,426,685
Darden Restaurants, Inc.	40,280	4,022,361
Hilton Worldwide Holdings, Inc.	96,251	6,910,822
Marriott International, Inc. Class A	91,892	9,975,796
McDonald's Corp.	250,197	44,427,481
MGM Mirage, Inc.	162,546	3,943,366
Norwegian Cruise Line Holdings Ltd. (a)	71,393	3,026,349
Royal Caribbean Cruises Ltd.	55,620	5,439,080
Starbucks Corp.	402,633	25,929,565
Wynn Resorts Ltd.	31,762	3,141,579
Yum! Brands, Inc.	101,357	9,316,735
		<u>125,966,403</u>
<b>Household Durables – 0.3%</b>		
D.R. Horton, Inc.	111,128	3,851,696
Garmin Ltd.	39,218	2,483,284
Leggett & Platt, Inc. (b)	42,327	1,517,000
Lennar Corp. Class A	94,943	3,717,018
Mohawk Industries, Inc. (a)	20,469	2,394,054
Newell Brands, Inc.	139,379	2,591,056
PulteGroup, Inc.	83,860	2,179,521
Whirlpool Corp.	20,709	2,213,171
		<u>20,946,800</u>
<b>Internet &amp; Direct Marketing Retail – 3.5%</b>		
Amazon.com, Inc. (a)	133,303	200,217,107
eBay, Inc. (a)	293,734	8,245,113
Expedia, Inc.	38,450	4,331,393
The Booking Holdings, Inc. (a)	15,036	25,898,307
		<u>238,691,920</u>
<b>Leisure Products – 0.1%</b>		
Hasbro, Inc.	37,773	3,069,056
Mattel, Inc. (a) (b)	112,018	1,119,060
		<u>4,188,116</u>
<b>Multiline Retail – 0.5%</b>		
Dollar General Corp.	85,318	9,221,169
Dollar Tree, Inc. (a)	77,233	6,975,685
Kohl's Corp.	53,592	3,555,293
Macy's, Inc.	99,788	2,971,687
Nordstrom, Inc.	36,927	1,721,167
Target Corp.	169,360	11,193,002
		<u>35,638,003</u>
<b>Specialty Retail – 2.3%</b>		
Advance Auto Parts, Inc.	23,658	3,725,189
AutoZone, Inc. (a)	8,184	6,860,975
Best Buy Co., Inc.	75,983	4,024,060
CarMax, Inc. (a) (b)	56,673	3,555,097
Foot Locker, Inc.	37,289	1,983,775
Gap, Inc.	69,324	1,785,786
Home Depot, Inc.	366,585	62,986,635

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

## Schedule of Investments – continued

### Common Stocks – continued

	Shares	Value
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Specialty Retail – continued</b>		
L Brands, Inc.	74,112	\$ 1,902,455
Lowe's Companies, Inc.	260,598	24,068,831
O'Reilly Automotive, Inc. (a)	25,998	8,951,891
Ross Stores, Inc.	121,175	10,081,760
Tiffany & Co., Inc.	35,210	2,834,757
TJX Companies, Inc.	401,636	17,969,195
Tractor Supply Co.	39,617	3,305,642
Ulta Beauty, Inc. (a)	18,287	4,477,389
		<u>158,513,437</u>
<b>Textiles, Apparel &amp; Luxury Goods – 0.7%</b>		
Capri Holdings Ltd. (a)	48,758	1,848,903
Hanesbrands, Inc. (b)	117,075	1,466,950
NIKE, Inc. Class B	413,171	30,632,498
PVH Corp.	24,580	2,284,711
Ralph Lauren Corp.	17,706	1,831,863
Tapestry, Inc.	94,053	3,174,289
Under Armour, Inc.:		
Class A (sub. vtg.) (a) (b)	60,890	1,075,926
Class C (non-vtg.) (a) (b)	62,429	1,009,477
VF Corp.	105,602	7,533,647
		<u>50,858,264</u>
TOTAL CONSUMER DISCRETIONARY		<u>678,429,087</u>
<b>CONSUMER STAPLES – 7.4%</b>		
<b>Beverages – 1.9%</b>		
Brown-Forman Corp. Class B (non-vtg.)	53,970	2,567,893
Constellation Brands, Inc. Class A (sub. vtg.)	53,920	8,671,414
Molson Coors Brewing Co. Class B	60,788	3,413,854
Monster Beverage Corp. (a)	129,213	6,359,864
PepsiCo, Inc.	458,121	50,613,208
The Coca-Cola Co.	1,243,296	58,870,066
		<u>130,496,299</u>
<b>Food &amp; Staples Retailing – 1.6%</b>		
Costco Wholesale Corp.	142,219	28,971,432
Kroger Co.	258,989	7,122,198
Sysco Corp.	155,200	9,724,832
Walgreens Boots Alliance, Inc.	260,911	17,828,049
Walmart, Inc.	462,018	43,036,977
		<u>106,683,488</u>
<b>Food Products – 1.2%</b>		
Archer Daniels Midland Co.	181,956	7,454,737
Campbell Soup Co. (b)	62,527	2,062,766
Conagra Brands, Inc.	157,604	3,366,421
General Mills, Inc.	193,505	7,535,085
Hormel Foods Corp. (b)	88,486	3,776,582
Kellogg Co.	82,216	4,687,134
Lamb Weston Holdings, Inc.	47,532	3,496,454
McCormick & Co., Inc. (non-vtg.) (b)	39,519	5,502,626
Mondelez International, Inc.	471,838	18,887,675
The Hershey Co.	45,513	4,878,083
The J.M. Smucker Co. (b)	36,920	3,451,651

	Shares	Value
The Kraft Heinz Co.	201,840	\$ 8,687,194
Tyson Foods, Inc. Class A	95,774	5,114,332
		<u>78,900,740</u>
<b>Household Products – 1.7%</b>		
Church & Dwight Co., Inc.	79,914	5,255,145
Clorox Co.	41,429	6,385,866
Colgate-Palmolive Co.	281,486	16,754,047
Kimberly-Clark Corp.	112,391	12,805,831
Procter & Gamble Co.	808,580	74,324,674
		<u>115,525,563</u>
<b>Personal Products – 0.1%</b>		
Coty, Inc. Class A	146,256	959,439
Estee Lauder Companies, Inc. Class A	71,368	9,284,977
		<u>10,244,416</u>
<b>Tobacco – 0.9%</b>		
Altria Group, Inc.	609,839	30,119,948
Philip Morris International, Inc.	504,517	33,681,555
		<u>63,801,503</u>
TOTAL CONSUMER STAPLES		<u>505,652,009</u>
<b>ENERGY – 5.3%</b>		
<b>Energy Equipment &amp; Services – 0.5%</b>		
Baker Hughes, a GE Co. Class A	166,619	3,582,309
Halliburton Co.	284,318	7,557,172
Helmerich & Payne, Inc.	35,388	1,696,501
National Oilwell Varco, Inc.	124,421	3,197,620
Schlumberger Ltd.	449,434	16,215,579
TechnipFMC PLC	138,087	2,703,743
		<u>34,952,924</u>
<b>Oil, Gas &amp; Consumable Fuels – 4.8%</b>		
Anadarko Petroleum Corp.	163,663	7,174,986
Apache Corp.	123,180	3,233,475
Cabot Oil & Gas Corp.	139,938	3,127,614
Chevron Corp.	620,137	67,464,704
Cimarex Energy Co.	31,033	1,913,184
Concho Resources, Inc. (a)	64,991	6,680,425
ConocoPhillips Co.	373,633	23,296,018
Devon Energy Corp.	151,953	3,425,021
Diamondback Energy, Inc.	50,058	4,640,377
EOG Resources, Inc.	188,206	16,413,445
Exxon Mobil Corp.	1,374,071	93,697,901
Hess Corp.	80,764	3,270,942
HollyFrontier Corp.	51,736	2,644,744
Kinder Morgan, Inc.	616,002	9,474,111
Marathon Oil Corp.	269,788	3,868,760
Marathon Petroleum Corp.	224,215	13,230,927
Newfield Exploration Co. (a)	65,025	953,267
Noble Energy, Inc.	155,718	2,921,270
Occidental Petroleum Corp.	245,042	15,040,678
ONEOK, Inc.	133,506	7,202,649
Phillips 66 Co.	137,684	11,861,477
Pioneer Natural Resources Co.	55,323	7,276,081

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

## Common Stocks – continued

	Shares	Value
<b>ENERGY – continued</b>		
<b>Oil, Gas &amp; Consumable Fuels – continued</b>		
The Williams Companies, Inc.	392,878	\$ 8,662,960
Valero Energy Corp.	137,708	10,323,969
		<u>327,798,985</u>
<b>TOTAL ENERGY</b>		<u>362,751,909</u>
<b>FINANCIALS – 13.8%</b>		
<b>Banks – 5.7%</b>		
Bank of America Corp.	2,962,210	72,988,854
BB&T Corp.	250,103	10,834,462
Citigroup, Inc.	792,589	41,262,183
Citizens Financial Group, Inc.	151,860	4,514,798
Comerica, Inc.	52,479	3,604,783
Fifth Third Bancorp	212,778	5,006,666
First Republic Bank	53,153	4,618,996
Huntington Bancshares, Inc.	344,516	4,106,631
JPMorgan Chase & Co.	1,079,253	105,356,678
KeyCorp	335,754	4,962,444
M&T Bank Corp.	45,553	6,520,001
Peoples United Financial, Inc. (b)	122,500	1,767,675
PNC Financial Services Group, Inc.	149,754	17,507,740
Regions Financial Corp.	335,540	4,489,525
SunTrust Banks, Inc.	145,814	7,354,858
SVB Financial Group (a)	17,282	3,282,197
U.S. Bancorp	493,029	22,531,425
Wells Fargo & Co.	1,374,951	63,357,742
Zions Bancorporation	62,373	2,541,076
		<u>386,608,734</u>
<b>Capital Markets – 2.8%</b>		
Affiliated Managers Group, Inc.	17,095	1,665,737
Ameriprise Financial, Inc.	45,228	4,720,446
Bank of New York Mellon Corp.	295,233	13,896,617
BlackRock, Inc. Class A	39,412	15,481,822
Brighthouse Financial, Inc. (a)	38,492	1,173,236
Choe Global Markets, Inc.	36,415	3,562,479
Charles Schwab Corp.	390,075	16,199,815
CME Group, Inc.	116,115	21,843,554
E*TRADE Financial Corp.	82,513	3,620,670
Franklin Resources, Inc.	96,584	2,864,681
Goldman Sachs Group, Inc.	112,273	18,755,205
IntercontinentalExchange, Inc.	184,857	13,925,278
Invesco Ltd.	133,498	2,234,757
Moody's Corp.	54,099	7,576,024
Morgan Stanley	424,287	16,822,980
MSCI, Inc.	28,571	4,212,223
Northern Trust Corp.	71,853	6,006,192
Raymond James Financial, Inc.	41,852	3,114,207
S&P Global, Inc.	81,429	13,838,044
State Street Corp.	123,177	7,768,773
T. Rowe Price Group, Inc.	78,104	7,210,561
The NASDAQ OMX Group, Inc.	37,248	3,038,319
		<u>189,531,620</u>
<b>Consumer Finance – 0.6%</b>		
American Express Co.	227,344	21,670,430

	Shares	Value
Capital One Financial Corp.	153,724	\$ 11,619,997
Discover Financial Services	109,037	6,431,002
Synchrony Financial	214,602	5,034,563
		<u>44,755,992</u>
<b>Diversified Financial Services – 2.3%</b>		
Berkshire Hathaway, Inc. Class B (a)	631,372	128,913,535
Jefferies Financial Group, Inc.	91,222	1,583,614
Linde PLC	178,843	27,906,662
		<u>158,403,811</u>
<b>Insurance – 2.4%</b>		
AFLAC, Inc.	247,071	11,256,555
Allstate Corp.	111,788	9,237,042
American International Group, Inc.	287,110	11,315,005
Aon PLC	78,165	11,362,064
Arthur J. Gallagher & Co.	59,604	4,392,815
Assurant, Inc.	16,917	1,513,056
Chubb Ltd.	149,553	19,319,257
Cincinnati Financial Corp.	49,119	3,802,793
Everest Re Group Ltd.	13,192	2,872,690
Hartford Financial Services Group, Inc.	116,427	5,175,180
Lincoln National Corp.	69,325	3,557,066
Loews Corp.	89,733	4,084,646
Marsh & McLennan Companies, Inc.	163,477	13,037,291
MetLife, Inc.	320,276	13,150,533
Principal Financial Group, Inc.	85,432	3,773,531
Progressive Corp.	189,244	11,417,091
Prudential Financial, Inc.	134,038	10,930,799
The Travelers Companies, Inc.	85,967	10,294,548
Torchmark Corp.	33,304	2,482,147
Unum Group	70,994	2,085,804
Willis Group Holdings PLC	42,171	6,404,088
		<u>161,464,001</u>
<b>TOTAL FINANCIALS</b>		<u>940,764,158</u>
<b>HEALTH CARE – 15.6%</b>		
<b>Biotechnology – 2.7%</b>		
AbbVie, Inc.	488,189	45,006,144
Alexion Pharmaceuticals, Inc. (a)	72,406	7,049,448
Amgen, Inc.	206,808	40,259,313
Biogen, Inc. (a)	65,391	19,677,460
Celgene Corp. (a)	226,940	14,544,585
Gilead Sciences, Inc.	419,841	26,261,055
Incyte Corp. (a)	57,325	3,645,297
Regeneron Pharmaceuticals, Inc. (a)	25,190	9,408,465
Vertex Pharmaceuticals, Inc. (a)	82,941	13,744,153
		<u>179,595,920</u>
<b>Health Care Equipment &amp; Supplies – 3.4%</b>		
Abbott Laboratories	570,013	41,229,040
Abiomed, Inc. (a)	14,618	4,751,435
Align Technology, Inc. (a)	23,622	4,947,155
Baxter International, Inc.	160,616	10,571,745
Becton, Dickinson & Co.	87,062	19,616,810
Boston Scientific Corp. (a)	449,109	15,871,512
Danaher Corp.	200,179	20,642,458
Dentsply Sirona, Inc.	72,227	2,687,567

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

## Schedule of Investments – continued

### Common Stocks – continued

	Shares	Value
<b>HEALTH CARE – continued</b>		
<b>Health Care Equipment &amp; Supplies – continued</b>		
Edwards Lifesciences Corp. (a)	67,846	\$ 10,391,972
Hologic, Inc. (a)	87,433	3,593,496
IDEXX Laboratories, Inc. (a)	27,987	5,206,142
Intuitive Surgical, Inc. (a)	37,063	17,750,212
Medtronic PLC	435,882	39,647,827
ResMed, Inc.	46,248	5,266,260
Stryker Corp.	100,796	15,799,773
The Cooper Companies, Inc.	15,948	4,058,766
Varian Medical Systems, Inc. (a)	29,571	3,350,690
Zimmer Biomet Holdings, Inc.	66,200	6,866,264
		<u>232,249,124</u>
<b>Health Care Providers &amp; Services – 3.2%</b>		
AmerisourceBergen Corp.	50,899	3,786,886
Anthem, Inc.	83,942	22,045,687
Cardinal Health, Inc.	96,696	4,312,642
Centene Corp. (a)	66,647	7,684,399
Cigna Corp.	123,581	23,470,504
CVS Health Corp.	419,704	27,499,006
DaVita HealthCare Partners, Inc. (a)	40,941	2,106,824
HCA Holdings, Inc.	87,123	10,842,457
Henry Schein, Inc. (a) (b)	49,473	3,884,620
Humana, Inc.	44,524	12,755,236
Laboratory Corp. of America Holdings (a)	32,747	4,137,911
McKesson Corp.	63,409	7,004,792
Quest Diagnostics, Inc.	44,162	3,677,370
UnitedHealth Group, Inc.	312,226	77,781,741
Universal Health Services, Inc. Class B	27,669	3,225,099
Wellcare Health Plans, Inc. (a)	16,225	3,830,560
		<u>218,045,734</u>
<b>Health Care Technology – 0.1%</b>		
Cerner Corp. (a)	106,934	5,607,619
<b>Life Sciences Tools &amp; Services – 1.0%</b>		
Agilent Technologies, Inc.	103,456	6,979,142
illumina, Inc. (a)	47,708	14,309,060
IQVIA Holdings, Inc. (a)	51,420	5,973,461
Mettler-Toledo International, Inc. (a)	8,128	4,597,034
PerkinElmer, Inc.	36,102	2,835,812
Thermo Fisher Scientific, Inc.	130,655	29,239,282
Waters Corp. (a)	24,583	4,637,583
		<u>68,571,374</u>
<b>Pharmaceuticals – 5.2%</b>		
Allergan PLC	102,897	13,753,213
Bristol-Myers Squibb Co.	529,726	27,535,157
Eli Lilly & Co.	305,982	35,408,237
Johnson & Johnson	870,429	112,328,862
Merck & Co., Inc.	843,946	64,485,914
Mylan NV (a)	167,347	4,585,308
Nektar Therapeutics (a) (b)	56,174	1,846,439
Perrigo Co. PLC	40,565	1,571,894
Pfizer, Inc.	1,876,038	81,889,059
Zoetis, Inc. Class A	155,929	13,338,167
		<u>356,742,250</u>
TOTAL HEALTH CARE		<u>1,060,812,021</u>

	Shares	Value
<b>INDUSTRIALS – 9.2%</b>		
<b>Aerospace &amp; Defense – 2.5%</b>		
Arconic, Inc.	139,583	\$ 2,353,369
General Dynamics Corp.	90,348	14,203,609
Harris Corp.	38,186	5,141,745
Huntington Ingalls Industries, Inc.	13,941	2,653,112
L3 Technologies, Inc.	25,541	4,435,450
Lockheed Martin Corp.	80,309	21,028,109
Northrop Grumman Corp.	56,348	13,799,625
Raytheon Co.	92,359	14,163,253
Textron, Inc.	78,852	3,626,403
The Boeing Co.	171,404	55,277,790
TransDigm Group, Inc. (a)	15,750	5,355,945
United Technologies Corp.	263,396	28,046,406
		<u>170,084,816</u>
<b>Air Freight &amp; Logistics – 0.6%</b>		
C.H. Robinson Worldwide, Inc.	44,627	3,752,684
Expeditors International of Washington, Inc.	56,014	3,813,993
FedEx Corp.	78,682	12,693,767
United Parcel Service, Inc. Class B	225,629	22,005,596
		<u>42,266,040</u>
<b>Airlines – 0.4%</b>		
Alaska Air Group, Inc.	40,017	2,435,034
American Airlines Group, Inc.	133,038	4,271,850
Delta Air Lines, Inc.	202,489	10,104,201
Southwest Airlines Co.	164,246	7,634,154
United Continental Holdings, Inc. (a)	74,279	6,219,381
		<u>30,664,620</u>
<b>Building Products – 0.3%</b>		
A.O. Smith Corp.	46,699	1,994,047
Allegion PLC	30,850	2,459,054
Fortune Brands Home & Security, Inc.	45,893	1,743,475
Johnson Controls International PLC	299,901	8,892,065
Masco Corp.	99,149	2,899,117
		<u>17,987,758</u>
<b>Commercial Services &amp; Supplies – 0.4%</b>		
Cintas Corp.	28,101	4,720,687
Copart, Inc. (a)	66,835	3,193,376
Republic Services, Inc.	70,577	5,087,896
Rollins, Inc.	47,804	1,725,724
Waste Management, Inc.	127,300	11,328,427
		<u>26,056,110</u>
<b>Construction &amp; Engineering – 0.1%</b>		
Fluor Corp.	45,653	1,470,027
Jacobs Engineering Group, Inc.	38,803	2,268,423
Quanta Services, Inc.	47,394	1,426,559
		<u>5,165,009</u>
<b>Electrical Equipment – 0.6%</b>		
AMETEK, Inc.	75,333	5,100,044
Eaton Corp. PLC	140,659	9,657,647
Emerson Electric Co.	203,218	12,142,276
Fortive Corp.	95,380	6,453,411
Rockwell Automation, Inc.	39,168	5,894,001
		<u>39,247,379</u>
<b>Industrial Conglomerates – 1.4%</b>		
3M Co.	188,980	36,008,249

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

## Common Stocks – continued

	Shares	Value
<b>INDUSTRIALS – continued</b>		
<b>Industrial Conglomerates – continued</b>		
General Electric Co.	2,822,951	\$ 21,369,739
Honeywell International, Inc.	240,259	31,743,019
Roper Technologies, Inc.	33,568	8,946,543
		<u>98,067,550</u>
<b>Machinery – 1.4%</b>		
Caterpillar, Inc.	191,518	24,336,192
Cummins, Inc.	47,941	6,406,835
Deere & Co.	104,398	15,573,050
Dover Corp.	47,492	3,369,557
Flowserve Corp. (b)	42,469	1,614,671
Illinois Tool Works, Inc.	99,070	12,551,178
Ingersoll-Rand PLC	79,727	7,273,494
PACCAR, Inc.	113,408	6,480,133
Parker Hannifin Corp.	42,954	6,406,160
Pentair PLC	51,834	1,958,289
Snap-On, Inc. (b)	18,071	2,625,536
Stanley Black & Decker, Inc.	49,026	5,870,373
Xylem, Inc.	58,326	3,891,511
		<u>98,356,979</u>
<b>Professional Services – 0.3%</b>		
Equifax, Inc.	39,132	3,644,363
IHS Markit Ltd. (a)	116,412	5,584,284
Nielsen Holdings PLC	115,209	2,687,826
Robert Half International, Inc.	39,424	2,255,053
Verisk Analytics, Inc. (a)	53,427	5,825,680
		<u>19,997,206</u>
<b>Road &amp; Rail – 1.0%</b>		
CSX Corp.	260,352	16,175,670
J.B. Hunt Transport Services, Inc.	28,346	2,637,312
Kansas City Southern	33,005	3,150,327
Norfolk Southern Corp.	88,390	13,217,841
Union Pacific Corp.	239,123	33,053,972
		<u>68,235,122</u>
<b>Trading Companies &amp; Distributors – 0.2%</b>		
Fastenal Co. (b)	93,164	4,871,546
United Rentals, Inc. (a)	26,322	2,698,795
W.W. Grainger, Inc.	14,806	4,180,622
		<u>11,750,963</u>
TOTAL INDUSTRIALS		<u>627,879,552</u>
<b>INFORMATION TECHNOLOGY – 20.1%</b>		
<b>Communications Equipment – 1.2%</b>		
Arista Networks, Inc. (a)	16,891	3,558,934
Cisco Systems, Inc.	1,459,153	63,225,099
F5 Networks, Inc. (a)	19,676	3,188,102
Juniper Networks, Inc.	112,019	3,014,431
Motorola Solutions, Inc.	53,073	6,105,518
		<u>79,092,084</u>
<b>Electronic Equipment &amp; Components – 0.4%</b>		
Amphenol Corp. Class A	97,795	7,923,351
Corning, Inc.	259,767	7,847,561
FLIR Systems, Inc.	44,900	1,954,946
IPG Photonics Corp. (a) (b)	11,612	1,315,523

	Shares	Value
Keysight Technologies, Inc. (a)	60,829	\$ 3,776,264
TE Connectivity Ltd.	111,331	8,419,964
		<u>31,237,609</u>
<b>IT Services – 4.8%</b>		
Accenture PLC Class A	206,882	29,172,431
Akamai Technologies, Inc. (a)	52,858	3,228,567
Alliance Data Systems Corp.	15,204	2,281,816
Automatic Data Processing, Inc.	142,065	18,627,563
Broadridge Financial Solutions, Inc.	37,891	3,647,009
Cognizant Technology Solutions Corp. Class A	187,922	11,929,289
DXC Technology Co.	90,910	4,833,685
Fidelity National Information Services, Inc.	106,285	10,899,527
Fiserv, Inc. (a)	129,323	9,503,947
FleetCor Technologies, Inc. (a)	28,780	5,345,022
Gartner, Inc. (a) (b)	29,499	3,771,152
Global Payments, Inc.	51,348	5,295,519
IBM Corp.	294,947	33,526,625
Jack Henry & Associates, Inc.	25,087	3,174,007
MasterCard, Inc. Class A	294,893	55,631,564
Paychex, Inc.	103,720	6,757,358
PayPal Holdings, Inc. (a)	382,433	32,158,791
The Western Union Co.	143,712	2,451,727
Total System Services, Inc.	54,474	4,428,191
VeriSign, Inc. (a)	34,526	5,119,861
Visa, Inc. Class A	570,308	75,246,438
		<u>327,030,089</u>
<b>Semiconductors &amp; Semiconductor Equipment – 3.7%</b>		
Advanced Micro Devices, Inc. (a) (b)	285,432	5,269,075
Analog Devices, Inc.	120,134	10,311,101
Applied Materials, Inc.	319,027	10,444,944
Broadcom, Inc.	134,183	34,120,053
Intel Corp.	1,481,234	69,514,312
KLA-Tencor Corp.	49,680	4,445,863
Lam Research Corp.	50,364	6,858,066
Maxim Integrated Products, Inc.	89,920	4,572,432
Microchip Technology, Inc. (b)	76,759	5,520,507
Micron Technology, Inc. (a)	363,525	11,534,648
NVIDIA Corp.	197,974	26,429,529
Qorvo, Inc. (a)	40,538	2,461,873
Qualcomm, Inc.	393,404	22,388,622
Skyworks Solutions, Inc.	57,618	3,861,558
Texas Instruments, Inc.	311,742	29,459,619
Xilinx, Inc.	82,124	6,994,501
		<u>254,186,703</u>
<b>Software – 6.2%</b>		
Adobe, Inc. (a)	158,423	35,841,620
ANSYS, Inc. (a)	27,119	3,876,390
Autodesk, Inc. (a)	71,079	9,141,470
Cadence Design Systems, Inc. (a)	91,568	3,981,377
Citrix Systems, Inc.	41,550	4,257,213
Fortinet, Inc. (a)	46,999	3,310,140
Intuit, Inc.	84,231	16,580,872
Microsoft Corp.	2,508,399	254,778,079
Oracle Corp.	826,990	37,338,599
Red Hat, Inc. (a)	57,367	10,075,940
Salesforce.com, Inc. (a)	248,279	34,006,775

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

## Schedule of Investments – continued

### Common Stocks – continued

	Shares	Value
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Software – continued</b>		
Symantec Corp.	207,349	\$ 3,917,859
Synopsys, Inc. (a)	48,444	4,080,923
		<u>421,187,257</u>
<b>Technology Hardware, Storage &amp; Peripherals – 3.8%</b>		
Apple, Inc.	1,463,101	230,789,552
Hewlett Packard Enterprise Co.	461,831	6,100,788
HP, Inc.	513,567	10,507,581
NetApp, Inc.	81,749	4,877,963
Seagate Technology LLC	84,526	3,261,858
Western Digital Corp.	93,932	3,472,666
Xerox Corp.	67,281	1,329,473
		<u>260,339,881</u>
		<u>1,373,073,623</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		
<b>MATERIALS – 2.3%</b>		
<b>Chemicals – 1.7%</b>		
Air Products & Chemicals, Inc.	71,249	11,403,402
Albemarle Corp. U.S. (b)	34,469	2,656,526
Celanese Corp. Class A	43,411	3,905,688
CF Industries Holdings, Inc.	74,903	3,259,030
DowDuPont, Inc.	744,591	39,820,727
Eastman Chemical Co.	45,450	3,322,850
Ecolab, Inc.	82,503	12,156,817
FMC Corp.	43,703	3,232,274
International Flavors & Fragrances, Inc.	32,873	4,413,858
LyondellBasell Industries NV Class A	102,102	8,490,802
PPG Industries, Inc.	77,854	7,959,014
Sherwin-Williams Co.	26,740	10,521,120
The Mosaic Co.	115,095	3,361,925
		<u>114,504,033</u>
<b>Construction Materials – 0.1%</b>		
Martin Marietta Materials, Inc. (b)	20,353	3,498,070
Vulcan Materials Co.	42,856	4,234,173
		<u>7,732,243</u>
<b>Containers &amp; Packaging – 0.3%</b>		
Avery Dennison Corp.	28,142	2,527,996
Ball Corp.	110,084	5,061,662
International Paper Co.	131,451	5,305,362
Packaging Corp. of America	30,669	2,559,635
Sealed Air Corp.	50,930	1,774,401
WestRock Co.	82,290	3,107,270
		<u>20,336,326</u>
<b>Metals &amp; Mining – 0.2%</b>		
Freeport-McMoRan, Inc.	470,280	4,848,587
Newmont Mining Corp.	172,873	5,990,049
Nucor Corp.	101,886	5,278,714
		<u>16,117,350</u>
		<u>158,689,952</u>
<b>TOTAL MATERIALS</b>		
<b>REAL ESTATE – 3.0%</b>		
<b>Equity Real Estate Investment Trusts (REITs) – 2.9%</b>		
Alexandria Real Estate Equities, Inc.	34,898	4,021,646

	Shares	Value
American Tower Corp.	142,959	\$ 22,614,684
Apartment Investment & Management Co. Class A	50,514	2,216,554
AvalonBay Communities, Inc.	44,860	7,807,883
Boston Properties, Inc.	50,123	5,641,344
Crown Castle International Corp.	134,638	14,625,726
Digital Realty Trust, Inc.	66,948	7,133,309
Duke Realty Corp.	116,291	3,011,937
Equinix, Inc.	26,090	9,198,290
Equity Residential (SBI)	119,577	7,893,278
Essex Property Trust, Inc.	21,441	5,257,548
Extra Space Storage, Inc.	41,060	3,715,109
Federal Realty Investment Trust (SBI)	23,972	2,829,655
HCP, Inc.	154,967	4,328,228
Host Hotels & Resorts, Inc.	240,834	4,014,703
Iron Mountain, Inc. (b)	92,892	3,010,630
Kimco Realty Corp.	136,761	2,003,549
Mid-America Apartment Communities, Inc.	36,946	3,535,732
Prologis, Inc.	204,312	11,997,201
Public Storage	48,667	9,850,687
Realty Income Corp.	95,779	6,037,908
Regency Centers Corp.	54,992	3,226,931
SBA Communications Corp. Class A (a)	36,778	5,953,990
Simon Property Group, Inc.	100,381	16,863,004
SL Green Realty Corp.	27,674	2,188,460
The Macerich Co.	34,333	1,485,932
UDR, Inc.	89,427	3,543,098
Ventas, Inc.	115,691	6,778,336
Vornado Realty Trust	56,199	3,486,024
Welltower, Inc.	121,914	8,462,051
Weyerhaeuser Co.	243,151	5,315,281
		<u>198,048,708</u>
<b>Real Estate Management &amp; Development – 0.1%</b>		
CBRE Group, Inc. (a)	102,887	4,119,595
		<u>4,119,595</u>
<b>TOTAL REAL ESTATE</b>		
		<u>202,168,303</u>
<b>UTILITIES – 3.3%</b>		
<b>Electric Utilities – 2.0%</b>		
Alliant Energy Corp.	76,572	3,235,167
American Electric Power Co., Inc.	160,037	11,961,165
Duke Energy Corp.	231,363	19,966,627
Edison International	105,741	6,002,917
Entergy Corp.	58,789	5,059,969
Eversource Energy	85,504	4,854,062
Exelon Corp.	102,845	6,689,039
FirstEnergy Corp.	313,841	14,154,229
NextEra Energy, Inc.	157,689	5,921,222
PG&E Corp. (a)	155,116	26,962,263
Pinnacle West Capital Corp.	168,334	3,997,933
PPL Corp.	36,375	3,099,150
Southern Co.	233,739	6,621,826
Xcel Energy, Inc.	333,923	14,665,898
	166,825	8,219,468
		<u>141,410,935</u>

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

## Common Stocks – continued

	Shares	Value
<b>UTILITIES – continued</b>		
<b>Independent Power and Renewable Electricity Producers – 0.1%</b>		
NRG Energy, Inc.	94,096	\$ 3,726,202
The AES Corp.	214,947	3,108,134
		<u>6,834,336</u>
<b>Multi-Utilities – 1.1%</b>		
Ameren Corp.	79,286	5,171,826
CenterPoint Energy, Inc.	162,660	4,591,892
CMS Energy Corp.	91,954	4,565,516
Consolidated Edison, Inc.	101,089	7,729,265
Dominion Resources, Inc.	213,057	15,225,053
DTE Energy Co.	59,043	6,512,443
NiSource, Inc.	117,904	2,988,866
Public Service Enterprise Group, Inc.	164,042	8,538,386
SCANA Corp.	46,287	2,211,593
Sempra Energy (b)	88,816	9,609,003
WEC Energy Group, Inc.	102,403	7,092,432
		<u>74,236,275</u>
<b>Water Utilities – 0.1%</b>		
American Water Works Co., Inc.	58,613	5,320,302
		<u>227,801,848</u>
<b>TOTAL UTILITIES</b>		<u>227,801,848</u>
<b>TOTAL COMMON STOCKS</b>		<b>6,828,845,280</b>
(Cost \$3,482,669,292)		

## Money Market Funds – 1.2%

Fidelity Cash Central Fund, 2.42% (c)	13,925,046	13,927,831
Fidelity Securities Lending Cash Central Fund 2.41% (c) (d)	67,307,568	67,314,298

<b>TOTAL MONEY MARKET FUNDS</b>		<b>81,242,129</b>
(Cost \$81,235,166)		

<b>TOTAL INVESTMENT IN SECURITIES – 101.2%</b>		<b>6,910,087,409</b>
(Cost \$3,563,904,458)		

<b>NET OTHER ASSETS (LIABILITIES) – (1.2)%</b>		<b>(84,376,217)</b>
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<b>NET ASSETS – 100%</b>		<b>\$6,825,711,192</b>
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## Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	185	March 2019	\$23,173,100	\$686,803	<u>\$ 686,803</u>

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

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

## Schedule of Investments – continued

### Legend

- (a) Non-income producing
- (b) Security or a portion of the security is on loan at period end.
- (c) 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.

- (d) Investment made with cash collateral received from securities on loan.

### Affiliated Central Funds

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

Fund	Income earned
Fidelity Cash Central Fund	\$ 486,732
Fidelity Securities Lending Cash Central Fund	221,304
Total	<u>\$ 708,036</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.

### Investment Valuation

All investments are categorized as Level 1 under the Fair Value Hierarchy. 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 please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### 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>	<u>\$686,803</u>	<u>\$0</u>
<b>Total Equity Risk</b>	<u>686,803</u>	<u>0</u>
<b>Total Value of Derivatives</b>	<u>\$686,803</u>	<u>\$0</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.

# Financial Statements

## Statement of Assets and Liabilities

December 31, 2018

### Assets

Investment in securities, at value (including securities loaned of \$66,331,380) — See accompanying schedule:

Unaffiliated issuers (cost \$3,482,669,292)	\$ 6,828,845,280	
Fidelity Central Funds (cost \$81,235,166)	<u>81,242,129</u>	
Total Investment in Securities (cost \$3,563,904,458)		\$ 6,910,087,409
Segregated cash with brokers for derivative instruments		2,088,000
Receivable for investments sold		2,062,726
Receivable for fund shares sold		7,845,898
Dividends receivable		7,950,785
Distributions receivable from Fidelity Central Funds		72,710
Receivable for daily variation margin on futures contracts		294,437
Other receivables		<u>42,816</u>
<b>Total assets</b>		<u>6,930,444,781</u>

### Liabilities

Payable for investments purchased	\$ 4,618,889	
Payable for fund shares redeemed	31,920,214	
Accrued management fee	264,934	
Distribution and service plan fees payable	235,088	
Other affiliated payables	323,809	
Other payables and accrued expenses	76,670	
Collateral on securities loaned	<u>67,293,985</u>	
<b>Total liabilities</b>		<u>104,733,589</u>

**Net Assets** \$ 6,825,711,192

Net Assets consist of:

Paid in capital	\$ 3,354,395,204
Total distributable earnings (loss)	<u>3,471,315,988</u>
<b>Net Assets</b>	<u><u>\$ 6,825,711,192</u></u>

### Net Asset Value and Maximum Offering Price

**Initial Class:**  
**Net Asset Value**, offering price and redemption price per share ( $\$5,719,085,561 \div 22,653,158$  shares) \$ 252.46

**Service Class:**  
**Net Asset Value**, offering price and redemption price per share ( $\$89,703,790 \div 356,577$  shares) \$ 251.57

**Service Class 2:**  
**Net Asset Value**, offering price and redemption price per share ( $\$1,016,921,841 \div 4,075,657$  shares) \$ 249.51

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		\$ 150,984,686
Interest		30,498
Income from Fidelity Central Funds		708,036
<b>Total income</b>		<u>151,723,220</u>
<b>Expenses</b>		
Management fee	\$ 3,546,001	
Transfer agent fees	4,334,002	
Distribution and service plan fees	3,829,726	
Independent trustees' fees and expenses	42,666	
Legal	2,466	
Interest	50,687	
Commitment fees	21,248	
Total expenses before reductions	<u>11,826,796</u>	
Expense reductions	<u>(4,261)</u>	
Total expenses after reductions		<u>11,822,535</u>
<b>Net investment income (loss)</b>		<u>139,900,685</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	107,466,074	
Fidelity Central Funds	3,663	
Futures contracts	<u>(3,684,276)</u>	
Total net realized gain (loss)		103,785,461
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	(560,318,625)	
Fidelity Central Funds	(22,658)	
Futures contracts	<u>234,774</u>	
Total change in net unrealized appreciation (depreciation)		<u>(560,106,509)</u>
<b>Net gain (loss)</b>		<u>(456,321,048)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ (316,420,363)</u>

### Statement of Changes in Net Assets

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net investment income (loss)	\$ 139,900,685	\$ 129,706,155
Net realized gain (loss)	103,785,461	37,087,430
Change in net unrealized appreciation (depreciation)	(560,106,509)	1,213,530,003
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(316,420,363)</u>	<u>1,380,323,588</u>
Distributions to shareholders	(175,009,093)	–
Distributions to shareholders from net investment income	–	(125,118,539)
Distributions to shareholders from net realized gain	–	(21,811,874)
<b>Total distributions</b>	<u>(175,009,093)</u>	<u>(146,930,413)</u>
Share transactions – net increase (decrease)	(418,325,147)	207,772,017
<b>Total increase (decrease) in net assets</b>	<u>(909,754,603)</u>	<u>1,441,165,192</u>
<b>Net Assets</b>		
Beginning of period	7,735,465,795	6,294,300,603
End of period	<u>\$ 6,825,711,192</u>	<u>\$ 7,735,465,795</u>
<b>Other Information</b>		
Undistributed net investment income end of period		<u>\$ 25,327,631</u>

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

# Financial Highlights

## VIP Index 500 Portfolio Initial Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 271.18	\$ 227.46	\$ 206.43	\$ 208.12	\$ 186.29
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	5.09	4.71	4.42	4.15	3.75
Net realized and unrealized gain (loss)	(17.22)	44.36	20.06	(1.44)	21.58
Total from investment operations	(12.13)	49.07	24.48	2.71	25.33
Distributions from net investment income	(5.28) <sup>B</sup>	(4.57)	(3.23)	(4.26)	(3.31)
Distributions from net realized gain	(1.31) <sup>B</sup>	(.78)	(.22)	(.13)	(.18)
Total distributions	(6.59)	(5.35)	(3.45)	(4.40) <sup>C</sup>	(3.50) <sup>D</sup>
Net asset value, end of period	\$ 252.46	\$ 271.18	\$ 227.46	\$ 206.43	\$ 208.12
Total Return <sup>E,F</sup>	(4.49)%	21.71%	11.86%	1.33%	13.57%
Ratios to Average Net Assets <sup>G,H</sup>					
Expenses before reductions	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	1.82%	1.89%	2.07%	1.98%	1.91%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 5,719,086	\$ 6,139,813	\$ 5,001,375	\$ 4,103,865	\$ 3,823,973
Portfolio turnover rate <sup>I</sup>	5%	5%	6%	9%	3%

<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 \$4.40 per share is comprised of distributions from net investment income of \$4.262 and distributions from net realized gain of \$.133 per share.

<sup>D</sup> Total distributions of \$3.50 per share is comprised of distributions from net investment income of \$3.314 and distributions from net realized gain of \$.184 per share.

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

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

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

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

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

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

## Financial Highlights – continued

### VIP Index 500 Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 270.23	\$ 226.70	\$ 205.82	\$ 207.49	\$ 185.77
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	4.79	4.44	4.19	3.93	3.54
Net realized and unrealized gain (loss)	(17.13)	44.21	19.97	(1.43)	21.50
Total from investment operations	(12.34)	48.65	24.16	2.50	25.04
Distributions from net investment income	(5.01) <sup>B</sup>	(4.34)	(3.07)	(4.03)	(3.14)
Distributions from net realized gain	(1.31) <sup>B</sup>	(.78)	(.22)	(.13)	(.18)
Total distributions	(6.32)	(5.12)	(3.28) <sup>C</sup>	(4.17) <sup>D</sup>	(3.32)
Net asset value, end of period	\$ 251.57	\$ 270.23	\$ 226.70	\$ 205.82	\$ 207.49
Total Return <sup>E,F</sup>	(4.59)%	21.59%	11.75%	1.24%	13.46%
Ratios to Average Net Assets <sup>G,H</sup>					
Expenses before reductions	.20%	.20%	.20%	.20%	.20%
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)	1.72%	1.79%	1.97%	1.88%	1.81%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 89,704	\$ 92,965	\$ 77,697	\$ 64,618	\$ 64,442
Portfolio turnover rate <sup>I</sup>	5%	5%	6%	9%	3%

<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 \$3.28 per share is comprised of distributions from net investment income of \$3.068 and distributions from net realized gain of \$.216 per share.

<sup>D</sup> Total distributions of \$4.17 per share is comprised of distributions from net investment income of \$4.033 and distributions from net realized gain of \$.133 per share.

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

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

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

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

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

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

## VIP Index 500 Portfolio Service Class 2

Years ended December 31, Selected Per-Share Data	2018	2017	2016	2015	2014
Net asset value, beginning of period	\$ 267.78	\$ 224.72	\$ 204.25	\$ 206.02	\$ 184.56
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	4.34	4.04	3.88	3.59	3.23
Net realized and unrealized gain (loss)	(16.96)	43.79	19.76	(1.42)	21.34
Total from investment operations	(12.62)	47.83	23.64	2.17	24.57
Distributions from net investment income	(4.34) <sup>B</sup>	(3.99)	(2.95)	(3.80)	(2.92)
Distributions from net realized gain	(1.31) <sup>B</sup>	(.78)	(.22)	(.13)	(.18)
Total distributions	(5.65)	(4.77)	(3.17)	(3.94) <sup>C</sup>	(3.11) <sup>D</sup>
Net asset value, end of period	\$ 249.51	\$ 267.78	\$ 224.72	\$ 204.25	\$ 206.02
Total Return <sup>E,F</sup>	(4.73)%	21.41%	11.58%	1.08%	13.29%
Ratios to Average Net Assets <sup>G,H</sup>					
Expenses before reductions	.35%	.35%	.35%	.35%	.35%
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)	1.57%	1.64%	1.82%	1.73%	1.66%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 1,016,922	\$ 1,502,688	\$ 1,215,228	\$ 575,158	\$ 466,026
Portfolio turnover rate <sup>I</sup>	5%	5%	6%	9%	3%

<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 \$3.94 per share is comprised of distributions from net investment income of \$3.804 and distributions from net realized gain of \$.133 per share.

<sup>D</sup> Total distributions of \$3.11 per share is comprised of distributions from net investment income of \$2.923 and distributions from net realized gain of \$.184 per share.

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

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

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

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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 expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

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

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

# Notes to Financial Statements

For the period ended December 31, 2018

## 1. Organization.

VIP Index 500 Portfolio (the Fund) is a fund of Variable Insurance Products Fund II (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, and Service Class 2 shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

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

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

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

## 3. Significant Accounting Policies.

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

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

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

Level 1 — quoted prices in active markets for identical investments

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

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

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

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of December 31, 2018 is included at the end of the Fund's Schedule of Investments.

**Investment Transactions and Income.** For financial reporting purposes, the Fund's investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per share for processing shareholder transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of identified cost and include proceeds received from litigation. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities where the ex-dividend date may have passed, which are recorded as soon as the Fund is informed of the ex-dividend date. Non-cash dividends included in dividend income, if any, are recorded at the fair market value of the securities received. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions

subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable.

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

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan), certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in a cross-section of Fidelity funds, are marked-to-market and remain in the Fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees of \$42,814 are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, respectively.

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

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

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

Book-tax differences are primarily due to futures contracts, deferred trustees compensation and losses deferred due to wash sales and certain deemed distributions.

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

Gross unrealized appreciation	\$3,617,864,845
Gross unrealized depreciation	<u>(271,359,598)</u>
Net unrealized appreciation (depreciation)	<u>\$3,346,505,247</u>
Tax Cost	<u>\$3,563,582,162</u>

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

Undistributed ordinary income	\$ 36,208,821
Undistributed long-term capital gain	<u>\$ 88,708,473</u>
Net unrealized appreciation (depreciation) on securities and other investments	<u>\$3,346,505,247</u>

The tax character of distributions paid was as follows:

	December 31, 2018	December 31, 2017
Ordinary Income	\$148,245,321	\$127,563,087
Long-term Capital Gains	<u>26,763,772</u>	<u>19,367,326</u>
Total	<u>\$175,009,093</u>	<u>\$146,930,413</u>

**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 Fund's 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

## Notes to Financial Statements – continued

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

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

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

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

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

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

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

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

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

Purchases and sales of securities, other than short-term securities, aggregated \$407,711,783 and \$754,012,995, respectively.

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

**Management Fee and Expense Contract.** Fidelity Management & Research Company (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is based on an annual rate of .045% of the Fund's average net assets. Under the management contract, the investment adviser pays all other fund-level expenses, except the compensation of the independent Trustees and certain other expenses such as interest expense, including commitment fees. In addition, under an expense contract, the investment adviser pays class-level expenses as necessary so that total expenses do not exceed an annual rate of .10% of each class' average net assets, excluding the distribution and service fee for each applicable class, with certain exceptions.

**Sub-Adviser.** Geode Capital Management, LLC (Geode), serves as sub-adviser for the Fund. Geode provides discretionary investment advisory services to the Fund and is paid by the investment adviser for providing these services.

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

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

Service Class	\$ 96,736
Service Class 2	<u>3,732,990</u>
	<u>\$3,829,726</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company, Inc. (FIOOC), an affiliate of the investment adviser, is the transfer, dividend disbursing, and shareholder servicing agent for each class. FIOOC receives asset-based fees of .07% of each class's average net assets for transfer agent services, typesetting, and printing and mailing of shareholder reports, excluding mailing of proxy statements. Under the expense contract, each class pays a portion of the transfer agent fees equal to an annual rate of .055% of class-level average net assets. For the period, transfer agent fees for each class were as follows:

Initial Class	\$3,459,539
Service Class	53,205
Service Class 2	<u>821,258</u>
	<u>\$4,334,002</u>

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

Borrower or Lender	Average Loan Balance	Weighted Average Interest Rate	Interest Expense
Borrower	\$28,440,083	2.45%	\$46,476

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

## 7. Committed Line of Credit.

The Fund participates with other funds managed by the investment adviser or an affiliate in a \$4.25 billion credit facility (the "line of credit") to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The Fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which amounted to \$21,248 and is reflected in Commitment fees on the Statement of Operations. During the period, the Fund did not borrow on this line of credit.

## 8. Security Lending.

The Fund lends portfolio securities through a lending agent from time to time in order to earn additional income. On the settlement date of the loan, the Fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the Fund may apply collateral received from the borrower against the obligation. The Fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. The value of loaned securities and cash collateral at period end are disclosed on the Fund's Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Total security lending income during the period amounted to \$221,304. During the period, there were no securities loaned to FCM.

## 9. Bank Borrowings.

The Fund is permitted to have bank borrowings for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity requirements. The Fund has established borrowing arrangements with certain banks. The interest rate on the borrowings is the bank's base rate, as revised from time to time. The average loan balance during the period for which loans were outstanding amounted to \$14,037,750. The weighted average interest rate was 2.70%. The interest expense amounted to \$4,211 under the bank borrowing program. At period end, there were no bank borrowings outstanding.

## 10. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, these credits reduced the Fund's expenses by \$4,261.

## Notes to Financial Statements – continued

### 11. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
<b>Distributions to shareholders</b>		
Initial Class	\$146,828,196	\$ —
Service Class	2,204,592	—
Service Class 2	25,976,305	—
Total	<u>\$175,009,093</u>	<u>\$ —</u>
<b>From net investment income</b>		
Initial Class	\$ —	\$101,596,891
Service Class	—	1,476,833
Service Class 2	—	22,044,815
Total	<u>\$ —</u>	<u>\$125,118,539</u>
<b>From net realized gain</b>		
Initial Class	\$ —	\$ 17,306,529
Service Class	—	265,442
Service Class 2	—	4,239,903
Total	<u>\$ —</u>	<u>\$ 21,811,874</u>

### 12. 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>Initial Class</b>				
Shares sold	2,237,184	2,523,522	\$ 616,855,660	\$ 627,402,721
Reinvestment of distributions	574,264	461,364	146,828,196	118,903,420
Shares redeemed	<u>(2,799,244)</u>	<u>(2,332,221)</u>	<u>(772,493,556)</u>	<u>(589,015,454)</u>
Net increase (decrease)	<u>12,204</u>	<u>652,665</u>	<u>\$ (8,809,700)</u>	<u>\$ 157,290,687</u>
<b>Service Class</b>				
Shares sold	33,610	51,053	\$ 9,342,521	\$ 12,677,416
Reinvestment of distributions	8,652	6,789	2,204,592	1,742,275
Shares redeemed	<u>(29,706)</u>	<u>(56,550)</u>	<u>(8,241,258)</u>	<u>(13,888,179)</u>
Net increase (decrease)	<u>12,556</u>	<u>1,292</u>	<u>\$ 3,305,855</u>	<u>\$ 531,512</u>
<b>Service Class 2</b>				
Shares sold	667,272	495,272	\$ 183,031,179	\$ 121,131,652
Reinvestment of distributions	102,379	103,412	25,976,305	26,284,718
Shares redeemed	<u>(2,305,703)</u>	<u>(394,781)</u>	<u>(621,828,786)</u>	<u>(97,466,552)</u>
Net increase (decrease)	<u>(1,536,052)</u>	<u>203,903</u>	<u>\$ (412,821,302)</u>	<u>\$ 49,949,818</u>

### 13. Other.

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

At the end of the period, the investment adviser or its affiliates were the owners of record of 40% of the total outstanding shares of the Fund.

# Report of Independent Registered Public Accounting Firm

To the Trustees of Variable Insurance Products Fund II and Shareholders of VIP Index 500 Portfolio:

## Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of VIP Index 500 Portfolio (the "Fund"), a fund of Variable Insurance Products Fund II, including the schedule of investments, as of December 31, 2018, and the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2018, by correspondence with the custodians and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
February 11, 2019

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

# Trustees and Officers

The Trustees, Members of the Advisory Board (if any), and officers of the trust and fund, as applicable, are listed below. The Board of Trustees governs the fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee the fund's activities, review contractual arrangements with companies that provide services to the fund, oversee management of the risks associated with such activities and contractual arrangements, and review the fund's performance. Except for Michael Wiley, each of the Trustees oversees 283 funds. Mr. Wiley oversees 192 funds.

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

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

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

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

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

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

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

## Interested Trustees\*:

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

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

James C. Curvey (1935)

Year of Election or Appointment: 2007

Trustee

Chairman of the Board of Trustees

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

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

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

Independent Trustees:

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

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

Dennis J. Dirks (1948)

Year of Election or Appointment: 2005

Trustee

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

Donald F. Donahue (1950)

Year of Election or Appointment: 2018

Trustee

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

Alan J. Lacy (1953)

Year of Election or Appointment: 2008

Trustee

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

## Trustees and Officers – continued

Ned C. Lautenbach (1944)

Year of Election or Appointment: 2000

Trustee

Chairman of the Independent Trustees

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

Joseph Mauriello (1944)

Year of Election or Appointment: 2008

Trustee

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

Cornelia M. Small (1944)

Year of Election or Appointment: 2005

Trustee

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

Garnett A. Smith (1947)

Year of Election or Appointment: 2018

Trustee

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

David M. Thomas (1949)

Year of Election or Appointment: 2008

Trustee

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

Michael E. Wiley (1950)

Year of Election or Appointment: 2018

Trustee

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

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

### Advisory Board Members and Officers:

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

Name, Year of Birth; Principal Occupation

Vicki L. Fuller (1957)

Year of Election or Appointment: 2018  
Member of the Advisory Board

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

Peter S. Lynch (1944)

Year of Election or Appointment: 2003  
Member of the Advisory Board

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

Carol B. Tomé (1957)

Year of Election or Appointment: 2018  
Member of the Advisory Board

Ms. Tomé also serves as Member of the Advisory Board of other Fidelity® funds. Ms. Tomé is Chief Financial Officer (2001-present) and Executive Vice President of Corporate Services (2007-present) of The Home Depot, Inc. (home improvement retailer) and a Director (2003-present) and Chair of the Audit Committee (2004-present) of United Parcel Service, Inc. (package delivery and supply chain management). Previously, Ms. Tomé served as Trustee of certain Fidelity® funds (2017), Senior Vice President of Finance and Accounting/Treasurer (2000-2007) and Vice President and Treasurer (1995-2000) of The Home Depot, Inc. and Chair of the Board (2010-2012), Vice Chair of the Board (2009 and 2013), and a Director (2008-2013) of the Federal Reserve Bank of Atlanta. Ms. Tomé is also a director or trustee of many community and professional organizations.

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).

## Trustees and Officers – continued

Timothy M. Cohen (1969)

Year of Election or Appointment: 2018

Vice President

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

Jonathan Davis (1968)

Year of Election or Appointment: 2010

Assistant Treasurer

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

Adrien E. Deberghes (1967)

Year of Election or Appointment: 2016

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

Assistant Treasurer

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

Colm A. Hogan (1973)

Year of Election or Appointment: 2016

Deputy 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).

Pamela R. Holding (1964)

Year of Election or Appointment: 2018

Vice President

Ms. Holding also serves as Vice President of other funds. Ms. Holding serves as Co-Head of Global Equity Research (2018-present) and is an employee of Fidelity Investments (2013-present).

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).

Kenneth B. Robins (1969)

Year of Election or Appointment: 2016

Chief Compliance Officer

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

Stacie M. Smith (1974)

Year of Election or Appointment: 2016

President and Treasurer

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

Marc L. Spector (1972)

Year of Election or Appointment: 2016

Assistant Treasurer

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

Jim Wegmann (1979)

Year of Election or Appointment: 2019

Assistant Treasurer

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

# Shareholder Expense Example

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

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

## Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio- <sup>A</sup>	Beginning Account Value July 1, 2018	Ending Account Value December 31, 2018	Expenses Paid During Period- <sup>B</sup> July 1, 2018 to December 31, 2018
Initial Class	.10%			
Actual		\$1,000.00	\$931.00	\$.49
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.70	\$.51
Service Class	.20%			
Actual		\$1,000.00	\$930.50	\$.97
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,024.20	\$1.02
Service Class 2	.35%			
Actual		\$1,000.00	\$929.90	\$1.70
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.44	\$1.79

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

<sup>B</sup> Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

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

## Distributions (Unaudited)

The Board of Trustees of VIP Index 500 Portfolio voted to pay to shareholders of record at the opening of business on record date, the following distributions per share derived from capital gains realized from sales of portfolio securities, and dividends derived from net investment income:

	Pay Date	Record Date	Dividends	Capital Gains
<b>VIP Index 500 Portfolio</b>				
Initial Class	02/08/19	02/08/19	\$1.356	\$3.273
Service Class	02/08/19	02/08/19	\$1.314	\$3.273
Service Class 2	02/08/19	02/08/19	\$1.234	\$3.273

The fund hereby designates as a capital gain dividend with respect to the taxable year ended December 31, 2018, \$88,702,812, or, if subsequently determined to be different, the net capital gain of such year.

Initial Class designates 68% and 100%; Service Class designates 72% and 100%; and Service Class 2 designates 77% and 100%; of the dividends distributed in February and December, respectively, during the fiscal year as qualifying for the dividends—received deduction for corporate shareholders.

# Board Approval of Investment Advisory Contracts

## VIP Index 500 Portfolio

At its July 2018 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company (FMR) and the sub-advisory agreement with Geode Capital Management, LLC (Geode) (together, the Advisory Contracts) for the fund for six months through January 31, 2019, in connection with the reunification of the Fidelity Equity High Income Funds Board, which oversees the fund, and the Sector Portfolios Board.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through January 31, 2019, with the understanding that the Board will consider the annual renewal for a full one year period in January 2019.

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

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



