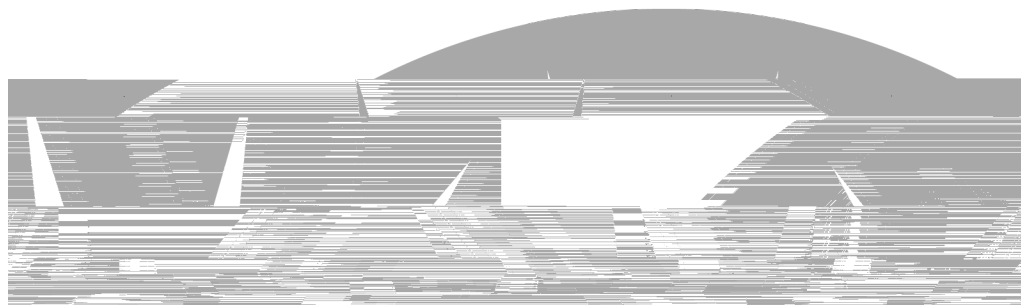


Fidelity® Variable Insurance Products:

VIP Mid Cap Portfolio

Annual Report
December 31, 2023



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

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

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

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

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

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

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Neither the Fund nor Fidelity Distributors Corporation is a bank.

: The Bottom Line

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

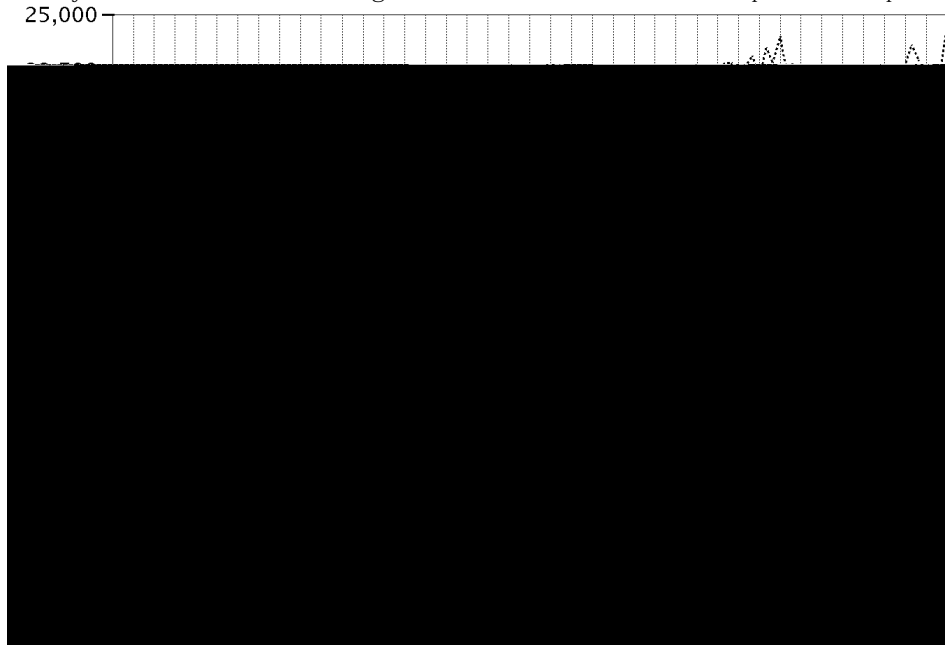
Average Annual Total Returns

Periods ended December 31, 2023	Past 1 year	Past 5 years	Past 10 years
Initial Class	1508%	1245%	812%
Savire Class	1500%	1234%	802%
Savire Class 2	1480%	1217%	788%
Investor Class	1501%	1238%	804%

\$10,000 Over 10 Years

Let's say hypothetically that \$10,000 was invested in VIP Mid Cap Portfolio - Initial Class, a class of the fund, on December 31, 2013.

The chart shows how the value of your investment would have changed, and also shows how the S&P MidCap 400® Index performed over the same period.



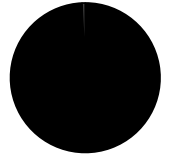
December 31, 2023 (Unaudited)

Top Holdings (% of Fund's net assets)

Dekes Outdoor Corp	1.9
ITT Inc	1.6
Dynatrace Inc	1.3
Performance Food Group Co	1.3
Williams-Sonoma Inc	1.2
US Foods Holding Corp	1.2
Atchafalaya Inc	1.2
Reinsurance Group of America Inc	1.1
invert Electric PLC	1.1
Gore Co	1.1
	<hr/>
	130

Asset Allocation (% of Fund's net assets)

Stocks - 99.3
 Short-Term Investments and Net Other Assets (Liabilities) - 0.7



Market Sectors (% of Fund's net assets)

Industrials	230
Financials	143
Consumer Discretionary	126
Information Technology	121
Health Care	74
Real Estate	74
Materials	58
Energy	54
Consumer Staples	49
Utilities	39
Communication Services	25

Common Stocks – 99.3%

Shares Value (\$)

COMMUNICATIONS SERVICES - 25%

Entertainment - 1.5%

Entertainment Group Holdings, Inc.	698,600	16,577,778
Live Nation Entertainment, Inc. (a)	297,194	27,817,358
Spotify Technology SA (a)	142,200	26,720,802
TRG Group Holdings, Inc.	379,000	<u>30,918,820</u>
		<u>102,034,758</u>

Interactive Media & Services - 0.7%

Bumble, Inc. (a)	1,335,600	19,686,744
IAC, Inc. (a)	586,375	<u>30,714,323</u>
		<u>50,401,067</u>

Media - 0.3%

Interpublic Group of Companies, Inc.	529,742	<u>17,290,779</u>
TOTAL COMMUNICATIONS SERVICES		<u>169,726,604</u>

CONSUMER DISCRETIONARY - 12.6%

Common Stocks – continued

	Shares	Value (\$)
FINANCIALS- continued		
Insurance- continued		
Assurart, Inc	212,627	35,825,523
Hartford Financial Services Group Inc	713,322	57,336,822
Old Republic International Corp	1,726,310	50,753,514
Pineika Inc	342,747	70,523,623
Reinsurance Group of America, Inc	490,578	79,365,709
Selective Insurance Group Inc	319,200	31,754,016
		391,530,942
TOTAL FINANCIALS		995,021,533
HEALTHCARE- 7.4%		
Biotechnology- 1.4%		
Aurovance Pharmaceuticals, Inc (a)	511,000	15,636,600
Bluebird bio, Inc (a)	159,900	14,749,176
Legend Biotech Corp ADR (a)	179,900	10,824,583
Repligen Corp (a)	76,500	13,754,700
United Therapeutics Corp (a)	211,400	46,484,746
		101,449,805
Health Care Equipment & Supplies- 2.0%		
Boston Scientific Corp (a)	728,243	42,099,728
Masimo Corp (a)	278,100	32,596,101
The Cooper Companies, Inc	76,439	28,927,575
Tearsheet Group Inc (a)	200,200	15,801,786
Zimmer Biomet Holdings, Inc	154,232	18,770,084
		138,195,224
Health Care Providers & Services- 2.5%		
Agilon Health, Inc (a)	1,100,900	13,816,235
Compass Health Corp	759,000	50,640,480
Molina Healthcare, Inc (a)	121,468	43,887,603
Optum Care Health, Inc (a)	1,380,820	46,519,826
Universal Health Services, Inc Class B	110,500	16,844,620
		171,708,824
Health Care Technology- 0.3%		
Edert Health, Inc	573,000	18,926,190
Edert Health, Inc Class A (a)	70,900	2,341,827
		21,268,017
Life Sciences Tools & Services- 0.8%		
ICON Genetics, Inc (a)	176,600	9,882,536
ICON PLC (a)	53,200	15,059,324
Sartorius Stedim Biotech	54,300	14,356,704
Thermo Fisher Scientific, Inc	32,661	17,336,132
		56,634,696
Pharmaceuticals- 0.4%		
UCBSA	307,500	26,783,759
TOTAL HEALTHCARE		516,040,325
INDUSTRIALS- 23.0%		
Aerospace & Defense- 1.5%		
Air Lease Corp (a) (b)	950,347	12,064,655
Aerojet Rocketdyne, Inc (a)	74,354	19,207,869
Boeing Aerospace, Inc	991,552	53,632,794
Spirit AeroSystems Holdings, Inc Class A (a) (b)	703,300	22,350,874
		107,286,192

Common Stocks – continued

	Shares	Value (\$)
INDUSTRIALS- continued		
Air Freight & Logistics- 0.8%		
GO Logistics, Inc (a)	928,532	56,789,017
Building Products- 1.5%		
Bulk Gas First Source, Inc (a)	238,271	49,793,361
Texaco, Inc (a)	685,700	56,789,103
		106,582,464
Commercial Services & Supplies- 0.3%		
AVAviation, Inc Class A (a)	429,869	6,512,515
Vestis Corp	624,229	13,196,201
		19,708,716
Construction & Engineering- 1.6%		
Quanta Services, Inc	321,269	69,329,850
Wilco Mobile Mini Holdings (a)	916,019	40,762,846
		110,092,696
Electrical Equipment- 4.8%		
Auity Brands, Inc	236,623	48,467,489
AMEK, Inc	318,026	52,439,307
43 y Smt H07 Health Care P	882,624	h

Common Stocks – continued

	Shares	Value (\$)
INFORMATION TECHNOLOGY - 12.1%		
Communications Equipment - 0.6%		
Digi International, Inc. (a)	1,596,301	<u>41,503,826</u>
Electronic Equipment, Instruments & Components - 3.1%		
CDW Corp	190,376	43,276,272
Core Net Co	428,836	24,387,903
Hex Ltd (a)	2,077,800	63,289,788
IPC Photonics Corp (a)	247,500	26,863,650
Intl, Inc	480,175	<u>61,174,235</u>
		<u>218,991,908</u>
IT Services - 1.0%		
Brocade PLC ADR (a)	246,500	19,190,025
Veeva Systems Ltd (a)	392,200	<u>48,248,444</u>
		<u>67,438,469</u>
Semiconductors & Semiconductor Equipment - 4.5%		
Alegro MicroSystems LLC (a)	771,400	23,350,278
First Solar, Inc. (a)	130,900	22,551,452
Lattice Semiconductor Corp (a)	663,200	45,064,268
Marvell Technology, Inc.	303,978	18,332,913
MKS Instruments, Inc.	514,271	52,903,058
Nova Ltd (a)	250,200	34,374,978
ON Semiconductor Corp (a)	300,714	25,118,640
Teradyne, Inc.	322,645	35,013,435
Universal Display Corp	277,200	<u>53,017,272</u>
		<u>309,726,294</u>
Software - 2.1%		
Dynatrace, Inc. (a)	1,698,049	92,866,300
Rapid7, Inc. (a)	287,700	16,427,670
Sage Group PLC	1,747,800	26,121,345
Zoom Video Communications, Inc. Class A (a)	144,100	<u>10,362,231</u>
		<u>145,777,546</u>
Technology Hardware, Storage & Peripherals - 0.8%		
Seagate Technology Holdings PLC	302,900	25,858,573
Super Micro Computer, Inc. (a)	99,800	<u>28,399,148</u>
		<u>54,227,721</u>
TOTAL INFORMATION TECHNOLOGY		
		<u>837,665,764</u>
MATERIALS - 5.8%		
Chemicals - 2.4%		
Aalta Coating Systems Ltd (a)	1,195,900	40,624,723
Celanese Corp Class A	388,337	60,335,920
Benet Solutions, Inc.	2,726,105	<u>63,082,070</u>
		<u>164,042,713</u>
Construction Materials - 0.9%		
Martin Marietta Materials, Inc.	126,837	<u>63,280,248</u>
Containers & Packaging - 1.7%		
Apogee Corp	488,200	60,351,284
Aery Derrison Corp	282,883	<u>57,187,627</u>
		<u>117,538,911</u>
Metals & Mining - 0.8%		
Reliance Steel & Aluminum Co	113,127	31,639,359
Wheaton Precious Metals Corp	568,200	<u>28,031,572</u>
		<u>59,670,931</u>

Common Stocks – continued

	Shares	Value (\$)
MATERIALS – continued		
TOTAL MATERIALS		
		<u>404,532,803</u>
REAL ESTATE - 7.4%		
Equity Real Estate Investment Trusts (REITs) - 7.1%		
Ares Real Estate Trust	767,700	23,238,279
CubeSmart	1,114,100	51,638,535
East Group Properties, Inc.	321,400	58,989,756
Equity Lifestyle Properties, Inc.	282,900	19,955,766
Essex Property Trust, Inc.	102,200	25,339,468
Four Corners Property Trust, Inc.	900,351	22,778,880
Institutional Shares, Inc.	1,016,872	34,685,504
Kinco Realty Corp	1,547,700	32,981,487
Lamar Advertising Co Class A	569,481	60,524,441
Omega Healthcare Investors, Inc.	480,200	14,722,932
Ryman Hospitality Properties, Inc.	472,400	51,992,344
Sun Communities, Inc.	154,100	20,535,465
Tenaro Realty Corp	570,200	35,734,434
Ventas, Inc.	827,437	<u>41,239,460</u>
		<u>494,416,751</u>
Real Estate Management & Development - 0.3%		
CBRE Group, Inc. (a)	225,028	<u>20,947,857</u>
TOTAL REAL ESTATE		
		<u>515,364,608</u>
UTILITIES - 3.9%		
Electric Utilities - 1.5%		
Constellation Energy Corp	419,700	49,058,733
ONE Energy Corp	243,231	8,496,059
PG&E Corp	2,521,000	<u>45,453,630</u>
		<u>103,008,422</u>
Gas Utilities - 0.2%		
UQ Corp	617,400	<u>15,188,040</u>
Independent Power and Renewable Electricity Producers - 1.0%		
Clearway Energy, Inc. Class C (b)	1,260,854	34,585,225
The AES Corp	1,961,638	<u>37,761,532</u>
		<u>72,346,757</u>
Multi-Utilities - 0.9%		
NextEra, Inc.	1,313,400	34,870,770
NorthWestern Energy Corp	488,800	<u>25,383,932</u>
		<u>60,254,702</u>
Water Utilities - 0.3%		
Essential Utilities, Inc.	618,946	<u>23,117,633</u>
TOTAL UTILITIES		
		<u>273,915,554</u>
TOTAL COMMON STOCKS		
(Cost \$4,954,339,275)		
		<u>6,903,434,849</u>
Money Market Funds – 5.0%		
	Shares	Value (\$)
Fidelity Cash Central Fund 5.40% (c)	73,037,125	73,051,733
Fidelity Securities Lending Cash Central Fund 5.40% (d) (d)	275,883,423	275,921,013

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

Money Market Funds – continued

	Shares	Value (\$)
TOTAL MONEY MARKET FUNDS (Cost: \$348,972,746)		<u>348,972,746</u>
TOTAL INVESTMENT IN SECURITIES – 104.3% (Cost: \$5,303,312,021)		7,252,407,595
NET OTHER ASSETS (LIABILITIES) – (4.3%)		<u>(297,205,857)</u>
NET ASSETS – 100.0%		<u><u>6,955,201,738</u></u>

Legend

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

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Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

Investment Valuation

The following is a summary of the inputs used as of December 31, 2023, in valuing the Fund's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs and their aggregation into the levels used below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<u>Investments in Securities:</u>				
Equities:				
Communication Services	169,726,604	169,726,604	169,726,604	
	_____	_____	_____	_____
	=====	=====	=====	=====

Financial Statements

Statement of Assets and Liabilities

December 31, 2023

Assets			
Investment in securities at value (including securities loaned of \$266,199,033) — See accompanying schedule			
Unaffiliated issues (cost \$4,954,339,275)	\$	6,903,434,849	
Fidelity Central Funds (cost \$348,972,746)		348,972,746	
Total Investment in Securities (cost \$5,303,312,021)			\$ 7,252,407,595
Foreign currency held at value (cost \$45,641)			46,535
Receivable for investments sold			1,311,451
Receivable for fund shares sold			612,929
Dividends receivable			7,762,021
Distributions receivable from Fidelity Central Funds			465,489
Prepaid expenses			6,863
Other receivables			150,121
Total assets			7,262,763,004
Liabilities			
Payable to custodian bank	\$	235,710	
Payable for investments purchased		20,843,846	
Payable for fund shares redeemed		6,103,226	
Accrued management fee		2,959,409	
Distribution and service plan fees payable		887,130	
Other affiliated payables		481,652	
Other payables and accrued expenses		144,849	
Collateral on securities loaned		275,905,444	
Total Liabilities			307,561,266
Net Assets			\$ 6,955,201,738
Net Assets consist of:			
Paid in capital			\$ 4,882,089,619
Total accumulated earnings (loss)			2,073,112,119
Net Assets			\$ 6,955,201,738
Net Asset Value and Maximum Offering Price			
Initial Class :			
Net Asset Value, offering price and redemption price per share (\$1,544,004,126 ÷ 42,366,302 shares)		\$	36.44
Service Class :			
Net Asset Value, offering price and redemption price per share (\$658,165,107 ÷ 18,328,676 shares)		\$	35.91
Service Class 2 :			
Net Asset Value, offering price and redemption price per share (\$4,101,182,598 ÷ 118,225,334 shares)		\$	34.69
Investor Class :			
Net Asset Value, offering price and redemption price per share (\$651,849,907 ÷ 18,056,072 shares)		\$	36.10

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

Statement of Operations

Year ended
December 31, 2023

Statement of Changes in Net Assets

	Year ended December 31, 2023	Year ended December 31, 2022
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 28,889,775	\$ 29,380,299
Net realized gain (loss)	302,248,608	318,370,136
Change in net unrealized appreciation (depreciation)	586,581,086	(1,557,891,401)
Net increase (decrease) in net assets resulting from operations	<u>917,689,469</u>	<u>(1,210,140,966)</u>
Distributions to stockholders	<u>(216,862,984)</u>	<u>(483,587,759)</u>
Share transactions - net increase (decrease)	<u>(198,991,880)</u>	<u>(99,655,685)</u>
Total increase (decrease) in net assets	501,834,605	(1,793,384,410)
Net Assets		
Beginning of period	<u>6,453,367,133</u>	<u>8,246,751,543</u>
End of period	<u>\$ 6,955,201,738</u>	<u>\$ 6,453,367,133</u>

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

VIP Mid Cap Portfolio Initial Class

Years ended December 31,	2023	2022	2021	2020	2019
Selected Per-Share Data					
Net asset value, beginning of period	\$ <u>32.72</u>	\$ <u>41.17</u>	\$ <u>38.72</u>	\$ <u>32.95</u>	\$ <u>30.19</u>
Income from Investment Operations	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VIP Mid Cap Portfolio Service Class 2

Years ended December 31,	2023	2022	2021	2020	2019
Selected Per-Share Data					
Net asset value, beginning of period	\$ <u>31.20</u>	\$ <u>39.39</u>	\$ <u>37.29</u>	\$ <u>31.75</u>	\$ <u>29.22</u>
Income from Investment Operations					
Net investment income (loss) ^{AB}	.11	.12	.11	.07	.19
Net realized and unrealized gain (loss)	<u>4.48</u>	<u>(5.90)</u>	<u>9.22</u>	<u>5.59</u>	<u>6.18</u>
Total from investment operations	<u>4.59</u>	<u>(5.78)</u>	<u>9.33</u>	<u>5.66</u>	<u>6.37</u>
Distributions from net investment income	(.13)	(.08) ^C	(.16)	(.12)	(.21)
Distributions from net realized gain	<u>(.97)</u>	<u>(2.33)^C</u>	<u>(7.07)</u>	-	<u>(3.63)</u>
Total distributions	<u>(1.10)</u>	<u>(2.41)</u>	<u>(7.23)</u>	<u>(.12)</u>	<u>(3.84)</u>
Net asset value, end of period	\$ <u><u>34.69</u></u>	\$ <u><u>31.20</u></u>	\$ <u><u>39.39</u></u>	\$ <u><u>37.29</u></u>	\$ <u><u>31.75</u></u>
Total Return ^{DE}	14.80%	(14.97)%	25.31%	17.87%	23.17%
Ratios to Average Net Assets ^{BEC}					
Expenses before reductions	.83%	.83%	.83%	.87%	.87%
Expenses net of fee waivers, if any	.83%	.83%	.83%	.87%	.87%
Expenses net of all reductions	.83%	.83%	.83%	.87%	.83%
Net investment income (loss)	.33%	.33%	.27%	.23%	.63%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 4,101,183	\$ 3,776,819	\$ 4,970,428	\$ 4,807,908	\$ 5,282,468
Portfolio turnover rate ^H	41%	31%	37% ^I	44%	34%

^A 3.0%

VIP Mid Cap Portfolio Investor Class

Years ended December 31,	2023	2022	2021	2020	2019
Selected Per-Share Data					
Net asset value, beginning of period	\$ 32.42	\$ 40.83	\$ 38.44	\$ 32.72	\$ 30.01
Income from Investment Operations					
Net investment income (loss) ^{AB}	.18	.18	.20	.12	.25
Net realized and unrealized gain (loss)	4.65	(6.12)	9.51	5.78	6.34
Total from investment operations	4.83	(5.94)	9.71	5.90	6.59
Distributions from net investment income	(.19)	(.14) ^C	(.24)	(.18)	(.20)
Distributions from net realized gain	(.97)	(2.33) ^C	(7.07)	-	(3.63)
Total distributions	(1.15) ^D	(2.47)	(7.32) ^D	(.18)	(3.83) ^D
Net asset value, end of period	\$ 36.10	\$ 32.42	\$ 40.83	\$ 38.44	\$ 32.72
Total Return ^{EF}	15.01%	(14.83)%	25.54%	18.08%	23.35%
Ratios to Average Net Assets ^{BGH}					
Expenses before reductions	.68%	.68%	.68%	.70%	.70%
Expenses net of fee waivers, if any	.68%	.68%	.68%	.70%	.70%
Expenses net of all reductions	.68%	.68%	.68%	.69%	.69%
Net investment income (loss)	.52%	.52%	.44%	.41%	.80%
Supplemental Data					
Net assets, end of period (000 omitted)	\$ 651,850	\$ 634,220	\$ 739,633	\$ 593,584	\$ 583,760
Portfolio turnover rate ^I	41%	31%	37% ^J	44%	34%

^A Calculated based on average shares outstanding during the period

^B Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange traded funds (ETFs). Net investment income (loss) is calculated on a net basis.

^C Includes net realized and unrealized gain (loss) on investments in mutual funds and exchange traded funds (ETFs).

^D Includes net realized and unrealized gain (loss) on investments in mutual funds and exchange traded funds (ETFs).

^E Total Return is calculated as the percentage change in net asset value over the period, including distributions reinvested in the fund.

^F Expenses are stated as a percentage of average net assets.

^G Expenses are stated as a percentage of average net assets.

^H Expenses are stated as a percentage of average net assets.

^I Portfolio turnover rate is calculated as the percentage of the fund's investments that have been sold and replaced during the period.

^J Portfolio turnover rate is calculated as the percentage of the fund's investments that have been sold and replaced during the period.

1. Organization

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

2. Investments in Fidelity Central Funds

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

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio ^a
Fidelity Mid-Cap Market Central Funds	Fidelity Management & Research Company ILC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.		

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of December 31, 2023 is included at the end of the Funds Schedule of Investments.

Foreign Currency. Certain Funds may use foreign currency contracts to facilitate transactions in foreign denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparty does not perform under the contract's terms.

Foreign denominated assets, including investment securities, and liabilities are translated into US dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into US dollars at the exchange rate in effect on the transaction date.

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

Investment Transactions and Income. For financial reporting purposes, the Funds investment holdings and NAV include trades executed through the end of the last business day of the

income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

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 for the period ended December 31, 2022.

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

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

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	\$2,082,119,579
Gross unrealized depreciation	<u>(146,247,040)</u>
Net unrealized appreciation (depreciation)	<u>\$1,945,872,539</u>
Tax Cost	<u>\$5,306,535,056</u>

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

Undistributed long-term capital gain	<u>\$128,677,763</u>
Net unrealized appreciation (depreciation) on securities and other investments	<u>\$1,945,816,842</u>

The tax character of distributions paid was as follows:

	December 31, 2023	December 31, 2022
Ordinary Income	\$30,225,937	\$21,794,963
Long-term Capital Gains	<u>186,637,047</u>	<u>461,792,736</u>
Total	<u>\$216,862,984</u>	<u>\$483,587,739</u>

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

4. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities and link-kind transactions, as applicable, are noted in the table below.

	Purchases (\$)	Sales (\$)
VIP Mid Cap Portfolio	2,697,254,117	3,033,069,088

5. Fees and Other Transactions with Affiliates.

Management Fee. Fidelity Management & Research Company LLC (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .30% of the Fund's average net assets and an annualized group fee rate that averaged .22% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annual management fee rate was .52% of the Fund's average net assets.

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

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

Service Class
Service Class 2

\$612,841
9,709,207
\$10,322,048

Transfer Agent Fees. Fidelity Investments Institutional Operations Company LLC (FIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing and shareholder servicing agent. FIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	Amount	% of Class-Level Average Net Assets
Initial Class	\$925,628	.06
Service Class	386,000	.06
Service Class 2	2,446,720	.06
Investor Class	<u>890,885</u>	.14
	<u>\$4,649,333</u>	

Accounting Fees. Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records.

During November 2023, the Board approved a change in the accounting fees effective December 1, 2023 to a fixed annual rate of average net assets as follows:

	% of Average Net Assets
VIP Mid Cap Portfolio	.0149

Prior to December 1, 2023, the accounting fee was based on the level of average net assets for each month. For the period, the fees were equivalent to the following annual rates:

	% of Average Net Assets
VIP Mid Cap Portfolio	.02

Subsequent Event - Management Fee. Effective March 1, 2024, the Fund's management contract will be amended to incorporate administrative services previously covered under separate services agreements (Transfer Agent and Accounting agreements). The amended contract incorporates a management fee rate that may vary by class. The investment adviser or an affiliate will pay certain expenses of managing and operating the Fund out of each class's management fee.

Each class of the Fund will pay a management fee to the investment adviser. The management fee will be calculated and paid to the investment adviser every month.

When determining a class's management fee, a mandate rate will be calculated based on the monthly average net assets of a group of funds advised by FMR within a designated asset class. A discount rate will be subtracted from the mandate rate once the Fund's monthly average net assets reach a certain level. The mandate rate and discount rate may vary by class.

The annual management fee rate for a class of shares of the Fund will be the lesser of (1) the class's mandate rate reduced by the class's discount rate (if applicable) or (2) the amount set forth in the following table:

	Maximum Management Fee Rate%
Initial Class	.57
Service Class	.57
Service Class 2	.57
Investor Class	.65

One-twelfth of the management fee rate for a class will be applied to the average net assets of the class for the month, giving a dollar amount which is the management fee for the class for that month.

A different management fee rate may be applicable to each class of the Fund. The difference between classes is the result of separate arrangements for class-level services and/or waivers of certain expenses. It is not the result of any difference in advisory or custodial fees or other expenses related to the management of the Fund's assets, which do not vary by class.

Effective March 1, 2024, the Fund's subadvisory agreements with FMR Investment Management (UK) Limited, Fidelity Management & Research (Hong Kong) Limited and Fidelity Management & Research (Japan) Limited will be amended to provide that the investment adviser will pay each subadviser monthly fees equal to 110% of the subadviser's costs for providing subadvisory services.

Brokerage Commissions.

VIP Mid Cap Portfolio Amount
\$66,384

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

	Purchases (\$)	Sales (\$)	Realized Gain (Loss) (\$)
VIP Mid Cap Portfolio	131,789,410	165,333,681	35,781,506

6. Committed Line of Credit.

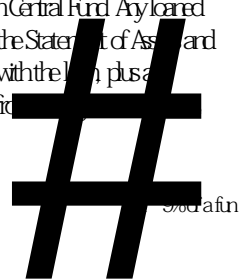
Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 billion credit facility (the "line of credit") to be utilized for temporary or emergency purposes to fund share redemptions or for other short-term liquidity purposes. The participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

VIP Mid Cap Portfolio Amount
\$12,082

7. Security Lending

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 99% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from affiliated security lending activity, if any, was as follows:

Total Security Lending Fees Paid to NFS Security Lending In3 gr lelk



To the Board of Trustees of Variable Insurance Products Fund III and Shareholders of VIP Mid Cap Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of VIP Mid Cap Portfolio (one of the funds constituting Variable Insurance Products Fund III, referred to hereafter as the "Fund") as of December 31, 2023, the related statement of operations for the year ended December 31, 2023, the statement of changes in net assets for each of the two years in the period ended December 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public

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 Vijay

Trustees and Officers - Continued

Development (1999-2003) of The Depository Trust & Clearing Corporation (financial markets infrastructure). Mr. Donahue currently serves as a member (2007-present) and Co-Chairman (2016-present) of the Board of United Way of New York. Mr. Donahue previously served as a member of the Advisory Board of certain Fidelity® funds (2015-2018) and as a member of the Board of The Leadership Academy (previously NCL Leadership Academy) (2012-2022).

Vicki L. Fuller (1957)

Year of Election/Appointment: 2020

Trustee

Ms. Fuller also serves as Trustee of other Fidelity® funds. Previously, Ms. Fuller served as a member of the Advisory Board of certain Fidelity® funds (2018-2020), Chief Investment Officer of the New York State Common Retirement Fund (2012-2018) and held a variety of positions at Alliance Bernstein LP (global asset management, 1985-2012), including Managing Director (2006-2012) and Senior Vice President and Senior Portfolio Manager (2001-2006). Ms. Fuller currently serves as a member of the Board, Audit Committee and Nominating and Governance Committee of two Blackstone business development companies (2020-present), as a member of the Board of Trelia, LLC (consulting, 2019-present), as a member of the Board of Aiel Alternatives, LLC (private equity, 2022-present) and as a member of the Board and Chair of the Audit Committee of Gusto, Inc. (software, 2021-present). In addition, Ms. Fuller currently serves as a member of the Board of Roosevelt University (2019-present) and as a member of the Executive Board of New York University's Stern School of Business. Ms. Fuller previously served as a member of the Board, Audit Committee and Nominating and Governance Committee of The Williams Companies, Inc. (natural gas infrastructure, 2018-2021).

Patricia L. Kampling (1959)

Year of Election/Appointment: 2020

Trustee

Ms. Kampling also serves as Trustee of other Fidelity® funds. Prior to her retirement, Ms. Kampling served as Chairman and the Board and Chief Executive Officer (2012-2019), President and Chief Operating Officer (2011-2012) and Executive Vice President and Chief Financial Officer (2010-2011) of Alliant Energy Corporation. Ms. Kampling currently serves as a member of the Board, Finance Committee and Governance, Compensation and Nominating Committee of Xcel Energy, Inc. (utilities company, 2020-present) and as a member of the Board, Audit, Finance and Risk Committee and Safety, Environmental, Technology and Operations Committee and Chair of the Executive Development and Compensation Committee of American Water Works Company, Inc. (utilities company, 2019-present). In addition, Ms. Kampling currently serves as a member of the Board of the Nature Conservancy, Wisconsin Chapter (2019-present). Previously, Ms. Kampling served as a Member of the Advisory Board of certain Fidelity® funds (2020), a member of the Board, Compensation Committee and Executive Committee and Chair of the Audit Committee of Biggs & Stutton Corporation (manufacturing, 2011-2021), a member of the Board of Interstate Power and Light Company (2012-2019) and Wisconsin Power and Light Company (2012-2019) (each a subsidiary of Alliant Energy Corporation) and as a member of the Board and Workforce Development Committee of the Business Roundtable (2018-2019).

Thomas A. Kennedy (1955)

Year of Election/Appointment: 2021

Trustee

Mr. Kennedy also serves as Trustee of other Fidelity® funds. Previously, Mr. Kennedy served as a Member of the Advisory Board of certain Fidelity® funds (2020) and held a variety of positions at Raytheon Company (aerospace and defense, 1983-2020), including Chairman and Chief Executive Officer (2014-2020) and Executive Vice President and Chief Operating Officer (2013-2014). Mr. Kennedy served as Executive Chairman of the Board of Directors of Raytheon Technologies Corporation (aerospace and defense, 2020-2021). Mr. Kennedy serves as a Director of the Board of Directors of Textron, Inc. (aerospace and defense, 2023-present).

Oscar Miroz (1959)

Year of Election/Appointment: 2021

Trustee

Mr. Miroz also serves as Trustee of other Fidelity® funds. Prior to his retirement, Mr. Miroz served as Executive Chairman (2020-2021), Chief Executive Officer (2015-2020), President (2015-2016) and a member of the Board (2010-2021) of United Airlines Holdings, Inc. Mr. Miroz currently serves as a member of the Board of CRE Group, Inc. (commercial real estate, 2020-present), a member of the Board of Uvision Communications, Inc. (Hispanic media, 2020-present), a member of the Board of Archer Aviation, Inc. (2021-present), a member of the Defense Business Board of the United States Department of Defense (2021-present) and a member of the Board of Salesforce.com, Inc. (cloud-based software, 2022-present). Previously, Mr. Miroz served as a Member of the Advisory Board of certain Fidelity® funds (2021).

David M. Thomas (1949)

Year of Election/Appointment: 2008

Trustee

Lead Independent Trustee

Mr. Thomas also serves as Trustee of other Fidelity® funds. Previously, Mr. Thomas served as Executive Chairman (2005-2006) and Chairman and Chief Executive Officer (2000-2005) of IMS Health, Inc. (pharmaceutical and healthcare information solutions). Mr. Thomas currently serves as a member of the Board of Future Brands Home and Security (home and security products, 2004-present) and as Director (2013-present) and Non-Executive Chairman of the Board (2022-present) of Interpublic Group of Companies, Inc. (marketing/communication).

Susan Tomasky (1953)

Year of Election/Appointment: 2020

Trustee

Ms. Tomasky also serves as Trustee of other Fidelity® funds. Prior to her retirement, Ms. Tomasky served in various executive officer positions at American Electric Power Company, Inc. (1998-2011), including most recently as President of AEP Transmission (2007-2011). Ms. Tomasky currently serves as a member of the Board and Sustainability Committee and as Chair of the Audit Committee of Marathon Petroleum Corporation (2018-present) and as a member of the Board, Executive Committee, Corporate Governance Committee and Organization and Compensation Committee and as Lead Director of the Board of Public Service Enterprise Group Inc. (utilities company, 2012-present) and as a member of the Board of its subsidiary company, Public Service Electric and Gas Co. (2021-present). In addition, Ms. Tomasky currently serves as a member (2009-present) and President (2020-present) of the Board of the Royal Shakespeare Company - America (2009-present), as a member of the Board of the Columbus Association for the Performing Arts (2011-present) and as a member of the Board and Key person in the World Committee of Kenyon College (2016-present). Previously, Ms. Tomasky served as a Member of the Advisory Board of certain Fidelity® funds (2020), as a member of the Board of the Columbus Regional Airport Authority (2007-2020), as a member of the Board (2011-2018) and Lead Independent Director (2015-2018) of Arctavac Corporation (previously Tesco Corporation) (independent oil refiner and marketer) and as a member of the Board of Summit Midstream Partners LP (energy, 2012-2018).

Michael E. Wiley (1950)

Year of Election/Appointment: 2018

Trustee

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

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

Advisory Board Members and Officers:

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

Name, Year of Birth, Principal Occupation

Peter S. Lynch (1944)

Year of Election/Appointment: 2003

Member of the Advisory Board

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

Karen B. Pertz (1955)

Year of Election/Appointment: 2023

Member of the Advisory Board

Ms. Pertz also serves as a Member of the Advisory Board of other funds. Previously, Ms. Pertz served as Chief Administration Officer (2020-2023) of Citigroup Inc. (a diversified financial service company). She also served in various capacities at Bank of New York Mellon Corporation, including President (2013-2016), Vice Chairman, Senior Executive Vice President and Chief Executive Officer of Financial Markets & Treasury Services (2010-2013), Senior Executive Vice President and Chief Executive Officer of Global Corporate Trust (2003-2008), Senior Vice President and Division Manager of Global Payments & Trade Services (2002-2003) and Senior Vice President and Division Manager of Domestic Corporate Trust (1998-2002). Ms. Pertz also served in various capacities at Chase Manhattan Corporation (1982-1998), including Senior Vice President and Manager of Corporate Trust International Business (1996-1998), Managing Director and Manager of Corporate Trust Services (1994-1996) and Managing Director and Group Manager of Financial Institution Sales (1990-1993). Ms. Pertz currently serves as Chair of Anheuser-Busch Holdings Advisory Council (2018-present), Trustee of Johns Hopkins University (2016-present), Chair of the Carey Business School Advisory Council, Member of the Johns Hopkins Medicine Board and Finance Committee and Chair of the Lyme and Tick-Related Disease Institute Advisory Council. Ms. Pertz previously served as a member of the Board of Guardian Life Insurance Company of America (2019-2023), a member of the Board of Tiare Technologies (2018-2022), a member of the Board of Wells Fargo Cap Cop (2017-2019), a member of the Board of SurCoke Energy Inc. (2012-2016), a member of the Board of Private Export Funding Corporation (2010-2016) and as a Trustee of Penn State University (2010-2014) and the United Way of New York City (2008-2010).

Heather Bomer (1977)

Year of Election/Appointment: 2023

Assistant Treasurer

Ms. Bomer also serves as an officer of other funds. Ms. Bomer is a Senior Vice President (2022-present) and is an employee of Fidelity Investments (2022-present). Ms. Bomer serves as Vice President, Treasurer, or Assistant Treasurer of certain Fidelity® entities. Prior to joining Fidelity, Ms. Bomer served as Managing Director at AQR Capital Management (2013-2022).

and was the Treasurer and Principal Financial Officer of the AQR Funds (2013-2022).

Graig S. Brown (1977)

Year of Election or Appointment: 2022

Deputy Treasurer

Year of Election/Appointment: 2018
Vice President

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

Chris Maher (1972)

Year of Election/Appointment: 2020
Deputy Treasurer

Mr. Maher also serves as an officer of other funds. Mr. Maher is a Vice President (2008-present) and is an employee of Fidelity Investments. Mr. Maher serves as Assistant Treasurer of certain Fidelity entities. Previously, Mr. Maher served as Assistant Treasurer of certain funds (2013-2020).

Jason P. Pogrelec (1975)

Year of Election/Appointment: 2020
Chief Compliance Officer

Mr. Pogrelec also serves as Chief Compliance Officer of other funds. Mr. Pogrelec is a Senior Vice President of Asset Management Compliance (2020-present) and is an employee of Fidelity Investments. Mr. Pogrelec serves as Compliance Officer of Fidelity Management & Research Company LLC (investment adviser firm, 2023-present) and Ballyrock Investment Advisors LLC (2023-present). Previously, Mr. Pogrelec served as a Vice President, Associate General Counsel for Fidelity Investments (2010-2020) and Assistant Secretary of certain Fidelity® funds (2015-2020).

Bett Segaloff (1972)

Year of Election/Appointment: 2021
Anti-Money Laundering (AML) Officer

Ms. Segaloff also serves as AML Officer of other funds. Ms. Segaloff is a Vice President (2022-present) and is an employee of Fidelity Investments. Ms. Segaloff serves as Anti-Money Laundering Compliance Officer or Anti-Money Laundering/Bank Secrecy Act Compliance Officer of certain Fidelity entities.

Stacie M. Smith (1974)

Year of Election/Appointment: 2016
President and Treasurer

Ms. Smith also serves as an officer of other funds. Ms. Smith is a Senior Vice President (2016-present) and is an employee of Fidelity Investments. Ms. Smith serves as Assistant Treasurer of certain Fidelity entities and has served in other fund officer roles.

Jim Wégnam (1979)

Year of Election/Appointment: 2019
Assistant Treasurer

Mr. Wégnam also serves as an officer of other funds. Mr. Wégnam is a Vice President (2016-present) and is an employee of Fidelity Investments. Mr. Wégnam serves as Assistant Treasurer of FIMM LLC (2021-present). Previously, Mr. Wégnam served as Assistant Treasurer of certain Fidelity funds (2019-2021).

Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (July 1, 2023 to December 31, 2023).

Actual Expenses

The first line of the accompanying table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000.00 (for example, an \$860 account value divided by \$1,000.00 = .86), then multiply the result by the number in the first line for a class/Fund under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. If any fund is a shareholder of any underlying mutual funds or exchange-traded funds (ETFs) (the Underlying Funds), such fund indirectly bears its proportional share of the expenses of the Underlying Funds in addition to the direct expenses incurred presented in the table. These fees and expenses are not included in the annualized expense ratio used to calculate the expense estimate in the table below. The estimate of expenses does not include any fees or other expenses of any variable annuity or variable life insurance product. If they were, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower.

Hypothetical Example for Comparison Purposes

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Annualized Expense Ratio ^A	Beginning Account Value July 1, 2023	Ending Account Value December 31, 2023	Expenses Paid During Period ^C July 1, 2023 to December 31, 2023
VP Mid Cap Portfolio Initial Class**	.60%			
Actual		\$ 1,000	\$ 1,064.30	\$ 3.12
Hypothetical ^B		\$ 1,000	\$ 1,022.18	\$ 3.06
Service Class	.70%			
Actual		\$ 1,000	\$ 1,064.00	\$ 3.64
Hypothetical ^B		\$ 1,000	\$ 1,021.68	\$ 3.57
Service Class 2	.85%			
Actual		\$ 1,000	\$ 1,063.20	\$ 4.42
Hypothetical ^B		\$ 1,000	\$ 1,020.92	\$ 4.33
Investor Class	.67%			
Actual		\$ 1,000	\$ 1,063.80	\$ 3.49
Hypothetical ^B		\$ 1,000	\$ 1,021.83	\$ 3.41

A Annualized expense ratio reflects expenses net of applicable fee waivers.

B 5% return per year before expenses.

C Expenses are equal to the annualized expense ratio multiplied by the average account value over the period multiplied by 184/365 (to reflect the one-half year period). The fees and expenses of any Underlying Funds are not included in each annualized expense ratio.

** If fees and charges to the expense contract and/or expense cap effective March 1, 2024, had been in effect during the current period, the restated annualized expense ratio and the expenses paid in the actual and hypothetical examples above would have been as shown in table below.

	Annualized Expense Ratio ^A	Expenses Paid
VP Mid Cap Portfolio Initial Class	.53%	

Actual
Hypothetical^B

Analyzed Expense Ratio^A

Expenses Paid
\$291

Distributions (Unaudited)

The dividend and capital gains distributions for the fund(s) are available on Fidelity.com or Institutional.Fidelity.com

The fund hereby designates as a capital gain dividend with respect to the taxable year ended December 31, 2023, \$301,031,823 or, if subsequently determined to be different, the net capital gain of such year.

Initial Class, Service Class, Service Class 2 and Investor Class designate 100% of the dividends distributed in December, during the fiscal year as qualifying for the dividends received deduction for corporate shareholders.

Board Approval of Investment Advisory Contracts and Management Fees

VIP Mid Cap Portfolio

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), considers the renewal of the fund's management contract with Fidelity Management & Research Company, LLC (FMR) and the sub-advisory agreements (together, the Advisory Contracts) for the fund. FMR and the sub-advisors are referred to herein as the Investment Advisers. The Board, assisted by the advice of fund counsel and Independent Trustees' counsel, requests and considers a broad range of information relevant to the renewal of the Advisory Contracts throughout the year.

The Board meets regularly and at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the fund's Advisory Contracts, including the services and support provided to the fund and its shareholders. The Board, acting directly and through its Committees (each of which is composed of and chaired by Independent Trustees), requests and receives information concerning the annual consideration of the renewal of the fund's Advisory Contracts. The Board also meets as needed

providing a large variety of fund investor services. The Board noted that Fidelity had taken, or had made recommendations that resulted in the Fidelity funds taking, a number of actions over the previous year that benefited particular funds and/or the Fidelity funds in general.

Investment Performance. The Board took into account discussions that occur with representatives of the Investment Advisers and reports that it receives, at Board meetings throughout the year, relating to fund investment performance. In this regard the Board noted that as part of regularly scheduled fund reviews and other reports to the Board on fund performance, the Board considered annualized return information for the fund for different time periods, measured against an appropriate securities market index (benchmark index) and an appropriate peer group of funds with similar objectives (peer group). The Board also considered information about performance attribution. In its ongoing evaluation of fund investment performance, the Board gives particular attention to information indicating changes in performance of the funds over different time periods and discussed with the Investment Advisers the reasons for any overperformance or underperformance.

In addition to reviewing absolute and relative fund performance, the Independent Trustees periodically consider the appropriateness of fund performance metrics in evaluating the results achieved. The Independent Trustees generally give greater weight to fund performance over longer time periods than over shorter time periods. Depending on the circumstances, the Independent Trustees may be satisfied with a fund's performance notwithstanding that it lags its benchmark index or peer group for certain periods.

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

Competitiveness of Management Fee and Total Expense Ratio. The Board was provided with information regarding industry trends in management fees and expenses. In its review of the fund's management fee and the total expense ratio of Initial Class, the Board considered the fund's management fee rate as well as other fund or class expenses, as applicable, such as transfer agent fees, pricing and bookkeeping fees, fund-paid 12b-1 fees, and custodial, legal, and audit fees. The Board noted that Fidelity may agree to waive fees or reimburse expenses from time to time, and the extent to which, if any, it has done so for the fund.

Comparisons of Management Fees and Total Expense Ratios. Among other things, the Board reviews

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

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