

# Fidelity® Variable Insurance Products:

Index 500 Portfolio

Semi-Annual Report  
June 30, 2022



<b>Note to Shareholders</b>	<b>3</b>
<b>Investment Summary</b>	<b>4</b>
<b>Schedule of Investments</b>	<b>5</b>
<b>Financial Statements</b>	<b>14</b>
<b>Notes to Financial Statements</b>	<b>19</b>
<b>Shareholder Expense Example</b>	<b>25</b>
<b>Board Approval of Investment Advisory Contracts and Management Fees</b>	<b>26</b>
<b>Liquidity Risk Management Program</b>	<b>30</b>

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

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

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

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## Note to Shareholders:

Early in 2020, the outbreak and spread of COVID-19 emerged as a public health emergency that had a major influence on financial markets, primarily based on its impact on the global economy and corporate earnings. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, citing sustained risk of further global spread. The pandemic prompted a number of measures to limit the spread of COVID-19, including travel and border restrictions, quarantines, and restrictions on large gatherings. In turn, these resulted in lower consumer activity, diminished demand for a wide range of products and services, disruption in manufacturing and supply chains, and – given the wide variability in outcomes regarding the outbreak – significant market uncertainty and volatility. To help stem the turmoil, the U.S. government took unprecedented action – in concert with the U.S. Federal Reserve and central banks around the world – to help support consumers, businesses, and the broader economy, and to limit disruption to the financial system.

In general, the overall impact of the pandemic lessened in 2021, amid a resilient economy and widespread distribution of three COVID-19 vaccines granted emergency use authorization from the U.S. Food and Drug Administration (FDA) early in the year. Still, the situation remains dynamic, and the extent and duration of its influence on financial markets and the economy is highly uncertain, due in part to a recent spike in cases based on highly contagious variants of the coronavirus.

Extreme events such as the COVID-19 crisis are exogenous shocks that can have significant adverse effects on mutual funds and their investments. Although multiple asset classes may be affected by market disruption, the duration and impact may not be the same for all types of assets. Fidelity is committed to helping you stay informed amid news about COVID-19 and during increased market volatility, and we continue to take extra steps to be responsive to customer needs. We encourage you to visit us online, where we offer ongoing updates, commentary, and analysis on the markets and our funds.



# Schedule of Investments June 30, 2022 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.1%

	Shares	Value
<b>COMMUNICATION SERVICES – 8.8%</b>		
<b>Diversified Telecommunication Services – 1.2%</b>		
AT&T, Inc.	2,239,585	\$ 46,941,702
Lumen Technologies, Inc. (a)	290,797	3,172,595
Verizon Communications, Inc.	1,313,821	66,676,416
		<u>116,790,713</u>
<b>Entertainment – 1.3%</b>		
Activision Blizzard, Inc.	244,600	19,044,556
Electronic Arts, Inc.	87,972	10,701,794
Live Nation Entertainment, Inc. (b)	42,833	3,537,149
Netflix, Inc. (b)	138,983	24,303,957
Take-Two Interactive Software, Inc. (b)	49,480	6,062,784
The Walt Disney Co. (b)	569,826	53,791,574
Warner Bros Discovery, Inc. (b)	690,946	9,272,495
		<u>126,714,309</u>
<b>Interactive Media &amp; Services – 5.2%</b>		
Alphabet, Inc.:		
Class A (b)	94,055	204,970,299
Class C (b)	86,308	188,794,435
Match Group, Inc. (b)	89,336	6,225,826
Meta Platforms, Inc. Class A (b)	717,500	115,696,875
Twitter, Inc. (b)	238,620	8,922,002
		<u>524,609,437</u>
<b>Media – 0.9%</b>		
Charter Communications, Inc. Class A (b)	36,233	16,976,247
Comcast Corp. Class A	1,398,565	54,879,691
DISH Network Corp. Class A (b)	78,226	1,402,592
Fox Corp.:		
Class A	97,778	3,144,540
Class B	44,920	1,334,124
Interpublic Group of Companies, Inc.	123,468	3,399,074
News Corp.:		
Class A	120,655	1,879,805
Class B	38,477	611,400
Omnicom Group, Inc.	64,340	4,092,667
ViacomCBS, Inc. Class B	190,348	4,697,789
		<u>92,417,929</u>
<b>Wireless Telecommunication Services – 0.2%</b>		
T-Mobile U.S., Inc. (b)	184,321	24,798,547
		<u>885,330,935</u>
<b>CONSUMER DISCRETIONARY – 10.4%</b>		
<b>Auto Components – 0.1%</b>		
Aptiv PLC (b)	84,752	7,548,861
BorgWarner, Inc. (a)	75,027	2,503,651
		<u>10,052,512</u>
<b>Automobiles – 2.0%</b>		
Ford Motor Co.	1,235,333	13,749,256
General Motors Co. (b)	456,120	14,486,371
Tesla, Inc. (b)	262,524	176,788,912
		<u>205,024,539</u>
<b>Distributors – 0.1%</b>		
Genuine Parts Co.	44,274	5,888,442

	Shares	Value
LKQ Corp.	81,432	\$ 3,997,497
Pool Corp.	12,507	4,392,834
		<u>14,278,773</u>
<b>Hotels, Restaurants &amp; Leisure – 1.8%</b>		
Booking Holdings, Inc. (b)	12,708	22,226,165
Caesars Entertainment, Inc. (b)	67,089	2,569,509
Carnival Corp. (a)(b)	253,748	2,194,920
Chipotle Mexican Grill, Inc. (b)	8,747	11,434,603
Darden Restaurants, Inc. (a)	39,004	4,412,132
Domino's Pizza, Inc.	11,274	4,393,591
Expedia, Inc. (b)	47,413	4,496,175
Hilton Worldwide Holdings, Inc.	87,070	9,703,081
Las Vegas Sands Corp. (b)	107,614	3,614,754
Marriott International, Inc. Class A	86,000	11,696,860
McDonald's Corp.	231,357	57,117,416
MGM Resorts International	110,565	3,200,857
Norwegian Cruise Line Holdings Ltd. (a)(b)	131,436	1,461,568
Penn National Gaming, Inc. (b)	51,419	1,564,166
Royal Caribbean Cruises Ltd. (a)(b)	70,461	2,459,794
Starbucks Corp.	358,682	27,399,718
Wynn Resorts Ltd. (b)	32,954	1,877,719
Yum! Brands, Inc.	89,204	10,125,546
		<u>181,948,574</u>
<b>Household Durables – 0.3%</b>		
D.R. Horton, Inc.	100,153	6,629,127
Garmin Ltd.	47,737	4,690,160
Lennar Corp. Class A	80,925	5,710,877
Mohawk Industries, Inc. (b)	16,102	1,998,097
Newell Brands, Inc.	115,119	2,191,866
NVR, Inc. (b)	968	3,876,008
PulteGroup, Inc.	74,341	2,946,134
Whirlpool Corp.	17,581	2,722,769
		<u>30,765,038</u>
<b>Internet &amp; Direct Marketing Retail – 3.0%</b>		

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

## Schedule of Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Specialty Retail – continued</b>		
Tractor Supply Co.	35,001	\$ 6,784,944
Ulta Beauty, Inc. (b)	16,339	6,298,358
		<u>206,447,416</u>
<b>Textiles, Apparel &amp; Luxury Goods – 0.5%</b>		
NIKE, Inc. Class B	396,939	40,567,166
PVH Corp.	21,052	1,197,859
Ralph Lauren Corp. (a)	14,359	1,287,284
Tapestry, Inc.	78,793	2,404,762
VF Corp.	101,140	4,467,354
		<u>49,924,425</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u>1,051,719,541</u>
<b>CONSUMER STAPLES – 6.9%</b>		
<b>Beverages – 1.9%</b>		
Brown-Forman Corp. Class B (non-vtg.)	57,221	4,014,625
Constellation Brands, Inc. Class A (sub. vtg.)	50,916	11,866,483
Keurig Dr. Pepper, Inc.	230,740	8,165,889
Molson Coors Beverage Co. Class B	59,008	3,216,526
Monster Beverage Corp. (b)	117,639	10,905,135
PepsiCo, Inc.	432,554	72,089,450
The Coca-Cola Co.	1,220,539	76,784,108
		<u>187,042,216</u>
<b>Food &amp; Staples Retailing – 1.5%</b>		
Costco Wholesale Corp.	138,658	66,456,006
Kroger Co.	205,228	9,713,441
Sysco Corp.	159,381	13,501,165
Walgreens Boots Alliance, Inc.	224,275	8,500,023
Walmart, Inc.	439,201	53,398,058
		<u>151,568,693</u>
<b>Food Products – 1.1%</b>		
Archer Daniels Midland Co.	176,015	13,658,764
Campbell Soup Co.	63,402	3,046,466
Conagra Brands, Inc.	150,468	5,152,024
General Mills, Inc.	188,391	14,214,101
Hormel Foods Corp.	88,594	4,195,812
Kellogg Co.	79,219	5,651,483
Lamb Weston Holdings, Inc.	45,275	3,235,352
McCormick & Co., Inc. (non-vtg.) (a)	78,246	6,513,980
Mondelez International, Inc.	432,933	26,880,810
The Hershey Co.	45,655	9,823,130
The J.M. Smucker Co.	33,905	4,340,179
The Kraft Heinz Co.	222,022	8,467,919
Tyson Foods, Inc. Class A	91,330	7,859,860
		<u>113,039,880</u>
<b>Household Products – 1.5%</b>		
Church & Dwight Co., Inc.	75,928	7,035,488
Colgate-Palmolive Co.	262,138	21,007,739
Kimberly-Clark Corp.	105,391	14,243,594
Procter & Gamble Co.	750,580	107,925,898
The Clorox Co.	38,553	5,435,202
		<u>155,647,921</u>
<b>Personal Products – 0.2%</b>		
Estee Lauder Companies, Inc. Class A	72,483	18,459,246

	Shares	Value
<b>Tobacco – 0.7%</b>		
Altria Group, Inc.	566,365	\$ 23,657,066
Philip Morris International, Inc.	484,918	47,880,803
		<u>71,537,869</u>
<b>TOTAL CONSUMER STAPLES</b>		<u>697,295,825</u>
<b>ENERGY – 4.3%</b>		
<b>Energy Equipment &amp; Services – 0.3%</b>		
Baker Hughes Co. Class A	292,607	8,447,560 (vtg.) (a)

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

## Common Stocks – continued

	Shares	Value
FINANCIALS – continued		
Banks – continued		
Wells Fargo & Co.	1,185,757	\$ 46,446,102
Zions Bancorp NA	47,577	2,421,669
		<u>368,406,654</u>
Capital Markets – 2.9%		
Ameriprise Financial, Inc.	34,381	8,171,676
Bank of New York Mellon Corp.		

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





**Common Stocks – continued**

Shares                      Value

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

## Schedule of Investments (Unaudited) – continued

### Common Stocks – continued

	Shares	Value
<b>MATERIALS – 2.6%</b>		
<b>Chemicals – 1.8%</b>		
Air Products & Chemicals, Inc.	69,381	\$ 16,684,743
Albemarle Corp.	36,654	7,659,953
Celanese Corp. Class A	33,902	3,987,214
CF Industries Holdings, Inc.	65,257	5,594,483
Corteva, Inc.	226,218	12,247,443
Dow, Inc.	227,788	11,756,139
DuPont de Nemours, Inc.	159,097	8,842,611
Eastman Chemical Co.	40,361	3,623,207
Ecolab, Inc.	77,718	11,949,920
FMC Corp. (a)	39,487	4,225,504
International Flavors & Fragrances, Inc.	79,723	9,496,604
Linde PLC	157,449	45,271,311
LyondellBasell Industries NV Class A	80,972	7,081,811
PPG Industries, Inc.	73,815	8,440,007
Sherwin-Williams Co.	74,869	16,763,918
The Mosaic Co.	113,243	5,348,467
		<u>178,973,335</u>
<b>Construction Materials – 0.1%</b>		
Martin Marietta Materials, Inc.	19,507	5,837,275
Vulcan Materials Co.	41,615	5,913,492
		<u>11,750,767</u>
<b>Containers &amp; Packaging – 0.3%</b>		
Arcor PLC	470,113	5,843,505
Avery Dennison Corp.	25,560	4,137,397
Ball Corp.	100,045	6,880,095
International Paper Co.	115,948	4,850,105
Packaging Corp. of America	29,311	4,030,263
Sealed Air Corp.	45,702	2,637,919
WestRock Co.	79,730	3,176,443
		<u>31,555,727</u>
<b>Metals &amp; Mining – 0.4%</b>		
Freeport-McMoRan, Inc.	453,387	13,266,104
Newmont Corp.	248,284	14,815,106
Nucor Corp.	83,235	8,690,566
		<u>36,771,776</u>
<b>TOTAL MATERIALS</b>		<u>259,051,605</u>
<b>REAL ESTATE – 2.9%</b>		
<b>Equity Real Estate Investment Trusts (REITs) – 2.8%</b>		
Alexandria Real Estate Equities, Inc.	46,455	6,737,369
American Tower Corp.	145,373	37,155,885
AvalonBay Communities, Inc.	43,678	8,484,452
Boston Properties, Inc.	44,607	3,969,131
Camden Property Trust (SBI)	33,301	4,478,318
Crown Castle International Corp.	135,462	22,809,092
Digital Realty Trust, Inc.	89,047	11,560,972
Duke Realty Corp.	120,260	6,608,287
Equinix, Inc.	28,474	18,707,987
Equity Residential (SBI)	107,039	7,730,357
Essex Property Trust, Inc.	20,431	5,342,911
Extra Space Storage, Inc.	42,000	7,145,040
Federal Realty Investment Trust (SBI)	22,421	2,146,587
Healthpeak Properties, Inc.	169,305	4,386,693

	Shares	Value
Host Hotels & Resorts, Inc.	223,559	\$ 3,505,405
Iron Mountain, Inc.	90,869	4,424,412
Kimco Realty Corp.	193,207	3,819,702
Mid-America Apartment Communities, Inc.	36,099	6,305,412
Prologis (REIT), Inc.	231,578	27,245,152
Public Storage	47,771	14,936,559
Realty Income Corp.	188,190	12,845,849
Regency Centers Corp.	48,718	2,889,465
SBA Communications Corp. Class A	33,731	10,795,607
Simon Property Group, Inc.	102,704	9,748,664
UDR, Inc.	93,727	4,315,191
Ventas, Inc.	125,025	6,430,036
VICI Properties, Inc.	301,233	8,973,731
Vornado Realty Trust	49,916	1,427,098
Welltower, Inc.	142,008	11,694,359
Weyerhaeuser Co. (a)	232,891	7,713,350
		<u>284,333,073</u>
<b>Real Estate Management &amp; Development – 0.1%</b>		
CBRE Group, Inc. (b)	102,245	7,526,254
		<u>7,526,254</u>
<b>TOTAL REAL ESTATE</b>		<u>291,859,327</u>
<b>UTILITIES – 3.1%</b>		
<b>Electric Utilities – 1.9%</b>		
Alliant Energy Corp.	78,500	4,600,885
American Electric Power Co., Inc.	160,672	15,414,872
Constellation Energy Corp.	102,120	5,847,391
Duke Energy Corp.	240,878	25,824,530
Edison International	119,248	7,541,244
Entergy Corp.	63,622	7,166,382
Eversource Energy	71,877	4,689,974
Exelon Corp.	107,896	9,113,975
Exelon Corp.	306,654	13,897,559
FirstEnergy Corp.	178,614	6,856,991
NextEra Energy, Inc.	614,570	47,604,592
NRG Energy, Inc.	74,221	2,833,016
Pinnacle West Capital Corp.	35,301	2,581,209
PPL Corp.	230,224	6,245,977
Southern Co.	332,408	23,704,014
Xcel Energy, Inc.	170,405	12,057,858
		<u>195,980,469</u>
<b>Gas Utilities – 0.1%</b>		
Atmos Energy Corp.	43,500	4,876,350
<b>Independent Power and Renewable Electricity Producers – 0.0%</b>		
The AES Corp.	208,874	4,388,443
<b>Multi-Utilities – 1.0%</b>		
Ameren Corp.	80,813	7,302,263
CenterPoint Energy, Inc.	196,544	5,813,772
CMS Energy Corp.	90,773	6,127,178
Consolidated Edison, Inc.	110,847	10,541,550
Dominion Energy, Inc.	253,821	20,257,454
DTE Energy Co.	60,642	7,686,374
NISource, Inc.	126,900	3,742,281
Public Service Enterprise Group, Inc.	156,197	9,884,146

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

## Common Stocks – continued

	Shares	Value
UTILITIES – continued		
Multi-Utilities – continued		
Sempra Energy	98,330	\$ 14,776,049
WEC Energy Group, Inc.	98,688	<u>9,931,960</u>
		<u>96,063,027</u>
Water Utilities – 0.1%		

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

## Schedule of Investments (Unaudited) – continued

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

payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in Total accumulated earnings (loss).

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

# Financial Statements

## Statement of Assets and Liabilities

	June 30, 2022 (Unaudited)
<b>Assets</b>	
Investment in securities, at value (including securities loaned of \$109,058,450) — See accompanying schedule:	
Unaffiliated issuers (cost \$3,494,081,443)	\$ 9,985,500,787
Fidelity Central Funds (cost \$196,826,974)	<u>196,829,291</u>
Total Investment in Securities (cost \$3,690,908,417)	\$ 10,182,330,078
Receivable for fund shares sold	2,987,554
Dividends receivable	8,057,261
Distributions receivable from Fidelity Central Funds	88,519
Other receivables	<u>10,600</u>
<b>Total assets</b>	<u>10,193,474,012</u>
<b>Liabilities</b>	
Payable to custodian bank	\$ 174,019
Payable for fund shares redeemed	5,954,805
Accrued management fee	389,534
Distribution and service plan fees payable	345,692
Payable for daily variation margin on futures contracts	707,643
Other affiliated payables	476,097
Other payables and accrued expenses	10,600
Collateral on securities loaned	<u>113,108,177</u>
<b>Total liabilities</b>	<u>121,166,567</u>
<b>Net Assets</b>	<u>\$ 10,072,307,445</u>
Net Assets consist of:	
Paid in capital	\$ 3,462,306,844
Total accumulated earnings (loss)	<u>6,610,000,601</u>
<b>Net Assets</b>	<u>\$ 10,072,307,445</u>
<b>Net Asset Value and Maximum Offering Price</b>	
<b>Initial Class:</b>	
Net Asset Value, offering price and redemption price per share (\$8,380,431,012 ÷ 22,586,178 shares)	<u>\$ 371.04</u>
<b>Service Class:</b>	
Net Asset Value, offering price and redemption price per share (\$140,615,164 ÷ 380,686 shares)	<u>\$ 369.37</u>
<b>Service Class 2:</b>	
Net Asset Value, offering price and redemption price per share (\$1,551,261,269 ÷ 4,242,151 shares)	<u>\$ 365.68</u>

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

# Statement of Operations

		Six months ended June 30, 2022 (Unaudited)
Investment Income		
Dividends		\$ 87,751,113
Interest		17,368
Income from Fidelity Central Funds (including \$70,298 from security lending)		<u>228,027</u>
<b>Total income</b>		<u>87,996,508</u>
Expenses		
Management fee	\$ 2,607,305	
Transfer agent fees	3,186,706	
Distribution and service plan fees	2,600,425	
Independent trustees' fees and expenses	20,151	
Legal	718	
	<u>                        </u>	
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See accompanying notes which are an integral part of the financial statements.

# Financial Highlights

## VIP Index 500 Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2022	Years ended December 31, 2021	2020	2019	2018	2017
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 468.27	\$ 371.59	\$ 320.35	\$ 252.46	\$ 271.18	\$ 227.46
<b>Income from Investment Operations</b>						
Net investment income (loss) <sup>A,B</sup>	2.98	5.42	5.43	5.54	5.09	4.71
Net realized and unrealized gain (loss)	(96.10)	99.69	52.57	72.46	(17.22)	44.36
Total from investment operations	(93.12)	105.11	58.00	78.00	(12.13)	49.07
Distributions from net investment income	(1.02)	(5.38)	(5.72)	(5.82)	(5.28) <sup>C</sup>	(4.57)
Distributions from net realized gain	(3.09)	(3.04)	(1.04)	(4.29)	(1.31) <sup>C</sup>	(.78)
Total distributions	(4.11)	(8.43) <sup>D</sup>	(6.76)	(10.11)	(6.59)	(5.35)
Net asset value, end of period	\$ 371.04	\$ 468.27	\$ 371.59	\$ 320.35	\$ 252.46	\$ 271.18
<b>Total Return</b> <sup>E,F,G</sup>	(20.02)%	28.58%	18.24%	31.35%	(4.49)%	21.71%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.10% <sup>J</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>J</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>J</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	1.42% <sup>J</sup>	1.28%	1.70%	1.90%	1.82%	1.89%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 8,380,431	\$ 10,323,307	\$ 7,930,738	\$ 7,294,879	\$ 5,719,086	\$ 6,139,813
Portfolio turnover rate <sup>K</sup>	10% <sup>J</sup>	2%	8%	7%	5%	5%

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B  
C  
D  
E  
F  
G  
H  
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Net investment income (loss) for 2022 includes net realized and unrealized gain (loss) of \$2.98 million, which includes net realized and unrealized gain (loss) of \$2.98 million. Net investment income (loss) for 2021 includes net realized and unrealized gain (loss) of \$5.42 million, which includes net realized and unrealized gain (loss) of \$5.42 million. Net investment income (loss) for 2020 includes net realized and unrealized gain (loss) of \$5.43 million, which includes net realized and unrealized gain (loss) of \$5.43 million. Net investment income (loss) for 2019 includes net realized and unrealized gain (loss) of \$5.54 million, which includes net realized and unrealized gain (loss) of \$5.54 million. Net investment income (loss) for 2018 includes net realized and unrealized gain (loss) of \$5.09 million, which includes net realized and unrealized gain (loss) of \$5.09 million. Net investment income (loss) for 2017 includes net realized and unrealized gain (loss) of \$4.71 million, which includes net realized and unrealized gain (loss) of \$4.71 million.

Total distributions for 2022 includes net realized and unrealized gain (loss) of \$4.11 million, which includes net realized and unrealized gain (loss) of \$4.11 million. Total distributions for 2021 includes net realized and unrealized gain (loss) of \$8.43 million, which includes net realized and unrealized gain (loss) of \$8.43 million. Total distributions for 2020 includes net realized and unrealized gain (loss) of \$6.76 million, which includes net realized and unrealized gain (loss) of \$6.76 million. Total distributions for 2019 includes net realized and unrealized gain (loss) of \$10.11 million, which includes net realized and unrealized gain (loss) of \$10.11 million. Total distributions for 2018 includes net realized and unrealized gain (loss) of \$6.59 million, which includes net realized and unrealized gain (loss) of \$6.59 million. Total distributions for 2017 includes net realized and unrealized gain (loss) of \$5.35 million, which includes net realized and unrealized gain (loss) of \$5.35 million.

Net assets, end of period (000 omitted) for 2022 is \$8,380,431, which is \$8,380,431. Net assets, end of period (000 omitted) for 2021 is \$10,323,307, which is \$10,323,307. Net assets, end of period (000 omitted) for 2020 is \$7,930,738, which is \$7,930,738. Net assets, end of period (000 omitted) for 2019 is \$7,294,879, which is \$7,294,879. Net assets, end of period (000 omitted) for 2018 is \$5,719,086, which is \$5,719,086. Net assets, end of period (000 omitted) for 2017 is \$6,139,813, which is \$6,139,813.

Portfolio turnover rate for 2022 is 10%, which is 10%. Portfolio turnover rate for 2021 is 2%, which is 2%. Portfolio turnover rate for 2020 is 8%, which is 8%. Portfolio turnover rate for 2019 is 7%, which is 7%. Portfolio turnover rate for 2018 is 5%, which is 5%. Portfolio turnover rate for 2017 is 5%, which is 5%.

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



## VIP Index 500 Portfolio Service Class

	Six months ended (Unaudited) June 30,	Years ended December 31,				
	2022	2021	2020	2019	2018	2017
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 466.34	\$ 370.12	\$ 319.14	\$ 251.57	\$ 270.23	\$ 226.70
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	2.75	4.97	5.09	5.23	4.79	4.44
Net realized and unrealized gain (loss)	(95.68)	99.27	52.34	72.18	(17.13)	44.21
Total from investment operations	(92.93)	104.24	57.43	77.41	(12.34)	48.65
Distributions from net investment income	(.95)	(4.98)	(5.41)	(5.55)	(5.01) <sup>C</sup>	(4.34)
Distributions from net realized gain	(3.09)	(3.04)	(1.04)	(4.29)	(1.31) <sup>C</sup>	(.78)
Total distributions	(4.04)	(8.02)	(6.45)	(9.84)	(6.32)	(5.12)
Net asset value, end of period	\$ 369.37	\$ 466.34	\$ 370.12	\$ 319.14	\$ 251.57	\$ 270.23
<b>Total Return</b> <sup>D,E,F</sup>	(20.06)%	28.45%	18.13%	31.22%	(4.59)%	21.59%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Expenses net of fee waivers, if any	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.32% <sup>I</sup>	1.18%	1.60%	1.80%	1.72%	1.79%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 140,615	\$ 175,058	\$ 138,695	\$ 117,666	\$ 89,704	\$ 92,965
Portfolio turnover rate <sup>J</sup>	10% <sup>I</sup>	2%	8%	7%	5%	5%

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

## Financial Highlights - continued

### VIP Index 500 Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2022	Years ended December 31, 2021	2020	2019	2018	2017
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 461.95	\$ 366.73	\$ 316.37	\$ 249.51	\$ 267.78	\$ 224.72
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	2.43	4.30	4.61	4.77	4.34	4.04
Net realized and unrealized gain (loss)	(94.77)	98.34	51.78	71.54	(16.96)	43.79
Total from investment operations	(92.34)	102.64	56.39	76.31	(12.62)	47.83
Distributions from net investment income	(.84)	(4.38)	(4.99)	(5.16)	(4.34) <sup>C</sup>	(3.99)
Distributions from net realized gain	(3.09)	(3.04)	(1.04)	(4.29)	(1.31) <sup>C</sup>	(.78)
Total distributions	(3.93)	(7.42)	(6.03)	(9.45)	(5.65)	(4.77)
Net asset value, end of period	\$ 365.68	\$ 461.95	\$ 366.73	\$ 316.37	\$ 249.51	\$ 267.78
<b>Total Return</b> <sup>D,E,F</sup>	(20.12)%	28.26%	17.95%	31.02%	(4.73)%	21.41%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.35% <sup>I</sup>	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.35% <sup>I</sup>	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35% <sup>I</sup>	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.17% <sup>I</sup>	1.03%	1.45%	1.65%	1.57%	1.64%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,551,261	\$ 2,535,922	\$ 2,016,568	\$ 1,862,974	\$ 1,016,922	\$ 1,502,688
Portfolio turnover rate <sup>J</sup>	10% <sup>I</sup>	2%	8%	7%	5%	5%

A Net investment income (loss) is calculated as investment income less investment expenses. Investment income includes dividends, interest, and other income. Investment expenses include management fees, administrative fees, and other expenses. Net investment income (loss) is reported net of these expenses.

B Net realized and unrealized gain (loss) is calculated as the change in net asset value from the beginning of the period to the end of the period, excluding the effect of distributions. Net realized gain (loss) is the change in net asset value from the beginning of the period to the end of the period, excluding the effect of distributions and net investment income (loss). Net unrealized gain (loss) is the change in net asset value from the beginning of the period to the end of the period, excluding the effect of distributions and net investment income (loss).

C Distributions from net investment income are calculated as net investment income less net investment income (loss). Distributions from net realized gain are calculated as net realized gain less net realized gain (loss).

D Total Return is calculated as the change in net asset value from the beginning of the period to the end of the period, divided by the net asset value at the beginning of the period. Total Return is reported as a percentage.

E Total Return is calculated as the change in net asset value from the beginning of the period to the end of the period, divided by the net asset value at the beginning of the period. Total Return is reported as a percentage.

F Total Return is calculated as the change in net asset value from the beginning of the period to the end of the period, divided by the net asset value at the beginning of the period. Total Return is reported as a percentage.

G Expenses before reductions are calculated as the sum of all expenses before reductions. Expenses net of fee waivers, if any, are calculated as the sum of all expenses net of fee waivers, if any. Expenses net of all reductions are calculated as the sum of all expenses net of all reductions.

H Net investment income (loss) is calculated as investment income less investment expenses. Net investment income (loss) is reported as a percentage of average net assets.

I Expenses before reductions, expenses net of fee waivers, if any, expenses net of all reductions, and net investment income (loss) are reported as a percentage of average net assets.

J Portfolio turnover rate is calculated as the sum of the absolute values of the purchases and sales of securities, divided by the average net assets. Portfolio turnover rate is reported as a percentage.

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2022

## 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.

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 <sup>(a)</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	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 website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission 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 wRcRfeTm,T13\_h cslm3 4w ETF polf perio but doe

## Notes to Financial Statements (Unaudited) – continued

broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing vendors. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy. 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 June 30, 2022 is included at the end of the Fund's Schedule of Investments.



## Notes to Financial Statements (Unaudited) – continued

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:

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## 9. 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, custodian credits reduced the Fund's expenses by \$2.

## 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2022	Year ended December 31, 2021
VIP Index 500 Portfolio		
Distributions to shareholders		
Initial Class	\$ 90,390,314	\$182,479,752
Service Class	1,519,435	2,994,448
Service Class 2	21,195,270	40,619,961
Total	<u>\$113,105,019</u>	<u>\$226,094,161</u>

## 11. Share Transactions.

Transactions for each class of shares were as follows and may contain in-kind transactions:

	Shares Six months ended June 30, 2022	Shares Year ended December 31, 2021	Dollars Six months ended June 30, 2022	Dollars Year ended December 31, 2021
VIP Index 500 Portfolio				
Initial Class				
Shares sold	1,481,735	2,745,150	\$ 628,413,773	\$ 1,148,896,729
Reinvestment of distributions	206,131	436,935	90,390,314	182,479,752
Shares redeemed	(1,147,187)	(2,479,063)	(479,649,006)	(1,048,210,036)
Net increase (decrease)	<u>540,679</u>	<u>703,022</u>	<u>\$ 239,155,081</u>	<u>\$ 283,166,445</u>
Service Class				
Shares sold	14,733	23,523	\$ 6,212,623	\$ 9,835,903
Reinvestment of distributions	3,479	7,222	1,519,435	2,994,448
Shares redeemed	(12,915)	(30,087)	(5,432,066)	(12,494,804)
Net increase (decrease)	<u>5,297</u>	<u>658</u>	<u>\$ 2,299,992</u>	<u>\$ 335,547</u>
Service Class 2				
Shares sold	863,340	417,151	\$ 373,880,643	\$ 170,508,643
Reinvestment of distributions	48,995	99,223	21,195,270	40,619,961
Shares redeemed	(2,159,846)	(525,457)	(883,102,049)	(218,387,406)
Net increase (decrease)	<u>(1,247,511)</u>	<u>(9,083)</u>	<u>\$ (488,026,136)</u>	<u>\$ (7,258,802)</u>

## 12. Other.

A 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, a fund may also enter into contracts that provide general indemnifications. A fund's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against a 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 owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %
VIP Index 500 Portfolio	42%

## Notes to Financial Statements (Unaudited) – continued

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

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



# 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 (January 1, 2022 to June 30, 2022).

## Actual Expense

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

## Hypothetical Example for Comparison

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2022	Ending Account Value June 30, 2022	Expenses Paid During Period <sup>B</sup> January 1, 2022 to June 30, 2022
VIP Index 500 Portfolio				
Initial Class	.10%			
Actual		\$1,000.00	\$799.80	\$45
Hypothetical <sup>C</sup>		\$1,000.00	\$1,024.30	\$50
Service Class	.20%			
Actual		\$1,000.00	\$799.40	\$89
Hypothetical <sup>C</sup>		\$1,000.00	\$1,023.80	\$1.00
Service Class 2	.35%			
Actual		\$1,000.00	\$798.80	\$156
Hypothetical <sup>C</sup>		\$1,000.00	\$1,023.06	\$176

<sup>A</sup> Annualized Expense Ratio is calculated as follows:  $\frac{1}{1 + \frac{1}{100} \times \text{Expense Ratio}} = \frac{1}{1 + \frac{1}{100} \times .10} = \frac{1}{1.001} = .999$

<sup>B</sup> Expenses Paid During Period is calculated as follows:  $\frac{\text{Beginning Account Value} - \text{Ending Account Value}}{\text{Expense Ratio}} = \frac{\$1,000.00 - \$799.80}{.10} = \frac{\$200.20}{.10} = \$2,002.00$

<sup>C</sup> Hypothetical Example for Comparison is based on a 5% assumed rate of return before expenses.

# Board Approval of Investment Advisory Contracts and Management Fees

## VIP Index 500 Portfolio

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract with Fidelity Management & Research Company LLC (FMR) and the sub-advisory agreement (Sub-Advisory Agreement) for the fund with Geode Capital Management, LLC (Geode) (together, the Advisory Contracts). FMR and Geode 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 has established various standing committees (Committees), each composed of and chaired by Independent Trustees with varying backgrounds, to which the Board has assigned specific subject matter responsibilities in order to enhance effective decision-making by the Board. The Board, acting directly and through its Committees, requests and receives information concerning the annual consideration of the renewal of the fund's Advisory Contracts. The Board also meets as needed to review matters specifically related to the Board's annual consideration of the renewal of the Advisory Contracts. Members of the Board may also meet with trustees of other Fidelity funds through joint ad hoc committees to discuss certain matters relevant to all of the Fidelity funds.

At its May 2022 meeting, the Board unanimously determined to renew the fund's Advisory Contracts. In reaching its determination, the Board considered all factors it believed relevant, including (i) the nature, extent, and quality of the services provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness relative to peer funds of the fund's management fee and the total expense ratio of a representative class (Initial Class); (iii) the total costs of the services provided by and the profits realized by Fidelity and Geode from their respective relationships with the fund; and (iv) the extent to which, if any, economies of scale exist and are realized as the fund grows, and whether any economies of scale are appropriately shared with fund shareholders.

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

**Nature, Extent, and Quality of Services Provided.** The Board considered staffing as it relates to the fund, including the backgrounds of investment personnel of Fidelity and Geode, and also considered the fund's investment objective, strategies, and related investment philosophy. The Independent Trustees also had discussions with senior management of Fidelity's investment operations and investment groups and with senior management of Geode. The Board considered the structure of the investment personnel compensation programs and whether the structures provide appropriate incentives to act in the best interests of the fund. Additionally, the Board considered the portfolio managers' investments, if any, in the funds that they manage. The Board also considered the steps Fidelity and Geode have taken to ensure the continued provision of high quality services to the Fidelity funds during the COVID-19 pandemic, including the expansion of staff in client facing positions to maintain service levels in periods of high volumes and volatility.

The Trustees also discussed with representatives of Fidelity, at meetings throughout the year, Fidelity's role in, among other things, overseeing compliance with federal securities laws and other applicable requirements by Geode with respect to the fund and monitoring and overseeing the performance and investment capabilities of Geode. The Trustees considered that the Board had received from Fidelity periodic reports about its oversight and due diligence processes, as well as periodic reports regarding the performance of Geode.

The Board also considered the nature, extent and quality of services provided by Geode. The Trustees noted that under the Sub-Advisory Agreement, subject to oversight by Fidelity, Geode is responsible for, among other things, identifying investments and arranging for execution of portfolio transactions to implement the fund's investment strategy. In addition, the Trustees noted that Geode is responsible for providing such reporting as may be requested by Fidelity to fulfill its oversight responsibilities discussed above.

**Resources Dedicated to Investment Management and Support Services.** The Board and the Fund Oversight and Research Committees reviewed the general qualifications and capabilities of Fidelity's and Geode's investment staffs, including their size, education, experience, and resources, as well as Fidelity's and Geode's approach to recruiting, training, managing, and compensating investment personnel. The Board considered that Fidelity's and Geode's investment professionals have extensive resources, tools and capabilities so as to provide competitive investment results over time, and that those professionals also have access to sophisticated tools that permit them to assess portfolio construction and risk and performance attribution characteristics continuously. Additionally, in its deliberations, the Board considered Fidelity's and Geode's trading, risk management, compliance, and technology and operations capabilities and resources, which are integral parts of the investment management process.

**Shareholder and Administrative Services.** The Board considered (i) the nature, extent, quality, and cost of advisory, administrative, and shareholder services performed by the Investment Advisers and their affiliates under the Advisory Contracts and by FMR's affiliates under separate agreements covering transfer agency, pricing and bookkeeping, and securities lending services for the fund; (ii) the nature and extent of the supervision of third party service providers, principally custodians, subcustodians, and pricing vendors; and (iii) the resources devoted to, and the record of compliance with, the fund's compliance policies and procedures. The Board also reviewed the allocation of fund brokerage, including allocations to brokers affiliated with the Investment Advisers.

The Board noted that the growth of fund assets over time across the complex allows Fidelity to reinvest in the development of services designed to enhance the value and convenience of the Fidelity funds as investment vehicles. These services include 24-hour access to account information and market information over the Internet and through telephone representatives, investor education materials, and asset allocation tools. The Board also considered that it reviews customer service metrics such as telephone response times, continuity of services on the website and metrics addressing services at Fidelity Investor Centers.

**Investment in a Large Fund Family.** The Board considered the benefits to shareholders of investing in a Fidelity fund, including the benefits of investing in a fund that is part of a large family of

process, which includes meetings with management of issuers of securities in which the funds invest; (ii) continuing efforts to enhance Fidelity's global research capabilities; (iii) launching new funds and ETFs with innovative structures, strategies and pricing and making other enhancements to meet client needs; (iv) launching new share classes of existing funds; (v) eliminating purchase minimums and broadening eligibility requirements for certain funds and share classes; (vi) reducing management fees and total expenses for certain target date funds and classes and index funds; (vii) lowering expenses for certain existing funds and classes by implementing or lowering expense caps; (viii) rationalizing product lines and gaining increased efficiencies from fund mergers and liquidations; (ix) continuing to develop, acquire and implement systems and technology to improve services to the funds and shareholders, strengthen information security, and increase efficiency; and (x) continuing to implement enhancements to further strengthen Fidelity's product line to increase investors' probability of success in achieving their investment goals, including retirement income goals.

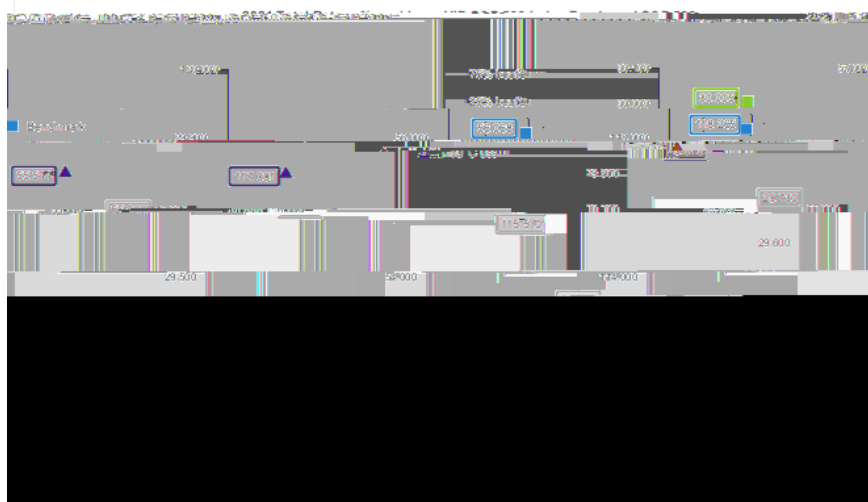
**Investment Performance.** The Board considered whether the fund has operated in accordance with its investment objective, as well as its record of compliance with its investment restrictions and its performance history.

The Board took into account discussions that occur at Board meetings throughout the year with representatives of the Investment Advisers about fund investment performance. In this regard the Board noted that as part of regularly scheduled fund reviews and other reports to the Board on fund performance, the Board considers annualized return information for the fund for different time periods, measured against the securities market index the fund seeks to track and an appropriate peer group of funds with similar objectives (peer group). The Board also periodically considers the fund's tracking error versus its benchmark index. In its evaluation of fund investment performance, the Board gave particular attention to information indicating changes in performance of certain Fidelity funds for specific 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. In general, the Independent Trustees believe that an index fund's performance should be evaluated based on net performance (after fees and expenses) of the representative class, compared to a fund's benchmark index, over appropriate time periods taking into account relevant factors including the following: general market conditions; the characteristics of the fund's benchmark index; the extent to which statistical sampling is employed; any securities lending revenues; and fund cash flows and other factors.

The Independent Trustees recognize that shareholders evaluate performance on a net basis over their own holding periods, for which one-, three-, and five-year periods are often used as a proxy. For this reason, the performance information reviewed by the Board also included net cumulative total return information for the fund and an appropriate benchmark index and peer group for the most recent one-, three-, and five-year periods ended September 30, 2021, as shown below. Returns are shown compared to the 25th percentile (top of box, 75% beaten) and 75th percentile (bottom of box, 25% beaten) of the peer universe.

#### VIP Index 500 Portfolio



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 considered the fund's management fee and total expense ratio compared to "mapped groups" of competitive funds and classes created for the purpose of facilitating the Trustees' competitive analysis of management fees and total expenses. Fidelity creates "mapped groups" by combining similar Lipper investment objective categories that have comparable investment mandates. Combining Lipper investment objective categories aids the Board's management fee and total expense ratio comparisons by broadening the competitive group used for comparison.

**Management Fee.** The Board considered two proprietary management fee comparisons for the 12-month periods ended September 30 (June 30 for periods ended 2019 and 2018 and December 31 for periods prior to 2018) shown in basis points (BP) in the chart below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the "Total Mapped Group." The Total Mapped Group is broader than the Lipper peer group used by the Board for performance comparisons because the Total Mapped Group combines several Lipper investment objective categories while the Lipper peer group does not. The Total Mapped Group comparison focuses on a fund's standing in terms of gross management fees before expense reimbursements or caps relative to the total universe of funds with comparable investment mandates, regardless of whether their management fee structures also are comparable. Funds with comparable investment mandates offer exposure to similar types of securities. Funds with comparable management fee structures have similar management fee contractual arrangements ( . . . flat rate

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

charged for advisory services, all-inclusive fee rate, (X). "TMG %" represents the percentage of funds in the Total Mapped Group that had management fees that were lower than the fund's. For example, a hypothetical TMG % of 20% would mean that 80% of the funds in the Total Mapped Group had higher, and 20% had lower, management fees than the fund. The fund's actual TMG %s and the number of funds in the Total Mapped Group are in the chart below. The "Asset-Sized Peer Group" (ASPG) comparison focuses on a fund's standing relative to a subset of non-Fidelity funds within the Total Mapped Group that are similar in size and management fee structure. For example, if a fund is in the first quartile of the ASPG, the fund's management fee ranks in the least expensive or lowest 25% of funds in the ASPG. The ASPG represents at least 15% of the funds in the Total Mapped Group with comparable asset size and management fee structures, subject to a minimum of 50 funds (or all funds in the Total Mapped Group if fewer than 50). Additional information, such as the ASPG quartile in which the fund's management fee rate ranked, is also included in the chart and was considered by the Board.

### VIP Index 500 Portfolio

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 mutual 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.

The Board also reviewed Fidelity's and Geode's non-fund businesses and potential indirect benefits such businesses may have received as a result of their association with Fidelity's mutual fund business (i.e., fall-out benefits) as well as cases where Fidelity's and Geode's affiliates may benefit from the funds' business. The Board considered areas where potential indirect benefits to the Fidelity funds from their relationships with Fidelity and Geode may exist. The Board's consideration of these matters was informed by the findings of a joint ad hoc committee created by it and the boards of other Fidelity funds to evaluate potential fall-out benefits.

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

The Board also considered information regarding the profitability of Geode's relationship with the fund.

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

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

**Additional Information Requested by the Board.** In order to determine whether economies of scale are being appropriately shared between fund shareholders and Fidelity, the Board requested the following information from Fidelity and Geode:





