

**Fidelity® Variable Insurance Products:
Freedom Funds –
Income, 2005, 2010, 2015, 2020, 2025, 2030, 2035,
2040, 2045, 2050**



Semiannual Report
June 30, 2010



Contents

Shareholder Expense Example	4	An example of shareholder expenses.
Freedom Income Portfolio	7	Investment Changes
	8	Investments
	9	Financial Statements
Freedom 2005 Portfolio	12	Investment Changes
	13	Investments
	14	Financial Statements
Freedom 2010 Portfolio	17	Investment Changes
	18	Investments
	19	Financial Statements
Freedom 2015 Portfolio	22	Investment Changes
	23	Investments
	24	Financial Statements
Freedom 2020 Portfolio	27	Investment Changes
	28	Investments
	29	Financial Statements
Freedom 2025 Portfolio	32	Investment Changes
	33	Investments
	34	Financial Statements
Freedom 2030 Portfolio	37	Investment Changes
	38	Investments
	39	Financial Statements
Freedom 2035 Portfolio	42	Investment Changes
	43	Investments
	44	Financial Statements
Freedom 2040 Portfolio	47	Investment Changes
	48	Investments
	49	Financial Statements
Freedom 2045 Portfolio	52	Investment Changes
	53	Investments
	54	Financial Statements
Freedom 2050 Portfolio	57	Investment Changes
	58	Investments
	59	Financial Statements
Notes	62	Notes to the financial statements.

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.

Standard & Poor's, S&P and S&P 500 are registered service marks of The McGraw-Hill Companies, Inc. and have been licensed for use by Fidelity Distributors Corporation.

Other third party marks appearing herein are the property of their respective owners.

All other marks appearing herein are registered or unregistered trademarks or service marks of FMR LLC or an affiliated company.

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

A fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Forms N-Q are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. For a complete list of a fund's portfolio holdings, view the most recent holdings listing, semiannual report, or annual report on Fidelity's web site at <http://www.fidelity.com> or <http://www.advisor.fidelity.com>, as applicable.

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Neither the funds nor Fidelity Distributors Corporation is a bank.

Shareholder Expense Example

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

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2010 to June 30, 2010).

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period* January 1, 2010 to June 30, 2010
VIP Freedom Income				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 1,010.50	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 1,010.50	\$.50
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 1,009.60	\$ 1.25
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2005				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 990.40	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 989.30	\$.49
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 989.30	\$ 1.23
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25

	Annualized Expense Ratio	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period* January 1, 2010 to June 30, 2010
VIP Freedom 2010				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 987.70	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 985.70	\$.49
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 985.60	\$ 1.23
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2015				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 985.20	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 985.20	\$.49
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 984.10	\$ 1.23
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2020				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 973.70	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 974.70	\$.49
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 973.60	\$ 1.22
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2025				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 966.10	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 965.00	\$.49
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 964.90	\$ 1.22
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2030				
Initial Class				
Actual	.00%	\$ 1,000.00	\$ 957.30	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual	.10%	\$ 1,000.00	\$ 957.30	\$.49
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual	.25%	\$ 1,000.00	\$ 957.20	\$ 1.21
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25

Shareholder Expense Example – continued

	Annualized Expense Ratio	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period* January 1, 2010 to June 30, 2010
VIP Freedom 2035				
Initial Class				
Actual .....	.00%	\$ 1,000.00	\$ 950.00	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual .....	.10%	\$ 1,000.00	\$ 949.90	\$.48
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual .....	.25%	\$ 1,000.00	\$ 949.20	\$ 1.21
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2040				
Initial Class				
Actual .....	.00%	\$ 1,000.00	\$ 949.20	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual .....	.10%	\$ 1,000.00	\$ 948.40	\$.48
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual .....	.25%	\$ 1,000.00	\$ 947.70	\$ 1.21
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2045				
Initial Class				
Actual .....	.00%	\$ 1,000.00	\$ 946.40	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual .....	.10%	\$ 1,000.00	\$ 945.70	\$.48
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual .....	.25%	\$ 1,000.00	\$ 945.70	\$ 1.21
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25
VIP Freedom 2050				
Initial Class				
Actual .....	.00%	\$ 1,000.00	\$ 939.20	\$.00
Hypothetical ^A		\$ 1,000.00	\$ 1,024.79	\$.00
Service Class				
Actual .....	.10%	\$ 1,000.00	\$ 939.20	\$.48
Hypothetical ^A		\$ 1,000.00	\$ 1,024.30	\$.50
Service Class 2				
Actual .....	.25%	\$ 1,000.00	\$ 938.50	\$ 1.20
Hypothetical ^A		\$ 1,000.00	\$ 1,023.55	\$ 1.25

^A 5% return per year before expenses

* Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). The fees and expenses of the underlying Fidelity Funds in which the Fund invests are not included in each Class' annualized expense ratio.

VIP Freedom Income Portfolio Investment Changes (Unaudited)

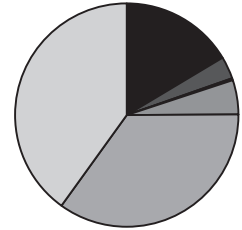
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	2.6	3.2
VIP Equity-Income Portfolio Initial Class	3.0	3.7
VIP Growth & Income Portfolio Initial Class	3.0	3.8
VIP Growth Portfolio Initial Class	3.0	3.8
VIP Mid Cap Portfolio Initial Class	1.1	1.3
VIP Value Portfolio Initial Class	2.6	3.3
VIP Value Strategies Portfolio Initial Class	1.1	1.4
	<u>16.4</u>	<u>20.5</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	3.2	0.0
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	0.3	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	5.0	5.1
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	35.1	34.7
Short-Term Funds		
VIP Money Market Portfolio Initial Class	40.1	39.7
Net Other Assets		
Net Other Assets	(0.1)	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

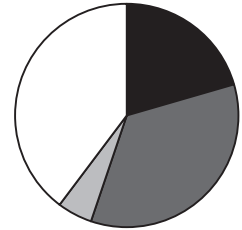
Current

Domestic Equity Funds	16.4%
Developed International Equity Funds	3.2%
Emerging Markets Equity Funds	0.3%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	35.1%
Short-Term Funds	40.1%
Net Other Assets [†]	(0.1)%



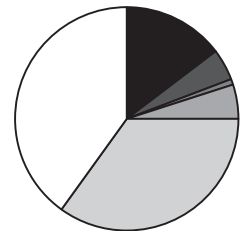
Six months ago

Domestic Equity Funds	20.5%
Investment Grade Bond Funds	34.7%
High Yield Bond Funds	5.1%
Short-Term Funds	39.7%



Expected

Domestic Equity Funds	14.6%
Developed International Equity Funds	4.6%
Emerging Markets Equity Funds	0.8%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	35.0%
Short-Term Funds	40.0%



The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

† Net Other Assets are not included in the pie chart.

VIP Freedom Income Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 16.4%

	Shares	Value
Domestic Equity Funds – 16.4%		
VIP Contrafund Portfolio Initial Class . . .	23,030	\$ 443,320
VIP Equity-Income Portfolio Initial Class .	33,074	515,956
VIP Growth & Income Portfolio Initial Class	50,624	515,855
VIP Growth Portfolio Initial Class	18,106	516,391
VIP Mid Cap Portfolio Initial Class	7,159	185,130
VIP Value Portfolio Initial Class	48,878	442,836
VIP Value Strategies Portfolio Initial Class	24,352	184,585

TOTAL DOMESTIC EQUITY FUNDS
(Cost \$3,680,452) **2,804,073**

International Equity Funds – 3.5%

Developed International Equity Funds – 3.2%		
VIP Overseas Portfolio Initial Class	41,204	536,058
Emerging Markets Equity Funds – 0.3%		
VIP Emerging Markets Portfolio Initial Class	6,549	51,210

TOTAL INTERNATIONAL EQUITY FUNDS
(Cost \$616,147) **587,268**

Bond Funds – 40.1%

High Yield Bond Funds – 5.0%		
VIP High Income Portfolio Initial Class	156,631	856,772
Investment Grade Bond Funds – 35.1%		
VIP Investment Grade Bond Portfolio Initial Class	456,120	6,002,536

TOTAL BOND FUNDS
(Cost \$6,574,556) **6,859,308**

Short-Term Funds – 40.1%

VIP Money Market Portfolio Initial Class (Cost \$6,855,233)	6,855,233	6,855,233
---	-----------	-----------

TOTAL INVESTMENT PORTFOLIO – 100.1%
(Cost \$17,726,388) **17,105,882**

NET OTHER ASSETS (LIABILITIES) – (0.1)% (15,150)

NET ASSETS – 100% \$ 17,090,732

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom Income Portfolio

Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$17,726,388) — See accompanying schedule	\$ 17,105,882
Receivable for investments sold	188
Receivable for fund shares sold	206
Total assets	<u>17,106,276</u>
Liabilities	
Payable to custodian bank	\$ 29
Payable for investments purchased ..	85
Payable for fund shares redeemed ..	14,100
Distribution fees payable	<u>1,330</u>
Total liabilities	<u>15,544</u>
Net Assets	<u>\$ 17,090,732</u>
Net Assets consist of:	
Paid in capital	\$ 17,551,012
Undistributed net investment income ..	2,924
Accumulated undistributed net realized gain (loss) on investments ..	157,302
Net unrealized appreciation (depreciation) on investments	<u>(620,506)</u>
Net Assets	<u>\$ 17,090,732</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$10,626,715 ÷ 1,054,305 shares)	<u>\$ 10.08</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$204,968 ÷ 20,330 shares) ..	<u>\$ 10.08</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$6,259,049 ÷ 623,549 shares)	<u>\$ 10.04</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 11,326
Expenses	
Distribution fees	\$ 8,402
Independent trustees' compensation ..	32
Total expenses before reductions ..	8,434
Expense reductions	<u>(32)</u>
Net investment income (loss)	<u>2,924</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	280,665
Capital gain distributions from underlying funds	<u>1,058</u>
Change in net unrealized appreciation (depreciation) on underlying funds	<u>(66,627)</u>
Net gain (loss)	<u>215,096</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ 218,020</u>

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

VIP Freedom Income Portfolio
Financial Statements – continued

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 2,924	\$ 643,136
Net realized gain (loss)	281,723	204,551
Change in net unrealized appreciation (depreciation)	(66,627)	1,442,211
Net increase (decrease) in net assets resulting from operations	<u>218,020</u>	<u>2,289,898</u>
Distributions to shareholders from net investment income	—	(651,988)
Distributions to shareholders from net realized gain	(47,700)	(251,371)
Total distributions	<u>(47,700)</u>	<u>(903,359)</u>
Share transactions – net increase (decrease)	(2,675,236)	4,138,154
Total increase (decrease) in net assets	<u>(2,504,916)</u>	<u>5,524,693</u>
Net Assets		
Beginning of period	19,595,648	14,070,955
End of period (including undistributed net investment income of \$2,924 and undistributed net investment income of \$0, respectively)	<u>\$ 17,090,732</u>	<u>\$ 19,595,648</u>

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	2009	2008	Years ended December 31,		2005 ⁶
				2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 10.00	\$ 9.14	\$ 10.80	\$ 10.71	\$ 10.36	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E .....	.01	.39	.36	.43	.40	.16
Net realized and unrealized gain (loss) .....	.10	.96	(1.48)	.22	.32	.30
Total from investment operations	<u>.11</u>	<u>1.35</u>	<u>(1.12)</u>	<u>.65</u>	<u>.72</u>	<u>.46</u>
Distributions from net investment income	—	(.35)	(.37)	(.44)	(.32)	(.10)
Distributions from net realized gain	(.03)	(.15)	(.17)	(.12)	(.05)	—
Total distributions	<u>(.03)</u>	<u>(.49)¹</u>	<u>(.54)</u>	<u>(.56)</u>	<u>(.37)</u>	<u>(.10)</u>
Net asset value, end of period	<u>\$ 10.08</u>	<u>\$ 10.00</u>	<u>\$ 9.14</u>	<u>\$ 10.80</u>	<u>\$ 10.71</u>	<u>\$ 10.36</u>
Total Return^{B,C,D}	1.05%	14.95%	(10.45)%	6.10%	6.94%	4.58%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions .....	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of fee waivers, if any .....	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of all reductions .....	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Net investment income (loss) .....	.12% ^A	4.00%	3.50%	3.93%	3.75%	2.34% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 10,627	\$ 12,679	\$ 8,976	\$ 10,035	\$ 9,398	\$ 5,954
Portfolio turnover rate	33% ^A	32%	55%	56%	44%	12% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Total distributions of \$.49 per share is comprised of distributions from net investment income of \$.347 and distributions from net realized gain of \$.146 per share.

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

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 10.00	\$ 9.14	\$ 10.81	\$ 10.71	\$ 10.36	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ¹	.37	.35	.42	.39	.16
Net realized and unrealized gain (loss)	.11	.97	(1.50)	.23	.32	.29
Total from investment operations	.11	1.34	(1.15)	.65	.71	.45
Distributions from net investment income	—	(.33)	(.35)	(.43)	(.31)	(.09)
Distributions from net realized gain	(.03)	(.15)	(.17)	(.12)	(.05)	—
Total distributions	(.03)	(.48) ¹	(.52)	(.55)	(.36)	(.09)
Net asset value, end of period	\$ 10.08	\$ 10.00	\$ 9.14	\$ 10.81	\$ 10.71	\$ 10.36
Total Return^{B,C,D}	1.05%	14.81%	(10.65)%	6.10%	6.83%	4.51%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	.02% ^A	3.90%	3.40%	3.83%	3.65%	2.24% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 205	\$ 163	\$ 258	\$ 414	\$ 391	\$ 366
Portfolio turnover rate	33% ^A	32%	55%	56%	44%	12% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Amount represents less than \$.01 per share. ¹Total distributions of \$.48 per share is comprised of distributions from net investment income of \$.334 and distributions from net realized gain of \$.146 per share.

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.97	\$ 9.12	\$ 10.78	\$ 10.69	\$ 10.36	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.36	.33	.40	.37	.15
Net realized and unrealized gain (loss)	.11	.96	(1.48)	.23	.32	.29
Total from investment operations	.10	1.32	(1.15)	.63	.69	.44
Distributions from net investment income	—	(.33)	(.34)	(.42)	(.31)	(.08)
Distributions from net realized gain	(.03)	(.15)	(.17)	(.12)	(.05)	—
Total distributions	(.03)	(.47) ¹	(.51)	(.54)	(.36)	(.08)
Net asset value, end of period	\$ 10.04	\$ 9.97	\$ 9.12	\$ 10.78	\$ 10.69	\$ 10.36
Total Return^{B,C,D}	.96%	14.64%	(10.70)%	5.92%	6.61%	4.41%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.13)% ^A	3.76%	3.25%	3.68%	3.50%	2.09% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 6,259	\$ 6,753	\$ 4,836	\$ 3,589	\$ 1,061	\$ 365
Portfolio turnover rate	33% ^A	32%	55%	56%	44%	12% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Total distributions of \$.47 per share is comprised of distributions from net investment income of \$.326 and distributions from net realized gain of \$.146 per share.

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

VIP Freedom 2005 Portfolio Investment Changes (Unaudited)

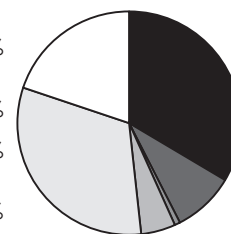
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	5.3	6.1
VIP Equity-Income Portfolio Initial Class	6.2	7.0
VIP Growth & Income Portfolio Initial Class	6.1	7.0
VIP Growth Portfolio Initial Class	6.2	7.1
VIP Mid Cap Portfolio Initial Class	2.2	2.5
VIP Value Portfolio Initial Class	5.3	6.2
VIP Value Strategies Portfolio Initial Class	2.2	2.6
	<u>33.5</u>	<u>38.5</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	9.0	7.6
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	0.8	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	5.0	5.0
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	31.9	32.1
Short-Term Funds		
VIP Money Market Portfolio Initial Class	19.8	16.8
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

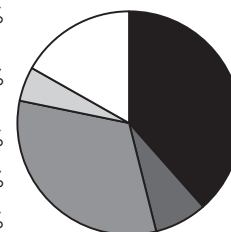
Current

Domestic Equity Funds	33.5%
Developed International Equity Funds	9.0%
Emerging Markets Equity Funds	0.8%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	31.9%
Short-Term Funds	19.8%



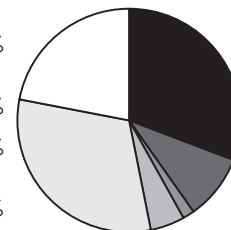
Six months ago

Domestic Equity Funds	38.5%
Developed International Equity Funds	7.6%
Investment Grade Bond Funds	32.1%
High Yield Bond Funds	5.0%
Short-Term Funds	16.8%



Expected

Domestic Equity Funds	30.8%
Developed International Equity Funds	9.5%
Emerging Markets Equity Funds	1.7%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	31.2%
Short-Term Funds	21.8%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2005 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 33.5%

	Shares	Value
Domestic Equity Funds – 33.5%		
VIP Contrafund Portfolio Initial Class . . .	15,444	\$ 297,289
VIP Equity-Income Portfolio Initial Class .	22,156	345,637
VIP Growth & Income Portfolio Initial Class	33,913	345,569
VIP Growth Portfolio Initial Class	12,129	345,928
VIP Mid Cap Portfolio Initial Class	4,797	124,049
VIP Value Portfolio Initial Class	32,778	296,964
VIP Value Strategies Portfolio Initial Class	16,317	123,684
TOTAL DOMESTIC EQUITY FUNDS (Cost \$2,631,947)		1,879,120

International Equity Funds – 9.8%

Developed International Equity Funds – 9.0%		
VIP Overseas Portfolio Initial Class	38,731	503,888
Emerging Markets Equity Funds – 0.8%		
VIP Emerging Markets Portfolio Initial Class	6,176	48,297
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$771,454)		552,185

Bond Funds – 36.9%

High Yield Bond Funds – 5.0%		
VIP High Income Portfolio Initial Class . .	51,531	281,874
Investment Grade Bond Funds – 31.9%		
VIP Investment Grade Bond Portfolio Initial Class	136,011	1,789,905
TOTAL BOND FUNDS (Cost \$1,997,169)		2,071,779

Short-Term Funds – 19.8%

VIP Money Market Portfolio Initial Class (Cost \$1,113,015)	1,113,015	1,113,015
TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$6,513,585)		5,616,099

NET OTHER ASSETS (LIABILITIES) – 0.0%	(58)
NET ASSETS – 100%	\$ 5,616,041

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2005 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$6,513,585) — See accompanying schedule	\$ 5,616,099
Receivable for investments sold	121
Total assets	<u>5,616,220</u>
Liabilities	
Payable to custodian bank	\$ 1
Payable for investments purchased ..	14
Payable for fund shares redeemed ..	115
Distribution fees payable	49
Total liabilities	<u>179</u>
Net Assets	<u>\$ 5,616,041</u>
Net Assets consist of:	
Paid in capital	\$ 6,701,542
Undistributed net investment income	3,512
Accumulated undistributed net realized gain (loss) on investments ..	(191,527)
Net unrealized appreciation (depreciation) on investments	(897,486)
Net Assets	<u>\$ 5,616,041</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$5,318,737 ÷ 579,881 shares) ..	<u>\$ 9.17</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$134,237 ÷ 14,634 shares) ..	<u>\$ 9.17</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$163,067 ÷ 17,777 shares) ..	<u>\$ 9.17</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 3,039
Expenses	
Distribution fees	\$ 250
Independent trustees' compensation ..	11
Total expenses before reductions ..	261
Expense reductions	(11)
Net investment income (loss)	<u>2,789</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	(57,318)
Capital gain distributions from underlying funds	706
Change in net unrealized appreciation (depreciation) on underlying funds	26,698
Net gain (loss)	<u>(29,914)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (27,125)</u>

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

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ 2,789	\$ 259,416
Net realized gain (loss)	(56,612)	156,333
Change in net unrealized appreciation (depreciation)	26,698	944,768
Net increase (decrease) in net assets resulting from operations	(27,125)	1,360,517
Distributions to shareholders from net investment income	—	(259,101)
Distributions to shareholders from net realized gain	(58,026)	(199,216)
Total distributions	(58,026)	(458,317)
Share transactions – net increase (decrease)	(1,487,099)	(227,175)
Total increase (decrease) in net assets	(1,572,250)	675,025
Net Assets		
Beginning of period	7,188,291	6,513,266
End of period (including undistributed net investment income of \$3,512 and undistributed net investment income of \$723, respectively)	\$ 5,616,041	\$ 7,188,291

Financial Highlights – Initial Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.34	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^I	.34	.34	.38	.31	.09
Net realized and unrealized gain (loss)	(.09)	1.48	(3.06)	.60	.72	.71
Total from investment operations	(.09)	1.82	(2.72)	.98	1.03	.80
Distributions from net investment income	—	(.35)	(.34)	(.34)	(.31)	(.06)
Distributions from net realized gain	(.08)	(.26)	(.39)	(.47)	(.05)	—
Total distributions	(.08)	(.62) ^K	(.73)	(.80) ^J	(.36)	(.06)
Net asset value, end of period	\$ 9.17	\$ 9.34	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74
Total Return^{B,C,D}	(.96)%	23.02%	(23.83)%	8.65%	9.59%	7.98%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of fee waivers, if any	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of all reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Net investment income (loss)	.09% ^A	3.95%	3.29%	3.20%	2.82%	1.24% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 5,319	\$ 6,833	\$ 5,993	\$ 9,203	\$ 7,871	\$ 5,284
Portfolio turnover rate	41% ^A	50%	51%	51%	56%	43% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$.80 per share is comprised of distributions from net investment income of \$.335 and distributions from net realized gain of \$.465 per share. ^KTotal distributions of \$.62 per share is comprised of distributions from net investment income of \$.353 and distributions from net realized gain of \$.262 per share.

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ^H
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^G	.33	.33	.37	.30	.08
Net realized and unrealized gain (loss)	(.10)	1.48	(3.06)	.60	.72	.71
Total from investment operations	(.10)	1.81	(2.73)	.97	1.02	.79
Distributions from net investment income	—	(.34)	(.33)	(.32)	(.30)	(.05)
Distributions from net realized gain	(.08)	(.26)	(.39)	(.47)	(.05)	—
Total distributions	(.08)	(.60) ^K	(.72)	(.79) ^L	(.35)	(.05)
Net asset value, end of period	\$ 9.17	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74
Total Return^{B,C,D}	(1.07)%	23.00%	(23.95)%	8.55%	9.48%	7.91%
Ratios to Average Net Assets^{F,I}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	(.01)% ^A	3.85%	3.19%	3.10%	2.72%	1.14% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 134	\$ 172	\$ 250	\$ 449	\$ 414	\$ 378
Portfolio turnover rate	41% ^A	50%	51%	51%	56%	43% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GAmount represents less than .01%. ^HFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^IExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^JTotal distributions of \$.79 per share is comprised of distributions from net investment income of \$.323 and distributions from net realized gain of \$.465 per share. ^KTotal distributions of \$.60 per share is comprised of distributions from net investment income of \$.341 and distributions from net realized gain of \$.262 per share.

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ^G
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.32	.31	.35	.29	.07
Net realized and unrealized gain (loss)	(.09)	1.48	(3.06)	.60	.71	.71
Total from investment operations	(.10)	1.80	(2.75)	.95	1.00	.78
Distributions from net investment income	—	(.32)	(.31)	(.31)	(.28)	(.04)
Distributions from net realized gain	(.08)	(.26)	(.39)	(.47)	(.05)	—
Total distributions	(.08)	(.59) ^J	(.70)	(.77) ^L	(.33)	(.04)
Net asset value, end of period	\$ 9.17	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74
Total Return^{B,C,D}	(1.07)%	22.78%	(24.12)%	8.40%	9.34%	7.80%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.16)% ^A	3.70%	3.04%	2.95%	2.57%	1.00% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 163	\$ 183	\$ 271	\$ 456	\$ 413	\$ 377
Portfolio turnover rate	41% ^A	50%	51%	51%	56%	43% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^ITotal distributions of \$.77 per share is comprised of distributions from net investment income of \$.306 and distributions from net realized gain of \$.465 per share. ^JTotal distributions of \$.59 per share is comprised of distributions from net investment income of \$.324 and distributions from net realized gain of \$.262 per share.

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

VIP Freedom 2010 Portfolio Investment Changes (Unaudited)

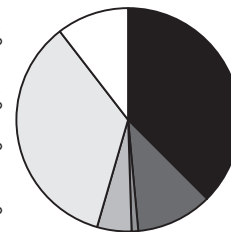
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	5.9	6.5
VIP Equity-Income Portfolio Initial Class	6.9	7.4
VIP Growth & Income Portfolio Initial Class	6.9	7.5
VIP Growth Portfolio Initial Class	6.9	7.6
VIP Mid Cap Portfolio Initial Class	2.5	2.6
VIP Value Portfolio Initial Class	5.9	6.5
VIP Value Strategies Portfolio Initial Class	2.5	2.7
	<u>37.5</u>	<u>40.8</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	11.0	9.9
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.0	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	5.0	5.1
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	35.1	33.9
Short-Term Funds		
VIP Money Market Portfolio Initial Class	10.4	10.3
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

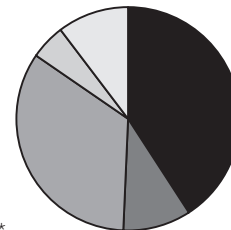
Current

Domestic Equity Funds	37.5%
Developed International Equity Funds	11.0%
Emerging Markets Equity Funds	1.0%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	35.1%
Short-Term Funds	10.4%



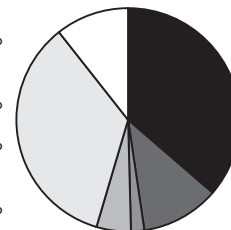
Six months ago

Domestic Equity Funds	40.8%
Developed International Equity Funds	9.9%
Investment Grade Bond Funds	33.9%
High Yield Bond Funds	5.1%
Short-Term Funds	10.3%
Cash Equivalents	0.0%*



Expected

Domestic Equity Funds	36.3%
Developed International Equity Funds	11.3%
Emerging Markets Equity Funds	2.0%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	34.8%
Short-Term Funds	10.6%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2010 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 37.5%

	Shares	Value
Domestic Equity Funds – 37.5%		
VIP Contrafund Portfolio Initial Class . . .	399,553	\$ 7,691,389
VIP Equity-Income Portfolio Initial Class	573,803	8,951,320
VIP Growth & Income Portfolio Initial Class	878,271	8,949,582
VIP Growth Portfolio Initial Class	314,123	8,958,780
VIP Mid Cap Portfolio Initial Class	124,461	3,218,551
VIP Value Portfolio Initial Class	848,022	7,683,079
VIP Value Strategies Portfolio Initial Class	423,374	3,209,173
TOTAL DOMESTIC EQUITY FUNDS (Cost \$64,617,696)		48,661,874

International Equity Funds – 12.0%

Developed International Equity Funds – 11.0%		
VIP Overseas Portfolio Initial Class	1,095,013	14,246,113
Emerging Markets Equity Funds – 1.0%		
VIP Emerging Markets Portfolio Initial Class	174,423	1,363,987
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$21,264,936)		15,610,100

Bond Funds – 40.1%

High Yield Bond Funds – 5.0%		
VIP High Income Portfolio Initial Class	1,191,926	6,519,837
Investment Grade Bond Funds – 35.1%		
VIP Investment Grade Bond Portfolio Initial Class	3,461,062	45,547,577
TOTAL BOND FUNDS (Cost \$50,305,196)		52,067,414

Short-Term Funds – 10.4%

VIP Money Market Portfolio Initial Class (Cost \$13,498,115)	13,498,115	13,498,115
---	------------	------------

TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$149,685,943)		129,837,503
--	--	--------------------

NET OTHER ASSETS (LIABILITIES) – 0.0% **(21,856)**

NET ASSETS – 100% **\$ 129,815,647**

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2010 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$149,685,943) — See accompanying schedule	\$ 129,837,503
Receivable for fund shares sold	1,424,384
Total assets	<u>131,261,887</u>
Liabilities	
Payable to custodian bank	\$ 94
Payable for investments purchased ..	1,346,009
Payable for fund shares redeemed ..	79,479
Distribution fees payable	20,658
Total liabilities	<u>1,446,240</u>
Net Assets	<u>\$ 129,815,647</u>
Net Assets consist of:	
Paid in capital	\$ 150,180,778
Accumulated net investment loss	(60,468)
Accumulated undistributed net realized gain (loss) on investments	(456,223)
Net unrealized appreciation (depreciation) on investments	(19,848,440)
Net Assets	<u>\$ 129,815,647</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$20,150,307 ÷ 2,102,130 shares)	<u>\$ 9.59</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$18,566,772 ÷ 1,939,410 shares)	<u>\$ 9.57</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$91,098,568 ÷ 9,551,289 shares)	<u>\$ 9.54</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 54,111
Interest	3
Total income	<u>54,114</u>
Expenses	
Distribution fees	\$ 123,111
Independent trustees' compensation	223
Total expenses before reductions ..	123,334
Expense reductions	(223)
	<u>123,111</u>
Net investment income (loss)	<u>(68,997)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	560,664
Capital gain distributions from underlying funds	14,069
	<u>574,733</u>
Change in net unrealized appreciation (depreciation) on underlying funds	(2,370,119)
Net gain (loss)	<u>(1,795,386)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (1,864,383)</u>

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

**VIP Freedom 2010 Portfolio
Financial Statements – continued**

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (68,997)	\$ 4,477,224
Net realized gain (loss)	574,733	1,326,323
Change in net unrealized appreciation (depreciation)	(2,370,119)	18,322,740
Net increase (decrease) in net assets resulting from operations	(1,864,383)	24,126,287
Distributions to shareholders from net investment income	—	(4,479,938)
Distributions to shareholders from net realized gain	(792,343)	(871,550)
Total distributions	(792,343)	(5,351,488)
Share transactions – net increase (decrease)	4,247,425	980,260
Total increase (decrease) in net assets	1,590,699	19,755,059
Net Assets		
Beginning of period	128,224,948	108,469,889
End of period (including accumulated net investment loss of \$60,468 and undistributed net investment income of \$8,529, respectively)	\$ 129,815,647	\$ 128,224,948

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	2009	2008	Years ended December 31,		2005 ⁶
				2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.77	\$ 8.23	\$ 11.96	\$ 11.59	\$ 10.78	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ¹	.38	.35	.36	.28	.11
Net realized and unrealized gain (loss)	(.12)	1.60	(3.32)	.64	.78	.72
Total from investment operations	(.12)	1.98	(2.97)	1.00	1.06	.83
Distributions from net investment income	—	(.37)	(.31)	(.30)	(.20)	(.05)
Distributions from net realized gain	(.06)	(.07)	(.45)	(.33)	(.05)	—
Total distributions	(.06)	(.44)	(.76)	(.63)	(.25)	(.05)
Net asset value, end of period	\$ 9.59	\$ 9.77	\$ 8.23	\$ 11.96	\$ 11.59	\$ 10.78
Total Return^{B,C,D}	(1.23)%	24.27%	(25.05)%	8.71%	9.82%	8.33%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of fee waivers, if any	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of all reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Net investment income (loss)	.08% ^A	4.22%	3.27%	2.95%	2.48%	1.56% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 20,150	\$ 21,197	\$ 24,962	\$ 26,629	\$ 20,992	\$ 13,343
Portfolio turnover rate	30% ^A	28%	34%	21%	24%	24% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Amount represents less than \$.01 per share.

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

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.77	\$ 8.23	\$ 11.95	\$ 11.58	\$ 10.77	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ¹	.37	.33	.35	.27	.10
Net realized and unrealized gain (loss)	(.14)	1.60	(3.30)	.64	.78	.72
Total from investment operations	(.14)	1.97	(2.97)	.99	1.05	.82
Distributions from net investment income	—	(.36)	(.30)	(.29)	(.19)	(.05)
Distributions from net realized gain	(.06)	(.07)	(.45)	(.33)	(.05)	—
Total distributions	(.06)	(.43)	(.75)	(.62)	(.24)	(.05)
Net asset value, end of period	\$ 9.57	\$ 9.77	\$ 8.23	\$ 11.95	\$ 11.58	\$ 10.77
Total Return^{B,C,D}	(1.43)%	24.15%	(25.08)%	8.65%	9.78%	8.17%
Ratios to Average Net Assets^{FH}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	(.02)% ^A	4.12%	3.17%	2.85%	2.39%	1.46% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 18,567	\$ 19,238	\$ 17,137	\$ 19,295	\$ 5,984	\$ 764
Portfolio turnover rate	30% ^A	28%	34%	21%	24%	24% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^AAmount represents less than \$.01 per share.

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.74	\$ 8.21	\$ 11.92	\$ 11.56	\$ 10.76	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.35	.32	.33	.25	.09
Net realized and unrealized gain (loss)	(.13)	1.60	(3.29)	.64	.78	.72
Total from investment operations	(.14)	1.95	(2.97)	.97	1.03	.81
Distributions from net investment income	—	(.35)	(.29)	(.28)	(.18)	(.05)
Distributions from net realized gain	(.06)	(.07)	(.45)	(.33)	(.05)	—
Total distributions	(.06)	(.42)	(.74)	(.61)	(.23)	(.05)
Net asset value, end of period	\$ 9.54	\$ 9.74	\$ 8.21	\$ 11.92	\$ 11.56	\$ 10.76
Total Return^{B,C,D}	(1.44)%	23.95%	(25.17)%	8.42%	9.58%	8.07%
Ratios to Average Net Assets^{FH}						
Expenses before reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.17)% ^A	3.97%	3.02%	2.70%	2.24%	1.31% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 91,099	\$ 87,791	\$ 66,370	\$ 62,510	\$ 38,662	\$ 9,702
Portfolio turnover rate	30% ^A	28%	34%	21%	24%	24% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests.

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

VIP Freedom 2015 Portfolio Investment Changes (Unaudited)

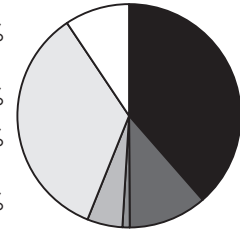
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	6.1	6.7
VIP Equity-Income Portfolio Initial Class	7.1	7.7
VIP Growth & Income Portfolio Initial Class	7.1	7.8
VIP Growth Portfolio Initial Class	7.1	7.9
VIP Mid Cap Portfolio Initial Class	2.6	2.8
VIP Value Portfolio Initial Class	6.1	6.8
VIP Value Strategies Portfolio Initial Class	2.5	2.8
	<u>38.6</u>	<u>42.5</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	11.3	10.3
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.1	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	5.1	5.3
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	34.6	33.4
Short-Term Funds		
VIP Money Market Portfolio Initial Class	9.3	8.5
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

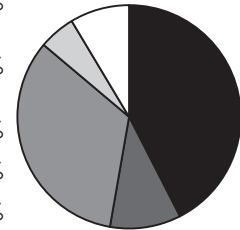
Current

Domestic Equity Funds	38.6%
Developed International Equity Funds	11.3%
Emerging Markets Equity Funds	1.1%
High Yield Bond Funds	5.1%
Investment Grade Bond Funds	34.6%
Short-Term Funds	9.3%



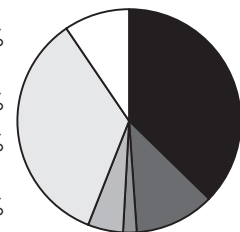
Six months ago

Domestic Equity Funds	42.5%
Developed International Equity Funds	10.3%
Investment Grade Bond Funds	33.4%
High Yield Bond Funds	5.3%
Short-Term Funds	8.5%



Expected

Domestic Equity Funds	37.3%
Developed International Equity Funds	11.6%
Emerging Markets Equity Funds	2.0%
High Yield Bond Funds	5.1%
Investment Grade Bond Funds	34.6%
Short-Term Funds	9.4%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2015 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 38.6%

	Shares	Value
Domestic Equity Funds – 38.6%		
VIP Contrafund Portfolio Initial Class	265,326	\$ 5,107,531
VIP Equity-Income Portfolio Initial Class	381,054	5,944,444
VIP Growth & Income Portfolio Initial Class	583,246	5,943,278
VIP Growth Portfolio Initial Class	208,606	5,949,451
VIP Mid Cap Portfolio Initial Class	82,477	2,132,865
VIP Value Portfolio Initial Class	563,130	5,101,954
VIP Value Strategies Portfolio Initial Class	280,552	2,126,585
TOTAL DOMESTIC EQUITY FUNDS (Cost \$40,115,730)		32,306,108

International Equity Funds – 12.4%

Developed International Equity Funds – 11.3%		
VIP Overseas Portfolio Initial Class	728,914	9,483,165
Emerging Markets Equity Funds – 1.1%		
VIP Emerging Markets Portfolio Initial Class	116,715	912,710
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$13,392,384)		10,395,875

Bond Funds – 39.7%

High Yield Bond Funds – 5.1%		
VIP High Income Portfolio Initial Class	785,240	4,295,264
Investment Grade Bond Funds – 34.6%		
VIP Investment Grade Bond Portfolio Initial Class	2,198,487	28,932,092
TOTAL BOND FUNDS (Cost \$31,990,867)		33,227,356

Short-Term Funds – 9.3%

VIP Money Market Portfolio Initial Class (Cost \$7,751,146)	7,751,146	7,751,146
--	-----------	-----------

TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$93,250,127)		83,680,485
---	--	-------------------

NET OTHER ASSETS (LIABILITIES) – 0.0%		(8,769)
--	--	----------------

NET ASSETS – 100%		\$ 83,671,716
------------------------------------	--	----------------------

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2015 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$93,250,127) — See accompanying schedule	\$ 83,680,485
Receivable for investments sold	1,107
Receivable for fund shares sold	8,847
Receivable from investment adviser for expense reductions	13
Total assets	<u>83,690,452</u>
Liabilities	
Payable to custodian bank	\$ 83
Payable for investments purchased	1,576
Payable for fund shares redeemed	7,145
Distribution fees payable	9,932
Total liabilities	<u>18,736</u>
Net Assets	<u>\$ 83,671,716</u>
Net Assets consist of:	
Paid in capital	\$ 93,702,223
Accumulated net investment loss	(14,913)
Accumulated undistributed net realized gain (loss) on investments	(445,952)
Net unrealized appreciation (depreciation) on investments	(9,569,642)
Net Assets	<u>\$ 83,671,716</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$35,840,316 ÷ 3,733,785 shares)	<u>\$ 9.60</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$1,916,819 ÷ 199,854 shares)	<u>\$ 9.59</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$45,914,581 ÷ 4,806,794 shares)	<u>\$ 9.55</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 33,641
Interest	1
Total income	<u>33,642</u>
Expenses	
Distribution fees	\$ 58,332
Independent trustees' compensation	143
Total expenses before reductions	58,475
Expense reductions	(143)
	<u>58,332</u>
Net investment income (loss)	<u>(24,690)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	97,657
Capital gain distributions from underlying funds	9,367
Change in net unrealized appreciation (depreciation) on underlying funds	(1,474,604)
Net gain (loss)	<u>(1,367,580)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (1,392,270)</u>

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

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (24,690)	\$ 2,636,979
Net realized gain (loss)	107,024	778,497
Change in net unrealized appreciation (depreciation)	(1,474,604)	11,395,277
Net increase (decrease) in net assets resulting from operations	(1,392,270)	14,810,753
Distributions to shareholders from net investment income	—	(2,643,534)
Distributions to shareholders from net realized gain	(294,722)	(904,007)
Total distributions	(294,722)	(3,547,541)
Share transactions – net increase (decrease)	4,009,227	17,317,820
Total increase (decrease) in net assets	2,322,235	28,581,032
Net Assets		
Beginning of period	81,349,481	52,768,449
End of period (including accumulated net investment loss of \$14,913 and undistributed net investment income of \$9,777, respectively)	\$ 83,671,716	\$ 81,349,481

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	2009	2008	Years ended December 31,		2005 ⁶
				2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.78	\$ 8.19	\$ 12.29	\$ 11.93	\$ 10.95	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^I	.38	.33	.37	.27	.11
Net realized and unrealized gain (loss)	(.14)	1.67	(3.61)	.73	.94	.90
Total from investment operations	(.14)	2.05	(3.28)	1.10	1.21	1.01
Distributions from net investment income	—	(.34)	(.30)	(.36)	(.14)	(.06)
Distributions from net realized gain	(.04)	(.12)	(.52)	(.38)	(.09)	—
Total distributions	(.04)	(.46)	(.82) ^J	(.74)	(.23)	(.06)
Net asset value, end of period	\$ 9.60	\$ 9.78	\$ 8.19	\$ 12.29	\$ 11.93	\$ 10.95
Total Return^{B,C,D}	(1.48)%	25.28%	(27.03)%	9.33%	11.04%	10.11%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of fee waivers, if any	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of all reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Net investment income (loss)	.08% ^A	4.21%	3.11%	2.93%	2.34%	1.50% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 35,840	\$ 37,291	\$ 25,977	\$ 33,780	\$ 23,712	\$ 13,930
Portfolio turnover rate	32% ^A	23%	27%	18%	24%	38% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$.82 per share is comprised of distributions from net investment income of \$.302 and distributions from net realized gain of \$.515 per share.

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.77	\$ 8.19	\$ 12.29	\$ 11.93	\$ 10.95	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ¹	.37	.31	.35	.26	.10
Net realized and unrealized gain (loss)	(.14)	1.66	(3.60)	.74	.94	.90
Total from investment operations	(.14)	2.03	(3.29)	1.09	1.20	1.00
Distributions from net investment income	—	(.33)	(.29)	(.35)	(.13)	(.05)
Distributions from net realized gain	(.04)	(.12)	(.52)	(.38)	(.09)	—
Total distributions	(.04)	(.45)	(.81) ¹	(.73)	(.22)	(.05)
Net asset value, end of period	\$ 9.59	\$ 9.77	\$ 8.19	\$ 12.29	\$ 11.93	\$ 10.95
Total Return^{B,C,D}	(1.48)%	25.06%	(27.10)%	9.23%	10.94%	10.04%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	(.02)% ^A	4.12%	3.01%	2.83%	2.24%	1.40% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 1,917	\$ 1,524	\$ 936	\$ 477	\$ 427	\$ 385
Portfolio turnover rate	32% ^A	23%	27%	18%	24%	38% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Amount represents less than \$.01 per share. ¹Total distributions of \$.81 per share is comprised of distributions from net investment income of \$.294 and distributions from net realized gain of \$.515 per share.

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.74	\$ 8.16	\$ 12.26	\$ 11.91	\$ 10.94	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.35	.30	.33	.24	.09
Net realized and unrealized gain (loss)	(.14)	1.67	(3.61)	.74	.95	.90
Total from investment operations	(.15)	2.02	(3.31)	1.07	1.19	.99
Distributions from net investment income	—	(.32)	(.28)	(.34)	(.13)	(.05)
Distributions from net realized gain	(.04)	(.12)	(.52)	(.38)	(.09)	—
Total distributions	(.04)	(.44)	(.79) ¹	(.72)	(.22)	(.05)
Net asset value, end of period	\$ 9.55	\$ 9.74	\$ 8.16	\$ 12.26	\$ 11.91	\$ 10.94
Total Return^{B,C,D}	(1.59)%	25.02%	(27.30)%	9.07%	10.84%	9.90%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.17)% ^A	3.97%	2.86%	2.68%	2.09%	1.25% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 45,915	\$ 42,534	\$ 25,855	\$ 24,497	\$ 9,984	\$ 653
Portfolio turnover rate	32% ^A	23%	27%	18%	24%	38% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Total distributions of \$.79 per share is comprised of distributions from net investment income of \$.279 and distributions from net realized gain of \$.515 per share.

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

VIP Freedom 2020 Portfolio Investment Changes (Unaudited)

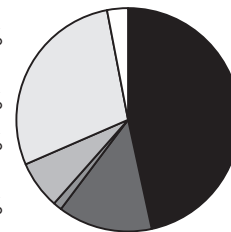
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	7.4	8.2
VIP Equity-Income Portfolio Initial Class	8.6	9.4
VIP Growth & Income Portfolio Initial Class	8.6	9.5
VIP Growth Portfolio Initial Class	8.6	9.6
VIP Mid Cap Portfolio Initial Class	3.1	3.4
VIP Value Portfolio Initial Class	7.3	8.3
VIP Value Strategies Portfolio Initial Class	3.0	3.5
	<u>46.6</u>	<u>51.9</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	13.7	12.6
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.3	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	6.9	7.2
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	28.5	26.4
Short-Term Funds		
VIP Money Market Portfolio Initial Class	3.0	1.9
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

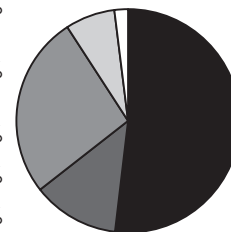
Current

Domestic Equity Funds	46.6%
Developed International Equity Funds	13.7%
Emerging Markets Equity Funds	1.3%
High Yield Bond Funds	6.9%
Investment Grade Bond Funds	28.5%
Short-Term Funds	3.0%



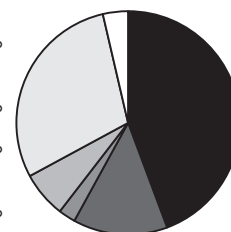
Six months ago

Domestic Equity Funds	51.9%
Developed International Equity Funds	12.6%
Investment Grade Bond Funds	26.4%
High Yield Bond Funds	7.2%
Short-Term Funds	1.9%



Expected

Domestic Equity Funds	44.3%
Developed International Equity Funds	13.7%
Emerging Markets Equity Funds	2.4%
High Yield Bond Funds	6.6%
Investment Grade Bond Funds	29.3%
Short-Term Funds	3.7%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2020 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 46.6%

	Shares	Value
Domestic Equity Funds – 46.6%		
VIP Contrafund Portfolio Initial Class . . .	1,087,705	\$ 20,938,320
VIP Equity-Income Portfolio Initial Class	1,562,267	24,371,370
VIP Growth & Income Portfolio Initial Class	2,391,226	24,366,588
VIP Growth Portfolio Initial Class	855,256	24,391,895
VIP Mid Cap Portfolio Initial Class	338,075	8,742,619
VIP Value Portfolio Initial Class	2,308,550	20,915,463
VIP Value Strategies Portfolio Initial Class	1,149,984	8,716,880
TOTAL DOMESTIC EQUITY FUNDS (Cost \$163,721,717)		132,443,135

International Equity Funds – 15.0%

Developed International Equity Funds – 13.7%		
VIP Overseas Portfolio Initial Class	2,987,409	38,866,191
Emerging Markets Equity Funds – 1.3%		
VIP Emerging Markets Portfolio Initial Class	476,354	3,725,090
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$54,871,643)		42,591,281

Bond Funds – 35.4%

High Yield Bond Funds – 6.9%		
VIP High Income Portfolio Initial Class	3,574,633	19,553,244
Investment Grade Bond Funds – 28.5%		
VIP Investment Grade Bond Portfolio Initial Class	6,147,127	80,896,195
TOTAL BOND FUNDS (Cost \$97,422,140)		100,449,439

Short-Term Funds – 3.0%

VIP Money Market Portfolio Initial Class (Cost \$8,421,996)	8,421,996	8,421,996
--	-----------	-----------

TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$324,437,496)		283,905,851
--	--	--------------------

NET OTHER ASSETS (LIABILITIES) – 0.0% **(44,964)**

NET ASSETS – 100% **\$ 283,860,887**

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2020 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$324,437,496) — See accompanying schedule	\$ 283,905,851
Receivable for investments sold	188,404
Receivable for fund shares sold	227,644
Total assets	<u>284,321,899</u>
Liabilities	
Payable to custodian bank	\$ 6,710
Payable for investments purchased ..	214,963
Payable for fund shares redeemed ..	191,011
Distribution fees payable	48,328
Total liabilities	<u>461,012</u>
Net Assets	<u>\$ 283,860,887</u>
Net Assets consist of:	
Paid in capital	\$ 326,703,628
Accumulated net investment loss	(183,582)
Accumulated undistributed net realized gain (loss) on investments ..	(2,127,514)
Net unrealized appreciation (depreciation) on investments	(40,531,645)
Net Assets	<u>\$ 283,860,887</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$38,369,814 ÷ 4,151,125 shares)	<u>\$ 9.24</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$27,571,193 ÷ 2,988,513 shares)	<u>\$ 9.23</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$217,919,880 ÷ 23,687,975 shares)	<u>\$ 9.20</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 84,594
Interest	4
Total income	<u>84,598</u>
Expenses	
Distribution fees	\$ 274,765
Independent trustees' compensation	459
Total expenses before reductions ..	275,224
Expense reductions	(459)
	<u>274,765</u>
Net investment income (loss)	<u>(190,167)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	(186,654)
Capital gain distributions from underlying funds	36,123
Change in net unrealized appreciation (depreciation) on underlying funds	(8,397,617)
Net gain (loss)	<u>(8,548,148)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (8,738,315)</u>

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

**VIP Freedom 2020 Portfolio
Financial Statements – continued**

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (190,167)	\$ 7,106,002
Net realized gain (loss)	(150,531)	1,690,863
Change in net unrealized appreciation (depreciation)	(8,397,617)	40,995,174
Net increase (decrease) in net assets resulting from operations	(8,738,315)	49,792,039
Distributions to shareholders from net investment income	—	(7,104,782)
Distributions to shareholders from net realized gain	(823,268)	(2,396,745)
Total distributions	(823,268)	(9,501,527)
Share transactions – net increase (decrease)	39,464,814	55,723,199
Total increase (decrease) in net assets	29,903,231	96,013,711
Net Assets		
Beginning of period	253,957,656	157,943,945
End of period (including accumulated net investment loss of \$183,582 and undistributed net investment income of \$6,585, respectively)	<u>\$ 283,860,887</u>	<u>\$ 253,957,656</u>

Financial Highlights – Initial Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.52	\$ 7.71	\$ 12.63	\$ 12.10	\$ 11.07	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^l	.33	.32	.35	.26	.13
Net realized and unrealized gain (loss)	(.25)	1.88	(4.38)	.88	1.06	1.00
Total from investment operations	(.25)	2.21	(4.06)	1.23	1.32	1.13
Distributions from net investment income	—	(.29)	(.28)	(.27)	(.18)	(.06)
Distributions from net realized gain	(.03)	(.11)	(.59)	(.43)	(.11)	—
Total distributions	(.03)	(.40) ^l	(.86) ^k	(.70) ^j	(.29)	(.06)
Net asset value, end of period	<u>\$ 9.24</u>	<u>\$ 9.52</u>	<u>\$ 7.71</u>	<u>\$ 12.63</u>	<u>\$ 12.10</u>	<u>\$ 11.07</u>
Total Return^{B,C,D}	(2.63)%	28.97%	(32.60)%	10.23%	11.95%	11.34%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions .....	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of fee waivers, if any .....	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of all reductions .....	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Net investment income (loss) .....	.06% ^A	3.93%	3.07%	2.76%	2.21%	1.80% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 38,370	\$ 38,330	\$ 33,089	\$ 31,465	\$ 21,356	\$ 16,085
Portfolio turnover rate	24% ^A	18%	24%	12%	21%	14% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$.70 per share is comprised of distributions from net investment income of \$.273 and distributions from net realized gain of \$.425 per share. ^KTotal distributions of \$.86 per share is comprised of distributions from net investment income of \$.279 and distributions from net realized gain of \$.585 per share. ^LTotal distributions of \$.40 per share is comprised of distributions from net investment income of \$.293 and distributions from net realized gain of \$.107 per share.

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

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.50	\$ 7.70	\$ 12.62	\$ 12.09	\$ 11.07	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^I	.32	.31	.34	.25	.12
Net realized and unrealized gain (loss)	(.24)	1.87	(4.38)	.88	1.06	1.01
Total from investment operations	(.24)	2.19	(4.07)	1.22	1.31	1.13
Distributions from net investment income	—	(.29)	(.27)	(.26)	(.18)	(.06)
Distributions from net realized gain	(.03)	(.11)	(.59)	(.43)	(.11)	—
Total distributions	(.03)	(.39) ^L	(.85) ^K	(.69) ^J	(.29)	(.06)
Net asset value, end of period	\$ 9.23	\$ 9.50	\$ 7.70	\$ 12.62	\$ 12.09	\$ 11.07
Total Return^{B,C,D}	(2.53)%	28.78%	(32.71)%	10.17%	11.81%	11.30%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	(.04)% ^A	3.83%	2.97%	2.66%	2.11%	1.70% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 27,571	\$ 25,941	\$ 18,325	\$ 19,881	\$ 6,555	\$ 1,586
Portfolio turnover rate	24% ^A	18%	24%	12%	21%	14% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$.69 per share is comprised of distributions from net investment income of \$.264 and distributions from net realized gain of \$.425 per share. ^KTotal distributions of \$.85 per share is comprised of distributions from net investment income of \$.269 and distributions from net realized gain of \$.585 per share. ^LTotal distributions of \$.39 per share is comprised of distributions from net investment income of \$.285 and distributions from net realized gain of \$.107 per share.

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.48	\$ 7.69	\$ 12.60	\$ 12.08	\$ 11.06	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.31	.30	.32	.23	.11
Net realized and unrealized gain (loss)	(.24)	1.86	(4.37)	.87	1.07	1.01
Total from investment operations	(.25)	2.17	(4.07)	1.19	1.30	1.12
Distributions from net investment income	—	(.28)	(.26)	(.25)	(.17)	(.06)
Distributions from net realized gain	(.03)	(.11)	(.59)	(.43)	(.11)	—
Total distributions	(.03)	(.38) ^K	(.84) ^J	(.67) ^I	(.28)	(.06)
Net asset value, end of period	\$ 9.20	\$ 9.48	\$ 7.69	\$ 12.60	\$ 12.08	\$ 11.06
Total Return^{B,C,D}	(2.64)%	28.55%	(32.80)%	9.97%	11.70%	11.17%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.19)% ^A	3.68%	2.82%	2.51%	1.96%	1.55% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 217,920	\$ 189,686	\$ 106,530	\$ 119,395	\$ 56,810	\$ 16,414
Portfolio turnover rate	24% ^A	18%	24%	12%	21%	14% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^ITotal distributions of \$.67 per share is comprised of distributions from net investment income of \$.249 and distributions from net realized gain of \$.425 per share. ^JTotal distributions of \$.84 per share is comprised of distributions from net investment income of \$.255 and distributions from net realized gain of \$.585 per share. ^KTotal distributions of \$.38 per share is comprised of distributions from net investment income of \$.275 and distributions from net realized gain of \$.107 per share.

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

VIP Freedom 2025 Portfolio Investment Changes (Unaudited)

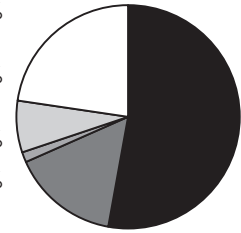
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	8.4	9.0
VIP Equity-Income Portfolio Initial Class	9.7	10.2
VIP Growth & Income Portfolio Initial Class	9.7	10.4
VIP Growth Portfolio Initial Class	9.7	10.5
VIP Mid Cap Portfolio Initial Class	3.5	3.7
VIP Value Portfolio Initial Class	8.3	9.1
VIP Value Strategies Portfolio Initial Class	3.5	3.8
	<u>52.8</u>	<u>56.7</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	15.5	13.8
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.5	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	7.5	7.6
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	22.7	21.9
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

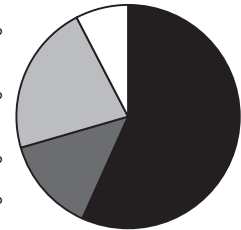
Current

Domestic Equity Funds	52.8%
Developed International Equity Funds	15.5%
Emerging Markets Equity Funds	1.5%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	22.7%



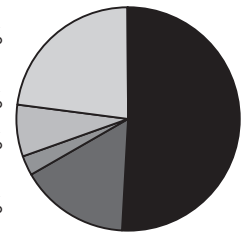
Six months ago

Domestic Equity Funds	56.7%
Developed International Equity Funds	13.8%
Investment Grade Bond Funds	21.9%
High Yield Bond Funds	7.6%



Expected

Domestic Equity Funds	50.9%
Developed International Equity Funds	15.8%
Emerging Markets Equity Funds	2.8%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	22.9%
Short-Term Funds	0.1%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2025 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 52.8%

	Shares	Value
Domestic Equity Funds – 52.8%		
VIP Contrafund Portfolio Initial Class . . .	111,587	\$ 2,148,049
VIP Equity-Income Portfolio Initial Class	160,273	2,500,264
VIP Growth & Income Portfolio Initial Class	245,316	2,499,773
VIP Growth Portfolio Initial Class	87,741	2,502,370
VIP Mid Cap Portfolio Initial Class	34,732	898,172
VIP Value Portfolio Initial Class	236,833	2,145,703
VIP Value Strategies Portfolio Initial Class	118,143	895,527
TOTAL DOMESTIC EQUITY FUNDS (Cost \$17,311,702)		13,589,858

International Equity Funds – 17.0%

Developed International Equity Funds – 15.5%		
VIP Overseas Portfolio Initial Class	306,533	3,988,001
Emerging Markets Equity Funds – 1.5%		
VIP Emerging Markets Portfolio Initial Class	49,142	384,292
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$5,719,807)		4,372,293

Bond Funds – 30.2%

High Yield Bond Funds – 7.5%		
VIP High Income Portfolio Initial Class	354,987	1,941,777
Investment Grade Bond Funds – 22.7%		
VIP Investment Grade Bond Portfolio Initial Class	442,851	5,827,918
TOTAL BOND FUNDS (Cost \$7,642,199)		7,769,695

TOTAL INVESTMENT PORTFOLIO – 100.0%
(Cost \$30,673,708) **25,731,846**

NET OTHER ASSETS (LIABILITIES) – 0.0% **(2,209)**

NET ASSETS – 100% **\$ 25,729,637**

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2025 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$30,673,708) — See accompanying schedule	\$ 25,731,846
Receivable for investments sold	5,483
Receivable for fund shares sold	5,541
Total assets	<u>25,742,870</u>
Liabilities	
Payable to custodian bank	\$ 6,210
Payable for fund shares redeemed ..	4,713
Distribution fees payable	2,310
Total liabilities	<u>13,233</u>
Net Assets	<u>\$ 25,729,637</u>
Net Assets consist of:	
Paid in capital	\$ 30,949,494
Accumulated net investment loss	(3,473)
Accumulated undistributed net realized gain (loss) on investments	(274,522)
Net unrealized appreciation (depreciation) on investments	(4,941,862)
Net Assets	<u>\$ 25,729,637</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$14,268,538 ÷ 1,590,977 shares)	<u>\$ 8.97</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$1,044,467 ÷ 116,540 shares)	<u>\$ 8.96</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$10,416,632 ÷ 1,166,733 shares)	<u>\$ 8.93</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 6,594
Expenses	
Distribution fees	\$ 12,389
Independent trustees' compensation	43
Total expenses before reductions ..	12,432
Expense reductions	(43)
Net investment income (loss)	<u>(5,795)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	(9,461)
Capital gain distributions from underlying funds	3,693
Change in net unrealized appreciation (depreciation) on underlying funds	(1,002,617)
Net gain (loss)	<u>(1,008,385)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (1,014,180)</u>

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

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (5,795)	\$ 674,709
Net realized gain (loss)	(5,768)	143,781
Change in net unrealized appreciation (depreciation)	(1,002,617)	4,000,337
Net increase (decrease) in net assets resulting from operations	(1,014,180)	4,818,827
Distributions to shareholders from net investment income	—	(691,955)
Distributions to shareholders from net realized gain	(39,271)	(250,694)
Total distributions	(39,271)	(942,649)
Share transactions – net increase (decrease)	2,954,004	4,858,814
Total increase (decrease) in net assets	1,900,553	8,734,992
Net Assets		
Beginning of period	23,829,084	15,094,092
End of period (including accumulated net investment loss of \$3,473 and undistributed net investment income of \$2,322, respectively)	<u>\$ 25,729,637</u>	<u>\$ 23,829,084</u>

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	2009	2008	Years ended December 31,		2005 ⁶
				2007	2006	
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.30	\$ 7.49	\$ 12.71	\$ 12.18	\$ 11.16	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^I	.32	.31	.38	.23	.11
Net realized and unrealized gain (loss)	(.31)	1.89	(4.58)	.89	1.17	1.12
Total from investment operations	(.31)	2.21	(4.27)	1.27	1.40	1.23
Distributions from net investment income	—	(.29)	(.28)	(.27)	(.21)	(.07)
Distributions from net realized gain	(.02)	(.12)	(.67)	(.47)	(.17)	—
Total distributions	(.02)	(.40) ^J	(.95)	(.74)	(.38)	(.07)
Net asset value, end of period	\$ 8.97	\$ 9.30	\$ 7.49	\$ 12.71	\$ 12.18	\$ 11.16
Total Return^{B,C,D}	(3.39)%	30.05%	(34.16)%	10.50%	12.49%	12.25%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of fee waivers, if any	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Expenses net of all reductions	.00% ^A	.00%	.00%	.00%	.00%	.00% ^A
Net investment income (loss)	.05% ^A	3.84%	2.90%	2.95%	1.95%	1.44% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 14,269	\$ 14,888	\$ 11,015	\$ 15,197	\$ 8,363	\$ 4,825
Portfolio turnover rate	32% ^A	30%	36%	20%	49%	9% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$.40 per share is comprised of distributions from net investment income of \$.285 and distributions from net realized gain of \$.117 per share.

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.30	\$ 7.49	\$ 12.70	\$ 12.18	\$ 11.16	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ¹	.31	.29	.37	.22	.10
Net realized and unrealized gain (loss)	(.32)	1.90	(4.56)	.87	1.16	1.12
Total from investment operations	(.32)	2.21	(4.27)	1.24	1.38	1.22
Distributions from net investment income	—	(.28)	(.27)	(.25)	(.19)	(.06)
Distributions from net realized gain	(.02)	(.12)	(.67)	(.47)	(.17)	—
Total distributions	(.02)	(.40) ¹	(.94)	(.72)	(.36)	(.06)
Net asset value, end of period	\$ 8.96	\$ 9.30	\$ 7.49	\$ 12.70	\$ 12.18	\$ 11.16
Total Return^{B,C,D}	(3.50)%	29.96%	(34.20)%	10.31%	12.39%	12.18%
Ratios to Average Net Assets^{FH}						
Expenses before reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	(.05)% ^A	3.74%	2.80%	2.85%	1.85%	1.34% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 1,044	\$ 679	\$ 403	\$ 497	\$ 441	\$ 393
Portfolio turnover rate	32% ^A	30%	36%	20%	49%	9% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Amount represents less than \$.01 per share. ¹Total distributions of \$.40 per share is comprised of distributions from net investment income of \$.278 and distributions from net realized gain of \$.117 per share.

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ⁶
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.27	\$ 7.47	\$ 12.68	\$ 12.17	\$ 11.16	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.30	.28	.35	.20	.09
Net realized and unrealized gain (loss)	(.31)	1.89	(4.57)	.89	1.16	1.12
Total from investment operations	(.32)	2.19	(4.29)	1.24	1.36	1.21
Distributions from net investment income	—	(.27)	(.25)	(.26)	(.18)	(.05)
Distributions from net realized gain	(.02)	(.12)	(.67)	(.47)	(.17)	—
Total distributions	(.02)	(.39) ¹	(.92)	(.73)	(.35)	(.05)
Net asset value, end of period	\$ 8.93	\$ 9.27	\$ 7.47	\$ 12.68	\$ 12.17	\$ 11.16
Total Return^{B,C,D}	(3.51)%	29.79%	(34.36)%	10.26%	12.18%	12.07%
Ratios to Average Net Assets^{FH}						
Expenses before reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.20)% ^A	3.59%	2.65%	2.70%	1.70%	1.19% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 10,417	\$ 8,262	\$ 3,676	\$ 3,998	\$ 556	\$ 392
Portfolio turnover rate	32% ^A	30%	36%	20%	49%	9% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ¹Total distributions of \$.39 per share is comprised of distributions from net investment income of \$.270 and distributions from net realized gain of \$.117 per share.

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

VIP Freedom 2030 Portfolio Investment Changes (Unaudited)

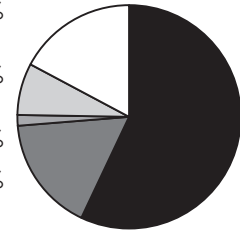
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	9.0	10.0
VIP Equity-Income Portfolio Initial Class	10.5	11.4
VIP Growth & Income Portfolio Initial Class	10.5	11.5
VIP Growth Portfolio Initial Class	10.5	11.7
VIP Mid Cap Portfolio Initial Class	3.8	4.1
VIP Value Portfolio Initial Class	9.0	10.0
VIP Value Strategies Portfolio Initial Class	3.7	4.2
	<u>57.0</u>	<u>62.9</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	16.7	15.3
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.6	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	7.5	7.6
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	17.2	14.2
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

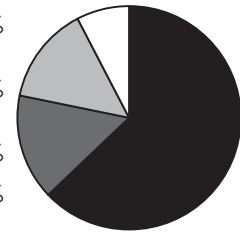
Current

Domestic Equity Funds	57.0%
Developed International Equity Funds	16.7%
Emerging Markets Equity Funds	1.6%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	17.2%



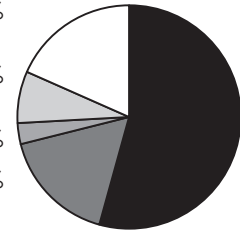
Six months ago

Domestic Equity Funds	62.9%
Developed International Equity Funds	15.3%
Investment Grade Bond Funds	14.2%
High Yield Bond Funds	7.6%



Expected

Domestic Equity Funds	54.3%
Developed International Equity Funds	16.8%
Emerging Markets Equity Funds	3.0%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	18.4%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2030 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 57.0%

	Shares	Value
Domestic Equity Funds – 57.0%		
VIP Contrafund Portfolio Initial Class . . .	361,148	\$ 6,952,103
VIP Equity-Income Portfolio Initial Class .	518,284	8,085,228
VIP Growth & Income Portfolio Initial Class	793,291	8,083,635
VIP Growth Portfolio Initial Class	283,733	8,092,066
VIP Mid Cap Portfolio Initial Class	112,231	2,902,302
VIP Value Portfolio Initial Class	766,499	6,944,481
VIP Value Strategies Portfolio Initial Class	381,757	2,893,721

TOTAL DOMESTIC EQUITY FUNDS
(Cost \$56,904,115) **43,953,536**

International Equity Funds – 18.3%

Developed International Equity Funds – 16.7%		
VIP Overseas Portfolio Initial Class	991,323	<u>12,897,116</u>

Emerging Markets Equity Funds – 1.6%		
VIP Emerging Markets Portfolio Initial Class	158,309	<u>1,237,978</u>

TOTAL INTERNATIONAL EQUITY FUNDS
(Cost \$18,892,715) **14,135,094**

Bond Funds – 24.7%

High Yield Bond Funds – 7.5%		
VIP High Income Portfolio Initial Class . . .	1,064,968	<u>5,825,376</u>

Investment Grade Bond Funds – 17.2%		
VIP Investment Grade Bond Portfolio Initial Class	1,006,309	<u>13,243,023</u>

TOTAL BOND FUNDS
(Cost \$18,895,445) **19,068,399**

TOTAL INVESTMENT PORTFOLIO – 100.0%
(Cost \$94,692,275) **77,157,029**

NET OTHER ASSETS (LIABILITIES) – 0.0% **(6,954)**

NET ASSETS – 100% **\$77,150,075**

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2030 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$94,692,275) — See accompanying schedule	\$ 77,157,029
Cash	100
Receivable for investments sold	319,483
Receivable for fund shares sold	20,843
Total assets	<u>77,497,455</u>
Liabilities	
Payable for fund shares redeemed .. \$	337,851
Distribution fees payable	9,529
Total liabilities	<u>347,380</u>
Net Assets	<u>\$ 77,150,075</u>
Net Assets consist of:	
Paid in capital	\$ 95,810,540
Accumulated net investment loss	(36,753)
Accumulated undistributed net realized gain (loss) on investments	(1,088,466)
Net unrealized appreciation (depreciation) on investments	(17,535,246)
Net Assets	<u>\$ 77,150,075</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$22,729,335 ÷ 2,635,434 shares)	<u>\$ 8.62</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$17,040,537 ÷ 1,978,471 shares)	<u>\$ 8.61</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$37,380,203 ÷ 4,351,415 shares)	<u>\$ 8.59</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 17,685
Interest	1
Total income	<u>17,686</u>
Expenses	
Distribution fees	\$ 55,757
Independent trustees' compensation	133
Total expenses before reductions	55,890
Expense reductions	(133)
	<u>55,757</u>
Net investment income (loss)	<u>(38,071)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	(15,016)
Capital gain distributions from underlying funds	12,832
Change in net unrealized appreciation (depreciation) on underlying funds	(3,638,979)
Net gain (loss)	<u>(3,641,163)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (3,679,234)</u>

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

**VIP Freedom 2030 Portfolio
Financial Statements – continued**

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (38,071)	\$ 1,666,252
Net realized gain (loss)	(2,184)	36,942
Change in net unrealized appreciation (depreciation)	(3,638,979)	13,789,670
Net increase (decrease) in net assets resulting from operations	(3,679,234)	15,492,864
Distributions to shareholders from net investment income	—	(1,389,018)
Distributions to shareholders from net realized gain	(210,935)	(719,544)
Total distributions	(210,935)	(2,108,562)
Share transactions – net increase (decrease)	6,232,965	12,259,496
Total increase (decrease) in net assets	2,342,796	25,643,798
Net Assets		
Beginning of period	74,807,279	49,163,481
End of period (including accumulated net investment loss of \$36,753 and undistributed net investment income of \$1,318, respectively)	<u>\$ 77,150,075</u>	<u>\$ 74,807,279</u>

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	2009	2008	Years ended December 31, 2007			2006	2005 ^G
Selected Per-Share Data								
Net asset value, beginning of period	\$ 9.03	\$ 7.12	\$ 13.02	\$ 12.44	\$ 11.27	\$ 11.27	\$ 10.00	\$ 10.00
Income from Investment Operations								
Net investment income (loss) ^E	— ^I	.24	.28	.34	.24	.24	.13	.13
Net realized and unrealized gain (loss)	(.38)	1.96	(5.14)	1.06	1.25	1.25	1.21	1.21
Total from investment operations	(.38)	2.20	(4.86)	1.40	1.49	1.49	1.34	1.34
Distributions from net investment income	—	(.18)	(.25)	(.28)	(.19)	(.19)	(.07)	(.07)
Distributions from net realized gain	(.03)	(.11)	(.80)	(.54)	(.13)	(.13)	—	—
Total distributions	(.03)	(.29)	(1.04) ^J	(.82)	(.32)	(.32)	(.07)	(.07)
Net asset value, end of period	<u>\$ 8.62</u>	<u>\$ 9.03</u>	<u>\$ 7.12</u>	<u>\$ 13.02</u>	<u>\$ 12.44</u>	<u>\$ 12.44</u>	<u>\$ 11.27</u>	<u>\$ 11.27</u>
Total Return^{B,C,D}	(4.27)%	31.66%	(38.04)%	11.37%	13.20%	13.20%	13.35%	13.35%
Ratios to Average Net Assets^{F,H}								
Expenses before reductions .....	.00% ^A	.00%	.00%	.00%	.00%	.00%	.00% ^A	.00% ^A
Expenses net of fee waivers, if any .....	.00% ^A	.00%	.00%	.00%	.00%	.00%	.00% ^A	.00% ^A
Expenses net of all reductions .....	.00% ^A	.00%	.00%	.00%	.00%	.00%	.00% ^A	.00% ^A
Net investment income (loss) .....	.04% ^A	3.13%	2.69%	2.56%	2.05%	2.05%	1.71% ^A	1.71% ^A
Supplemental Data								
Net assets, end of period (000 omitted)	\$ 22,729	\$ 23,836	\$ 19,592	\$ 23,767	\$ 14,298	\$ 14,298	\$ 8,262	\$ 8,262
Portfolio turnover rate	30% ^A	24%	23%	17%	32%	32%	33% ^A	33% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$1.04 per share is comprised of distributions from net investment income of \$.245 and distributions from net realized gain of \$.795 per share.

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

Financial Highlights — Service Class

	Six months ended			Years ended December 31,		
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ^G
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.02	\$ 7.12	\$ 13.01	\$ 12.44	\$ 11.27	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	— ^I	.24	.27	.33	.23	.12
Net realized and unrealized gain (loss)	(.38)	1.94	(5.13)	1.05	1.25	1.21
Total from investment operations	(.38)	2.18	(4.86)	1.38	1.48	1.33
Distributions from net investment income	—	(.17)	(.24)	(.27)	(.18)	(.06)
Distributions from net realized gain	(.03)	(.11)	(.80)	(.54)	(.13)	—
Total distributions	(.03)	(.28)	(1.03) ^I	(.81)	(.31)	(.06)
Net asset value, end of period	\$ 8.61	\$ 9.02	\$ 7.12	\$ 13.01	\$ 12.44	\$ 11.27
Total Return^{B,C,D}	(4.27)%	31.40%	(38.08)%	11.21%	13.15%	13.30%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions . . . . .	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of fee waivers, if any . . . . .	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Expenses net of all reductions . . . . .	.10% ^A	.10%	.10%	.10%	.10%	.10% ^A
Net investment income (loss)	(.06)% ^A	3.03%	2.59%	2.46% ^A	1.95%	1.62% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 17,041	\$ 16,162	\$ 10,298	\$ 12,884	\$ 3,867	\$ 958
Portfolio turnover rate	30% ^A	24%	23%	17%	32%	33% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^IAmount represents less than \$.01 per share. ^JTotal distributions of \$1.03 per share is comprised of distributions from net investment income of \$.235 and distributions from net realized gain of \$.795 per share.

Financial Highlights — Service Class 2

	Six months ended			Years ended December 31,		
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ^G
Selected Per-Share Data						
Net asset value, beginning of period	\$ 9.00	\$ 7.11	\$ 12.99	\$ 12.42	\$ 11.26	\$ 10.00
Income from Investment Operations						
Net investment income (loss) ^E	(.01)	.23	.26	.31	.21	.11
Net realized and unrealized gain (loss)	(.37)	1.93	(5.12)	1.05	1.25	1.21
Total from investment operations	(.38)	2.16	(4.86)	1.36	1.46	1.32
Distributions from net investment income	—	(.16)	(.22)	(.25)	(.17)	(.06)
Distributions from net realized gain	(.03)	(.11)	(.80)	(.54)	(.13)	—
Total distributions	(.03)	(.27)	(1.02) ^I	(.79)	(.30)	(.06)
Net asset value, end of period	\$ 8.59	\$ 9.00	\$ 7.11	\$ 12.99	\$ 12.42	\$ 11.26
Total Return^{B,C,D}	(4.28)%	31.18%	(38.17)%	11.08%	12.92%	13.16%
Ratios to Average Net Assets^{F,H}						
Expenses before reductions . . . . .	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of fee waivers, if any . . . . .	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Expenses net of all reductions . . . . .	.25% ^A	.25%	.25%	.25%	.25%	.25% ^A
Net investment income (loss)	(.21)% ^A	2.88%	2.44%	2.31%	1.80%	1.47% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 37,380	\$ 34,809	\$ 19,273	\$ 24,148	\$ 15,774	\$ 7,396
Portfolio turnover rate	30% ^A	24%	23%	17%	32%	33% ^A

^AAnnualized. ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DTotal returns would have been lower had certain expenses not been reduced during the periods shown. ^ECalculated based on average shares outstanding during the period. ^FAmounts do not include the activity of the underlying funds. ^GFor the period April 26, 2005 (commencement of operations) to December 31, 2005. ^HExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^ITotal distributions of \$1.02 per share is comprised of distributions from net investment income of \$.221 and distributions from net realized gain of \$.795 per share.

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

VIP Freedom 2035 Portfolio Investment Changes (Unaudited)

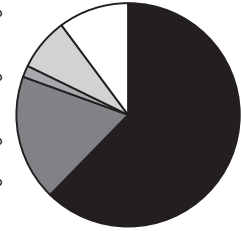
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	9.8	10.5
VIP Equity-Income Portfolio Initial Class	11.5	12.0
VIP Growth & Income Portfolio Initial Class	11.5	12.2
VIP Growth Portfolio Initial Class	11.5	12.4
VIP Mid Cap Portfolio Initial Class	4.1	4.3
VIP Value Portfolio Initial Class	9.8	10.7
VIP Value Strategies Portfolio Initial Class	4.1	4.5
	<u>62.3</u>	<u>66.6</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	18.3	16.2
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.7	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	7.6	7.5
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	10.1	9.7
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

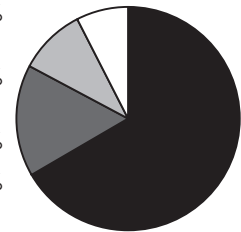
Current

Domestic Equity Funds	62.3%
Developed International Equity Funds	18.3%
Emerging Markets Equity Funds	1.7%
High Yield Bond Funds	7.6%
Investment Grade Bond Funds	10.1%



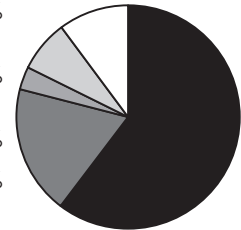
Six months ago

Domestic Equity Funds	66.6%
Developed International Equity Funds	16.2%
Investment Grade Bond Funds	9.7%
High Yield Bond Funds	7.5%



Expected

Domestic Equity Funds	60.4%
Developed International Equity Funds	18.7%
Emerging Markets Equity Funds	3.3%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	10.1%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2035 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 62.3%

	Shares	Value
Domestic Equity Funds – 62.3%		
VIP Contrafund Portfolio Initial Class . . .	1,869	\$ 35,975
VIP Equity-Income Portfolio Initial Class .	2,683	41,848
VIP Growth & Income Portfolio Initial Class	4,106	41,840
VIP Growth Portfolio Initial Class	1,469	41,883
VIP Mid Cap Portfolio Initial Class	581	15,016
VIP Value Portfolio Initial Class	3,966	35,936
VIP Value Strategies Portfolio Initial Class	1,975	14,972
TOTAL DOMESTIC EQUITY FUNDS (Cost \$170,827)		227,470

International Equity Funds – 20.0%

Developed International Equity Funds – 18.3%		
VIP Overseas Portfolio Initial Class	5,131	66,757
Emerging Markets Equity Funds – 1.7%		
VIP Emerging Markets Portfolio Initial Class	820	6,410
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$63,196)		73,167

Bond Funds – 17.7%

High Yield Bond Funds – 7.6%		
VIP High Income Portfolio Initial Class . .	5,042	27,578
Investment Grade Bond Funds – 10.1%		
VIP Investment Grade Bond Portfolio Initial Class	2,800	36,845
TOTAL BOND FUNDS (Cost \$53,769)		64,423
TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$287,792)		365,060
NET OTHER ASSETS (LIABILITIES) – 0.0%		(38)
NET ASSETS – 100%		\$ 365,022

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2035 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$287,792) — See accompanying schedule	\$ 365,060
Cash	1
Total assets	<u>365,061</u>
Liabilities	
Distribution fees payable	\$ 39
Total liabilities	<u>39</u>
Net Assets	<u>\$ 365,022</u>
Net Assets consist of:	
Paid in capital	\$ 276,371
Accumulated net investment loss	(164)
Accumulated undistributed net realized gain (loss) on investments	11,547
Net unrealized appreciation (depreciation) on investments	77,268
Net Assets	<u>\$ 365,022</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$123,861 ÷ 9,580 shares) ...	<u>\$ 12.93</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$119,507 ÷ 9,248 shares) ...	<u>\$ 12.92</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$121,654 ÷ 9,423 shares) ...	<u>\$ 12.91</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 84
Expenses	
Distribution fees	\$ 250
Total expenses	<u>250</u>
Net investment income (loss)	<u>(166)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	11,547
Capital gain distributions from underlying funds	76
Change in net unrealized appreciation (depreciation) on underlying funds	(31,738)
Net gain (loss)	<u>(20,115)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (20,281)</u>

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

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	For the period April 8, 2009 (commencement of operations) to December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (166)	\$ 7,374
Net realized gain (loss)	11,623	4,237
Change in net unrealized appreciation (depreciation)	(31,738)	109,006
Net increase (decrease) in net assets resulting from operations	(20,281)	120,617
Distributions to shareholders from net investment income	—	(7,372)
Distributions to shareholders from net realized gain	(3,885)	(427)
Total distributions	(3,885)	(7,799)
Share transactions – net increase (decrease)	(37,451)	313,821
Total increase (decrease) in net assets	(61,617)	426,639
Net Assets		
Beginning of period	426,639	—
End of period (including accumulated net investment loss of \$164 and undistributed net investment income of \$2, respectively)	\$ 365,022	\$ 426,639

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^f
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.74	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^d	— ^h	.25
Net realized and unrealized gain (loss)	(.68)	3.76
Total from investment operations	(.68)	4.01
Distributions from net investment income	—	(.25)
Distributions from net realized gain	(.13)	(.01)
Total distributions	(.13)	(.27) ⁱ
Net asset value, end of period	\$ 12.93	\$ 13.74
Total Return^{b,c}	(5.00)%	40.04%
Ratios to Average Net Assets^{e,g}		
Expenses before reductions	.00% ^a	.00% ^a
Expenses net of fee waivers, if any	.00% ^a	.00% ^a
Expenses net of all reductions	.00% ^a	.00% ^a
Net investment income (loss)	.04% ^a	2.78% ^a
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 124	\$ 144
Portfolio turnover rate	16% ^a	5% ^a

^aAnnualized ^bTotal returns for periods of less than one year are not annualized. ^cTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^dCalculated based on average shares outstanding during the period. ^eAmounts do not include the activity of the underlying funds. ^fFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^gExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^hAmount represents less than \$.01 per share. ⁱTotal distributions of \$.27 per share is comprised of distributions from net investment income of \$.252 and distributions from net realized gain of \$.014 per share.

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

Financial Highlights — Service Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.73	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	— ^H	.24
Net realized and unrealized gain (loss)	(.68)	3.75
Total from investment operations	(.68)	3.99
Distributions from net investment income	—	(.24)
Distributions from net realized gain	(.13)	(.01)
Total distributions	(.13)	(.26) ^I
Net asset value, end of period	\$ 12.92	\$ 13.73
Total Return^{B,C}	(5.01)%	39.85%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.10% ^A	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10% ^A
Expenses net of all reductions	.10% ^A	.10% ^A
Net investment income (loss)	(.06)% ^A	2.68% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 120	\$ 140
Portfolio turnover rate	16% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HAmount represents less than \$.01 per share. ^ITotal distributions of \$.26 per share is comprised of distributions from net investment income of \$.243 and distributions from net realized gain of \$.014 per share.

Financial Highlights — Service Class 2

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.73	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	(.01)	.23
Net realized and unrealized gain (loss)	(.68)	3.74
Total from investment operations	(.69)	3.97
Distributions from net investment income	—	(.23)
Distributions from net realized gain	(.13)	(.01)
Total distributions	(.13)	(.24) ^H
Net asset value, end of period	\$ 12.91	\$ 13.73
Total Return^{B,C}	(5.08)%	39.72%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.25% ^A	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25% ^A
Expenses net of all reductions	.25% ^A	.25% ^A
Net investment income (loss)	(.21)% ^A	2.53% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 122	\$ 143
Portfolio turnover rate	16% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HTotal distributions of \$.24 per share is comprised of distributions from net investment income of \$.230 and distributions from net realized gain of \$.014 per share.

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

VIP Freedom 2040 Portfolio Investment Changes (Unaudited)

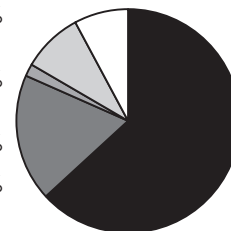
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	10.0	10.7
VIP Equity-Income Portfolio Initial Class	11.6	12.3
VIP Growth & Income Portfolio Initial Class	11.6	12.4
VIP Growth Portfolio Initial Class	11.6	12.6
VIP Mid Cap Portfolio Initial Class	4.2	4.4
VIP Value Portfolio Initial Class	10.0	10.8
VIP Value Strategies Portfolio Initial Class	4.2	4.6
	<u>63.2</u>	<u>67.8</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	18.5	16.4
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.8	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	8.8	9.2
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	7.7	6.6
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

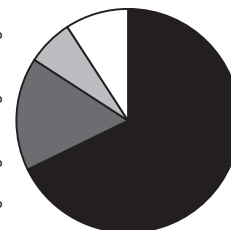
Current

Domestic Equity Funds	63.2%
Developed International Equity Funds	18.5%
Emerging Markets Equity Funds	1.8%
High Yield Bond Funds	8.8%
Investment Grade Bond Funds	7.7%



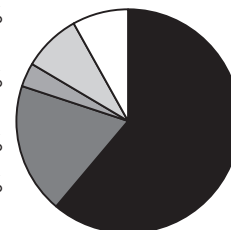
Six months ago

Domestic Equity Funds	67.8%
Developed International Equity Funds	16.4%
Investment Grade Bond Funds	6.6%
High Yield Bond Funds	9.2%



Expected

Domestic Equity Funds	61.1%
Developed International Equity Funds	18.9%
Emerging Markets Equity Funds	3.4%
High Yield Bond Funds	8.4%
Investment Grade Bond Funds	8.2%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2040 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 63.2%

	Shares	Value
Domestic Equity Funds – 63.2%		
VIP Contrafund Portfolio Initial Class . . .	5,436	\$ 104,650
VIP Equity-Income Portfolio Initial Class .	7,808	121,805
VIP Growth & Income Portfolio Initial Class	11,951	121,782
VIP Growth Portfolio Initial Class	4,274	121,908
VIP Mid Cap Portfolio Initial Class	1,690	43,697
VIP Value Portfolio Initial Class	11,538	104,536
VIP Value Strategies Portfolio Initial Class	5,748	43,569
TOTAL DOMESTIC EQUITY FUNDS (Cost \$638,441)		661,947

International Equity Funds – 20.3%

Developed International Equity Funds – 18.5%		
VIP Overseas Portfolio Initial Class	14,927	194,196
Emerging Markets Equity Funds – 1.8%		
VIP Emerging Markets Portfolio Initial Class	2,392	18,702
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$211,940)		212,898

Bond Funds – 16.5%

High Yield Bond Funds – 8.8%		
VIP High Income Portfolio Initial Class . .	16,717	91,441
Investment Grade Bond Funds – 7.7%		
VIP Investment Grade Bond Portfolio Initial Class	6,131	80,684
TOTAL BOND FUNDS (Cost \$160,141)		172,125
TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$1,010,522)		1,046,970
NET OTHER ASSETS (LIABILITIES) – 0.0%		(39)
NET ASSETS – 100%		\$ 1,046,931

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2040 Portfolio

Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$1,010,522) — See accompanying schedule	\$ 1,046,970
Cash	1
Receivable for fund shares sold	33
Total assets	<u>1,047,004</u>
Liabilities	
Payable for investments purchased . \$	32
Payable for fund shares redeemed . .	2
Distribution fees payable	39
Total liabilities	<u>73</u>
Net Assets	<u>\$ 1,046,931</u>
Net Assets consist of:	
Paid in capital	\$ 1,002,678
Accumulated net investment loss	(171)
Accumulated undistributed net realized gain (loss) on investments	7,976
Net unrealized appreciation (depreciation) on investments	36,448
Net Assets	<u>\$ 1,046,931</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$807,064 ÷ 62,200 shares) . .	<u>\$ 12.98</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$120,042 ÷ 9,257 shares) . . .	<u>\$ 12.97</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$119,825 ÷ 9,249 shares) . . .	<u>\$ 12.96</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 76
Expenses	
Distribution fees	\$ 249
Total expenses	<u>249</u>
Net investment income (loss)	<u>(173)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	7,957
Capital gain distributions from underlying funds	78
Change in net unrealized appreciation (depreciation) on underlying funds	(74,783)
Net gain (loss)	<u>(66,748)</u>
Net increase (decrease) in net assets resulting from operations . .	<u>\$ (66,921)</u>

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

VIP Freedom 2040 Portfolio
Financial Statements – continued

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	For the period April 8, 2009 (commencement of operations) to December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (173)	\$ 7,469
Net realized gain (loss)	8,035	4,686
Change in net unrealized appreciation (depreciation)	(74,783)	111,231
Net increase (decrease) in net assets resulting from operations	<u>(66,921)</u>	<u>123,386</u>
Distributions to shareholders from net investment income	—	(7,467)
Distributions to shareholders from net realized gain	(4,324)	(424)
Total distributions	<u>(4,324)</u>	<u>(7,891)</u>
Share transactions – net increase (decrease)	691,634	311,047
Total increase (decrease) in net assets	<u>620,389</u>	<u>426,542</u>
Net Assets		
Beginning of period	426,542	—
End of period (including accumulated net investment loss of \$171 and undistributed net investment income of \$2, respectively)	<u>\$ 1,046,931</u>	<u>\$ 426,542</u>

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.82	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	— ^H	.26
Net realized and unrealized gain (loss)	(.70)	3.83
Total from investment operations	<u>(.70)</u>	<u>4.09</u>
Distributions from net investment income	—	(.26)
Distributions from net realized gain	(.14)	(.01)
Total distributions	<u>(.14)</u>	<u>(.27)^I</u>
Net asset value, end of period	<u>\$ 12.98</u>	<u>\$ 13.82</u>
Total Return^{B,C}	(5.08)%	40.89%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions .....	.00% ^A	.00% ^A
Expenses net of fee waivers, if any .....	.00% ^A	.00% ^A
Expenses net of all reductions .....	.00% ^A	.00% ^A
Net investment income (loss) .....	.03% ^A	2.81% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 807	\$ 145
Portfolio turnover rate	45% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HAmount represents less than \$.01 per share. ^ITotal distributions of \$.27 per share is comprised of distributions from net investment income of \$.257 and distributions from net realized gain of \$.014 per share.

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

Financial Highlights — Service Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.82	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	— ^H	.25
Net realized and unrealized gain (loss)	(.71)	3.83
Total from investment operations	(.71)	4.08
Distributions from net investment income	—	(.25)
Distributions from net realized gain	(.14)	(.01)
Total distributions	(.14)	(.26) ^I
Net asset value, end of period	\$ 12.97	\$ 13.82
Total Return^{B,C}	(5.16)%	40.80%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.10% ^A	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10% ^A
Expenses net of all reductions	.10% ^A	.10% ^A
Net investment income (loss)	(.07)% ^A	2.71% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 120	\$ 141
Portfolio turnover rate	45% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HAmount represents less than \$.01 per share. ^ITotal distributions of \$.26 per share is comprised of distributions from net investment income of \$.248 and distributions from net realized gain of \$.014 per share.

Financial Highlights — Service Class 2

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.82	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	(.02)	.23
Net realized and unrealized gain (loss)	(.70)	3.84
Total from investment operations	(.72)	4.07
Distributions from net investment income	—	(.23)
Distributions from net realized gain	(.14)	(.01)
Total distributions	(.14)	(.25) ^H
Net asset value, end of period	\$ 12.96	\$ 13.82
Total Return^{B,C}	(5.23)%	40.66%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.25% ^A	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25% ^A
Expenses net of all reductions	.25% ^A	.25% ^A
Net investment income (loss)	(.22)% ^A	2.56% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 120	\$ 141
Portfolio turnover rate	45% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HTotal distributions of \$.25 per share is comprised of distributions from net investment income of \$.234 and distributions from net realized gain of \$.014 per share.

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

VIP Freedom 2045 Portfolio Investment Changes (Unaudited)

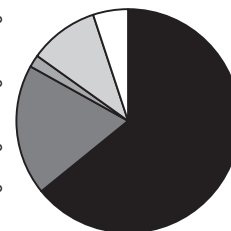
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	10.2	10.8
VIP Equity-Income Portfolio Initial Class	11.8	12.4
VIP Growth & Income Portfolio Initial Class	11.8	12.5
VIP Growth Portfolio Initial Class	11.8	12.7
VIP Mid Cap Portfolio Initial Class	4.2	4.5
VIP Value Portfolio Initial Class	10.2	11.0
VIP Value Strategies Portfolio Initial Class	4.2	4.6
	<u>64.2</u>	<u>68.5</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	18.9	16.6
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	1.8	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	10.1	10.1
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	5.0	4.8
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

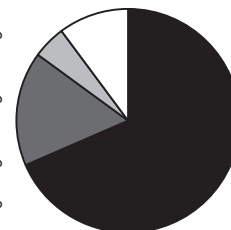
Current

Domestic Equity Funds	64.2%
Developed International Equity Funds	18.9%
Emerging Markets Equity Funds	1.8%
High Yield Bond Funds	10.1%
Investment Grade Bond Funds	5.0%



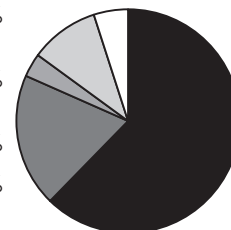
Six months ago

Domestic Equity Funds	68.5%
Developed International Equity Funds	16.6%
Investment Grade Bond Funds	4.8%
High Yield Bond Funds	10.1%



Expected

Domestic Equity Funds	62.3%
Developed International Equity Funds	19.3%
Emerging Markets Equity Funds	3.4%
High Yield Bond Funds	10.0%
Investment Grade Bond Funds	5.0%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2045 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 64.2%

	Shares	Value
Domestic Equity Funds – 64.2%		
VIP Contrafund Portfolio Initial Class . . .	1,918	\$ 36,929
VIP Equity-Income Portfolio Initial Class .	2,754	42,960
VIP Growth & Income Portfolio Initial Class	4,215	42,951
VIP Growth Portfolio Initial Class	1,508	42,996
VIP Mid Cap Portfolio Initial Class	597	15,432
VIP Value Portfolio Initial Class	4,072	36,889
VIP Value Strategies Portfolio Initial Class	2,030	15,386
TOTAL DOMESTIC EQUITY FUNDS (Cost \$175,328)		233,543

International Equity Funds – 20.7%

Developed International Equity Funds – 18.9%		
VIP Overseas Portfolio Initial Class	5,266	68,505
Emerging Markets Equity Funds – 1.8%		
VIP Emerging Markets Portfolio Initial Class	845	6,605
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$64,835)		75,110

Bond Funds – 15.1%

High Yield Bond Funds – 10.1%		
VIP High Income Portfolio Initial Class . .	6,697	36,632
Investment Grade Bond Funds – 5.0%		
VIP Investment Grade Bond Portfolio Initial Class	1,392	18,316
TOTAL BOND FUNDS (Cost \$44,710)		54,948
TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$284,873)		363,601
NET OTHER ASSETS (LIABILITIES) – 0.0%		(35)
NET ASSETS – 100%		\$ 363,566

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2045 Portfolio

Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$284,873) — See accompanying schedule	\$ 363,601
Cash	3
Receivable for fund shares sold	2
Total assets	<u>363,606</u>
Liabilities	
Payable for investments purchased . . . \$	1
Distribution fees payable	<u>39</u>
Total liabilities	<u>40</u>
Net Assets	<u>\$ 363,566</u>
Net Assets consist of:	
Paid in capital	\$ 272,898
Accumulated net investment loss	(181)
Accumulated undistributed net realized gain (loss) on investments	12,121
Net unrealized appreciation (depreciation) on investments	<u>78,728</u>
Net Assets	<u>\$ 363,566</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$123,637 ÷ 9,518 shares) ...	<u>\$ 12.99</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$120,074 ÷ 9,249 shares) ...	<u>\$ 12.98</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$119,855 ÷ 9,241 shares) ...	<u>\$ 12.97</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 68
Expenses	
Distribution fees	\$ 249
Total expenses	<u>249</u>
Net investment income (loss)	<u>(181)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	12,048
Capital gain distributions from underlying funds	<u>79</u>
Change in net unrealized appreciation (depreciation) on underlying funds	(33,818)
Net gain (loss)	<u>(21,691)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (21,872)</u>

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

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	For the period April 8, 2009 (commencement of operations) to December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (181)	\$ 7,535
Net realized gain (loss)	12,127	4,335
Change in net unrealized appreciation (depreciation)	(33,818)	112,546
Net increase (decrease) in net assets resulting from operations	(21,872)	124,416
Distributions to shareholders from net investment income	—	(7,534)
Distributions to shareholders from net realized gain	(4,010)	(333)
Total distributions	(4,010)	(7,867)
Share transactions – net increase (decrease)	(38,012)	310,911
Total increase (decrease) in net assets	(63,894)	427,460
Net Assets		
Beginning of period	427,460	—
End of period (including accumulated net investment loss of \$181 and undistributed net investment income of \$0, respectively)	\$ 363,566	\$ 427,460

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.86	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	— ^H	.26
Net realized and unrealized gain (loss)	(.74)	3.87
Total from investment operations	(.74)	4.13
Distributions from net investment income	—	(.26)
Distributions from net realized gain	(.13)	(.01)
Total distributions	(.13)	(.27)
Net asset value, end of period	\$ 12.99	\$ 13.86
Total Return^{B,C}	(5.36)%	41.28%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.00% ^A	.00% ^A
Expenses net of fee waivers, if any	.00% ^A	.00% ^A
Expenses net all reductions	.00% ^A	.00% ^A
Net investment income (loss)	.03% ^A	2.83% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 124	\$ 145
Portfolio turnover rate	15% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HAmount represents less than \$.01 per share.

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

Financial Highlights — Service Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.86	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	— ^H	.25
Net realized and unrealized gain (loss)	(.75)	3.87
Total from investment operations	(.75)	4.12
Distributions from net investment income	—	(.25)
Distributions from net realized gain	(.13)	(.01)
Total distributions	(.13)	(.26)
Net asset value, end of period	\$ 12.98	\$ 13.86
Total Return^{B,C}	(5.43)%	41.19%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.10% ^A	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10% ^A
Expenses net of all reductions	.10% ^A	.10% ^A
Net investment income (loss)	(.07)% ^A	2.73% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 120	\$ 141
Portfolio turnover rate	15% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HAmount represents less than \$.01 per share.

Financial Highlights — Service Class 2

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 13.85	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	(.02)	.24
Net realized and unrealized gain (loss)	(.73)	3.86
Total from investment operations	(.75)	4.10
Distributions from net investment income	—	(.24)
Distributions from net realized gain	(.13)	(.01)
Total distributions	(.13)	(.25)
Net asset value, end of period	\$ 12.97	\$ 13.85
Total Return^{B,C}	(5.43)%	40.96%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.25% ^A	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25% ^A
Expenses net of all reductions	.25% ^A	.25% ^A
Net investment income (loss)	(.22)% ^A	2.58% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 120	\$ 141
Portfolio turnover rate	15% ^A	5% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests.

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

VIP Freedom 2050 Portfolio Investment Changes (Unaudited)

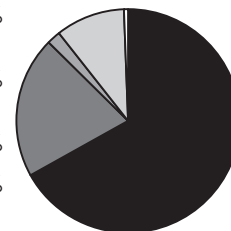
Fund Holdings as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Domestic Equity Funds		
VIP Contrafund Portfolio Initial Class	10.6	11.1
VIP Equity-Income Portfolio Initial Class	12.3	12.7
VIP Growth & Income Portfolio Initial Class	12.3	12.8
VIP Growth Portfolio Initial Class	12.3	13.0
VIP Mid Cap Portfolio Initial Class	4.4	4.5
VIP Value Portfolio Initial Class	10.6	11.2
VIP Value Strategies Portfolio Initial Class	4.4	4.7
	<u>66.9</u>	<u>70.0</u>
Developed International Equity Funds		
VIP Overseas Portfolio Initial Class	20.5	19.5
Emerging Markets Equity Funds		
VIP Emerging Markets Portfolio Initial Class	2.0	0.0
High Yield Bond Funds		
VIP High Income Portfolio Initial Class	10.1	10.0
Investment Grade Bond Funds		
VIP Investment Grade Bond Portfolio Initial Class	0.5	0.5
Net Other Assets		
Net Other Assets	0.0*	0.0*
	<u>100.0</u>	<u>100.0</u>

Asset Allocation (% of fund's net assets)

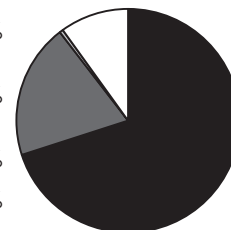
Current

Domestic Equity Funds	66.9%
Developed International Equity Funds	20.5%
Emerging Markets Equity Funds	2.0%
High Yield Bond Funds	10.1%
Investment Grade Bond Funds	0.5%



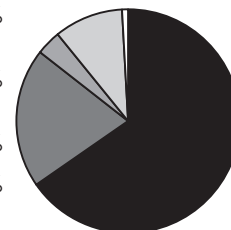
Six months ago

Domestic Equity Funds	70.0%
Developed International Equity Funds	19.5%
Investment Grade Bond Funds	0.5%
High Yield Bond Funds	10.0%



Expected

Domestic Equity Funds	65.3%
Developed International Equity Funds	20.2%
Emerging Markets Equity Funds	3.6%
High Yield Bond Funds	10.0%
Investment Grade Bond Funds	0.9%



The fund invests according to an asset allocation strategy that becomes increasingly conservative over time. The six months ago allocation is based on the fund's holdings as of December 31, 2009. The current allocation is based on the fund's holdings as of June 30, 2010. The expected allocation represents the fund's anticipated allocation at December 31, 2010.

* Amount represents less than 0.1%

VIP Freedom 2050 Portfolio Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Domestic Equity Funds – 66.9%

	Shares	Value
Domestic Equity Funds – 66.9%		
VIP Contrafund Portfolio Initial Class . . .	2,086	\$ 40,159
VIP Equity-Income Portfolio Initial Class .	2,995	46,721
VIP Growth & Income Portfolio Initial Class	4,584	46,711
VIP Growth Portfolio Initial Class	1,640	46,760
VIP Mid Cap Portfolio Initial Class	648	16,760
VIP Value Portfolio Initial Class	4,428	40,115
VIP Value Strategies Portfolio Initial Class	2,205	16,711
TOTAL DOMESTIC EQUITY FUNDS (Cost \$190,665)		253,937

International Equity Funds – 22.5%

Developed International Equity Funds – 20.5%		
VIP Overseas Portfolio Initial Class	5,992	77,961
Emerging Markets Equity Funds – 2.0%		
VIP Emerging Markets Portfolio Initial Class	960	7,508
TOTAL INTERNATIONAL EQUITY FUNDS (Cost \$72,442)		85,469

Bond Funds – 10.6%

High Yield Bond Funds – 10.1%		
VIP High Income Portfolio Initial Class . .	6,994	38,256
Investment Grade Bond Funds – 0.5%		
VIP Investment Grade Bond Portfolio Initial Class	145	1,913
TOTAL BOND FUNDS (Cost \$31,682)		40,169
TOTAL INVESTMENT PORTFOLIO – 100.0% (Cost \$294,789)		379,575
NET OTHER ASSETS (LIABILITIES) – 0.0%		(37)
NET ASSETS – 100%		\$ 379,538

Other Information

All investments are categorized as Level 1 under the Fair Value Hierarchy. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

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

VIP Freedom 2050 Portfolio Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value (cost \$294,789) — See accompanying schedule	\$ 379,575
Cash	1
Receivable for fund shares sold	89
Total assets	<u>379,665</u>
Liabilities	
Payable for investments purchased . . . \$	88
Distribution fees payable	<u>39</u>
Total liabilities	<u>127</u>
Net Assets	<u>\$ 379,538</u>
Net Assets consist of:	
Paid in capital	\$ 285,575
Accumulated net investment loss	(197)
Accumulated undistributed net realized gain (loss) on investments	9,374
Net unrealized appreciation (depreciation) on investments	<u>84,786</u>
Net Assets	<u>\$ 379,538</u>
Initial Class:	
Net Asset Value , offering price and redemption price per share (\$135,670 ÷ 10,359 shares) ..	<u>\$ 13.10</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$120,280 ÷ 9,189 shares) ...	<u>\$ 13.09</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$123,588 ÷ 9,450 shares) ...	<u>\$ 13.08</u>

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income	
Income distributions from underlying funds	\$ 59
Expenses	
Distribution fees	\$ 256
Total expenses	<u>256</u>
Net investment income (loss)	<u>(197)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares	9,429
Capital gain distributions from underlying funds	<u>84</u>
Change in net unrealized appreciation (depreciation) on underlying funds	(35,507)
Net gain (loss)	<u>(25,994)</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ (26,191)</u>

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

VIP Freedom 2050 Portfolio
Financial Statements – continued

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	For the period April 8, 2009 (commencement of operations) to December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income (loss)	\$ (197)	\$ 7,526
Net realized gain (loss)	9,513	2,166
Change in net unrealized appreciation (depreciation)	(35,507)	120,293
Net increase (decrease) in net assets resulting from operations	(26,191)	129,985
Distributions to shareholders from net investment income	—	(7,532)
Distributions to shareholders from net realized gain	(1,921)	(378)
Total distributions	(1,921)	(7,910)
Share transactions – net increase (decrease)	(40,417)	325,992
Total increase (decrease) in net assets	(68,529)	448,067
Net Assets		
Beginning of period	448,067	—
End of period (including accumulated net investment loss of \$197 and undistributed net investment income of \$0, respectively)	<u>\$ 379,538</u>	<u>\$ 448,067</u>

Financial Highlights – Initial Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 14.01	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	— ^H	.26
Net realized and unrealized gain (loss)	(.85)	4.01
Total from investment operations	(.85)	4.27
Distributions from net investment income	—	(.25)
Distributions from net realized gain	(.06)	(.01)
Total distributions	(.06)	(.26)
Net asset value, end of period	<u>\$ 13.10</u>	<u>\$ 14.01</u>
Total Return ^{B,C}	(6.08)%	42.70%
Ratios to Average Net Assets ^{E,G}		
Expenses before reductions .....	.00% ^A	.00% ^A
Expenses net of fee waivers, if any .....	.00% ^A	.00% ^A
Expenses net of all reductions .....	.00% ^A	.00% ^A
Net investment income (loss) .....	.03% ^A	2.76% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 136	\$ 159
Portfolio turnover rate	15% ^A	4% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. ^HAmount represents less than \$.01 per share.

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

Financial Highlights — Service Class

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 14.00	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	(.01)	.25
Net realized and unrealized gain (loss)	(.84)	4.00
Total from investment operations	(.85)	4.25
Distributions from net investment income	—	(.24)
Distributions from net realized gain	(.06)	(.01)
Total distributions	(.06)	(.25)
Net asset value, end of period	\$ 13.09	\$ 14.00
Total Return^{B,C}	(6.08)%	42.51%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.10% ^A	.10% ^A
Expenses net of fee waivers, if any	.10% ^A	.10% ^A
Expenses net of all reductions	.10% ^A	.10% ^A
Net investment income (loss)	(.07)% ^A	2.66% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 120	\$ 143
Portfolio turnover rate	15% ^A	4% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests.

Financial Highlights — Service Class 2

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009 ^F
Selected Per-Share Data		
Net asset value, beginning of period	\$ 14.00	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D	(.02)	.23
Net realized and unrealized gain (loss)	(.84)	4.01
Total from investment operations	(.86)	4.24
Distributions from net investment income	—	(.23)
Distributions from net realized gain	(.06)	(.01)
Total distributions	(.06)	(.24)
Net asset value, end of period	\$ 13.08	\$ 14.00
Total Return^{B,C}	(6.15)%	42.37%
Ratios to Average Net Assets^{E,G}		
Expenses before reductions	.25% ^A	.25% ^A
Expenses net of fee waivers, if any	.25% ^A	.25% ^A
Expenses net of all reductions	.25% ^A	.25% ^A
Net investment income (loss)	(.22)% ^A	2.51% ^A
Supplemental Data		
Net assets, end of period (000 omitted)	\$ 124	\$ 147
Portfolio turnover rate	15% ^A	4% ^A

^AAnnualized ^BTotal returns for periods of less than one year are not annualized. ^CTotal returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. ^DCalculated based on average shares outstanding during the period. ^EAmounts do not include the activity of the underlying funds. ^FFor the period April 8, 2009 (commencement of operations) to December 31, 2009. ^GExpense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests.

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

Notes to Financial Statements

For the period ended June 30, 2010 (Unaudited)

1. Organization.

VIP Freedom Income Portfolio, VIP Freedom 2005 Portfolio, VIP Freedom 2010 Portfolio, VIP Freedom 2015 Portfolio, VIP Freedom 2020 Portfolio, VIP Freedom 2025 Portfolio, VIP Freedom 2030 Portfolio, VIP Freedom 2035 Portfolio, VIP Freedom 2040 Portfolio, VIP Freedom 2045 Portfolio and VIP Freedom 2050 Portfolio (the Funds) are funds of Variable Insurance Products Fund V. Variable Insurance Products Fund V (the Trust) (referred to in this report as Fidelity Variable Insurance Products) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Each Fund is authorized to issue an unlimited number of shares. The Funds invest primarily in a combination of other VIP equity, bond, and short-term funds (the Underlying Funds) managed by Fidelity Management & Research Company (FMR). Shares of each Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. Each Fund offers three classes of shares: 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. Investment income, realized and unrealized capital gains and losses, the common expenses of the Fund, and certain fund-level expense reductions, if any, are allocated on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of the Fund. Each class differs with respect to distribution and service plan fees incurred. Certain expense reductions also differ by class.

2. Significant Accounting Policies.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Funds:

Security Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. Each Fund categorizes the inputs to valuation techniques used to value their investments into a disclosure hierarchy consisting of three levels as shown below.

Level 1 – quoted prices in active markets for identical investments

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

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

Valuation techniques used to value each Fund's investments by major category are as follows. Investments in the Underlying Funds are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

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

Expenses. Most expenses of the Trust can be directly attributed to a fund. Expenses which cannot be directly attributed are apportioned amongst each fund in the Trust. Expenses included in the accompanying financial statements reflect the expenses of the Fund and do not include any expenses associated with the Underlying Funds. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

Income Tax Information and Distributions to Shareholders. Each year, each Fund intends to qualify as a regulated investment company by distributing substantially all of its taxable income and realized gains under Subchapter M of the Internal Revenue Code and filing its U.S. federal tax return. As a result, no provision for income taxes is required. A fund's federal tax return is subject to examination by the Internal Revenue Service (IRS) for a period of three years.

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

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences will reverse in a subsequent period.

Book-tax differences are primarily due to the short-term gain distributions from the Underlying Funds and losses deferred due to wash sales and excise tax regulations.

2. Significant Accounting Policies – continued

Income Tax Information and Distributions to Shareholders – continued

The federal tax cost of investment securities and unrealized appreciation (depreciation) as of period end were as follows for each Fund:

	Tax cost	Gross unrealized appreciation	Gross unrealized depreciation	Net unrealized appreciation (depreciation)
VIP Freedom Income	\$ 17,831,135	\$ 418,950	\$ (1,144,203)	\$ (725,253)
VIP Freedom 2005	6,631,913	102,083	(1,117,897)	(1,015,814)
VIP Freedom 2010	150,631,922	3,789,773	(24,584,192)	(20,794,419)
VIP Freedom 2015	93,814,662	3,584,710	(13,718,887)	(10,134,177)
VIP Freedom 2020	326,574,916	11,365,491	(54,034,556)	(42,669,065)
VIP Freedom 2025	30,958,573	788,399	(6,015,126)	(5,226,727)
VIP Freedom 2030	95,819,231	2,117,510	(20,779,712)	(18,662,202)
VIP Freedom 2035	287,865	77,996	(801)	77,195
VIP Freedom 2040	1,011,111	83,273	(47,414)	35,859
VIP Freedom 2045	284,928	79,483	(810)	78,673
VIP Freedom 2050	294,899	85,286	(610)	84,676

3. Purchases and Sales of Investments.

Purchases and redemptions of the Underlying Fund shares are noted in the table below.

	Purchases (\$)	Redemptions (\$)
VIP Freedom Income	3,036,721	5,741,566
VIP Freedom 2005	1,312,324	2,853,700
VIP Freedom 2010	23,203,051	19,795,898
VIP Freedom 2015	17,077,200	13,374,859
VIP Freedom 2020	71,911,495	33,406,621
VIP Freedom 2025	6,942,611	4,027,653
VIP Freedom 2030	17,615,808	11,614,538
VIP Freedom 2035	33,907	75,280
VIP Freedom 2040	804,187	116,917
VIP Freedom 2045	31,727	73,801
VIP Freedom 2050	32,654	75,050

4. Fees and Other Transactions with Affiliates.

Management Fee. Strategic Advisers, Inc. (Strategic Advisers), an affiliate of FMR, provides the Funds with investment management related services. The Funds do not pay any fees for these services.

Other Transactions. Strategic Advisers has entered into an administration agreement with FMR under which FMR provides management and administrative services (other than investment advisory services) necessary for the operation of each Fund. Pursuant to this agreement, FMR pays all expenses of each Fund, excluding the distribution and service fees, the compensation of the independent Trustees and certain other expenses such as interest expense. FMR also contracts with other Fidelity companies to perform the services necessary for the operation of each Fund. The Funds do not pay any fees for these services.

Distribution and Service Plan. In accordance with Rule 12b-1 of the 1940 Act, the Funds have adopted separate 12b-1 Plans for each Service Class of shares. Each Service Class pays Fidelity Distributors Corporation (FDC), an affiliate of FMR, 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.

Notes to Financial Statements (Unaudited) – continued

4. Fees and Other Transactions with Affiliates – continued

Distribution and Service Plan – continued

For the period, each class paid FDC the following amounts, all of which were reallocated to insurance companies for the distribution of shares and providing shareholder support services:

	Service Class		Service Class 2		Total
VIP Freedom Income	106	\$	8,296	\$	8,402
VIP Freedom 2005	81		169		250
VIP Freedom 2010	9,812		113,299		123,111
VIP Freedom 2015	893		57,439		58,332
VIP Freedom 2020	13,830		260,935		274,765
VIP Freedom 2025	422		11,967		12,389
VIP Freedom 2030	8,896		46,861		55,757
VIP Freedom 2035	71		179		250
VIP Freedom 2040	72		177		249
VIP Freedom 2045	71		178		249
VIP Freedom 2050	72		184		256

5. Expense Reductions.

FMR voluntarily agreed to reimburse funds to the extent annual operating expenses exceeded certain levels of average net assets as noted in the table below. Some expenses, for example interest expense, are excluded from this reimbursement.

The following classes of each applicable Fund were in reimbursement during the period:

	Expense Limitations	Reimbursement from adviser
VIP Freedom Income		
Initial Class	—%	\$ 20
Service Class .....	.10%	—
Service Class 2 .....	.25%	12
VIP Freedom 2005		
Initial Class	—%	11
Service Class .....	.10%	—
Service Class 2 .....	.25%	—
VIP Freedom 2010		
Initial Class	—%	36
Service Class .....	.10%	33
Service Class 2 .....	.25%	154
VIP Freedom 2015		
Initial Class	—%	62
Service Class .....	.10%	3
Service Class 2 .....	.25%	78
VIP Freedom 2020		
Initial Class	—%	67
Service Class .....	.10%	46
Service Class 2 .....	.25%	346
VIP Freedom 2025		
Initial Class	—%	26
Service Class .....	.10%	1
Service Class 2 .....	.25%	16
VIP Freedom 2030		
Initial Class	—%	40
Service Class .....	.10%	30
Service Class 2 .....	.25%	63

6. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2010	Year ended December 31, 2009
VIP Freedom Income		
From net investment income		
Initial Class	\$ —	\$ 418,571
Service Class	—	5,244
Service Class 2	—	228,173
Total	<u>\$ —</u>	<u>\$ 651,988</u>
From net realized gain		
Initial Class	\$ 30,341	\$ 158,860
Service Class	566	3,186
Service Class 2	16,793	89,325
Total	<u>\$ 47,700</u>	<u>\$ 251,371</u>
VIP Freedom 2005		
From net investment income		
Initial Class	\$ —	\$ 246,999
Service Class	—	6,010
Service Class 2	—	6,092
Total	<u>\$ —</u>	<u>\$ 259,101</u>
From net realized gain		
Initial Class	\$ 55,557	\$ 185,049
Service Class	1,399	6,807
Service Class 2	1,070	7,360
Total	<u>\$ 58,026</u>	<u>\$ 199,216</u>
VIP Freedom 2010		
From net investment income		
Initial Class	\$ —	\$ 775,255
Service Class	—	682,497
Service Class 2	—	3,022,186
Total	<u>\$ —</u>	<u>\$ 4,479,938</u>
From net realized gain		
Initial Class	\$ 128,614	\$ 154,282
Service Class	119,158	143,134
Service Class 2	544,571	574,134
Total	<u>\$ 792,343</u>	<u>\$ 871,550</u>
VIP Freedom 2015		
From net investment income		
Initial Class	\$ —	\$ 1,243,073
Service Class	—	49,152
Service Class 2	—	1,351,309
Total	<u>\$ —</u>	<u>\$ 2,643,534</u>
From net realized gain		
Initial Class	\$ 131,500	\$ 432,114
Service Class	5,577	15,773
Service Class 2	157,645	456,120
Total	<u>\$ 294,722</u>	<u>\$ 904,007</u>

Notes to Financial Statements (Unaudited) – continued

6. Distributions to Shareholders – continued

	Six months ended June 30, 2010	Year ended December 31, 2009
VIP Freedom 2020		
From net investment income		
Initial Class	\$ —	\$ 1,130,083
Service Class	—	761,045
Service Class 2	—	5,213,654
Total	<u>\$ —</u>	<u>\$ 7,104,782</u>
From net realized gain		
Initial Class	\$ 123,975	\$ 386,129
Service Class	82,544	272,235
Service Class 2	616,749	1,738,381
Total	<u>\$ 823,268</u>	<u>\$ 2,396,745</u>
VIP Freedom 2025		
From net investment income		
Initial Class	\$ —	\$ 440,844
Service Class	—	19,456
Service Class 2	—	231,655
Total	<u>\$ —</u>	<u>\$ 691,955</u>
From net realized gain		
Initial Class	\$ 23,995	\$ 169,810
Service Class	1,241	7,444
Service Class 2	14,035	73,440
Total	<u>\$ 39,271</u>	<u>\$ 250,694</u>
VIP Freedom 2030		
From net investment income		
Initial Class	\$ —	\$ 468,196
Service Class	—	303,407
Service Class 2	—	617,415
Total	<u>\$ —</u>	<u>\$ 1,389,018</u>
From net realized gain		
Initial Class	\$ 64,752	\$ 259,161
Service Class	47,526	164,844
Service Class 2	98,657	295,539
Total	<u>\$ 210,935</u>	<u>\$ 719,544</u>
VIP Freedom 2035^A		
From net investment income		
Initial Class	\$ —	\$ 2,596
Service Class	—	2,430
Service Class 2	—	2,346
Total	<u>\$ —</u>	<u>\$ 7,372</u>
From net realized gain		
Initial Class	\$ 1,314	\$ 144
Service Class	1,273	140
Service Class 2	1,298	143
Total	<u>\$ 3,885</u>	<u>\$ 427</u>
VIP Freedom 2040^A		
From net investment income		
Initial Class	\$ —	\$ 2,647
Service Class	—	2,480
Service Class 2	—	2,340
Total	<u>\$ —</u>	<u>\$ 7,467</u>
From net realized gain		
Initial Class	\$ 1,473	\$ 144
Service Class	1,426	140
Service Class 2	1,425	140
Total	<u>\$ 4,324</u>	<u>\$ 424</u>

6. Distributions to Shareholders – continued

	Six months ended June 30, 2010	Year ended December 31, 2009
VIP Freedom 2045^A		
From net investment income		
Initial Class	\$ —	\$ 2,664
Service Class	—	2,500
Service Class 2	—	2,370
Total	\$ —	\$ 7,534
From net realized gain		
Initial Class	\$ 1,363	\$ 113
Service Class	1,324	110
Service Class 2	1,323	110
Total	\$ 4,010	\$ 333
VIP Freedom 2050^A		
From net investment income		
Initial Class	\$ —	\$ 2,785
Service Class	—	2,410
Service Class 2	—	2,337
Total	\$ —	\$ 7,532
From net realized gain		
Initial Class	\$ 682	\$ 134
Service Class	611	120
Service Class 2	628	124
Total	\$ 1,921	\$ 378

^A For the period April 8, 2009 (commencement of operations) to December 31, 2009.

7. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
VIP Freedom Income				
Initial Class				
Shares sold	122,921	462,871	\$ 1,246,414	\$ 4,540,087
Reinvestment of distributions	3,046	58,723	30,341	577,431
Shares redeemed	(339,975)	(235,490)	(3,443,720)	(2,259,914)
Net increase (decrease)	(214,008)	286,104	\$ (2,166,965)	\$ 2,857,604
Service Class				
Shares sold	12,704	—	\$ 127,524	\$ —
Reinvestment of distributions	57	870	566	8,430
Shares redeemed	(8,759)	(12,809)	(88,594)	(122,754)
Net increase (decrease)	4,002	(11,939)	\$ 39,496	\$ (114,324)
Service Class 2				
Shares sold	180,531	370,977	\$ 1,814,133	\$ 3,515,784
Reinvestment of distributions	1,691	32,349	16,793	317,497
Shares redeemed	(236,174)	(256,214)	(2,378,693)	(2,438,407)
Net increase (decrease)	(53,952)	147,112	\$ (547,767)	\$ 1,394,874
VIP Freedom 2005				
Initial Class				
Shares sold	70,218	290,653	\$ 664,369	\$ 2,449,103
Reinvestment of distributions	6,078	49,902	55,557	432,048
Shares redeemed	(227,973)	(345,358)	(2,152,387)	(2,882,842)
Net increase (decrease)	(151,677)	(4,803)	\$ (1,432,461)	\$ (1,691)

Notes to Financial Statements (Unaudited) – continued

7. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
Service Class				
Shares sold	472	2,046	\$ 4,486	\$ 16,221
Reinvestment of distributions	153	1,524	1,399	12,817
Shares redeemed	(4,390)	(15,887)	(41,614)	(137,264)
Net increase (decrease)	<u>(3,765)</u>	<u>(12,317)</u>	<u>\$ (35,729)</u>	<u>\$ (108,226)</u>
Service Class 2				
Shares sold	8,380	5,431	\$ 77,717	\$ 49,354
Reinvestment of distributions	117	1,603	1,070	13,452
Shares redeemed	(10,326)	(20,647)	(97,696)	(180,064)
Net increase (decrease)	<u>(1,829)</u>	<u>(13,613)</u>	<u>\$ (18,909)</u>	<u>\$ (117,258)</u>
VIP Freedom 2010				
Initial Class				
Shares sold	213,066	414,253	\$ 2,107,942	\$ 3,587,514
Reinvestment of distributions	13,439	98,751	128,614	929,536
Shares redeemed	(292,840)	(1,376,013)	(2,909,568)	(11,582,032)
Net increase (decrease)	<u>(66,335)</u>	<u>(863,009)</u>	<u>\$ (673,012)</u>	<u>\$ (7,064,982)</u>
Service Class				
Shares sold	332,210	652,734	\$ 3,301,796	\$ 5,604,015
Reinvestment of distributions	12,464	87,885	119,158	825,631
Shares redeemed	(374,849)	(853,771)	(3,717,464)	(7,408,613)
Net increase (decrease)	<u>(30,175)</u>	<u>(113,152)</u>	<u>\$ (296,510)</u>	<u>\$ (978,967)</u>
Service Class 2				
Shares sold	1,253,157	2,238,155	\$ 12,329,414	\$ 20,056,230
Reinvestment of distributions	57,143	382,353	544,571	3,596,320
Shares redeemed	(773,796)	(1,691,306)	(7,657,038)	(14,628,341)
Net increase (decrease)	<u>536,504</u>	<u>929,202</u>	<u>\$ 5,216,947</u>	<u>\$ 9,024,209</u>
VIP Freedom 2015				
Initial Class				
Shares sold	313,051	1,338,816	\$ 3,119,675	\$ 11,871,466
Reinvestment of distributions	13,712	177,040	131,500	1,675,187
Shares redeemed	(406,795)	(874,628)	(4,047,906)	(7,788,149)
Net increase (decrease)	<u>(80,032)</u>	<u>641,228</u>	<u>\$ (796,731)</u>	<u>\$ 5,758,504</u>
Service Class				
Shares sold	87,444	186,764	\$ 869,002	\$ 1,594,834
Reinvestment of distributions	582	6,818	5,577	64,924
Shares redeemed	(44,113)	(151,939)	(437,240)	(1,277,662)
Net increase (decrease)	<u>43,913</u>	<u>41,643</u>	<u>\$ 437,339</u>	<u>\$ 382,096</u>
Service Class 2				
Shares sold	836,039	1,825,483	\$ 8,289,599	\$ 16,491,260
Reinvestment of distributions	16,507	190,952	157,645	1,807,428
Shares redeemed	(411,674)	(817,202)	(4,078,625)	(7,121,468)
Net increase (decrease)	<u>440,872</u>	<u>1,199,233</u>	<u>\$ 4,368,619</u>	<u>\$ 11,177,220</u>
VIP Freedom 2020				
Initial Class				
Shares sold	547,881	1,419,778	\$ 5,349,352	\$ 12,010,755
Reinvestment of distributions	13,359	166,674	123,975	1,516,212
Shares redeemed	(437,247)	(1,850,345)	(4,244,120)	(14,702,993)
Net increase (decrease)	<u>123,993</u>	<u>(263,893)</u>	<u>\$ 1,229,207</u>	<u>\$ (1,176,026)</u>
Service Class				
Shares sold	560,129	1,026,253	\$ 5,435,671	\$ 8,455,394
Reinvestment of distributions	8,914	114,098	82,544	1,033,280
Shares redeemed	(309,851)	(790,200)	(2,985,210)	(6,544,951)
Net increase (decrease)	<u>259,192</u>	<u>350,151</u>	<u>\$ 2,533,005</u>	<u>\$ 2,943,723</u>

7. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
Service Class 2				
Shares sold	4,713,593	7,102,672	\$ 45,485,680	\$ 61,675,414
Reinvestment of distributions	66,748	762,886	616,749	6,952,035
Shares redeemed	(1,090,959)	(1,718,729)	(10,399,827)	(14,671,947)
Net increase (decrease)	<u>3,689,382</u>	<u>6,146,829</u>	<u>\$ 35,702,602</u>	<u>\$ 53,955,502</u>
VIP Freedom 2025				
Initial Class				
Shares sold	118,354	327,202	\$ 1,132,985	\$ 2,758,614
Reinvestment of distributions	2,651	70,858	23,995	610,654
Shares redeemed	(131,401)	(267,455)	(1,235,117)	(2,131,038)
Net increase (decrease)	<u>(10,396)</u>	<u>130,605</u>	<u>\$ (78,137)</u>	<u>\$ 1,238,230</u>
Service Class				
Shares sold	62,347	51,579	\$ 584,306	\$ 416,959
Reinvestment of distributions	137	3,116	1,241	26,900
Shares redeemed	(18,998)	(35,412)	(183,775)	(288,761)
Net increase (decrease)	<u>43,486</u>	<u>19,283</u>	<u>\$ 401,772</u>	<u>\$ 155,098</u>
Service Class 2				
Shares sold	415,823	764,019	\$ 3,965,822	\$ 6,727,650
Reinvestment of distributions	1,556	34,775	14,035	305,096
Shares redeemed	(142,281)	(399,076)	(1,349,488)	(3,567,260)
Net increase (decrease)	<u>275,098</u>	<u>399,718</u>	<u>\$ 2,630,369</u>	<u>\$ 3,465,486</u>
VIP Freedom 2030				
Initial Class				
Shares sold	295,658	980,714	\$ 2,723,005	\$ 7,765,974
Reinvestment of distributions	7,409	93,578	64,752	727,357
Shares redeemed	(307,838)	(1,185,290)	(2,797,672)	(8,386,523)
Net increase (decrease)	<u>(4,771)</u>	<u>(110,998)</u>	<u>\$ (9,915)</u>	<u>\$ 106,808</u>
Service Class				
Shares sold	407,385	620,610	\$ 3,770,200	\$ 4,751,421
Reinvestment of distributions	5,444	60,175	47,526	468,251
Shares redeemed	(226,007)	(336,231)	(2,057,417)	(2,580,003)
Net increase (decrease)	<u>186,822</u>	<u>344,554</u>	<u>\$ 1,760,309</u>	<u>\$ 2,639,669</u>
Service Class 2				
Shares sold	875,383	1,650,447	\$ 8,102,727	\$ 13,384,707
Reinvestment of distributions	11,327	116,202	98,657	912,954
Shares redeemed	(401,372)	(612,226)	(3,718,813)	(4,784,642)
Net increase (decrease)	<u>485,338</u>	<u>1,154,423</u>	<u>\$ 4,482,571</u>	<u>\$ 9,513,019</u>
VIP Freedom 2035¹				
Initial Class				
Shares sold	83	10,303	\$ 1,148	\$ 103,286
Reinvestment of distributions	100	198	1,314	2,739
Shares redeemed	(1,100)	(4)	(14,655)	(54)
Net increase (decrease)	<u>(917)</u>	<u>10,497</u>	<u>\$ (12,193)</u>	<u>\$ 105,971</u>
Service Class				
Shares sold	—	10,001	\$ —	\$ 100,010
Reinvestment of distributions	97	186	1,273	2,570
Shares redeemed	(1,036)	—	(13,769)	—
Net increase (decrease)	<u>(939)</u>	<u>10,187</u>	<u>\$ (12,496)</u>	<u>\$ 102,580</u>
Service Class 2				
Shares sold	21	10,201	\$ 289	\$ 102,785
Reinvestment of distributions	99	180	1,298	2,489
Shares redeemed	(1,078)	—	(14,349)	(4)
Net increase (decrease)	<u>(958)</u>	<u>10,381</u>	<u>\$ (12,762)</u>	<u>\$ 105,270</u>

Notes to Financial Statements (Unaudited) – continued

7. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
VIP Freedom 2040^A				
Initial Class				
Shares sold	52,843	10,356	\$ 731,722	\$ 103,923
Reinvestment of distributions	110	200	1,473	2,790
Shares redeemed	(1,250)	(59)	(16,729)	(786)
Net increase (decrease)	<u>51,703</u>	<u>10,497</u>	<u>\$ 716,466</u>	<u>\$ 105,927</u>
Service Class				
Shares sold	—	10,001	\$ —	\$ 100,010
Reinvestment of distributions	107	188	1,426	2,620
Shares redeemed	(1,039)	—	(13,853)	—
Net increase (decrease)	<u>(932)</u>	<u>10,189</u>	<u>\$ (12,427)</u>	<u>\$ 102,630</u>
Service Class 2				
Shares sold	—	10,001	\$ 3	\$ 100,010
Reinvestment of distributions	107	178	1,425	2,480
Shares redeemed	(1,037)	—	(13,833)	—
Net increase (decrease)	<u>(930)</u>	<u>10,179</u>	<u>\$ (12,405)</u>	<u>\$ 102,490</u>
VIP Freedom 2045^A				
Initial Class				
Shares sold	7	10,285	\$ 97	\$ 103,051
Reinvestment of distributions	103	199	1,363	2,776
Shares redeemed	(1,074)	(2)	(14,365)	(26)
Net increase (decrease)	<u>(964)</u>	<u>10,482</u>	<u>\$ (12,905)</u>	<u>\$ 105,801</u>
Service Class				
Shares sold	—	10,001	\$ —	\$ 100,010
Reinvestment of distributions	100	187	1,324	2,610
Shares redeemed	(1,039)	—	(13,889)	—
Net increase (decrease)	<u>(939)</u>	<u>10,188</u>	<u>\$ (12,565)</u>	<u>\$ 102,620</u>
Service Class 2				
Shares sold	—	10,001	\$ 3	\$ 100,010
Reinvestment of distributions	100	178	1,323	2,480
Shares redeemed	(1,038)	—	(13,868)	—
Net increase (decrease)	<u>(938)</u>	<u>10,179</u>	<u>\$ (12,542)</u>	<u>\$ 102,490</u>
VIP Freedom 2050^A				
Initial Class				
Shares sold	238	11,146	\$ 3,349	\$ 114,029
Reinvestment of distributions	51	207	682	2,918
Shares redeemed	(1,273)	(10)	(17,264)	(130)
Net increase (decrease)	<u>(984)</u>	<u>11,343</u>	<u>\$ (13,233)</u>	<u>\$ 116,817</u>
Service Class				
Shares sold	—	10,001	\$ —	\$ 100,010
Reinvestment of distributions	45	179	611	2,530
Shares redeemed	(1,036)	—	(13,991)	—
Net increase (decrease)	<u>(991)</u>	<u>10,180</u>	<u>\$ (13,380)</u>	<u>\$ 102,540</u>
Service Class 2				
Shares sold	36	10,297	\$ 489	\$ 104,181
Reinvestment of distributions	47	174	628	2,461
Shares redeemed	(1,103)	(1)	(14,921)	(7)
Net increase (decrease)	<u>(1,020)</u>	<u>10,470</u>	<u>\$ (13,804)</u>	<u>\$ 106,635</u>

^A For the period April 8, 2009 (commencement of operations) to December 31, 2009.

8. Other.

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

The Funds do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by the Funds within their principal investment strategies may represent a significant portion of the Underlying Fund's net assets. At the end of the period, VIP Freedom 2020 was the owner of record of approximately 16% of the total outstanding shares of VIP Value Portfolio.

The Funds, in aggregate, were the owners of record of approximately 34% of the total outstanding shares of VIP Value Portfolio.

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

	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP Freedom Income	59%	1	21%
VIP Freedom 2005	96%	—	—
VIP Freedom 2010	14%	1	64%
VIP Freedom 2015	37%	1	40%
VIP Freedom 2020	—	2	76%
VIP Freedom 2025	45%	2	29%
VIP Freedom 2030	16%	1	47%
VIP Freedom 2035	98%	—	—
VIP Freedom 2040	34%	1	64%
VIP Freedom 2045	99%	—	—
VIP Freedom 2050	95%	—	—

Investment Adviser

Strategic Advisers, Inc.
Boston, MA

General Distributor

Fidelity Distributors Corporation
Boston, MA

Transfer and Service Agents

Fidelity Investments Institutional Operations Company, Inc.
Boston, MA

Fidelity Service Company, Inc.
Boston, MA

Custodian

The Bank of New York Mellon
New York, NY