

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



**Semiannual Report**  
**June 30, 2011**



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To view a fund's proxy voting guidelines and proxy voting record for the 12-month period ended June 30, visit <http://www.fidelity.com/proxyvotingresults> or visit the Securities and Exchange Commission's (SEC) web site at <http://www.sec.gov>. You may also call 1-877-208-0098 to request a free copy of the proxy voting guidelines.

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

*A fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Forms N-Q are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. For a complete list of a fund's portfolio holdings, view the most recent holdings listing, semiannual report, or annual report on Fidelity's web site at <http://www.fidelity.com>, <http://www.advisor.fidelity.com>, or <http://www.401k.com>, as applicable.*

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*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, 2011 to June 30, 2011).

## 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, 2011	Ending Account Value June 30, 2011	Expenses Paid During Period* January 1, 2011 to June 30, 2011
<b>VIP Freedom Income</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,025.30	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,024.30	\$ .50
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,023.40	\$ 1.25
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2005</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,035.70	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,034.70	\$ .50
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,034.70	\$ 1.26
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25

	Annualized Expense Ratio	Beginning Account Value January 1, 2011	Ending Account Value June 30, 2011	Expenses Paid During Period* January 1, 2011 to June 30, 2011
<b>VIP Freedom 2010</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,040.10	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,040.10	\$ .51
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,039.30	\$ 1.26
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2015</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,041.10	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,041.20	\$ .51
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,040.40	\$ 1.26
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2020</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,046.30	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,045.40	\$ .51
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,044.50	\$ 1.27
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2025</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,049.60	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,048.60	\$ .51
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,047.90	\$ 1.27
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2030</b>				
<b>Initial Class</b>				
Actual	.00%	\$ 1,000.00	\$ 1,050.90	\$ .00
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual	.10%	\$ 1,000.00	\$ 1,050.00	\$ .51
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual	.25%	\$ 1,000.00	\$ 1,049.10	\$ 1.27
Hypothetical <sup>A</sup>		\$ 1,000.00	\$ 1,023.55	\$ 1.25

## Shareholder Expense Example – continued

	Annualized Expense Ratio	Beginning Account Value January 1, 2011	Ending Account Value June 30, 2011	Expenses Paid During Period* January 1, 2011 to June 30, 2011
<b>VIP Freedom 2035</b>				
<b>Initial Class</b>				
Actual .....	.00%	\$ 1,000.00	\$ 1,051.60	\$ .00
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual .....	.10%	\$ 1,000.00	\$ 1,051.60	\$ .51
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual .....	.25%	\$ 1,000.00	\$ 1,051.00	\$ 1.27
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2040</b>				
<b>Initial Class</b>				
Actual .....	.00%	\$ 1,000.00	\$ 1,052.80	\$ .00
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual .....	.10%	\$ 1,000.00	\$ 1,052.10	\$ .51
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual .....	.25%	\$ 1,000.00	\$ 1,050.60	\$ 1.27
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2045</b>				
<b>Initial Class</b>				
Actual .....	.00%	\$ 1,000.00	\$ 1,053.20	\$ .00
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual .....	.10%	\$ 1,000.00	\$ 1,052.50	\$ .51
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual .....	.25%	\$ 1,000.00	\$ 1,051.80	\$ 1.27
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,023.55	\$ 1.25
<b>VIP Freedom 2050</b>				
<b>Initial Class</b>				
Actual .....	.00%	\$ 1,000.00	\$ 1,053.10	\$ .00
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.79	\$ .00
<b>Service Class</b>				
Actual .....	.10%	\$ 1,000.00	\$ 1,053.10	\$ .51
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,024.30	\$ .50
<b>Service Class 2</b>				
Actual .....	.25%	\$ 1,000.00	\$ 1,052.50	\$ 1.27
Hypothetical <sup>A</sup> .....		\$ 1,000.00	\$ 1,023.55	\$ 1.25

<sup>A</sup> 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)

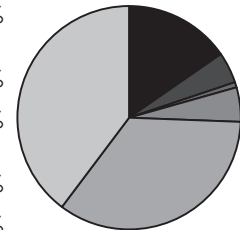
## Fund Holdings as of June 30, 2011

	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	2.4	2.5
VIP Equity-Income Portfolio Initial Class	2.8	2.9
VIP Growth & Income Portfolio Initial Class	2.8	2.9
VIP Growth Portfolio Initial Class	2.9	2.9
VIP Mid Cap Portfolio Initial Class	1.0	1.0
VIP Value Portfolio Initial Class	2.4	2.5
VIP Value Strategies Portfolio Initial Class	1.0	1.1
	<u>15.3</u>	<u>15.8</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	4.5	4.6
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	0.8	0.7
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	5.0	5.0
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	34.7	34.2
<b>Short-Term Funds</b>		
VIP Money Market Portfolio Initial Class	39.8	39.6
<b>Net Other Assets (Liabilities)</b>	(0.1)	0.1
	<u>100.0</u>	<u>100.0</u>

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

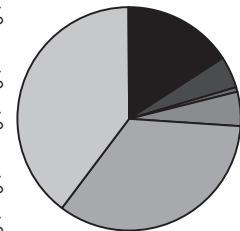
### Current

Domestic Equity Funds	15.3%
Developed International Equity Funds	4.5%
Emerging Markets Equity Funds	0.8%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	34.7%
Short-Term Funds	39.8%
Net Other Assets <sup>†</sup>	(0.1)%



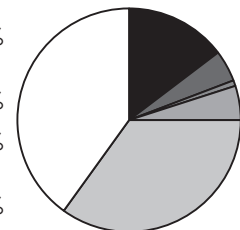
### Six months ago

Domestic Equity Funds	15.8%
Developed International Equity Funds	4.6%
Emerging Markets Equity Funds	0.7%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	34.2%
Short-Term Funds	39.6%
Net Other Assets	0.1%



### 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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

<sup>†</sup> Net Other Assets are not included in the pie chart.

# VIP Freedom Income Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 15.3%

	Shares	Value
<b>Domestic Equity Funds – 15.3%</b>		
VIP Contrafund Portfolio Initial Class . . .	20,259	\$ 508,902
VIP Equity-Income Portfolio Initial Class .	29,273	592,770
VIP Growth & Income Portfolio Initial Class . . . . .	44,807	591,459
VIP Growth Portfolio Initial Class . . . . .	14,999	603,563
VIP Mid Cap Portfolio Initial Class . . . . .	6,252	206,326
VIP Value Portfolio Initial Class . . . . .	43,819	507,866
VIP Value Strategies Portfolio Initial Class	20,564	212,832

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$3,367,708) . . . . . **3,223,718**

## International Equity Funds – 5.3%

### Developed International Equity Funds – 4.5%

VIP Overseas Portfolio Initial Class . . . . .	54,489	<u>962,278</u>
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### Emerging Markets Equity Funds – 0.8%

VIP Emerging Markets Portfolio Initial Class . . . . .	16,665	<u>164,648</u>
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**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$922,092) . . . . . **1,126,926**

## 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.

## Bond Funds – 39.7%

	Shares	Value
<b>High Yield Bond Funds – 5.0%</b>		
VIP High Income Portfolio Initial Class . . . . .	181,018	\$ <u>1,053,527</u>
<b>Investment Grade Bond Funds – 34.7%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	564,016	<u>7,332,203</u>

**TOTAL BOND FUNDS**  
(Cost \$8,132,673) . . . . . **8,385,730**

## Short-Term Funds – 39.8%

VIP Money Market Portfolio Initial Class (Cost \$8,406,615) . . . . .	8,406,615	<u>8,406,615</u>
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**TOTAL INVESTMENT PORTFOLIO – 100.1%**  
(Cost \$20,829,088) . . . . . **21,142,989**

**NET OTHER ASSETS (LIABILITIES) – (0.1)% . . . . . (21,498)**

**NET ASSETS – 100% . . . . . \$ 21,121,491**

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, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$20,829,088) — See accompanying schedule .....	\$ 21,142,989
Receivable for investments sold .....	76,288
Receivable for fund shares sold .....	322,596
<b>Total assets</b> .....	<u>21,541,873</u>
<b>Liabilities</b>	
Payable to custodian bank .....	\$ 152
Payable for investments purchased ..	321,018
Payable for fund shares redeemed ..	97,513
Distribution and service plan fees payable .....	<u>1,699</u>
<b>Total liabilities</b> .....	<u>420,382</u>
<b>Net Assets</b> .....	<u>\$ 21,121,491</u>
Net Assets consist of:	
Paid in capital .....	\$ 20,769,749
Accumulated net investment loss .....	(1,003)
Accumulated undistributed net realized gain (loss) on investments ..	38,844
Net unrealized appreciation (depreciation) on investments .....	<u>313,901</u>
<b>Net Assets</b> .....	<u>\$ 21,121,491</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$11,240,638 ÷ 1,067,934 shares) .....	<u>\$ 10.53</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$2,497,016 ÷ 237,102 shares) .....	<u>\$ 10.53</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$7,383,837 ÷ 704,554 shares) .....	<u>\$ 10.48</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 8,646
<b>Expenses</b>	
Distribution and service plan fees ..	\$ 9,649
Independent trustees' compensation ..	35
Total expenses before reductions ..	9,684
Expense reductions .....	<u>(35)</u>
<b>Net investment income (loss)</b> .....	<u>(1,003)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	30,683
Capital gain distributions from underlying funds .....	<u>109,416</u>
Total net realized gain (loss) .....	140,099
Change in net unrealized appreciation (depreciation) on underlying funds .....	<u>320,119</u>
<b>Net gain (loss)</b> .....	<u>460,218</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 459,215</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, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ (1,003)	\$ 324,248
Net realized gain (loss) .....	140,099	453,688
Change in net unrealized appreciation (depreciation) .....	320,119	547,661
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>459,215</u>	<u>1,325,597</u>
Distributions to shareholders from net investment income .....	—	(329,236)
Distributions to shareholders from net realized gain .....	—	(476,604)
<b>Total distributions</b> .....	<u>—</u>	<u>(805,840)</u>
Share transactions – net increase (decrease) .....	2,011,786	(1,464,915)
<b>Total increase (decrease) in net assets</b> .....	<u>2,471,001</u>	<u>(945,158)</u>
<b>Net Assets</b>		
Beginning of period .....	18,650,490	19,595,648
End of period (including accumulated net investment loss of \$1,003 and undistributed net investment income of \$0, respectively) .....	<u>\$ 21,121,491</u>	<u>\$ 18,650,490</u>

**Financial Highlights – Initial Class**

	Six months ended June 30, 2011 (Unaudited)	2010	2009	Years ended December 31, 2008		2007	2006
<b>Selected Per-Share Data</b>							
Net asset value, beginning of period .....	\$ 10.27	\$ 10.00	\$ 9.14	\$ 10.80	\$ 10.71	\$ 10.36	
Income from Investment Operations							
Net investment income (loss) <sup>E</sup> .....	— <sup>I</sup>	.19	.39	.36	.43	.40	
Net realized and unrealized gain (loss) .....	.26	.56	.96	(1.48)	.22	.32	
Total from investment operations .....	<u>.26</u>	<u>.75</u>	<u>1.35</u>	<u>(1.12)</u>	<u>.65</u>	<u>.72</u>	
Distributions from net investment income .....	—	(.20)	(.35)	(.37)	(.44)	(.32)	
Distributions from net realized gain .....	—	(.28)	(.15)	(.17)	(.12)	(.05)	
Total distributions .....	<u>—</u>	<u>(.48)</u>	<u>(.49)<sup>J</sup></u>	<u>(.54)</u>	<u>(.56)</u>	<u>(.37)</u>	
Net asset value, end of period .....	<u>\$ 10.53</u>	<u>\$ 10.27</u>	<u>\$ 10.00</u>	<u>\$ 9.14</u>	<u>\$ 10.80</u>	<u>\$ 10.71</u>	
<b>Total Return</b> <sup>B, C, D</sup> .....	2.53%	7.49%	14.95%	(10.45)%	6.10%	6.94%	
<b>Ratios to Average Net Assets</b> <sup>F, H</sup>							
Expenses before reductions <sup>G</sup> .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%	.00%
Net investment income (loss) .....	.09% <sup>A</sup>	1.88%	4.00%	3.50%	3.93%	3.75%	
<b>Supplemental Data</b>							
Net assets, end of period (000 omitted) .....	\$ 11,241	\$ 11,165	\$ 12,679	\$ 8,976	\$ 10,035	\$ 9,398	
Portfolio turnover rate .....	62% <sup>A</sup>	41%	32%	55%	56%	44%	

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Amount represents less than .01%. <sup>H</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. <sup>I</sup>Amount represents less than \$.01 per share. <sup>J</sup>Total 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.28	\$ 10.00	\$ 9.14	\$ 10.81	\$ 10.71	\$ 10.36
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.18	.37	.35	.42	.39
Net realized and unrealized gain (loss)	.25	.56	.97	(1.50)	.23	.32
Total from investment operations	.25	.74	1.34	(1.15)	.65	.71
Distributions from net investment income	—	(.19)	(.33)	(.35)	(.43)	(.31)
Distributions from net realized gain	—	(.28)	(.15)	(.17)	(.12)	(.05)
Total distributions	—	(.46) <sup>I</sup>	(.48) <sup>I</sup>	(.52)	(.55)	(.36)
Net asset value, end of period	\$ 10.53	\$ 10.28	\$ 10.00	\$ 9.14	\$ 10.81	\$ 10.71
<b>Total Return</b> <sup>B, C, D</sup>	2.43%	7.46%	14.81%	(10.65)%	6.10%	6.83%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.01)% <sup>A</sup>	1.78%	3.90%	3.40%	3.83%	3.65%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 2,497	\$ 172	\$ 163	\$ 258	\$ 414	\$ 391
Portfolio turnover rate	62% <sup>A</sup>	41%	32%	55%	56%	44%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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. <sup>J</sup>Total distributions of \$.46 per share is comprised of distributions from net investment income of \$.189 and distributions from net realized gain of \$.275 per share.

## Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.24	\$ 9.97	\$ 9.12	\$ 10.78	\$ 10.69	\$ 10.36
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.17	.36	.33	.40	.37
Net realized and unrealized gain (loss)	.25	.55	.96	(1.48)	.23	.32
Total from investment operations	.24	.72	1.32	(1.15)	.63	.69
Distributions from net investment income	—	(.18)	(.33)	(.34)	(.42)	(.31)
Distributions from net realized gain	—	(.28)	(.15)	(.17)	(.12)	(.05)
Total distributions	—	(.45) <sup>I</sup>	(.47) <sup>H</sup>	(.51)	(.54)	(.36)
Net asset value, end of period	\$ 10.48	\$ 10.24	\$ 9.97	\$ 9.12	\$ 10.78	\$ 10.69
<b>Total Return</b> <sup>B, C, D</sup>	2.34%	7.25%	14.64%	(10.70)%	5.92%	6.61%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.16)% <sup>A</sup>	1.63%	3.76%	3.25%	3.68%	3.50%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 7,384	\$ 7,313	\$ 6,753	\$ 4,836	\$ 3,589	\$ 1,061
Portfolio turnover rate	62% <sup>A</sup>	41%	32%	55%	56%	44%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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. <sup>I</sup>Total distributions of \$.45 per share is comprised of distributions from net investment income of \$.176 and distributions from net realized gain of \$.275 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, 2011

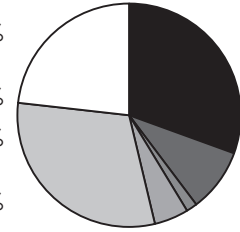
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	4.8	5.2
VIP Equity-Income Portfolio Initial Class	5.6	6.1
VIP Growth & Income Portfolio Initial Class	5.6	6.0
VIP Growth Portfolio Initial Class	5.8	6.1
VIP Mid Cap Portfolio Initial Class	2.0	2.1
VIP Value Portfolio Initial Class	4.8	5.2
VIP Value Strategies Portfolio Initial Class	2.0	2.2
	<u>30.6</u>	<u>32.9</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	9.2	9.7
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	1.6	1.6
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	5.0	4.9
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	30.5	30.2
<b>Short-Term Funds</b>		
VIP Money Market Portfolio Initial Class	23.1	20.7
<b>Net Other Assets (Liabilities)*</b>		
	0.0	0.0
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

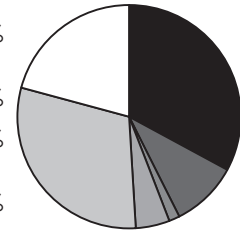
### Current

Domestic Equity Funds	30.6%
Developed International Equity Funds	9.2%
Emerging Markets Equity Funds	1.6%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	30.5%
Short-Term Funds	23.1%



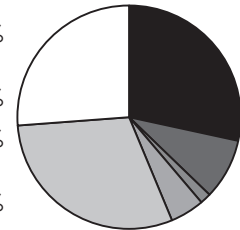
### Six months ago

Domestic Equity Funds	32.9%
Developed International Equity Funds	9.7%
Emerging Markets Equity Funds	1.6%
High Yield Bond Funds	4.9%
Investment Grade Bond Funds	30.2%
Short-Term Funds	20.7%



### Expected

Domestic Equity Funds	28.4%
Developed International Equity Funds	8.8%
Emerging Markets Equity Funds	1.6%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	30.1%
Short-Term Funds	26.1%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2005 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 30.6%

	Shares	Value
<b>Domestic Equity Funds – 30.6%</b>		
VIP Contrafund Portfolio Initial Class . . .	11,125	\$ 279,464
VIP Equity-Income Portfolio Initial Class .	16,112	326,273
VIP Growth & Income Portfolio Initial Class . . . . .	24,658	325,482
VIP Growth Portfolio Initial Class . . . . .	8,257	332,250
VIP Mid Cap Portfolio Initial Class . . . . .	3,435	113,364
VIP Value Portfolio Initial Class . . . . .	24,044	278,673
VIP Value Strategies Portfolio Initial Class	11,303	116,990

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$1,909,101) . . . . . **1,772,496**

## International Equity Funds – 10.8%

<b>Developed International Equity Funds – 9.2%</b>		
VIP Overseas Portfolio Initial Class . . . . .	30,378	536,467
<b>Emerging Markets Equity Funds – 1.6%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	9,298	91,867

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$680,186) . . . . . **628,334**

## 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.

## Income Tax Information

At December 31, 2010, the Fund had a capital loss carryforward of approximately \$86,373 all of which will expire in fiscal 2018. Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited.

## Bond Funds – 35.5%

	Shares	Value
<b>High Yield Bond Funds – 5.0%</b>		
VIP High Income Portfolio Initial Class . . .	49,753	\$ 289,565
<b>Investment Grade Bond Funds – 30.5%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	135,760	1,764,883

**TOTAL BOND FUNDS**  
(Cost \$1,999,751) . . . . . **2,054,448**

## Short-Term Funds – 23.1%

VIP Money Market Portfolio Initial Class  
(Cost \$1,339,044) . . . . . 1,339,044 **1,339,044**

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$5,928,082) . . . . . **5,794,322**

**NET OTHER ASSETS (LIABILITIES) – 0.0%** . . . . . **(45)**

**NET ASSETS – 100%** . . . . . **\$ 5,794,277**

# VIP Freedom 2005 Portfolio Financial Statements

## Statement of Assets and Liabilities

June 30, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$5,928,082) — See accompanying schedule .....	\$ 5,794,322
Receivable for investments sold .....	35,406
<b>Total assets</b> .....	<u>5,829,728</u>
<b>Liabilities</b>	
Payable for fund shares redeemed .. \$	35,402
Distribution and service plan fees payable .....	49
<b>Total liabilities</b> .....	<u>35,451</u>
<b>Net Assets</b> .....	<u>\$ 5,794,277</u>
Net Assets consist of:	
Paid in capital .....	\$ 6,122,701
Undistributed net investment income	1,559
Accumulated undistributed net realized gain (loss) on investments ..	(196,223)
Net unrealized appreciation (depreciation) on investments .....	(133,760)
<b>Net Assets</b> .....	<u>\$ 5,794,277</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$5,457,157 ÷ 523,184 shares)	<u>\$ 10.43</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$175,734 ÷ 16,849 shares) ..	<u>\$ 10.43</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$161,386 ÷ 15,471 shares) ..	<u>\$ 10.43</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 1,852
<b>Expenses</b>	
Distribution and service plan fees .. \$	293
Independent trustees' compensation .....	11
Total expenses before reductions ..	304
Expense reductions .....	(11)
	<u>293</u>
<b>Net investment income (loss)</b> .....	<u>1,559</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	(17,971)
Capital gain distributions from underlying funds .....	31,468
Total net realized gain (loss) .....	13,497
Change in net unrealized appreciation (depreciation) on underlying funds .....	187,561
<b>Net gain (loss)</b> .....	<u>201,058</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 202,617</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 1,559	\$ 117,868
Net realized gain (loss)	13,497	(54,409)
Change in net unrealized appreciation (depreciation)	187,561	602,863
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>202,617</u>	<u>666,322</u>
Distributions to shareholders from net investment income	—	(118,355)
Distributions to shareholders from net realized gain	—	(79,802)
<b>Total distributions</b>	<u>—</u>	<u>(198,157)</u>
Share transactions – net increase (decrease)	(476,426)	(1,588,370)
<b>Total increase (decrease) in net assets</b>	<u>(273,809)</u>	<u>(1,120,205)</u>
<b>Net Assets</b>		
Beginning of period	6,068,086	7,188,291
End of period (including undistributed net investment income of \$1,559 and undistributed net investment income of \$0, respectively)	<u>\$ 5,794,277</u>	<u>\$ 6,068,086</u>

## Financial Highlights – Initial Class

	Six months ended June 30, 2011 (Unaudited)	2010	2009	Years ended December 31,		2006
				2008	2007	
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.07	\$ 9.34	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>I</sup>	.18	.34	.34	.38	.31
Net realized and unrealized gain (loss)	.36	.87	1.48	(3.06)	.60	.72
Total from investment operations	<u>.36</u>	<u>1.05</u>	<u>1.82</u>	<u>(2.72)</u>	<u>.98</u>	<u>1.03</u>
Distributions from net investment income	—	(.20)	(.35)	(.34)	(.34)	(.31)
Distributions from net realized gain	—	(.12)	(.26)	(.39)	(.47)	(.05)
Total distributions	<u>—</u>	<u>(.32)</u>	<u>(.62)<sup>K</sup></u>	<u>(.73)</u>	<u>(.80)<sup>J</sup></u>	<u>(.36)</u>
Net asset value, end of period	<u>\$ 10.43</u>	<u>\$ 10.07</u>	<u>\$ 9.34</u>	<u>\$ 8.14</u>	<u>\$ 11.59</u>	<u>\$ 11.41</u>
<b>Total Return<sup>B, C, D</sup></b>	<u>3.57%</u>	<u>11.34%</u>	<u>23.02%</u>	<u>(23.83)%</u>	<u>8.65%</u>	<u>9.59%</u>
<b>Ratios to Average Net Assets<sup>F, H</sup></b>						
Expenses before reductions <sup>G</sup>	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Net investment income (loss)	.06% <sup>A</sup>	1.90%	3.95%	3.29%	3.20%	2.82%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 5,457	\$ 5,733	\$ 6,833	\$ 5,993	\$ 9,203	\$ 7,871
Portfolio turnover rate	33% <sup>A</sup>	42%	50%	51%	51%	56%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Amount represents less than .01%. <sup>H</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. <sup>I</sup>Amount represents less than \$0.01 per share. <sup>J</sup>Total 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. <sup>K</sup>Total 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.

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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.08	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.17	.33	.33	.37	.30
Net realized and unrealized gain (loss)	.35	.87	1.48	(3.06)	.60	.72
Total from investment operations	.35	1.04	1.81	(2.73)	.97	1.02
Distributions from net investment income	—	(.19)	(.34)	(.33)	(.32)	(.30)
Distributions from net realized gain	—	(.12)	(.26)	(.39)	(.47)	(.05)
Total distributions	—	(.31)	(.60) <sup>I</sup>	(.72)	(.79) <sup>I</sup>	(.35)
Net asset value, end of period	\$ 10.43	\$ 10.08	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41
<b>Total Return</b> <sup>B, C, D</sup>	3.47%	11.24%	23.00%	(23.95)%	8.55%	9.48%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.04)% <sup>A</sup>	1.80%	3.85%	3.19%	3.10%	2.72%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 176	\$ 179	\$ 172	\$ 250	\$ 449	\$ 414
Portfolio turnover rate	33% <sup>A</sup>	42%	50%	51%	51%	56%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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. <sup>J</sup>Total 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.08	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41	\$ 10.74
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.16	.32	.31	.35	.29
Net realized and unrealized gain (loss)	.36	.86	1.48	(3.06)	.60	.71
Total from investment operations	.35	1.02	1.80	(2.75)	.95	1.00
Distributions from net investment income	—	(.18)	(.32)	(.31)	(.31)	(.28)
Distributions from net realized gain	—	(.12)	(.26)	(.39)	(.47)	(.05)
Total distributions	—	(.29) <sup>I</sup>	(.59) <sup>I</sup>	(.70)	(.77) <sup>H</sup>	(.33)
Net asset value, end of period	\$ 10.43	\$ 10.08	\$ 9.35	\$ 8.14	\$ 11.59	\$ 11.41
<b>Total Return</b> <sup>B, C, D</sup>	3.47%	11.06%	22.78%	(24.12)%	8.40%	9.34%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.19)% <sup>A</sup>	1.65%	3.70%	3.04%	2.95%	2.57%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 161	\$ 157	\$ 183	\$ 271	\$ 456	\$ 413
Portfolio turnover rate	33% <sup>A</sup>	42%	50%	51%	51%	56%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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. <sup>I</sup>Total 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. <sup>J</sup>Total distributions of \$.29 per share is comprised of distributions from net investment income of \$.177 and distributions from net realized gain of \$.117 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, 2011

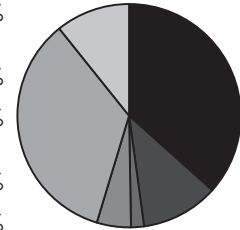
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	5.8	6.0
VIP Equity-Income Portfolio Initial Class	6.7	7.1
VIP Growth & Income Portfolio Initial Class	6.7	7.0
VIP Growth Portfolio Initial Class	6.9	7.0
VIP Mid Cap Portfolio Initial Class	2.4	2.4
VIP Value Portfolio Initial Class	5.8	6.1
VIP Value Strategies Portfolio Initial Class	2.4	2.6
	<u>36.7</u>	<u>38.2</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	11.2	11.3
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	1.9	1.9
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	5.0	4.9
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	34.6	33.5
<b>Short-Term Funds</b>		
VIP Money Market Portfolio Initial Class	10.7	10.2
<b>Net Other Assets (Liabilities)</b>	<u>(0.1)</u>	<u>0.0*</u>
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

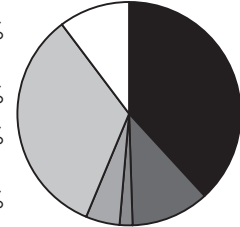
### Current

Domestic Equity Funds	36.7%
Developed International Equity Funds	11.2%
Emerging Markets Equity Funds	1.9%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	34.6%
Short-Term Funds	10.7%
Net Other Assets <sup>†</sup>	(0.1)%



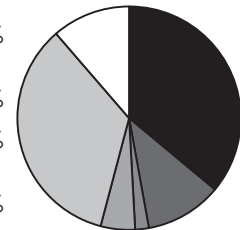
### Six months ago

Domestic Equity Funds	38.2%
Developed International Equity Funds	11.3%
Emerging Markets Equity Funds	1.9%
High Yield Bond Funds	4.9%
Investment Grade Bond Funds	33.5%
Short-Term Funds	10.2%



### Expected

Domestic Equity Funds	36.0%
Developed International Equity Funds	11.1%
Emerging Markets Equity Funds	2.0%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	34.6%
Short-Term Funds	11.3%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

<sup>†</sup> Net Other Assets are not included in the pie chart.

# VIP Freedom 2010 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 36.7%

	Shares	Value
<b>Domestic Equity Funds – 36.7%</b>		
VIP Contrafund Portfolio Initial Class . . .	400,901	\$ 10,070,637
VIP Equity-Income Portfolio Initial Class .	579,205	11,728,892
VIP Growth & Income Portfolio Initial Class . . . . .	886,666	11,703,992
VIP Growth Portfolio Initial Class . . . . .	296,813	11,943,735
VIP Mid Cap Portfolio Initial Class . . . . .	124,023	4,092,762
VIP Value Portfolio Initial Class . . . . .	866,895	10,047,313
VIP Value Strategies Portfolio Initial Class	407,663	4,219,316

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$65,089,293) . . . . . **63,806,647**

## International Equity Funds – 13.1%

<b>Developed International Equity Funds – 11.2%</b>		
VIP Overseas Portfolio Initial Class . . . . .	1,099,614	19,419,180

<b>Emerging Markets Equity Funds – 1.9%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	337,490	3,334,404

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$23,086,352) . . . . . **22,753,584**

## 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.

## Bond Funds – 39.6%

	Shares	Value
<b>High Yield Bond Funds – 5.0%</b>		
VIP High Income Portfolio Initial Class . . . . .	1,491,337	\$ 8,679,582
<b>Investment Grade Bond Funds – 34.6%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	4,617,198	60,023,567
<b>TOTAL BOND FUNDS</b> (Cost \$67,249,722) . . . . .		<b>68,703,149</b>

## Short-Term Funds – 10.7%

VIP Money Market Portfolio Initial Class (Cost \$18,621,981) . . . . .	18,621,981	18,621,981
--	------------	------------

**TOTAL INVESTMENT PORTFOLIO – 100.1%**  
(Cost \$174,047,348) . . . . . **173,885,361**

**NET OTHER ASSETS (LIABILITIES) – (0.1%)** **(115,545)**

**NET ASSETS – 100%** **\$ 173,769,816**

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, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$174,047,348) — See accompanying schedule .....	\$ 173,885,361
Receivable for investments sold .....	384,757
Receivable for fund shares sold .....	100,869
<b>Total assets</b> .....	<u>174,370,987</u>
<b>Liabilities</b>	
Payable to custodian bank .....	\$ 6,252
Payable for fund shares redeemed ..	566,522
Distribution and service plan fees payable .....	<u>28,397</u>
<b>Total liabilities</b> .....	<u>601,171</u>
<b>Net Assets</b> .....	<u>\$ 173,769,816</u>
Net Assets consist of:	
Paid in capital .....	\$ 173,806,439
Accumulated net investment loss .....	(116,798)
Accumulated undistributed net realized gain (loss) on investments .....	242,162
Net unrealized appreciation (depreciation) on investments .....	<u>(161,987)</u>
<b>Net Assets</b> .....	<u>\$ 173,769,816</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$23,504,729 ÷ 2,130,158 shares) .....	<u>\$ 11.03</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$20,727,281 ÷ 1,880,887 shares) .....	<u>\$ 11.02</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$129,537,806 ÷ 11,804,721 shares) .....	<u>\$ 10.97</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 40,273
<b>Expenses</b>	
Distribution and service plan fees ..	\$ 164,916
Independent trustees' compensation .....	293
Total expenses before reductions ..	165,209
Expense reductions .....	<u>(293)</u>
<b>Net investment income (loss)</b> .....	<u>(124,643)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	202,312
Capital gain distributions from underlying funds .....	<u>970,728</u>
Total net realized gain (loss) .....	1,173,040
Change in net unrealized appreciation (depreciation) on underlying funds .....	<u>5,335,882</u>
<b>Net gain (loss)</b> .....	<u>6,508,922</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 6,384,279</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, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ (124,643)	\$ 3,027,486
Net realized gain (loss) .....	1,173,040	2,094,428
Change in net unrealized appreciation (depreciation) .....	5,335,882	11,980,452
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>6,384,279</u>	<u>17,102,366</u>
Distributions to shareholders from net investment income .....	—	(3,027,992)
Distributions to shareholders from net realized gain .....	(75,293)	(2,711,578)
<b>Total distributions</b> .....	<u>(75,293)</u>	<u>(5,739,570)</u>
Share transactions – net increase (decrease) .....	7,662,582	20,210,504
<b>Total increase (decrease) in net assets</b> .....	<u>13,971,568</u>	<u>31,573,300</u>
<b>Net Assets</b>		
Beginning of period .....	159,798,248	128,224,948
End of period (including accumulated net investment loss of \$116,798 and undistributed net investment income of \$7,845, respectively) .....	<u>\$ 173,769,816</u>	<u>\$ 159,798,248</u>

**Financial Highlights – Initial Class**

	Six months ended June 30, 2011 (Unaudited)	2010	2009	Years ended December 31,		2006
				2008	2007	
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period .....	\$ 10.61	\$ 9.77	\$ 8.23	\$ 11.96	\$ 11.59	\$ 10.78
Income from Investment Operations						
Net investment income (loss) <sup>E</sup> .....	— <sup>I</sup>	.24	.38	.35	.36	.28
Net realized and unrealized gain (loss) .....	.43	1.02	1.60	(3.32)	.64	.78
Total from investment operations .....	<u>.43</u>	<u>1.26</u>	<u>1.98</u>	<u>(2.97)</u>	<u>1.00</u>	<u>1.06</u>
Distributions from net investment income .....	—	(.23)	(.37)	(.31)	(.30)	(.20)
Distributions from net realized gain .....	(.01)	(.19)	(.07)	(.45)	(.33)	(.05)
Total distributions .....	<u>(.01)</u>	<u>(.42)</u>	<u>(.44)</u>	<u>(.76)</u>	<u>(.63)</u>	<u>(.25)</u>
Net asset value, end of period .....	<u>\$ 11.03</u>	<u>\$ 10.61</u>	<u>\$ 9.77</u>	<u>\$ 8.23</u>	<u>\$ 11.96</u>	<u>\$ 11.59</u>
<b>Total Return</b> <sup>B, C, D</sup> .....	4.01%	12.95%	24.27%	(25.05)%	8.71%	9.82%
<b>Ratios to Average Net Assets</b> <sup>F, H</sup>						
Expenses before reductions <sup>G</sup> .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Net investment income (loss) .....	.05% <sup>A</sup>	2.38%	4.22%	3.27%	2.95%	2.48%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted) .....	\$ 23,505	\$ 22,573	\$ 21,197	\$ 24,962	\$ 26,629	\$ 20,992
Portfolio turnover rate .....	17% <sup>A</sup>	29%	28%	34%	21%	24%

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Amount represents less than .01%. <sup>H</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. <sup>I</sup>Amount 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.60	\$ 9.77	\$ 8.23	\$ 11.95	\$ 11.58	\$ 10.77
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.23	.37	.33	.35	.27
Net realized and unrealized gain (loss)	.43	1.01	1.60	(3.30)	.64	.78
Total from investment operations	.43	1.24	1.97	(2.97)	.99	1.05
Distributions from net investment income	—	(.21)	(.36)	(.30)	(.29)	(.19)
Distributions from net realized gain	(.01)	(.19)	(.07)	(.45)	(.33)	(.05)
Total distributions	(.01)	(.41) <sup>I</sup>	(.43)	(.75)	(.62)	(.24)
Net asset value, end of period	\$ 11.02	\$ 10.60	\$ 9.77	\$ 8.23	\$ 11.95	\$ 11.58
<b>Total Return</b> <sup>B, C, D</sup>	4.01%	12.74%	24.15%	(25.08)%	8.65%	9.78%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.05)% <sup>A</sup>	2.28%	4.12%	3.17%	2.85%	2.39%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 20,727	\$ 19,259	\$ 19,238	\$ 17,137	\$ 19,295	\$ 5,984
Portfolio turnover rate	17% <sup>A</sup>	29%	28%	34%	21%	24%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total distributions of \$.41 per share is comprised of distributions from net investment income of \$.214 and distributions from net realized gain of \$.191 per share.

## Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.56	\$ 9.74	\$ 8.21	\$ 11.92	\$ 11.56	\$ 10.76
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.22	.35	.32	.33	.25
Net realized and unrealized gain (loss)	.43	.99	1.60	(3.29)	.64	.78
Total from investment operations	.42	1.21	1.95	(2.97)	.97	1.03
Distributions from net investment income	—	(.20)	(.35)	(.29)	(.28)	(.18)
Distributions from net realized gain	(.01)	(.19)	(.07)	(.45)	(.33)	(.05)
Total distributions	(.01)	(.39)	(.42)	(.74)	(.61)	(.23)
Net asset value, end of period	\$ 10.97	\$ 10.56	\$ 9.74	\$ 8.21	\$ 11.92	\$ 11.56
<b>Total Return</b> <sup>B, C, D</sup>	3.93%	12.55%	23.95%	(25.17)%	8.42%	9.58%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.20)% <sup>A</sup>	2.13%	3.97%	3.02%	2.70%	2.24%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 129,538	\$ 117,966	\$ 87,791	\$ 66,370	\$ 62,510	\$ 38,662
Portfolio turnover rate	17% <sup>A</sup>	29%	28%	34%	21%	24%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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, 2011

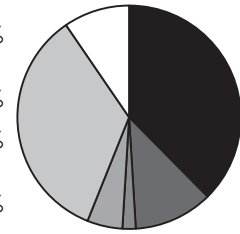
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	5.9	6.2
VIP Equity-Income Portfolio Initial Class	6.9	7.3
VIP Growth & Income Portfolio Initial Class	6.9	7.2
VIP Growth Portfolio Initial Class	7.1	7.2
VIP Mid Cap Portfolio Initial Class	2.4	2.5
VIP Value Portfolio Initial Class	5.9	6.2
VIP Value Strategies Portfolio Initial Class	2.5	2.6
	<u>37.6</u>	<u>39.2</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	11.4	11.7
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	2.0	1.9
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	5.1	5.0
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	34.4	33.1
<b>Short-Term Funds</b>		
VIP Money Market Portfolio Initial Class	9.5	9.1
<b>Net Other Assets (Liabilities)*</b>	0.0	0.0
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

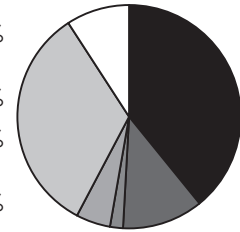
### Current

Domestic Equity Funds	37.6%
Developed International Equity Funds	11.4%
Emerging Markets Equity Funds	2.0%
High Yield Bond Funds	5.1%
Investment Grade Bond Funds	34.4%
Short-Term Funds	9.5%



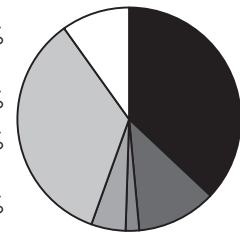
### Six months ago

Domestic Equity Funds	39.2%
Developed International Equity Funds	11.7%
Emerging Markets Equity Funds	1.9%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	33.1%
Short-Term Funds	9.1%



### Expected

Domestic Equity Funds	37.0%
Developed International Equity Funds	11.5%
Emerging Markets Equity Funds	2.0%
High Yield Bond Funds	5.0%
Investment Grade Bond Funds	34.7%
Short-Term Funds	9.8%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2015 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 37.6%

	Shares	Value
<b>Domestic Equity Funds – 37.6%</b>		
VIP Contrafund Portfolio Initial Class . . .	246,678	\$ 6,196,559
VIP Equity-Income Portfolio Initial Class .	356,766	7,224,518
VIP Growth & Income Portfolio Initial Class . . . . .	546,161	7,209,323
VIP Growth Portfolio Initial Class . . . . .	182,828	7,356,997
VIP Mid Cap Portfolio Initial Class . . . . .	76,342	2,519,292
VIP Value Portfolio Initial Class . . . . .	533,351	6,181,535
VIP Value Strategies Portfolio Initial Class	251,008	2,597,935

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$37,466,716) . . . . . **39,286,159**

## International Equity Funds – 13.4%

<b>Developed International Equity Funds – 11.4%</b>		
VIP Overseas Portfolio Initial Class . . . . .	676,961	<u>11,955,133</u>

<b>Emerging Markets Equity Funds – 2.0%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	207,613	<u>2,051,217</u>

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$13,508,365) . . . . . **14,006,350**

## 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.

## Bond Funds – 39.5%

	Shares	Value
<b>High Yield Bond Funds – 5.1%</b>		
VIP High Income Portfolio Initial Class . . . . .	904,936	\$ <u>5,266,725</u>
<b>Investment Grade Bond Funds – 34.4%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	2,764,125	<u>35,933,621</u>
<b>TOTAL BOND FUNDS</b> (Cost \$40,113,015) . . . . .		<u><b>41,200,346</b></u>

## Short-Term Funds – 9.5%

VIP Money Market Portfolio Initial Class (Cost \$9,959,058) . . . . .	9,959,058	<u>9,959,058</u>
---	-----------	------------------

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$101,047,154) . . . . . **104,451,913**

**NET OTHER ASSETS (LIABILITIES) – 0.0%** . . . . . **(12,315)**

**NET ASSETS – 100%** . . . . . **\$ 104,439,598**

# VIP Freedom 2015 Portfolio Financial Statements

## Statement of Assets and Liabilities

June 30, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$101,047,154) — See accompanying schedule .....	\$ 104,451,913
Cash .....	49,908
Receivable for investments sold .....	69,503
Receivable for fund shares sold .....	50,015
<b>Total assets</b> .....	<u>104,621,339</u>
<b>Liabilities</b>	
Payable for investments purchased . \$	80,456
Payable for fund shares redeemed ..	89,061
Distribution and service plan fees payable .....	<u>12,224</u>
<b>Total liabilities</b> .....	<u>181,741</u>
<b>Net Assets</b> .....	<u>\$ 104,439,598</u>
Net Assets consist of:	
Paid in capital .....	\$ 100,844,701
Accumulated net investment loss .....	(49,469)
Accumulated undistributed net realized gain (loss) on investments .....	239,607
Net unrealized appreciation (depreciation) on investments .....	3,404,759
<b>Net Assets</b> .....	<u>\$ 104,439,598</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share	
(\$41,493,600 ÷ 3,724,619 shares) .....	<u>\$ 11.14</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share	
(\$5,365,761 ÷ 482,139 shares) .....	<u>\$ 11.13</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share	
(\$57,580,237 ÷ 5,196,201 shares) .....	<u>\$ 11.08</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 24,368
<b>Expenses</b>	
Distribution and service plan fees .. \$	73,837
Independent trustees' compensation .....	182
Total expenses before reductions ..	74,019
Expense reductions .....	<u>(182)</u>
<b>Net investment income (loss)</b> .....	<u>(49,469)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	137,958
Capital gain distributions from underlying funds .....	<u>607,010</u>
Total net realized gain (loss) .....	744,968
Change in net unrealized appreciation (depreciation) on underlying funds .....	3,382,143
<b>Net gain (loss)</b> .....	<u>4,127,111</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 4,077,642</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ (49,469)	\$ 1,902,444
Net realized gain (loss)	744,968	866,011
Change in net unrealized appreciation (depreciation)	3,382,143	8,117,654
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>4,077,642</b>	<b>10,886,109</b>
Distributions to shareholders from net investment income	—	(1,907,875)
Distributions to shareholders from net realized gain	—	(1,118,696)
<b>Total distributions</b>	<b>—</b>	<b>(3,026,571)</b>
Share transactions – net increase (decrease)	1,992,420	9,160,517
<b>Total increase (decrease) in net assets</b>	<b>6,070,062</b>	<b>17,020,055</b>
<b>Net Assets</b>		
Beginning of period	98,369,536	81,349,481
End of period (including accumulated net investment loss of \$49,469 and undistributed net investment income of \$0, respectively)	<u>\$ 104,439,598</u>	<u>\$ 98,369,536</u>

## Financial Highlights – Initial Class

	Six months ended June 30, 2011 (Unaudited)	2010	2009	Years ended December 31,		2006
				2008	2007	
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.70	\$ 9.78	\$ 8.19	\$ 12.29	\$ 11.93	\$ 10.95
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>I</sup>	.23	.38	.33	.37	.27
Net realized and unrealized gain (loss)	.44	1.04	1.67	(3.61)	.73	.94
Total from investment operations	.44	1.27	2.05	(3.28)	1.10	1.21
Distributions from net investment income	—	(.23)	(.34)	(.30)	(.36)	(.14)
Distributions from net realized gain	—	(.13)	(.12)	(.52)	(.38)	(.09)
Total distributions	—	(.35) <sup>J</sup>	(.46)	(.82) <sup>K</sup>	(.74)	(.23)
Net asset value, end of period	\$ 11.14	\$ 10.70	\$ 9.78	\$ 8.19	\$ 12.29	\$ 11.93
<b>Total Return<sup>B,C,D</sup></b>	<b>4.11%</b>	<b>13.09%</b>	<b>25.28%</b>	<b>(27.03)%</b>	<b>9.33%</b>	<b>11.04%</b>
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions <sup>G</sup>	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Net investment income (loss)	.05% <sup>A</sup>	2.30%	4.21%	3.11%	2.93%	2.34%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 41,494	\$ 39,535	\$ 37,291	\$ 25,977	\$ 33,780	\$ 23,712
Portfolio turnover rate	24% <sup>A</sup>	30%	23%	27%	18%	24%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Amount represents less than .01%. <sup>H</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. <sup>I</sup>Amount represents less than \$0.01 per share. <sup>J</sup>Total distributions of \$.35 per share is comprised of distributions from net investment income of \$.227 and distributions from net realized gain of \$.127 per share. <sup>K</sup>Total 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.

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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.69	\$ 9.77	\$ 8.19	\$ 12.29	\$ 11.93	\$ 10.95
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.22	.37	.31	.35	.26
Net realized and unrealized gain (loss)	.44	1.05	1.66	(3.60)	.74	.94
Total from investment operations	.44	1.27	2.03	(3.29)	1.09	1.20
Distributions from net investment income	—	(.22)	(.33)	(.29)	(.35)	(.13)
Distributions from net realized gain	—	(.13)	(.12)	(.52)	(.38)	(.09)
Total distributions	—	(.35)	(.45)	(.81) <sup>I</sup>	(.73)	(.22)
Net asset value, end of period	\$ 11.13	\$ 10.69	\$ 9.77	\$ 8.19	\$ 12.29	\$ 11.93
<b>Total Return</b> <sup>B,C,D</sup>	4.12%	13.00%	25.06%	(27.10)%	9.23%	10.94%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.05)% <sup>A</sup>	2.20%	4.12%	3.01%	2.83%	2.24%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 5,366	\$ 2,723	\$ 1,524	\$ 936	\$ 477	\$ 427
Portfolio turnover rate	24% <sup>A</sup>	30%	23%	27%	18%	24%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.65	\$ 9.74	\$ 8.16	\$ 12.26	\$ 11.91	\$ 10.94
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.21	.35	.30	.33	.24
Net realized and unrealized gain (loss)	.44	1.03	1.67	(3.61)	.74	.95
Total from investment operations	.43	1.24	2.02	(3.31)	1.07	1.19
Distributions from net investment income	—	(.20)	(.32)	(.28)	(.34)	(.13)
Distributions from net realized gain	—	(.13)	(.12)	(.52)	(.38)	(.09)
Total distributions	—	(.33)	(.44)	(.79) <sup>H</sup>	(.72)	(.22)
Net asset value, end of period	\$ 11.08	\$ 10.65	\$ 9.74	\$ 8.16	\$ 12.26	\$ 11.91
<b>Total Return</b> <sup>B,C,D</sup>	4.04%	12.79%	25.02%	(27.30)%	9.07%	10.84%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.20)% <sup>A</sup>	2.05%	3.97%	2.86%	2.68%	2.09%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 57,580	\$ 56,112	\$ 42,534	\$ 25,855	\$ 24,497	\$ 9,984
Portfolio turnover rate	24% <sup>A</sup>	30%	23%	27%	18%	24%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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, 2011

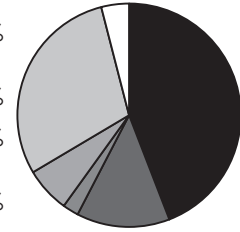
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	7.0	7.3
VIP Equity-Income Portfolio Initial Class	8.1	8.6
VIP Growth & Income Portfolio Initial Class	8.1	8.5
VIP Growth Portfolio Initial Class	8.3	8.6
VIP Mid Cap Portfolio Initial Class	2.8	3.0
VIP Value Portfolio Initial Class	6.9	7.3
VIP Value Strategies Portfolio Initial Class	2.9	3.1
	<u>44.1</u>	<u>46.4</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	13.5	13.8
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	2.3	2.3
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	6.5	6.5
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	29.5	27.6
<b>Short-Term Funds</b>		
VIP Money Market Portfolio Initial Class	4.1	3.4
<b>Net Other Assets (Liabilities)*</b>	0.0	0.0
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

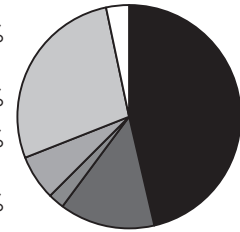
### Current

Domestic Equity Funds	44.1%
Developed International Equity Funds	13.5%
Emerging Markets Equity Funds	2.3%
High Yield Bond Funds	6.5%
Investment Grade Bond Funds	29.5%
Short-Term Funds	4.1%



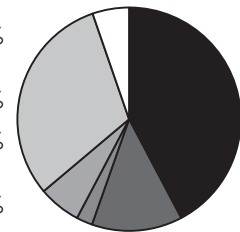
### Six months ago

Domestic Equity Funds	46.4%
Developed International Equity Funds	13.8%
Emerging Markets Equity Funds	2.3%
High Yield Bond Funds	6.5%
Investment Grade Bond Funds	27.6%
Short-Term Funds	3.4%



### Expected

Domestic Equity Funds	42.3%
Developed International Equity Funds	13.1%
Emerging Markets Equity Funds	2.3%
High Yield Bond Funds	6.2%
Investment Grade Bond Funds	30.9%
Short-Term Funds	5.2%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2020 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 44.1%

	Shares	Value
<b>Domestic Equity Funds – 44.1%</b>		
VIP Contrafund Portfolio Initial Class . . .	1,327,479	\$ 33,346,285
VIP Equity-Income Portfolio Initial Class .	1,917,621	38,831,833
VIP Growth & Income Portfolio Initial Class . . . . .	2,935,597	38,749,880
VIP Growth Portfolio Initial Class . . . . .	982,481	39,535,031
VIP Mid Cap Portfolio Initial Class . . . . .	411,122	13,567,015
VIP Value Portfolio Initial Class . . . . .	2,870,855	33,273,205
VIP Value Strategies Portfolio Initial Class	1,350,654	13,979,273

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$198,478,741) . . . . . **211,282,522**

## International Equity Funds – 15.8%

<b>Developed International Equity Funds – 13.5%</b>		
VIP Overseas Portfolio Initial Class . . . . .	3,656,600	<u>64,575,563</u>
<b>Emerging Markets Equity Funds – 2.3%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	1,123,596	<u>11,101,127</u>

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$72,291,066) . . . . . **75,676,690**

## 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.

## Bond Funds – 36.0%

	Shares	Value
<b>High Yield Bond Funds – 6.5%</b>		
VIP High Income Portfolio Initial Class . . . . .	5,354,051	<u>\$ 31,160,580</u>
<b>Investment Grade Bond Funds – 29.5%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	10,878,449	<u>141,419,831</u>
<b>TOTAL BOND FUNDS</b> (Cost \$169,550,320) . . . . .		<b>172,580,411</b>

## Short-Term Funds – 4.1%

VIP Money Market Portfolio Initial Class (Cost \$19,936,655) . . . . .	19,936,655	<u>19,936,655</u>
--	------------	-------------------

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$460,256,782) . . . . . **479,476,278**

**NET OTHER ASSETS (LIABILITIES) – 0.0%** . . . . . **(81,243)**

**NET ASSETS – 100%** . . . . . **\$ 479,395,035**

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, 2011 (Unaudited)

Assets	
Investment in securities, at value (cost \$460,256,782) — See accompanying schedule .....	\$ 479,476,278
Cash .....	37,255
Receivable for fund shares sold .....	685,009
<b>Total assets</b> .....	<u>480,198,542</u>
Liabilities	
Payable for investments purchased . \$	703,955
Payable for fund shares redeemed ..	17,635
Distribution and service plan fees payable .....	81,917
<b>Total liabilities</b> .....	<u>803,507</u>
<b>Net Assets</b> .....	<u>\$ 479,395,035</u>
Net Assets consist of:	
Paid in capital .....	\$ 460,196,033
Accumulated net investment loss .....	(379,346)
Accumulated undistributed net realized gain (loss) on investments .....	358,852
Net unrealized appreciation (depreciation) on investments .....	19,219,496
<b>Net Assets</b> .....	<u>\$ 479,395,035</u>
Initial Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$52,531,317 ÷ 4,740,600 shares) .....	<u>\$ 11.08</u>
Service Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$38,620,225 ÷ 3,492,234 shares) .....	<u>\$ 11.06</u>
Service Class 2:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$388,243,493 ÷ 35,225,861 shares) .....	<u>\$ 11.02</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

Investment Income	
Income distributions from underlying funds .....	\$ 80,540
Interest .....	3
<b>Total income</b> .....	<u>80,543</u>
Expenses	
Distribution and service plan fees .. \$	459,889
Independent trustees' compensation .....	752
Total expenses before reductions ..	460,641
Expense reductions .....	(752)
	<u>459,889</u>
<b>Net investment income (loss)</b> .....	<u>(379,346)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares .....	326,532
Capital gain distributions from underlying funds .....	2,115,689
Total net realized gain (loss) .....	2,442,221
Change in net unrealized appreciation (depreciation) on underlying funds .....	16,175,612
<b>Net gain (loss)</b> .....	<u>18,617,833</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 18,238,487</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, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ (379,346)	\$ 7,410,113
Net realized gain (loss) .....	2,442,221	1,627,031
Change in net unrealized appreciation (depreciation) .....	16,175,612	35,177,912
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<b>18,238,487</b>	<b>44,215,056</b>
Distributions to shareholders from net investment income .....	—	(7,414,198)
Distributions to shareholders from net realized gain .....	—	(2,619,651)
<b>Total distributions</b> .....	<b>—</b>	<b>(10,033,849)</b>
Share transactions – net increase (decrease) .....	72,432,018	100,585,667
<b>Total increase (decrease) in net assets</b> .....	<b>90,670,505</b>	<b>134,766,874</b>
<b>Net Assets</b>		
Beginning of period .....	388,724,530	253,957,656
End of period (including accumulated net investment loss of \$379,346 and undistributed net investment income of \$0, respectively) .....	<b>\$ 479,395,035</b>	<b>\$ 388,724,530</b>

**Financial Highlights – Initial Class**

	Six months ended June 30, 2011 (Unaudited)	2010	2009	Years ended December 31,		
				2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period .....	\$ 10.59	\$ 9.52	\$ 7.71	\$ 12.63	\$ 12.10	\$ 11.07
Income from Investment Operations						
Net investment income (loss) <sup>E</sup> .....	— <sup>H</sup>	.26	.33	.32	.35	.26
Net realized and unrealized gain (loss) .....	.49	1.11	1.88	(4.38)	.88	1.06
Total from investment operations .....	.49	1.37	2.21	(4.06)	1.23	1.32
Distributions from net investment income .....	—	(.22)	(.29)	(.28)	(.27)	(.18)
Distributions from net realized gain .....	—	(.08)	(.11)	(.59)	(.43)	(.11)
Total distributions .....	—	(.30)	(.40) <sup>I</sup>	(.86) <sup>J</sup>	(.70) <sup>K</sup>	(.29)
Net asset value, end of period .....	\$ 11.08	\$ 10.59	\$ 9.52	\$ 7.71	\$ 12.63	\$ 12.10
<b>Total Return</b> <sup>B, C, D</sup> .....	4.63%	14.49%	28.97%	(32.60)%	10.23%	11.95%
<b>Ratios to Average Net Assets</b> <sup>F, G</sup>						
Expenses before reductions <sup>L</sup> .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Net investment income (loss) .....	.04% <sup>A</sup>	2.61%	3.93%	3.07%	2.76%	2.21%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted) .....	\$ 52,531	\$ 45,225	\$ 38,330	\$ 33,089	\$ 31,465	\$ 21,356
Portfolio turnover rate .....	11% <sup>A</sup>	21%	18%	24%	12%	21%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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. <sup>J</sup>Total 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. <sup>K</sup>Total 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. <sup>L</sup>Amount represents less than .01%.

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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.58	\$ 9.50	\$ 7.70	\$ 12.62	\$ 12.09	\$ 11.07
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.25	.32	.31	.34	.25
Net realized and unrealized gain (loss)	.48	1.12	1.87	(4.38)	.88	1.06
Total from investment operations	.48	1.37	2.19	(4.07)	1.22	1.31
Distributions from net investment income	—	(.21)	(.29)	(.27)	(.26)	(.18)
Distributions from net realized gain	—	(.08)	(.11)	(.59)	(.43)	(.11)
Total distributions	—	(.29)	(.39) <sup>I</sup>	(.85) <sup>J</sup>	(.69) <sup>K</sup>	(.29)
Net asset value, end of period	\$ 11.06	\$ 10.58	\$ 9.50	\$ 7.70	\$ 12.62	\$ 12.09
<b>Total Return</b> <sup>B,C,D</sup>	4.54%	14.52%	28.78%	(32.71)%	10.17%	11.81%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.06)% <sup>A</sup>	2.51%	3.83%	2.97%	2.66%	2.11%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 38,620	\$ 33,244	\$ 25,941	\$ 18,325	\$ 19,881	\$ 6,555
Portfolio turnover rate	11% <sup>A</sup>	21%	18%	24%	12%	21%

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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. <sup>J</sup>Total 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. <sup>K</sup>Total 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.

## Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.55	\$ 9.48	\$ 7.69	\$ 12.60	\$ 12.08	\$ 11.06
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.23	.31	.30	.32	.23
Net realized and unrealized gain (loss)	.48	1.12	1.86	(4.37)	.87	1.07
Total from investment operations	.47	1.35	2.17	(4.07)	1.19	1.30
Distributions from net investment income	—	(.20)	(.28)	(.26)	(.25)	(.17)
Distributions from net realized gain	—	(.08)	(.11)	(.59)	(.43)	(.11)
Total distributions	—	(.28)	(.38) <sup>H</sup>	(.84) <sup>I</sup>	(.67) <sup>J</sup>	(.28)
Net asset value, end of period	\$ 11.02	\$ 10.55	\$ 9.48	\$ 7.69	\$ 12.60	\$ 12.08
<b>Total Return</b> <sup>B,C,D</sup>	4.45%	14.33%	28.55%	(32.80)%	9.97%	11.70%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.21)% <sup>A</sup>	2.36%	3.68%	2.82%	2.51%	1.96%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 388,243	\$ 310,255	\$ 189,686	\$ 106,530	\$ 119,395	\$ 56,810
Portfolio turnover rate	11% <sup>A</sup>	21%	18%	24%	12%	21%

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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. <sup>I</sup>Total 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. <sup>J</sup>Total 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.

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, 2011

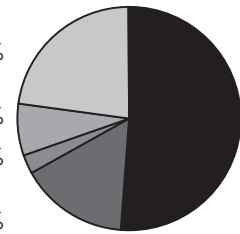
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	8.1	8.3
VIP Equity-Income Portfolio Initial Class	9.4	9.7
VIP Growth & Income Portfolio Initial Class	9.4	9.7
VIP Growth Portfolio Initial Class	9.6	9.7
VIP Mid Cap Portfolio Initial Class	3.3	3.4
VIP Value Portfolio Initial Class	8.0	8.3
VIP Value Strategies Portfolio Initial Class	3.4	3.5
	<u>51.2</u>	<u>52.6</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	15.7	15.7
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	2.7	2.6
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	7.5	7.3
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	22.8	21.7
<b>Short-Term Funds</b>		
VIP Money Market Portfolio Initial Class	0.1	0.1
<b>Net Other Assets (Liabilities)*</b>	0.0	0.0
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

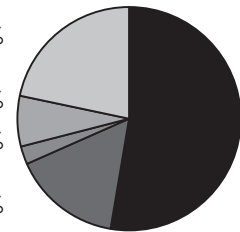
### Current

Domestic Equity Funds	51.2%
Developed International Equity Funds	15.7%
Emerging Markets Equity Funds	2.7%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	22.8%
Short-Term Funds	0.1%



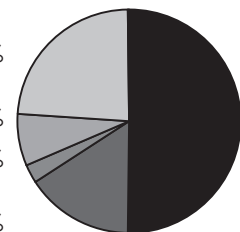
### Six months ago

Domestic Equity Funds	52.6%
Developed International Equity Funds	15.7%
Emerging Markets Equity Funds	2.6%
High Yield Bond Funds	7.3%
Investment Grade Bond Funds	21.7%
Short-Term Funds	0.1%



### Expected

Domestic Equity Funds	50.2%
Developed International Equity Funds	15.6%
Emerging Markets Equity Funds	2.7%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	23.7%
Short-Term Funds	0.3%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2025 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 51.2%

	Shares	Value
<b>Domestic Equity Funds – 51.2%</b>		
VIP Contrafund Portfolio Initial Class . . .	152,545	\$ 3,831,931
VIP Equity-Income Portfolio Initial Class . .	220,548	4,466,098
VIP Growth & Income Portfolio Initial Class . . . . .	337,638	4,456,823
VIP Growth Portfolio Initial Class . . . . .	113,040	4,548,742
VIP Mid Cap Portfolio Initial Class . . . . .	47,299	1,560,863
VIP Value Portfolio Initial Class . . . . .	329,757	3,821,885
VIP Value Strategies Portfolio Initial Class	155,497	1,609,392

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$23,234,970) . . . . . **24,295,734**

## International Equity Funds – 18.4%

<b>Developed International Equity Funds – 15.7%</b>		
VIP Overseas Portfolio Initial Class . . . . .	421,404	7,442,001
<b>Emerging Markets Equity Funds – 2.7%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	129,631	1,280,754

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$8,413,607) . . . . . **8,722,755**

## 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.

## Bond Funds – 30.3%

	Shares	Value
<b>High Yield Bond Funds – 7.5%</b>		
VIP High Income Portfolio Initial Class . .	612,189	\$ 3,562,937
<b>Investment Grade Bond Funds – 22.8%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	831,607	10,810,888

**TOTAL BOND FUNDS**  
(Cost \$14,268,051) . . . . . **14,373,825**

## Short-Term Funds – 0.1%

VIP Money Market Portfolio Initial Class (Cost \$71,105) . . . . .	71,105	71,105
---	--------	--------

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$45,987,733) . . . . . **47,463,419**

**NET OTHER ASSETS (LIABILITIES) – 0.0%** . . . . . **398**

**NET ASSETS – 100%** . . . . . **\$ 47,463,817**

# VIP Freedom 2025 Portfolio Financial Statements

## Statement of Assets and Liabilities

June 30, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$45,987,733) — See accompanying schedule .....	\$ 47,463,419
Receivable for investments sold .....	8,868
Receivable for fund shares sold .....	12,178
<b>Total assets</b> .....	<u>47,484,465</u>
<b>Liabilities</b>	
Payable to custodian bank .....	\$ 35
Payable for investments purchased ..	4,855
Payable for fund shares redeemed ..	10,174
Distribution and service plan fees payable .....	5,584
<b>Total liabilities</b> .....	<u>20,648</u>
<b>Net Assets</b> .....	<u>\$ 47,463,817</u>
Net Assets consist of:	
Paid in capital .....	\$ 46,072,945
Accumulated net investment loss .....	(25,589)
Accumulated undistributed net realized gain (loss) on investments ..	(59,225)
Net unrealized appreciation (depreciation) on investments .....	1,475,686
<b>Net Assets</b> .....	<u>\$ 47,463,817</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$17,294,563 ÷ 1,571,271 shares) .....	<u>\$ 11.01</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$5,058,392 ÷ 460,008 shares) .....	<u>\$ 11.00</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$25,110,862 ÷ 2,294,707 shares) .....	<u>\$ 10.94</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 6,892
<b>Expenses</b>	
Distribution and service plan fees ..	\$ 32,481
Independent trustees' compensation ..	80
Total expenses before reductions ..	32,561
Expense reductions .....	(80)
	<u>32,481</u>
<b>Net investment income (loss)</b> .....	<u>(25,589)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	29,910
Capital gain distributions from underlying funds .....	188,470
Total net realized gain (loss) .....	218,380
Change in net unrealized appreciation (depreciation) on underlying funds .....	1,939,092
<b>Net gain (loss)</b> .....	<u>2,157,472</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 2,131,883</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ (25,589)	\$ 797,639
Net realized gain (loss)	218,380	159,679
Change in net unrealized appreciation (depreciation)	1,939,092	3,475,839
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>2,131,883</b>	<b>4,433,157</b>
Distributions to shareholders from net investment income	—	(799,512)
Distributions to shareholders from net realized gain	—	(217,768)
<b>Total distributions</b>	<b>—</b>	<b>(1,017,280)</b>
Share transactions – net increase (decrease)	3,732,704	14,354,269
<b>Total increase (decrease) in net assets</b>	<b>5,864,587</b>	<b>17,770,146</b>
<b>Net Assets</b>		
Beginning of period	41,599,230	23,829,084
End of period (including accumulated net investment loss of \$25,589 and undistributed net investment income of \$0, respectively)	\$ 47,463,817	\$ 41,599,230

## Financial Highlights – Initial Class

	Six months ended June 30, 2011 (Unaudited)	2010	2009	Years ended December 31,		2006
				2008	2007	
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.49	\$ 9.30	\$ 7.49	\$ 12.71	\$ 12.18	\$ 11.16
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>I</sup>	.28	.32	.31	.38	.23
Net realized and unrealized gain (loss)	.52	1.19	1.89	(4.58)	.89	1.17
Total from investment operations	.52	1.47	2.21	(4.27)	1.27	1.40
Distributions from net investment income	—	(.21)	(.29)	(.28)	(.27)	(.21)
Distributions from net realized gain	—	(.06)	(.12)	(.67)	(.47)	(.17)
Total distributions	—	(.28) <sup>J</sup>	(.40) <sup>K</sup>	(.95)	(.74)	(.38)
Net asset value, end of period	\$ 11.01	\$ 10.49	\$ 9.30	\$ 7.49	\$ 12.71	\$ 12.18
<b>Total Return<sup>B,C,D</sup></b>	<b>4.96%</b>	<b>15.79%</b>	<b>30.05%</b>	<b>(34.16)%</b>	<b>10.50%</b>	<b>12.49%</b>
<b>Ratios to Average Net Assets<sup>F,H</sup></b>						
Expenses before reductions <sup>G</sup>	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Net investment income (loss)	.03% <sup>A</sup>	2.91%	3.84%	2.90%	2.95%	1.95%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 17,295	\$ 17,388	\$ 14,888	\$ 11,015	\$ 15,197	\$ 8,363
Portfolio turnover rate	23% <sup>A</sup>	25%	30%	36%	20%	49%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Amount represents less than .01%. <sup>H</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. <sup>I</sup>Amount represents less than \$0.01 per share. <sup>J</sup>Total distributions of \$.28 per share is comprised of distributions from net investment income of \$.214 and distributions from net realized gain of \$.061 per share. <sup>K</sup>Total 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.

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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.49	\$ 9.30	\$ 7.49	\$ 12.70	\$ 12.18	\$ 11.16
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.27	.31	.29	.37	.22
Net realized and unrealized gain (loss)	.51	1.19	1.90	(4.56)	.87	1.16
Total from investment operations	.51	1.46	2.21	(4.27)	1.24	1.38
Distributions from net investment income	—	(.21)	(.28)	(.27)	(.25)	(.19)
Distributions from net realized gain	—	(.06)	(.12)	(.67)	(.47)	(.17)
Total distributions	—	(.27)	(.40) <sup>I</sup>	(.94)	(.72)	(.36)
Net asset value, end of period	\$ 11.00	\$ 10.49	\$ 9.30	\$ 7.49	\$ 12.70	\$ 12.18
<b>Total Return</b> <sup>B,C,D</sup>	4.86%	15.70%	29.96%	(34.20)%	10.31%	12.39%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.07)% <sup>A</sup>	2.81%	3.74%	2.80%	2.85%	1.85%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 5,058	\$ 1,429	\$ 679	\$ 403	\$ 497	\$ 441
Portfolio turnover rate	23% <sup>A</sup>	25%	30%	36%	20%	49%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.44	\$ 9.27	\$ 7.47	\$ 12.68	\$ 12.17	\$ 11.16
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.26	.30	.28	.35	.20
Net realized and unrealized gain (loss)	.51	1.17	1.89	(4.57)	.89	1.16
Total from investment operations	.50	1.43	2.19	(4.29)	1.24	1.36
Distributions from net investment income	—	(.20)	(.27)	(.25)	(.26)	(.18)
Distributions from net realized gain	—	(.06)	(.12)	(.67)	(.47)	(.17)
Total distributions	—	(.26)	(.39) <sup>H</sup>	(.92)	(.73)	(.35)
Net asset value, end of period	\$ 10.94	\$ 10.44	\$ 9.27	\$ 7.47	\$ 12.68	\$ 12.17
<b>Total Return</b> <sup>B,C,D</sup>	4.79%	15.47%	29.79%	(34.36)%	10.26%	12.18%
<b>Ratios to Average Net Assets</b> <sup>F,G</sup>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.22)% <sup>A</sup>	2.67%	3.59%	2.65%	2.70%	1.70%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 25,111	\$ 22,782	\$ 8,262	\$ 3,676	\$ 3,998	\$ 556
Portfolio turnover rate	23% <sup>A</sup>	25%	30%	36%	20%	49%

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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, 2011

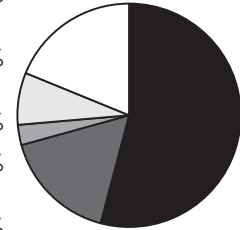
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	8.5	8.9
VIP Equity-Income Portfolio Initial Class	10.0	10.4
VIP Growth & Income Portfolio Initial Class	9.9	10.3
VIP Growth Portfolio Initial Class	10.1	10.4
VIP Mid Cap Portfolio Initial Class	3.5	3.6
VIP Value Portfolio Initial Class	8.5	8.9
VIP Value Strategies Portfolio Initial Class	3.6	3.8
	<u>54.1</u>	<u>56.3</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	16.6	16.7
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	2.9	2.8
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	7.5	7.2
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	18.9	17.0
<b>Net Other Assets (Liabilities)*</b>	0.0	0.0
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

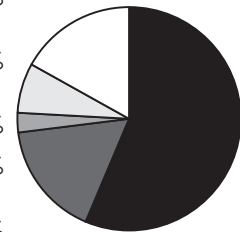
### Current

Domestic Equity Funds	54.1%
Developed International Equity Funds	16.6%
Emerging Markets Equity Funds	2.9%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	18.9%



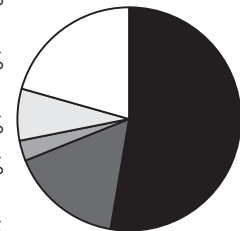
### Six months ago

Domestic Equity Funds	56.3%
Developed International Equity Funds	16.7%
Emerging Markets Equity Funds	2.8%
High Yield Bond Funds	7.2%
Investment Grade Bond Funds	17.0%



### Expected

Domestic Equity Funds	52.6%
Developed International Equity Funds	16.3%
Emerging Markets Equity Funds	2.9%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	20.7%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2030 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 54.1%

	Shares	Value
<b>Domestic Equity Funds – 54.1%</b>		
VIP Contrafund Portfolio Initial Class . . .	402,114	\$ 10,101,106
VIP Equity-Income Portfolio Initial Class .	581,693	11,779,289
VIP Growth & Income Portfolio Initial Class . . . . .	890,455	11,754,006
VIP Growth Portfolio Initial Class . . . . .	298,065	11,994,153
VIP Mid Cap Portfolio Initial Class . . . . .	124,607	4,112,035
VIP Value Portfolio Initial Class . . . . .	869,503	10,077,545
VIP Value Strategies Portfolio Initial Class	409,639	4,239,759

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$62,975,591) . . . . . **64,057,893**

## International Equity Funds – 19.5%

### Developed International Equity Funds – 16.6%

VIP Overseas Portfolio Initial Class . . . . .	1,111,876	<u>19,635,727</u>
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### Emerging Markets Equity Funds – 2.9%

VIP Emerging Markets Portfolio Initial Class . . . . .	342,003	<u>3,378,992</u>
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**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$22,759,103) . . . . . **23,014,719**

## 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.

## Bond Funds – 26.4%

	Shares	Value
<b>High Yield Bond Funds – 7.5%</b>		
VIP High Income Portfolio Initial Class . . . . .	1,529,999	<u>\$ 8,904,592</u>
<b>Investment Grade Bond Funds – 18.9%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	1,719,930	<u>22,359,093</u>
<b>TOTAL BOND FUNDS</b> (Cost \$30,881,055) . . . . .		<u><b>31,263,685</b></u>

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$116,615,749) . . . . . **118,336,297**

**NET OTHER ASSETS (LIABILITIES) – 0.0%** **(40,488)**

**NET ASSETS – 100%** . . . . . **\$ 118,295,809**

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, 2011 (Unaudited)

Assets	
Investment in securities, at value (cost \$116,615,749) — See accompanying schedule .....	\$ 118,336,297
Receivable for fund shares sold .....	298,308
<b>Total assets</b> .....	<u>118,634,605</u>
Liabilities	
Payable to custodian bank .....	\$ 18,637
Payable for investments purchased ..	204,019
Payable for fund shares redeemed ..	102,081
Distribution and service plan fees payable .....	14,059
<b>Total liabilities</b> .....	<u>338,796</u>
<b>Net Assets</b> .....	<u>\$ 118,295,809</u>
Net Assets consist of:	
Paid in capital .....	\$ 117,311,610
Accumulated net investment loss .....	(67,212)
Accumulated undistributed net realized gain (loss) on investments .....	(669,137)
Net unrealized appreciation (depreciation) on investments .....	1,720,548
<b>Net Assets</b> .....	<u>\$ 118,295,809</u>
Initial Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$32,357,829 ÷ 3,017,027 shares) .....	<u>\$ 10.73</u>
Service Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$28,971,510 ÷ 2,705,332 shares) .....	<u>\$ 10.71</u>
Service Class 2:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$56,966,470 ÷ 5,335,080 shares) .....	<u>\$ 10.68</u>

### Statement of Operations

Six months ended June 30, 2011 (Unaudited)

Investment Income	
Income distributions from underlying funds .....	\$ 14,555
Interest .....	1
<b>Total income</b> .....	<u>14,556</u>
Expenses	
Distribution and service plan fees ..	\$ 81,768
Independent trustees' compensation ..	196
Total expenses before reductions ..	81,964
Expense reductions .....	(196)
	<u>81,768</u>
<b>Net investment income (loss)</b> .....	<u>(67,212)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares .....	15,383
Capital gain distributions from underlying funds .....	374,725
Total net realized gain (loss) .....	390,108
Change in net unrealized appreciation (depreciation) on underlying funds .....	4,866,999
<b>Net gain (loss)</b> .....	<u>5,257,107</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 5,189,895</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, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ (67,212)	\$ 1,775,471
Net realized gain (loss) .....	390,108	472,595
Change in net unrealized appreciation (depreciation) .....	4,866,999	10,749,816
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<b>5,189,895</b>	<b>12,997,882</b>
Distributions to shareholders from net investment income .....	—	(1,775,488)
Distributions to shareholders from net realized gain .....	—	(668,951)
<b>Total distributions</b> .....	<b>—</b>	<b>(2,444,439)</b>
Share transactions – net increase (decrease) .....	11,478,020	16,267,172
<b>Total increase (decrease) in net assets</b> .....	<b>16,667,915</b>	<b>26,820,615</b>
<b>Net Assets</b>		
Beginning of period .....	101,627,894	74,807,279
End of period (including accumulated net investment loss of \$67,212 and undistributed net investment income of \$0 respectively) .....	<b>\$ 118,295,809</b>	<b>\$ 101,627,894</b>

**Financial Highlights – Initial Class**

	Six months ended June 30, 2011 (Unaudited)	2010	Years ended December 31,			
			2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period .....	\$ 10.21	\$ 9.03	\$ 7.12	\$ 13.02	\$ 12.44	\$ 11.27
Income from Investment Operations						
Net investment income (loss) <sup>E</sup> .....	— <sup>I</sup>	.21	.24	.28	.34	.24
Net realized and unrealized gain (loss) .....	.52	1.24	1.96	(5.14)	1.06	1.25
Total from investment operations .....	.52	1.45	2.20	(4.86)	1.40	1.49
Distributions from net investment income .....	—	(.20)	(.18)	(.25)	(.28)	(.19)
Distributions from net realized gain .....	—	(.07)	(.11)	(.80)	(.54)	(.13)
Total distributions .....	—	(.27)	(.29)	(1.04) <sup>J</sup>	(.82)	(.32)
Net asset value, end of period .....	\$ 10.73	\$ 10.21	\$ 9.03	\$ 7.12	\$ 13.02	\$ 12.44
<b>Total Return<sup>B, C, D</sup></b> .....	<b>5.09%</b>	<b>16.08%</b>	<b>31.66%</b>	<b>(38.04)%</b>	<b>11.37%</b>	<b>13.20%</b>
<b>Ratios to Average Net Assets<sup>F, H</sup></b>						
Expenses before reductions <sup>G</sup> .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of fee waivers, if any .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Expenses net of all reductions .....	.00% <sup>A</sup>	.00%	.00%	.00%	.00%	.00%
Net investment income (loss) .....	.03% <sup>A</sup>	2.25%	3.13%	2.69%	2.56%	2.05%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted) .....	\$ 32,358	\$ 28,917	\$ 23,836	\$ 19,592	\$ 23,767	\$ 14,298
Portfolio turnover rate .....	17% <sup>A</sup>	25%	24%	23%	17%	32%

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Amount represents less than .01%. <sup>H</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of fee waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class but do not include expenses of the investment companies in which the Fund invests. <sup>I</sup>Amount represents less than \$.01 per share. <sup>J</sup>Total 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.20	\$ 9.02	\$ 7.12	\$ 13.01	\$ 12.44	\$ 11.27
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	— <sup>H</sup>	.20	.24	.27	.33	.23
Net realized and unrealized gain (loss)	.51	1.24	1.94	(5.13)	1.05	1.25
Total from investment operations	.51	1.44	2.18	(4.86)	1.38	1.48
Distributions from net investment income	—	(.19)	(.17)	(.24)	(.27)	(.18)
Distributions from net realized gain	—	(.07)	(.11)	(.80)	(.54)	(.13)
Total distributions	—	(.26)	(.28)	(1.03) <sup>I</sup>	(.81)	(.31)
Net asset value, end of period	\$ 10.71	\$ 10.20	\$ 9.02	\$ 7.12	\$ 13.01	\$ 12.44
<b>Total Return<sup>B, C, D</sup></b>	5.00%	16.00%	31.40%	(38.08)%	11.21%	13.15%
<b>Ratios to Average Net Assets<sup>F, G</sup></b>						
Expenses before reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	(.07)% <sup>A</sup>	2.15%	3.03%	2.59%	2.46%	1.95%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 28,972	\$ 23,137	\$ 16,162	\$ 10,298	\$ 12,884	\$ 3,867
Portfolio turnover rate	17% <sup>A</sup>	25%	24%	23%	17%	32%

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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, 2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.18	\$ 9.00	\$ 7.11	\$ 12.99	\$ 12.42	\$ 11.26
Income from Investment Operations						
Net investment income (loss) <sup>E</sup>	(.01)	.19	.23	.26	.31	.21
Net realized and unrealized gain (loss)	.51	1.24	1.93	(5.12)	1.05	1.25
Total from investment operations	.50	1.43	2.16	(4.86)	1.36	1.46
Distributions from net investment income	—	(.17)	(.16)	(.22)	(.25)	(.17)
Distributions from net realized gain	—	(.07)	(.11)	(.80)	(.54)	(.13)
Total distributions	—	(.25) <sup>H</sup>	(.27)	(1.02) <sup>I</sup>	(.79)	(.30)
Net asset value, end of period	\$ 10.68	\$ 10.18	\$ 9.00	\$ 7.11	\$ 12.99	\$ 12.42
<b>Total Return<sup>B, C, D</sup></b>	4.91%	15.89%	31.18%	(38.17)%	11.08%	12.92%
<b>Ratios to Average Net Assets<sup>F, G</sup></b>						
Expenses before reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25%	.25%	.25%	.25%
Net investment income (loss)	(.22)% <sup>A</sup>	2.01%	2.88%	2.44%	2.31%	1.80%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 56,966	\$ 49,574	\$ 34,809	\$ 19,273	\$ 24,148	\$ 15,774
Portfolio turnover rate	17% <sup>A</sup>	25%	24%	23%	17%	32%

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown. <sup>E</sup>Calculated based on average shares outstanding during the period. <sup>F</sup>Amounts do not include the activity of the underlying funds. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total distributions of \$.25 per share is comprised of distributions from net investment income of \$.173 and distributions from net realized gain of \$.072 per share. <sup>I</sup>Total 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, 2011

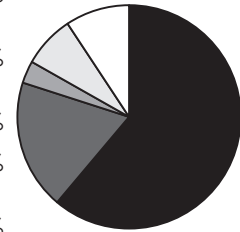
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	9.7	9.8
VIP Equity-Income Portfolio Initial Class	11.2	11.5
VIP Growth & Income Portfolio Initial Class	11.2	11.4
VIP Growth Portfolio Initial Class	11.4	11.4
VIP Mid Cap Portfolio Initial Class	3.9	4.0
VIP Value Portfolio Initial Class	9.6	9.8
VIP Value Strategies Portfolio Initial Class	4.1	4.2
	<u>61.1</u>	<u>62.1</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	18.8	18.4
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	3.2	3.0
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	7.5	7.1
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	9.4	9.4
<b>Net Other Assets (Liabilities)*</b>	<u>0.0</u>	<u>0.0</u>
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

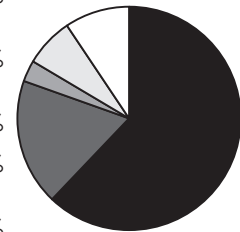
### Current

Domestic Equity Funds	61.1%
Developed International Equity Funds	18.8%
Emerging Markets Equity Funds	3.2%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	9.4%



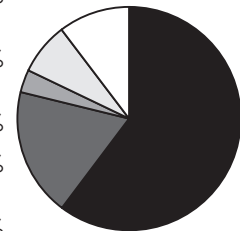
### Six months ago

Domestic Equity Funds	62.1%
Developed International Equity Funds	18.4%
Emerging Markets Equity Funds	3.0%
High Yield Bond Funds	7.1%
Investment Grade Bond Funds	9.4%



### Expected

Domestic Equity Funds	60.3%
Developed International Equity Funds	18.6%
Emerging Markets Equity Funds	3.3%
High Yield Bond Funds	7.5%
Investment Grade Bond Funds	10.3%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2035 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 61.1%

	Shares	Value
<b>Domestic Equity Funds – 61.1%</b>		
VIP Contrafund Portfolio Initial Class . . .	2,139	\$ 53,732
VIP Equity-Income Portfolio Initial Class .	3,091	62,587
VIP Growth & Income Portfolio Initial Class . . . . .	4,732	62,461
VIP Growth Portfolio Initial Class . . . . .	1,584	63,723
VIP Mid Cap Portfolio Initial Class . . . . .	663	21,883
VIP Value Portfolio Initial Class . . . . .	4,625	53,604
VIP Value Strategies Portfolio Initial Class	2,178	22,543
<b>TOTAL DOMESTIC EQUITY FUNDS</b> (Cost \$223,523) . . . . .		<b>340,533</b>

## International Equity Funds – 22.0%

<b>Developed International Equity Funds – 18.8%</b>		
VIP Overseas Portfolio Initial Class . . . . .	5,916	104,472
<b>Emerging Markets Equity Funds – 3.2%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	1,824	18,023
<b>TOTAL INTERNATIONAL EQUITY FUNDS</b> (Cost \$89,290) . . . . .		<b>122,495</b>

## 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.

## Bond Funds – 16.9%

	Shares	Value
<b>High Yield Bond Funds – 7.5%</b>		
VIP High Income Portfolio Initial Class .	7,220	\$ 42,021
<b>Investment Grade Bond Funds – 9.4%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	4,036	52,472
<b>TOTAL BOND FUNDS</b> (Cost \$82,852) . . . . .		<b>94,493</b>
<b>TOTAL INVESTMENT PORTFOLIO – 100.0%</b> (Cost \$395,665) . . . . .		<b>557,521</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b> . . .		<b>(74)</b>
<b>NET ASSETS – 100%</b> . . . . .		<b>\$ 557,447</b>

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, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$395,665) — See accompanying schedule .....	\$ 557,521
Cash .....	1
Receivable for investments sold .....	3
Receivable for fund shares sold .....	2,153
<b>Total assets</b> .....	<u>559,678</u>
<b>Liabilities</b>	
Payable for investments purchased . . . \$	2,133
Payable for fund shares redeemed . . .	24
Distribution and service plan fees payable .....	74
<b>Total liabilities</b> .....	<u>2,231</u>
<b>Net Assets</b> .....	<u>\$ 557,447</u>
Net Assets consist of:	
Paid in capital .....	\$ 396,099
Accumulated net investment loss .....	(380)
Accumulated undistributed net realized gain (loss) on investments .....	(128)
Net unrealized appreciation (depreciation) on investments .....	161,856
<b>Net Assets</b> .....	<u>\$ 557,447</u>
<b>Initial Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$115,461 ÷ 7,461.4 shares) . . .	<u>\$ 15.47</u>
<b>Service Class:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$109,555 ÷ 7,083.0 shares) . . .	<u>\$ 15.47</u>
<b>Service Class 2:</b>	
<b>Net Asset Value</b> , offering price and redemption price per share (\$332,431 ÷ 21,534.4 shares)	<u>\$ 15.44</u>

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 56
<b>Expenses</b>	
Distribution and service plan fees . . .	\$ 436
<b>Total expenses</b> .....	<u>436</u>
<b>Net investment income (loss)</b> .....	<u>(380)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	(634)
Capital gain distributions from underlying funds .....	1,182
<b>Total net realized gain (loss)</b> .....	548
Change in net unrealized appreciation (depreciation) on underlying funds .....	25,157
<b>Net gain (loss)</b> .....	<u>25,705</u>
<b>Net increase (decrease) in net assets resulting from operations</b> . . .	<u>\$ 25,325</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ (380)	\$ 7,448
Net realized gain (loss)	548	25,939
Change in net unrealized appreciation (depreciation)	25,157	27,693
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>25,325</b>	<b>61,080</b>
Distributions to shareholders from net investment income	—	(7,448)
Distributions to shareholders from net realized gain	(1,094)	(29,333)
<b>Total distributions</b>	<b>(1,094)</b>	<b>(36,781)</b>
Share transactions – net increase (decrease)	85,628	(3,350)
<b>Total increase (decrease) in net assets</b>	<b>109,859</b>	<b>20,949</b>
<b>Net Assets</b>		
Beginning of period	447,588	426,639
End of period (including accumulated net investment loss of \$380 and undistributed net investment income of \$0, respectively)	\$ 557,447	\$ 447,588

## Financial Highlights – Initial Class

	Six months ended June 30, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.74	\$ 13.74	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	— <sup>H</sup>	.27	.25
Net realized and unrealized gain (loss)	.76	2.04	3.76
Total from investment operations	.77	2.31	4.01
Distributions from net investment income	—	(.28)	(.25)
Distributions from net realized gain	(.03)	(1.03)	(.01)
Total distributions	(.03)	(1.31)	(.27) <sup>I</sup>
Net asset value, end of period	\$ 15.47	\$ 14.74	\$ 13.74
<b>Total Return<sup>B,C</sup></b>	<b>5.16%</b>	<b>17.01%</b>	<b>40.04%</b>
<b>Ratios to Average Net Assets<sup>E,6</sup></b>			
Expenses before reductions	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of fee waivers, if any	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of all reductions	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Net investment income (loss)	.02% <sup>A</sup>	1.92%	2.78% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 115	\$ 121	\$ 144
Portfolio turnover rate	27% <sup>A</sup>	38%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.74	\$ 13.73	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.01)	.26	.24
Net realized and unrealized gain (loss)	.77	2.04	3.75
Total from investment operations	.76	2.30	3.99
Distributions from net investment income	—	(.26)	(.24)
Distributions from net realized gain	(.03)	(1.03)	(.01)
Total distributions	(.03)	(1.29)	(.26) <sup>H</sup>
Net asset value, end of period	\$ 15.47	\$ 14.74	\$ 13.73
<b>Total Return</b> <sup>B,C</sup>	5.16%	16.97%	39.85%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Net investment income (loss)	(.08)% <sup>A</sup>	1.82%	2.68% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 110	\$ 116	\$ 140
Portfolio turnover rate	27% <sup>A</sup>	38%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. 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. <sup>H</sup>Total 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.72	\$ 13.73	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.02)	.24	.23
Net realized and unrealized gain (loss)	.77	2.03	3.74
Total from investment operations	.75	2.27	3.97
Distributions from net investment income	—	(.26)	(.23)
Distributions from net realized gain	(.03)	(1.03)	(.01)
Total distributions	(.03)	(1.28) <sup>H</sup>	(.24) <sup>I</sup>
Net asset value, end of period	\$ 15.44	\$ 14.72	\$ 13.73
<b>Total Return</b> <sup>B,C</sup>	5.10%	16.76%	39.72%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Net investment income (loss)	(.23)% <sup>A</sup>	1.67%	2.53% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 332	\$ 211	\$ 143
Portfolio turnover rate	27% <sup>A</sup>	38%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. 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. <sup>H</sup>Total distributions of \$1.28 per share is comprised of distributions from net investment income of \$.255 and distributions from net realized gain of \$1.029 per share. <sup>I</sup>Total 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, 2011

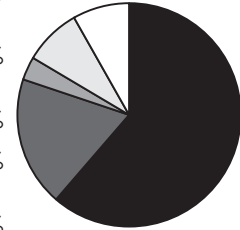
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	9.7	9.9
VIP Equity-Income Portfolio Initial Class	11.3	11.5
VIP Growth & Income Portfolio Initial Class	11.2	11.5
VIP Growth Portfolio Initial Class	11.4	11.5
VIP Mid Cap Portfolio Initial Class	3.9	4.0
VIP Value Portfolio Initial Class	9.7	9.9
VIP Value Strategies Portfolio Initial Class	4.1	4.2
	<u>61.3</u>	<u>62.5</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	18.8	18.6
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	3.3	3.2
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	8.3	8.1
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	8.3	7.6
<b>Net Other Assets (Liabilities)*</b>	<u>0.0</u>	<u>0.0</u>
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

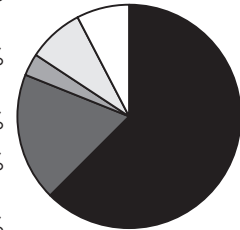
### Current

Domestic Equity Funds	61.3%
Developed International Equity Funds	18.8%
Emerging Markets Equity Funds	3.3%
High Yield Bond Funds	8.3%
Investment Grade Bond Funds	8.3%



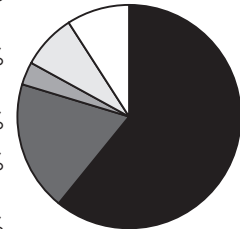
### Six months ago

Domestic Equity Funds	62.5%
Developed International Equity Funds	18.6%
Emerging Markets Equity Funds	3.2%
High Yield Bond Funds	8.1%
Investment Grade Bond Funds	7.6%



### Expected

Domestic Equity Funds	60.8%
Developed International Equity Funds	18.8%
Emerging Markets Equity Funds	3.3%
High Yield Bond Funds	7.9%
Investment Grade Bond Funds	9.2%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2040 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 61.3%

	Shares	Value
<b>Domestic Equity Funds – 61.3%</b>		
VIP Contrafund Portfolio Initial Class . . .	10,825	\$ 271,915
VIP Equity-Income Portfolio Initial Class .	15,684	317,611
VIP Growth & Income Portfolio Initial Class . . . . .	24,003	316,836
VIP Growth Portfolio Initial Class . . . . .	8,004	322,089
VIP Mid Cap Portfolio Initial Class . . . . .	3,370	111,195
VIP Value Portfolio Initial Class . . . . .	23,469	272,002
VIP Value Strategies Portfolio Initial Class	11,022	114,074
<b>TOTAL DOMESTIC EQUITY FUNDS</b> (Cost \$1,598,503) . . . . .		<b>1,725,722</b>

## International Equity Funds – 22.1%

<b>Developed International Equity Funds – 18.8%</b>		
VIP Overseas Portfolio Initial Class . . . . .	30,054	530,760
<b>Emerging Markets Equity Funds – 3.3%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	9,319	92,071
<b>TOTAL INTERNATIONAL EQUITY FUNDS</b> (Cost \$586,963) . . . . .		<b>622,831</b>

## 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.

## Bond Funds – 16.6%

	Shares	Value
<b>High Yield Bond Funds – 8.3%</b>		
VIP High Income Portfolio Initial Class .	40,162	\$ 233,740
<b>Investment Grade Bond Funds – 8.3%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	18,025	234,321
<b>TOTAL BOND FUNDS</b> (Cost \$452,870) . . . . .		<b>468,061</b>
<b>TOTAL INVESTMENT PORTFOLIO – 100.0%</b> (Cost \$2,638,336) . . . . .		<b>2,816,614</b>
<b>NET OTHER ASSETS (LIABILITIES) – 0.0%</b> . . . . .		<b>(280)</b>
<b>NET ASSETS – 100%</b> . . . . .		<b>\$ 2,816,334</b>

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, 2011 (Unaudited)

<b>Assets</b>	
Investment in securities, at value (cost \$2,638,336) — See accompanying schedule .....	\$ 2,816,614
Receivable for fund shares sold .....	149,604
<b>Total assets</b> .....	<u>2,966,218</u>
<b>Liabilities</b>	
Payable to custodian bank .....	\$ 812
Payable for investments purchased ..	148,640
Payable for fund shares redeemed ..	308
Distribution and service plan fees payable .....	<u>124</u>
<b>Total liabilities</b> .....	<u>149,884</u>
<b>Net Assets</b> .....	<u>\$ 2,816,334</u>
Net Assets consist of:	
Paid in capital .....	\$ 2,645,702
Accumulated net investment loss .....	(264)
Accumulated undistributed net realized gain (loss) on investments ..	(7,382)
Net unrealized appreciation (depreciation) on investments .....	<u>178,278</u>
<b>Net Assets</b> .....	<u>\$ 2,816,334</u>

### Initial Class:

**Net Asset Value**, offering price and redemption price per share  
(\$1,446,502 ÷ 98,024 shares) .....

\$ 14.76

### Service Class:

**Net Asset Value**, offering price and redemption price per share  
(\$1,205,998 ÷ 81,759 shares) .....

\$ 14.75

### Service Class 2:

**Net Asset Value**, offering price and redemption price per share  
(\$163,834 ÷ 11,119 shares) ..

\$ 14.73

## Statement of Operations

Six months ended June 30, 2011 (Unaudited)

<b>Investment Income</b>	
Income distributions from underlying funds .....	\$ 150
<b>Expenses</b>	
Distribution and service plan fees ..	\$ 414
<b>Total expenses</b> .....	<u>414</u>
<b>Net investment income (loss)</b> .....	<u>(264)</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Realized gain (loss) on sale of underlying fund shares .....	(9,123)
Capital gain distributions from underlying funds .....	<u>2,712</u>
<b>Total net realized gain (loss)</b> .....	(6,411)
Change in net unrealized appreciation (depreciation) on underlying funds .....	<u>29,729</u>
<b>Net gain (loss)</b> .....	<u>23,318</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 23,054</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, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ (264)	\$ 8,762
Net realized gain (loss) .....	(6,411)	56,775
Change in net unrealized appreciation (depreciation) .....	29,729	37,318
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>23,054</u>	<u>102,855</u>
Distributions to shareholders from net investment income .....	—	(8,846)
Distributions to shareholders from net realized gain .....	—	(62,347)
<b>Total distributions</b> .....	<u>—</u>	<u>(71,193)</u>
Share transactions – net increase (decrease) .....	2,254,893	80,183
<b>Total increase (decrease) in net assets</b> .....	<u>2,277,947</u>	<u>111,845</u>
<b>Net Assets</b>		
Beginning of period .....	538,387	426,542
End of period (including accumulated net investment loss of \$264 and undistributed net investment income of \$0, respectively) .....	<u>\$ 2,816,334</u>	<u>\$ 538,387</u>

**Financial Highlights – Initial Class**

	Six months ended June 30, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period .....	\$ 14.02	\$ 13.82	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup> .....	— <sup>H</sup>	.20	.26
Net realized and unrealized gain (loss) .....	.74	2.15	3.83
Total from investment operations .....	<u>.74</u>	<u>2.35</u>	<u>4.09</u>
Distributions from net investment income .....	—	(.28)	(.26)
Distributions from net realized gain .....	—	(1.87)	(.01)
Total distributions .....	<u>—</u>	<u>(2.15)</u>	<u>(.27)<sup>I</sup></u>
Net asset value, end of period .....	<u>\$ 14.76</u>	<u>\$ 14.02</u>	<u>\$ 13.82</u>
<b>Total Return<sup>B,C</sup></b> .....	5.28%	17.19%	40.89%
<b>Ratios to Average Net Assets<sup>E,6</sup></b>			
Expenses before reductions .....	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of fee waivers, if any .....	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of all reductions .....	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Net investment income (loss) .....	.02% <sup>A</sup>	1.46%	2.81% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted) .....	\$ 1,447	\$ 278	\$ 145
Portfolio turnover rate .....	62% <sup>A</sup>	194%	5% <sup>A</sup>

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount represents less than \$.01 per share. <sup>I</sup>Total 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.02	\$ 13.82	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.01)	.19	.25
Net realized and unrealized gain (loss)	.74	2.14	3.83
Total from investment operations	.73	2.33	4.08
Distributions from net investment income	—	(.26)	(.25)
Distributions from net realized gain	—	(1.87)	(.01)
Total distributions	—	(2.13)	(.26) <sup>H</sup>
Net asset value, end of period	\$ 14.75	\$ 14.02	\$ 13.82
<b>Total Return<sup>B,C</sup></b>	5.21%	17.05%	40.80%
<b>Ratios to Average Net Assets<sup>E,G</sup></b>			
Expenses before reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Net investment income (loss)	(.08)% <sup>A</sup>	1.36%	2.71% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 1,206	\$ 116	\$ 141
Portfolio turnover rate	62% <sup>A</sup>	194%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.02	\$ 13.82	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.02)	.17	.23
Net realized and unrealized gain (loss)	.73	2.14	3.84
Total from investment operations	.71	2.31	4.07
Distributions from net investment income	—	(.24)	(.23)
Distributions from net realized gain	—	(1.87)	(.01)
Total distributions	—	(2.11)	(.25) <sup>H</sup>
Net asset value, end of period	\$ 14.73	\$ 14.02	\$ 13.82
<b>Total Return<sup>B,C</sup></b>	5.06%	16.92%	40.66%
<b>Ratios to Average Net Assets<sup>E,G</sup></b>			
Expenses before reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Net investment income (loss)	(.23)% <sup>A</sup>	1.21%	2.56% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 164	\$ 144	\$ 141
Portfolio turnover rate	62% <sup>A</sup>	194%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Total 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, 2011

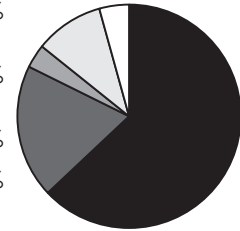
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	9.9	10.1
VIP Equity-Income Portfolio Initial Class	11.6	11.8
VIP Growth & Income Portfolio Initial Class	11.6	11.7
VIP Growth Portfolio Initial Class	11.8	11.8
VIP Mid Cap Portfolio Initial Class	4.0	4.0
VIP Value Portfolio Initial Class	9.9	10.1
VIP Value Strategies Portfolio Initial Class	4.2	4.3
	<u>63.0</u>	<u>63.8</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	19.3	18.9
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	3.4	3.1
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	10.0	9.5
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	4.3	4.7
<b>Net Other Assets (Liabilities)*</b>	<u>0.0</u>	<u>0.0</u>
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

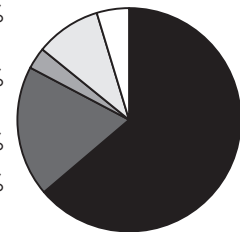
### Current

Domestic Equity Funds	63.0%
Developed International Equity Funds	19.3%
Emerging Markets Equity Funds	3.4%
High Yield Bond Funds	10.0%
Investment Grade Bond Funds	4.3%



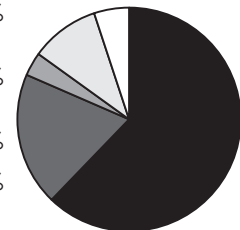
### Six months ago

Domestic Equity Funds	63.8%
Developed International Equity Funds	18.9%
Emerging Markets Equity Funds	3.1%
High Yield Bond Funds	9.5%
Investment Grade Bond Funds	4.7%



### Expected

Domestic Equity Funds	62.2%
Developed International Equity Funds	19.3%
Emerging Markets Equity Funds	3.4%
High Yield Bond Funds	10.0%
Investment Grade Bond Funds	5.1%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2045 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 63.0%

	Shares	Value
<b>Domestic Equity Funds – 63.0%</b>		
VIP Contrafund Portfolio Initial Class . . .	1,601	\$ 40,214
VIP Equity-Income Portfolio Initial Class . .	2,315	46,869
VIP Growth & Income Portfolio Initial Class . . . . .	3,544	46,786
VIP Growth Portfolio Initial Class . . . . .	1,186	47,730
VIP Mid Cap Portfolio Initial Class . . . . .	496	16,382
VIP Value Portfolio Initial Class . . . . .	3,464	40,145
VIP Value Strategies Portfolio Initial Class	1,630	16,871

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$157,563) . . . . . **254,997**

## International Equity Funds – 22.7%

<b>Developed International Equity Funds – 19.3%</b>		
VIP Overseas Portfolio Initial Class . . . . .	4,426	78,153
<b>Emerging Markets Equity Funds – 3.4%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	1,368	13,513

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$62,418) . . . . . **91,666**

## 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.

## Bond Funds – 14.3%

	Shares	Value
<b>High Yield Bond Funds – 10.0%</b>		
VIP High Income Portfolio Initial Class . . . . .	6,962	\$ 40,517
<b>Investment Grade Bond Funds – 4.3%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	1,337	17,385
<b>TOTAL BOND FUNDS</b> (Cost \$46,944) . . . . .		<b>57,902</b>

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$266,925) . . . . . **404,565**

**NET OTHER ASSETS (LIABILITIES) – 0.0%** . . . . . **(43)**

**NET ASSETS – 100%** . . . . . **\$ 404,522**

# VIP Freedom 2045 Portfolio

## Financial Statements

### Statement of Assets and Liabilities

June 30, 2011 (Unaudited)

Assets	
Investment in securities, at value (cost \$266,925) — See accompanying schedule .....	\$ 404,565
Cash .....	1
Receivable for investments sold .....	41
<b>Total assets</b> .....	<u>404,607</u>
Liabilities	
Payable for fund shares redeemed .. \$	43
Distribution and service plan fees payable .....	42
<b>Total liabilities</b> .....	<u>85</u>
<b>Net Assets</b> .....	<u>\$ 404,522</u>
Net Assets consist of:	
Paid in capital .....	\$ 255,901
Distributions in excess of net investment income .....	(192)
Accumulated undistributed net realized gain (loss) on investments ..	11,173
Net unrealized appreciation (depreciation) on investments .....	137,640
<b>Net Assets</b> .....	<u>\$ 404,522</u>
Initial Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$114,965 ÷ 7,629 shares) ...	<u>\$ 15.07</u>
Service Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$110,974 ÷ 7,369 shares) ...	<u>\$ 15.06</u>
Service Class 2:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$178,583 ÷ 11,869 shares) ..	<u>\$ 15.05</u>

### Statement of Operations

Six months ended June 30, 2011 (Unaudited)

Investment Income	
Income distributions from underlying funds .....	\$ 37
Expenses	
Distribution and service plan fees .. \$	229
<b>Total expenses</b> .....	<u>229</u>
<b>Net investment income (loss)</b> .....	<u>(192)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares .....	10,914
Capital gain distributions from underlying funds .....	508
<b>Total net realized gain (loss)</b> .....	11,422
Change in net unrealized appreciation (depreciation) on underlying funds .....	8,236
<b>Net gain (loss)</b> .....	<u>19,658</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 19,466</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ (192)	\$ 6,151
Net realized gain (loss)	11,422	34,905
Change in net unrealized appreciation (depreciation)	8,236	16,858
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>19,466</u>	<u>57,914</u>
Distributions to shareholders from net investment income	—	(6,187)
Distributions to shareholders from net realized gain	(7,868)	(31,255)
<b>Total distributions</b>	<u>(7,868)</u>	<u>(37,442)</u>
Share transactions – net increase (decrease)	29,076	(84,084)
<b>Total increase (decrease) in net assets</b>	<u>40,674</u>	<u>(63,612)</u>
<b>Net Assets</b>		
Beginning of period	363,848	427,460
End of period (including distributions in excess of net investment income of \$192 and undistributed net investment income of \$0, respectively)	<u>\$ 404,522</u>	<u>\$ 363,848</u>

## Financial Highlights – Initial Class

	Six months ended June 30, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.61	\$ 13.86	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	— <sup>H</sup>	.24	.26
Net realized and unrealized gain (loss)	.78	2.14	3.87
Total from investment operations	<u>.78</u>	<u>2.38</u>	<u>4.13</u>
Distributions from net investment income	—	(.29)	(.26)
Distributions from net realized gain	(.32)	(1.34)	(.01)
Total distributions	<u>(.32)</u>	<u>(1.63)</u>	<u>(.27)</u>
Net asset value, end of period	<u>\$ 15.07</u>	<u>\$ 14.61</u>	<u>\$ 13.86</u>
<b>Total Return<sup>B,C</sup></b>	5.32%	17.37%	41.28%
<b>Ratios to Average Net Assets<sup>E,G</sup></b>			
Expenses before reductions	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of fee waivers, if any	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of all reductions	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Net investment income (loss)	.02% <sup>A</sup>	1.65%	2.83% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 115	\$ 121	\$ 145
Portfolio turnover rate	25% <sup>A</sup>	17%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. 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. <sup>H</sup>Amount 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.61	\$ 13.86	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.01)	.22	.25
Net realized and unrealized gain (loss)	.78	2.14	3.87
Total from investment operations	.77	2.36	4.12
Distributions from net investment income	—	(.28)	(.25)
Distributions from net realized gain	(.32)	(1.34)	(.01)
Total distributions	(.32)	(1.61) <sup>H</sup>	(.26)
Net asset value, end of period	\$ 15.06	\$ 14.61	\$ 13.86
<b>Total Return</b> <sup>B,C</sup>	5.25%	17.23%	41.19%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Net investment income (loss)	(.08)% <sup>A</sup>	1.55%	2.73% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 111	\$ 117	\$ 141
Portfolio turnover rate	25% <sup>A</sup>	17%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. 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. <sup>H</sup>Total distributions of \$1.61 per share is comprised of distributions from net investment income of \$.276 and distributions from net realized gain of \$1.335 per share.

## Financial Highlights — Service Class 2

	Six months ended June 30, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 14.61	\$ 13.85	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.02)	.20	.24
Net realized and unrealized gain (loss)	.78	2.15	3.86
Total from investment operations	.76	2.35	4.10
Distributions from net investment income	—	(.25)	(.24)
Distributions from net realized gain	(.32)	(1.34)	(.01)
Total distributions	(.32)	(1.59)	(.25)
Net asset value, end of period	\$ 15.05	\$ 14.61	\$ 13.85
<b>Total Return</b> <sup>B,C</sup>	5.18%	17.15%	40.96%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Net investment income (loss)	(.23)% <sup>A</sup>	1.40%	2.58% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 179	\$ 126	\$ 141
Portfolio turnover rate	25% <sup>A</sup>	17%	5% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. 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, 2011

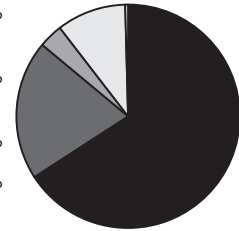
	% of fund's net assets	% of fund's net assets 6 months ago
<b>Domestic Equity Funds</b>		
VIP Contrafund Portfolio Initial Class	10.4	10.5
VIP Equity-Income Portfolio Initial Class	12.1	12.3
VIP Growth & Income Portfolio Initial Class	12.1	12.3
VIP Growth Portfolio Initial Class	12.3	12.3
VIP Mid Cap Portfolio Initial Class	4.2	4.2
VIP Value Portfolio Initial Class	10.4	10.6
VIP Value Strategies Portfolio Initial Class	4.3	4.5
	<u>65.8</u>	<u>66.7</u>
<b>Developed International Equity Funds</b>		
VIP Overseas Portfolio Initial Class	20.2	19.8
<b>Emerging Markets Equity Funds</b>		
VIP Emerging Markets Portfolio Initial Class	3.5	3.3
<b>High Yield Bond Funds</b>		
VIP High Income Portfolio Initial Class	10.1	9.5
<b>Investment Grade Bond Funds</b>		
VIP Investment Grade Bond Portfolio Initial Class	0.4	0.7
<b>Net Other Assets (Liabilities)*</b>	<u>0.0</u>	<u>0.0</u>
	<u>100.0</u>	<u>100.0</u>

\* Amount represents less than 0.1%

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

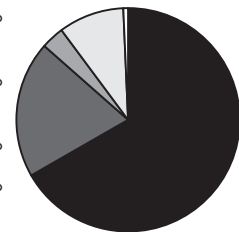
### Current

Domestic Equity Funds	65.8%
Developed International Equity Funds	20.2%
Emerging Markets Equity Funds	3.5%
High Yield Bond Funds	10.1%
Investment Grade Bond Funds	0.4%



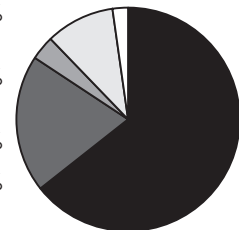
### Six months ago

Domestic Equity Funds	66.7%
Developed International Equity Funds	19.8%
Emerging Markets Equity Funds	3.3%
High Yield Bond Funds	9.5%
Investment Grade Bond Funds	0.7%



### Expected

Domestic Equity Funds	64.4%
Developed International Equity Funds	19.9%
Emerging Markets Equity Funds	3.5%
High Yield Bond Funds	10.0%
Investment Grade Bond Funds	2.2%



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, 2010. The current allocation is based on the fund's holdings as of June 30, 2011. The expected allocation represents the fund's anticipated allocation at December 31, 2011.

# VIP Freedom 2050 Portfolio Investments June 30, 2011 (Unaudited)

Showing Percentage of Net Assets

## Domestic Equity Funds – 65.8%

	Shares	Value
<b>Domestic Equity Funds – 65.8%</b>		
VIP Contrafund Portfolio Initial Class . . .	2,310	\$ 58,028
VIP Equity-Income Portfolio Initial Class . .	3,339	67,620
VIP Growth & Income Portfolio Initial Class . . . . .	5,113	67,485
VIP Growth Portfolio Initial Class . . . . .	1,709	68,761
VIP Mid Cap Portfolio Initial Class . . . . .	717	23,672
VIP Value Portfolio Initial Class . . . . .	4,997	57,917
VIP Value Strategies Portfolio Initial Class	2,351	24,336

**TOTAL DOMESTIC EQUITY FUNDS**  
(Cost \$266,017) . . . . . **367,819**

## International Equity Funds – 23.7%

<b>Developed International Equity Funds – 20.2%</b>		
VIP Overseas Portfolio Initial Class . . . . .	6,403	113,075
<b>Emerging Markets Equity Funds – 3.5%</b>		
VIP Emerging Markets Portfolio Initial Class . . . . .	1,978	19,545

**TOTAL INTERNATIONAL EQUITY FUNDS**  
(Cost \$98,025) . . . . . **132,620**

## 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.

## Bond Funds – 10.5%

	Shares	Value
<b>High Yield Bond Funds – 10.1%</b>		
VIP High Income Portfolio Initial Class . . . . .	9,677	\$ 56,322
<b>Investment Grade Bond Funds – 0.4%</b>		
VIP Investment Grade Bond Portfolio Initial Class . . . . .	187	2,435
<b>TOTAL BOND FUNDS</b> (Cost \$48,296) . . . . .		<b>58,757</b>

**TOTAL INVESTMENT PORTFOLIO – 100.0%**  
(Cost \$412,338) . . . . . **559,196**

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

**NET ASSETS – 100%** \$ **559,152**

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, 2011 (Unaudited)

Assets	
Investment in securities, at value (cost \$412,338) — See accompanying schedule .....	\$ 559,196
Receivable for fund shares sold .....	696
<b>Total assets</b> .....	<u>559,892</u>
Liabilities	
Payable for investments purchased .. \$	630
Payable for fund shares redeemed ..	68
Distribution and service plan fees payable .....	42
<b>Total liabilities</b> .....	<u>740</u>
<b>Net Assets</b> .....	<u>\$ 559,152</u>
Net Assets consist of:	
Paid in capital .....	\$ 297,732
Accumulated net investment loss .....	(165)
Accumulated undistributed net realized gain (loss) on investments .....	114,727
Net unrealized appreciation (depreciation) on investments .....	146,858
<b>Net Assets</b> .....	<u>\$ 559,152</u>
Initial Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$282,167 ÷ 17,026 shares) ..	<u>\$ 16.57</u>
Service Class:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$112,320 ÷ 6,780 shares) ...	<u>\$ 16.57</u>
Service Class 2:	
<b>Net Asset Value</b> , offering price and redemption price per share (\$164,665 ÷ 9,951 shares) ...	<u>\$ 16.55</u>

### Statement of Operations

Six months ended June 30, 2011 (Unaudited)

Investment Income	
Income distributions from underlying funds .....	\$ 88
Expenses	
Distribution and service plan fees .. \$	253
<b>Total expenses</b> .....	<u>253</u>
<b>Net investment income (loss)</b> .....	<u>(165)</u>
Realized and Unrealized Gain (Loss)	
Realized gain (loss) on sale of underlying fund shares .....	114,670
Capital gain distributions from underlying funds .....	720
<b>Total net realized gain (loss)</b> .....	115,390
Change in net unrealized appreciation (depreciation) on underlying funds .....	(69,425)
<b>Net gain (loss)</b> .....	<u>45,965</u>
<b>Net increase (decrease) in net assets resulting from operations</b> ..	<u>\$ 45,800</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, 2011 (Unaudited)	Year ended December 31, 2010
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss) .....	\$ (165)	\$ 15,147
Net realized gain (loss) .....	115,390	22,127
Change in net unrealized appreciation (depreciation) .....	(69,425)	95,990
<b>Net increase (decrease) in net assets resulting from operations</b> .....	<u>45,800</u>	<u>133,264</u>
Distributions to shareholders from net investment income .....	—	(15,204)
Distributions to shareholders from net realized gain .....	(5,542)	(18,973)
<b>Total distributions</b> .....	<u>(5,542)</u>	<u>(34,177)</u>
Share transactions – net increase (decrease) .....	(407,066)	378,806
<b>Total increase (decrease) in net assets</b> .....	<u>(366,808)</u>	<u>477,893</u>
<b>Net Assets</b>		
Beginning of period .....	925,960	448,067
End of period (including accumulated net investment loss of \$165 and undistributed net investment income of \$0, respectively) .....	<u>\$ 559,152</u>	<u>\$ 925,960</u>

**Financial Highlights – Initial Class**

	Six months ended June 30, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period .....	\$ 15.82	\$ 14.01	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup> .....	— <sup>H</sup>	.39	.26
Net realized and unrealized gain (loss) .....	.84	2.06	4.01
Total from investment operations .....	<u>.84</u>	<u>2.45</u>	<u>4.27</u>
Distributions from net investment income .....	—	(.28)	(.25)
Distributions from net realized gain .....	(.09)	(.36)	(.01)
Total distributions .....	<u>(.09)</u>	<u>(.64)</u>	<u>(.26)</u>
Net asset value, end of period .....	<u>\$ 16.57</u>	<u>\$ 15.82</u>	<u>\$ 14.01</u>
<b>Total Return</b> <sup>B,C</sup> .....	5.31%	17.58%	42.70%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions .....	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of fee waivers, if any .....	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Expenses net of all reductions .....	.00% <sup>A</sup>	.00%	.00% <sup>A</sup>
Net investment income (loss) .....	.03% <sup>A</sup>	2.64%	2.76% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted) .....	\$ 282	\$ 666	\$ 159
Portfolio turnover rate .....	106% <sup>A</sup>	50%	4% <sup>A</sup>

<sup>A</sup>Annualized. <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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. <sup>H</sup>Amount 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 15.82	\$ 14.00	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.01)	.37	.25
Net realized and unrealized gain (loss)	.85	2.07	4.00
Total from investment operations	.84	2.44	4.25
Distributions from net investment income	—	(.26)	(.24)
Distributions from net realized gain	(.09)	(.36)	(.01)
Total distributions	(.09)	(.62)	(.25)
Net asset value, end of period	\$ 16.57	\$ 15.82	\$ 14.00
<b>Total Return</b> <sup>B,C</sup>	5.31%	17.53%	42.51%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of fee waivers, if any	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Expenses net of all reductions	.10% <sup>A</sup>	.10%	.10% <sup>A</sup>
Net investment income (loss)	(.07)% <sup>A</sup>	2.54%	2.66% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 112	\$ 118	\$ 143
Portfolio turnover rate	106% <sup>A</sup>	50%	4% <sup>A</sup>

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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, 2011 (Unaudited)	Years ended December 31, 2010	2009 <sup>F</sup>
<b>Selected Per-Share Data</b>			
Net asset value, beginning of period	\$ 15.81	\$ 14.00	\$ 10.00
Income from Investment Operations			
Net investment income (loss) <sup>D</sup>	(.02)	.35	.23
Net realized and unrealized gain (loss)	.85	2.06	4.01
Total from investment operations	.83	2.41	4.24
Distributions from net investment income	—	(.24)	(.23)
Distributions from net realized gain	(.09)	(.36)	(.01)
Total distributions	(.09)	(.60)	(.24)
Net asset value, end of period	\$ 16.55	\$ 15.81	\$ 14.00
<b>Total Return</b> <sup>B,C</sup>	5.25%	17.30%	42.37%
<b>Ratios to Average Net Assets</b> <sup>E,G</sup>			
Expenses before reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of fee waivers, if any	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Expenses net of all reductions	.25% <sup>A</sup>	.25%	.25% <sup>A</sup>
Net investment income (loss)	(.22)% <sup>A</sup>	2.39%	2.51% <sup>A</sup>
<b>Supplemental Data</b>			
Net assets, end of period (000 omitted)	\$ 165	\$ 142	\$ 147
Portfolio turnover rate	106% <sup>A</sup>	50%	4% <sup>A</sup>

<sup>A</sup>Annualized <sup>B</sup>Total returns for periods of less than one year are not annualized. <sup>C</sup>Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown. <sup>D</sup>Calculated based on average shares outstanding during the period. <sup>E</sup>Amounts do not include the activity of the underlying funds. <sup>F</sup>For the period April 8, 2009 (commencement of operations) to December 31, 2009. <sup>G</sup>Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from 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, 2011 (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 may 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. Subsequent events, if any, through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the Funds:

**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. Interest income is accrued as earned. Interest income includes coupon interest and amortization of premium and accretion of discount on debt securities.

**Expenses.** Expenses directly attributable to a fund are charged to that fund. Expenses attributable to more than one fund are allocated among the respective funds on the basis of relative net assets or other appropriate methods. 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, including 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 declared and 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, capital loss carryforwards 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) on securities and other investments
VIP Freedom Income	\$ 20,923,131	\$ 629,507	\$ (409,649)	\$ 219,858
VIP Freedom 2005	6,036,504	152,635	(394,817)	(242,182)
VIP Freedom 2010	174,929,859	8,611,789	(9,656,287)	(1,044,498)
VIP Freedom 2015	101,559,296	8,346,638	(5,454,021)	2,892,617
VIP Freedom 2020	462,309,287	39,114,811	(21,947,820)	17,166,991
VIP Freedom 2025	46,261,731	3,701,008	(2,499,320)	1,201,688
VIP Freedom 2030	117,717,689	9,074,603	(8,455,995)	618,608
VIP Freedom 2035	396,652	161,447	(578)	160,869
VIP Freedom 2040	2,648,909	199,405	(31,700)	167,705
VIP Freedom 2045	267,148	137,534	(117)	137,417
VIP Freedom 2050	414,115	146,892	(1,811)	145,081

Under the recently enacted Regulated Investment Company Modernization Act of 2010 (the Act), The Funds will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to any losses incurred in pre-enactment taxable years, which generally expire after eight years from when they are incurred. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law. The Funds' first fiscal year end subject to the Act will be December 31, 2011.

## 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	8,360,560	6,199,252
VIP Freedom 2005	1,007,677	1,451,075
VIP Freedom 2010	22,964,964	14,442,278
VIP Freedom 2015	14,937,744	12,387,175
VIP Freedom 2020	97,582,182	23,399,123
VIP Freedom 2025	9,127,140	5,236,320
VIP Freedom 2030	21,236,596	9,422,603
VIP Freedom 2035	158,460	73,111
VIP Freedom 2040	2,806,802	549,224
VIP Freedom 2045	68,305	46,788
VIP Freedom 2050	334,152	746,214

## 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 Fees.** In accordance with Rule 12b-1 of the 1940 Act, the Funds have adopted separate 12b-1 Plans for each Service Class of shares. Each Service Class pays Fidelity Distributors Corporation (FDC), an affiliate of 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 Fees – continued

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

	Service Class		Service Class 2	Total
VIP Freedom Income .....	\$ 435	\$	9,214	\$ 9,649
VIP Freedom 2005 .....	94		199	293
VIP Freedom 2010 .....	9,976		154,940	164,916
VIP Freedom 2015 .....	2,144		71,693	73,837
VIP Freedom 2020 .....	18,134		441,755	459,889
VIP Freedom 2025 .....	2,227		30,254	32,481
VIP Freedom 2030 .....	13,575		68,193	81,768
VIP Freedom 2035 .....	58		378	436
VIP Freedom 2040 .....	220		194	414
VIP Freedom 2045 .....	58		171	229
VIP Freedom 2050 .....	59		194	253

### 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
<b>VIP Freedom Income</b>		
Initial Class .....	—%	20
Service Class .....	.10%	2
Service Class 2 .....	.25%	13
<b>VIP Freedom 2005</b>		
Initial Class .....	—%	11
Service Class .....	.10%	—
Service Class 2 .....	.25%	—
<b>VIP Freedom 2010</b>		
Initial Class .....	—%	41
Service Class .....	.10%	35
Service Class 2 .....	.25%	217
<b>VIP Freedom 2015</b>		
Initial Class .....	—%	73
Service Class .....	.10%	8
Service Class 2 .....	.25%	101
<b>VIP Freedom 2020</b>		
Initial Class .....	—%	84
Service Class .....	.10%	62
Service Class 2 .....	.25%	606
<b>VIP Freedom 2025</b>		
Initial Class .....	—%	30
Service Class .....	.10%	8
Service Class 2 .....	.25%	42
<b>VIP Freedom 2030</b>		
Initial Class .....	—%	54
Service Class .....	.10%	47
Service Class 2 .....	.25%	95

## 6. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2011	Year ended December 31, 2010
<b>VIP Freedom Income</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 210,386
Service Class .....	—	3,035
Service Class 2 .....	—	115,815
Total .....	<u>\$ —</u>	<u>\$ 329,236</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 290,719
Service Class .....	—	4,582
Service Class 2 .....	—	181,303
Total .....	<u>\$ —</u>	<u>\$ 476,604</u>
<b>VIP Freedom 2005</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 112,320
Service Class .....	—	3,344
Service Class 2 .....	—	2,691
Total .....	<u>\$ —</u>	<u>\$ 118,355</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 76,130
Service Class .....	—	2,040
Service Class 2 .....	—	1,632
Total .....	<u>\$ —</u>	<u>\$ 79,802</u>
<b>VIP Freedom 2010</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 463,722
Service Class .....	—	377,308
Service Class 2 .....	—	2,186,962
Total .....	<u>\$ —</u>	<u>\$ 3,027,992</u>
<b>From net realized gain</b>		
Initial Class .....	\$ 10,762	\$ 398,603
Service Class .....	9,034	350,127
Service Class 2 .....	55,497	1,962,848
Total .....	<u>\$ 75,293</u>	<u>\$ 2,711,578</u>
<b>VIP Freedom 2015</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 813,676
Service Class .....	—	54,230
Service Class 2 .....	—	1,039,969
Total .....	<u>\$ —</u>	<u>\$ 1,907,875</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 461,272
Service Class .....	—	28,463
Service Class 2 .....	—	628,961
Total .....	<u>\$ —</u>	<u>\$ 1,118,696</u>

## Notes to Financial Statements (Unaudited) – continued

### 6. Distributions to Shareholders – continued

	Six months ended June 30, 2011	Year ended December 31, 2010
<b>VIP Freedom 2020</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 930,464
Service Class .....	—	654,671
Service Class 2 .....	—	5,829,063
Total .....	<u>\$ —</u>	<u>\$ 7,414,198</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 331,668
Service Class .....	—	235,505
Service Class 2 .....	—	2,052,478
Total .....	<u>\$ —</u>	<u>\$ 2,619,651</u>
<b>VIP Freedom 2025</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 346,092
Service Class .....	—	27,402
Service Class 2 .....	—	426,018
Total .....	<u>\$ —</u>	<u>\$ 799,512</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 98,389
Service Class .....	—	7,360
Service Class 2 .....	—	112,019
Total .....	<u>\$ —</u>	<u>\$ 217,768</u>
<b>VIP Freedom 2030</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 539,256
Service Class .....	—	411,502
Service Class 2 .....	—	824,730
Total .....	<u>\$ —</u>	<u>\$ 1,775,488</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 194,726
Service Class .....	—	151,508
Service Class 2 .....	—	322,717
Total .....	<u>\$ —</u>	<u>\$ 668,951</u>
<b>VIP Freedom 2035</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 2,136
Service Class .....	—	1,918
Service Class 2 .....	—	3,394
Total .....	<u>\$ —</u>	<u>\$ 7,448</u>
<b>From net realized gain</b>		
Initial Class .....	\$ 246	\$ 8,162
Service Class .....	235	7,842
Service Class 2 .....	613	13,329
Total .....	<u>\$ 1,094</u>	<u>\$ 29,333</u>
<b>VIP Freedom 2040</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 4,811
Service Class .....	—	1,884
Service Class 2 .....	—	2,151
Total .....	<u>\$ —</u>	<u>\$ 8,846</u>
<b>From net realized gain</b>		
Initial Class .....	\$ —	\$ 31,376
Service Class .....	—	13,997
Service Class 2 .....	—	16,974
Total .....	<u>\$ —</u>	<u>\$ 62,347</u>

## 6. Distributions to Shareholders – continued

	Six months ended June 30, 2011	Year ended December 31, 2010
<b>VIP Freedom 2045</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 2,203
Service Class .....	—	2,006
Service Class 2 .....	—	1,978
Total .....	<u>\$ —</u>	<u>\$ 6,187</u>
<b>From net realized gain</b>		
Initial Class .....	\$ 2,601	\$ 10,391
Service Class .....	2,522	10,084
Service Class 2 .....	2,745	10,780
Total .....	<u>\$ 7,868</u>	<u>\$ 31,255</u>
<b>VIP Freedom 2050</b>		
<b>From net investment income</b>		
Initial Class .....	\$ —	\$ 11,275
Service Class .....	—	1,872
Service Class 2 .....	—	2,057
Total .....	<u>\$ —</u>	<u>\$ 15,204</u>
<b>From net realized gain</b>		
Initial Class .....	\$ 4,054	\$ 12,930
Service Class .....	674	2,793
Service Class 2 .....	814	3,250
Total .....	<u>\$ 5,542</u>	<u>\$ 18,973</u>

## 7. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2011	Year ended December 31, 2010	Six months ended June 30, 2011	Year ended December 31, 2010
<b>VIP Freedom Income</b>				
<b>Initial Class</b>				
Shares sold .....	397,337	258,557	\$ 4,139,902	\$ 2,671,849
Reinvestment of distributions .....	—	48,930	—	501,105
Shares redeemed .....	(416,477)	(488,726)	(4,354,889)	(5,003,766)
Net increase (decrease) .....	<u>(19,140)</u>	<u>(181,239)</u>	<u>\$ (214,987)</u>	<u>\$ (1,830,812)</u>
<b>Service Class</b>				
Shares sold .....	260,514	14,564	\$ 2,753,754	\$ 146,987
Reinvestment of distributions .....	—	743	—	7,617
Shares redeemed .....	(40,160)	(14,887)	(421,745)	(152,852)
Net increase (decrease) .....	<u>220,354</u>	<u>420</u>	<u>\$ 2,332,009</u>	<u>\$ 1,752</u>
<b>Service Class 2</b>				
Shares sold .....	131,858	357,073	\$ 1,369,527	\$ 3,636,152
Reinvestment of distributions .....	—	29,093	—	297,118
Shares redeemed .....	(141,499)	(349,472)	(1,474,763)	(3,569,125)
Net increase (decrease) .....	<u>(9,641)</u>	<u>36,694</u>	<u>\$ (105,236)</u>	<u>\$ 364,145</u>
<b>VIP Freedom 2005</b>				
<b>Initial Class</b>				
Shares sold .....	67,438	134,064	\$ 700,276	\$ 1,286,624
Reinvestment of distributions .....	—	19,288	—	188,450
Shares redeemed .....	(113,477)	(315,687)	(1,167,509)	(3,018,853)
Net increase (decrease) .....	<u>(46,039)</u>	<u>(162,335)</u>	<u>\$ (467,233)</u>	<u>\$ (1,543,779)</u>

## Notes to Financial Statements (Unaudited) – continued

### 7. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2011	Year ended December 31, 2010	Six months ended June 30, 2011	Year ended December 31, 2010
<b>Service Class</b>				
Shares sold	4,014	6,760	\$ 41,367	\$ 68,354
Reinvestment of distributions	—	549	—	5,384
Shares redeemed	(4,889)	(7,984)	(49,976)	(77,087)
Net increase (decrease)	<u>(875)</u>	<u>(675)</u>	<u>\$ (8,609)</u>	<u>\$ (3,349)</u>
<b>Service Class 2</b>				
Shares sold	1,813	9,995	\$ 18,678	\$ 93,487
Reinvestment of distributions	—	440	—	4,323
Shares redeemed	(1,866)	(14,517)	(19,262)	(139,052)
Net increase (decrease)	<u>(53)</u>	<u>(4,082)</u>	<u>\$ (584)</u>	<u>\$ (41,242)</u>
<b>VIP Freedom 2010</b>				
<b>Initial Class</b>				
Shares sold	222,657	436,778	\$ 2,422,341	\$ 4,483,599
Reinvestment of distributions	989	82,723	10,762	862,325
Shares redeemed	(221,757)	(559,697)	(2,423,565)	(5,705,979)
Net increase (decrease)	<u>1,889</u>	<u>(40,196)</u>	<u>\$ 9,538</u>	<u>\$ (360,055)</u>
<b>Service Class</b>				
Shares sold	260,093	560,883	\$ 2,854,424	\$ 5,683,418
Reinvestment of distributions	831	69,957	9,034	727,435
Shares redeemed	(197,331)	(783,131)	(2,149,933)	(8,010,814)
Net increase (decrease)	<u>63,593</u>	<u>(152,291)</u>	<u>\$ 713,525</u>	<u>\$ (1,599,961)</u>
<b>Service Class 2</b>				
Shares sold	1,481,870	3,191,303	\$ 16,097,915	\$ 32,493,399
Reinvestment of distributions	5,124	398,872	55,497	4,149,810
Shares redeemed	(852,412)	(1,434,821)	(9,213,893)	(14,472,689)
Net increase (decrease)	<u>634,582</u>	<u>2,155,354</u>	<u>\$ 6,939,519</u>	<u>\$ 22,170,520</u>
<b>VIP Freedom 2015</b>				
<b>Initial Class</b>				
Shares sold	486,479	670,873	\$ 5,359,664	\$ 6,860,434
Reinvestment of distributions	—	120,777	—	1,274,948
Shares redeemed	(458,148)	(909,179)	(5,041,796)	(9,208,564)
Net increase (decrease)	<u>28,331</u>	<u>(117,529)</u>	<u>\$ 317,868</u>	<u>\$ (1,073,182)</u>
<b>Service Class</b>				
Shares sold	326,288	156,503	\$ 3,557,121	\$ 1,583,510
Reinvestment of distributions	—	7,803	—	82,693
Shares redeemed	(98,854)	(65,542)	(1,071,580)	(664,170)
Net increase (decrease)	<u>227,434</u>	<u>98,764</u>	<u>\$ 2,485,541</u>	<u>\$ 1,002,033</u>
<b>Service Class 2</b>				
Shares sold	535,412	1,421,812	\$ 5,844,784	\$ 14,400,184
Reinvestment of distributions	—	158,545	—	1,668,930
Shares redeemed	(606,774)	(678,716)	(6,655,773)	(6,837,448)
Net increase (decrease)	<u>(71,362)</u>	<u>901,641</u>	<u>\$ (810,989)</u>	<u>\$ 9,231,666</u>
<b>VIP Freedom 2020</b>				
<b>Initial Class</b>				
Shares sold	931,320	920,774	\$ 10,195,354	\$ 9,150,944
Reinvestment of distributions	—	120,936	—	1,262,132
Shares redeemed	(459,640)	(799,922)	(5,014,977)	(7,947,958)
Net increase (decrease)	<u>471,680</u>	<u>241,788</u>	<u>\$ 5,180,377</u>	<u>\$ 2,465,118</u>
<b>Service Class</b>				
Shares sold	676,468	1,051,011	\$ 7,435,964	\$ 10,406,571
Reinvestment of distributions	—	85,322	—	890,176
Shares redeemed	(326,962)	(722,926)	(3,583,403)	(7,208,777)
Net increase (decrease)	<u>349,506</u>	<u>413,407</u>	<u>\$ 3,852,561</u>	<u>\$ 4,087,970</u>

## 7. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2011	Year ended December 31, 2010	Six months ended June 30, 2011	Year ended December 31, 2010
<b>Service Class 2</b>				
Shares sold	6,779,926	10,438,161	\$ 73,868,895	\$ 103,574,788
Reinvestment of distributions	—	756,007	—	7,881,541
Shares redeemed	(961,433)	(1,785,393)	(10,469,815)	(17,423,750)
Net increase (decrease)	<u>5,818,493</u>	<u>9,408,775</u>	<u>\$ 63,399,080</u>	<u>\$ 94,032,579</u>
<b>VIP Freedom 2025</b>				
<b>Initial Class</b>				
Shares sold	198,896	210,663	\$ 2,156,722	\$ 2,056,243
Reinvestment of distributions	—	42,774	—	444,481
Shares redeemed	(284,824)	(197,611)	(3,093,798)	(1,893,385)
Net increase (decrease)	<u>(85,928)</u>	<u>55,826</u>	<u>\$ (937,076)</u>	<u>\$ 607,339</u>
<b>Service Class</b>				
Shares sold	377,540	96,750	\$ 4,027,667	\$ 938,977
Reinvestment of distributions	—	3,336	—	34,762
Shares redeemed	(53,805)	(36,867)	(588,029)	(368,024)
Net increase (decrease)	<u>323,735</u>	<u>63,219</u>	<u>\$ 3,439,638</u>	<u>\$ 605,715</u>
<b>Service Class 2</b>				
Shares sold	285,891	1,456,760	\$ 3,092,767	\$ 14,706,194
Reinvestment of distributions	—	51,796	—	538,037
Shares redeemed	(172,428)	(218,947)	(1,862,625)	(2,103,016)
Net increase (decrease)	<u>113,463</u>	<u>1,289,609</u>	<u>\$ 1,230,142</u>	<u>\$ 13,141,215</u>
<b>VIP Freedom 2030</b>				
<b>Initial Class</b>				
Shares sold	429,424	775,263	\$ 4,529,625	\$ 7,430,999
Reinvestment of distributions	—	73,020	—	733,982
Shares redeemed	(244,448)	(656,437)	(2,592,965)	(6,157,596)
Net increase (decrease)	<u>184,976</u>	<u>191,846</u>	<u>\$ 1,936,660</u>	<u>\$ 2,007,385</u>
<b>Service Class</b>				
Shares sold	723,739	826,988	\$ 7,637,933	\$ 7,926,058
Reinvestment of distributions	—	56,031	—	563,009
Shares redeemed	(286,626)	(406,449)	(3,013,605)	(3,785,635)
Net increase (decrease)	<u>437,113</u>	<u>476,570</u>	<u>\$ 4,624,328</u>	<u>\$ 4,703,432</u>
<b>Service Class 2</b>				
Shares sold	1,057,291	1,644,957	\$ 11,123,218	\$ 15,476,635
Reinvestment of distributions	—	114,453	—	1,147,447
Shares redeemed	(592,762)	(754,936)	(6,206,186)	(7,067,727)
Net increase (decrease)	<u>464,529</u>	<u>1,004,474</u>	<u>\$ 4,917,032</u>	<u>\$ 9,556,355</u>
<b>VIP Freedom 2035</b>				
<b>Initial Class</b>				
Shares sold	114	169	\$ 1,753	\$ 2,393
Reinvestment of distributions	16	710	246	10,298
Shares redeemed	(854)	(3,191)	(12,985)	(45,336)
Net increase (decrease)	<u>(724)</u>	<u>(2,312)</u>	<u>\$ (10,986)</u>	<u>\$ (32,645)</u>
<b>Service Class</b>				
Shares sold	—	—	\$ —	\$ —
Reinvestment of distributions	15	673	235	9,760
Shares redeemed	(774)	(3,018)	(11,760)	(42,843)
Net increase (decrease)	<u>(759)</u>	<u>(2,345)</u>	<u>\$ (11,525)</u>	<u>\$ (33,083)</u>
<b>Service Class 2</b>				
Shares sold	9,726	6,219	\$ 146,588	\$ 94,194
Reinvestment of distributions	40	1,147	613	16,723
Shares redeemed	(2,588)	(3,391)	(39,062)	(48,539)
Net increase (decrease)	<u>7,178</u>	<u>3,975</u>	<u>\$ 108,139</u>	<u>\$ 62,378</u>

## Notes to Financial Statements (Unaudited) – continued

### 7. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2011	Year ended December 31, 2010	Six months ended June 30, 2011	Year ended December 31, 2010
<b>VIP Freedom 2040</b>				
<b>Initial Class</b>				
Shares sold	86,127	70,337	\$ 1,244,241	\$ 989,272
Reinvestment of distributions	—	2,586	—	36,187
Shares redeemed	(7,933)	(63,590)	(116,357)	(920,096)
Net increase (decrease)	<u>78,194</u>	<u>9,333</u>	<u>\$ 1,127,884</u>	<u>\$ 105,363</u>
<b>Service Class</b>				
Shares sold	102,314	—	\$ 1,540,338	\$ —
Reinvestment of distributions	—	1,138	—	15,881
Shares redeemed	(28,861)	(3,021)	(426,337)	(43,092)
Net increase (decrease)	<u>73,453</u>	<u>(1,883)</u>	<u>\$ 1,114,001</u>	<u>\$ (27,211)</u>
<b>Service Class 2</b>				
Shares sold	1,957	1,870	\$ 28,881	\$ 28,133
Reinvestment of distributions	—	1,370	—	19,125
Shares redeemed	(1,096)	(3,161)	(15,873)	(45,227)
Net increase (decrease)	<u>861</u>	<u>79</u>	<u>\$ 13,008</u>	<u>\$ 2,031</u>
<b>VIP Freedom 2045</b>				
<b>Initial Class</b>				
Shares sold	70	38	\$ 1,051	\$ 576
Reinvestment of distributions	173	872	2,601	12,594
Shares redeemed	(875)	(3,131)	(12,951)	(44,833)
Net increase (decrease)	<u>(632)</u>	<u>(2,221)</u>	<u>\$ (9,299)</u>	<u>\$ (31,663)</u>
<b>Service Class</b>				
Shares sold	—	—	\$ —	\$ —
Reinvestment of distributions	168	837	2,522	12,090
Shares redeemed	(806)	(3,018)	(11,927)	(43,180)
Net increase (decrease)	<u>(638)</u>	<u>(2,181)</u>	<u>\$ (9,405)</u>	<u>\$ (31,090)</u>
<b>Service Class 2</b>				
Shares sold	3,997	617	\$ 58,961	\$ 9,521
Reinvestment of distributions	183	883	2,745	12,757
Shares redeemed	(941)	(3,049)	(13,926)	(43,609)
Net increase (decrease)	<u>3,239</u>	<u>(1,549)</u>	<u>\$ 47,780</u>	<u>\$ (21,331)</u>
<b>VIP Freedom 2050</b>				
<b>Initial Class</b>				
Shares sold	17,178	38,491	\$ 279,626	\$ 556,062
Reinvestment of distributions	246	1,539	4,054	24,205
Shares redeemed	(42,480)	(9,291)	(695,904)	(141,310)
Net increase (decrease)	<u>(25,056)</u>	<u>30,739</u>	<u>\$ (412,224)</u>	<u>\$ 438,957</u>
<b>Service Class</b>				
Shares sold	—	—	\$ —	\$ —
Reinvestment of distributions	41	302	674	4,665
Shares redeemed	(744)	(2,999)	(12,090)	(43,436)
Net increase (decrease)	<u>(703)</u>	<u>(2,697)</u>	<u>\$ (11,416)</u>	<u>\$ (38,771)</u>
<b>Service Class 2</b>				
Shares sold	2,254	1,782	\$ 37,305	\$ 26,095
Reinvestment of distributions	49	343	814	5,307
Shares redeemed	(1,327)	(3,620)	(21,545)	(52,782)
Net increase (decrease)	<u>976</u>	<u>(1,495)</u>	<u>\$ 16,574</u>	<u>\$ (21,380)</u>

### 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.

## 8. Other – continued

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 21% of the total outstanding shares of VIP Value Portfolio, and approximately 11% of the total outstanding shares of VIP Emerging Markets Portfolio.

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

Fund	% of shares held
VIP Emerging Markets Portfolio .....	22%
VIP Value Portfolio .....	41%

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 .....	52%	2	27%
VIP Freedom 2005 .....	96%	—	—%
VIP Freedom 2010 .....	11%	1	70%
VIP Freedom 2015 .....	33%	1	35%
VIP Freedom 2020 .....	—%	2	81%
VIP Freedom 2025 .....	29%	3	43%
VIP Freedom 2030 .....	14%	2	60%
VIP Freedom 2035 .....	54%	2	41%
VIP Freedom 2040 .....	—%	3	87%
VIP Freedom 2045 .....	81%	1	14%
VIP Freedom 2050 .....	40%	1	41%

**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