

Fidelity® Variable Insurance Products: High Income Portfolio

Semiannual Report
June 30, 2010



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

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

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

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

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

Neither the fund nor Fidelity Distributors Corporation is a bank.

Shareholder Expense Example

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

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

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio	Beginning Account Value January 1, 2010	Ending Account Value June 30, 2010	Expenses Paid During Period* January 1, 2010 to June 30, 2010
Initial Class	.70%			
Actual		\$ 1,000.00	\$ 1,034.00	\$ 3.53
Hypothetical ^A		\$ 1,000.00	\$ 1,021.32	\$ 3.51
Service Class	.80%			
Actual		\$ 1,000.00	\$ 1,034.20	\$ 4.03
Hypothetical ^A		\$ 1,000.00	\$ 1,020.83	\$ 4.01
Service Class 2	.95%			
Actual		\$ 1,000.00	\$ 1,032.80	\$ 4.79
Hypothetical ^A		\$ 1,000.00	\$ 1,020.08	\$ 4.76
Initial Class R	.70%			
Actual		\$ 1,000.00	\$ 1,034.20	\$ 3.53
Hypothetical ^A		\$ 1,000.00	\$ 1,021.32	\$ 3.51
Service Class R	.80%			
Actual		\$ 1,000.00	\$ 1,032.40	\$ 4.03
Hypothetical ^A		\$ 1,000.00	\$ 1,020.83	\$ 4.01
Service Class 2R	.95%			
Actual		\$ 1,000.00	\$ 1,034.80	\$ 4.79
Hypothetical ^A		\$ 1,000.00	\$ 1,020.08	\$ 4.76
Investor Class	.73%			
Actual		\$ 1,000.00	\$ 1,034.20	\$ 3.68
Hypothetical ^A		\$ 1,000.00	\$ 1,021.17	\$ 3.66

^A 5% return per year before expenses

* Expenses are equal to each Class' annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Investment Changes (Unaudited)

Top Five Holdings as of June 30, 2010

(by issuer, excluding cash equivalents)	% of fund's net assets	% of fund's net assets 6 months ago
HCA, Inc.	2.5	2.8
Nielsen Finance LLC/Nielsen Finance Co.	2.0	1.9
Ship Finance International Ltd.	1.9	1.8
Nextel Communications, Inc.	1.5	1.3
International Lease Finance Corp.	1.4	0.2
	<u>9.3</u>	

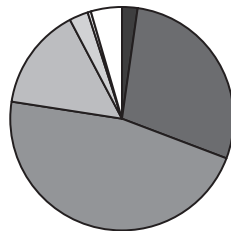
Top Five Market Sectors as of June 30, 2010

	% of fund's net assets	% of fund's net assets 6 months ago
Telecommunications	15.0	14.3
Energy	7.8	7.8
Healthcare	7.0	7.6
Diversified Financial Services	6.5	1.2
Electric Utilities	6.2	8.2

Quality Diversification (% of fund's net assets)

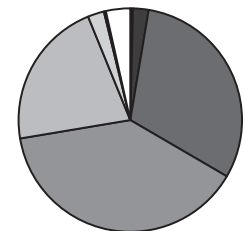
As of June 30, 2010

■ AAA,AA,A	0.0%
■ BBB	2.2%
■ BB	28.5%
■ B	46.7%
■ CCC,CC,C	14.8%
■ Not Rated	2.7%
□ Equities	0.5%
□ Short-Term Investments and Net Other Assets	4.6%



As of December 31, 2009

■ AAA,AA,A	0.4%
■ BBB	2.2%
■ BB	30.8%
■ B	39.0%
■ CCC,CC,C	21.5%
■ Not Rated	2.3%
□ Equities	0.3%
□ Short-Term Investments and Net Other Assets	3.5%

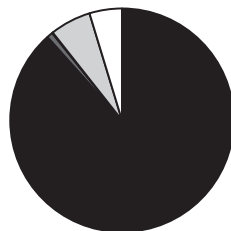


We have used ratings from Moody's® Investors Service, Inc. Where Moody's ratings are not available, we have used S&P® ratings. All ratings are as of the report date and do not reflect subsequent downgrades.

Asset Allocation (% of fund's net assets)

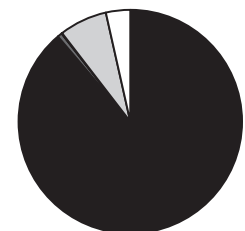
As of June 30, 2010*

■ Nonconvertible Bonds	88.4%
■ Convertible Bonds, Preferred Stocks	0.9%
■ Common Stocks	0.1%
■ Floating Rate Loans	6.0%
□ Short-Term Investments and Net Other Assets	4.6%
* Foreign investments	17.2%



As of December 31, 2009**

■ Nonconvertible Bonds	88.8%
■ Convertible Bonds, Preferred Stocks	0.7%
■ Common Stocks	0.1%
■ Floating Rate Loans	6.9%
□ Short-Term Investments and Net Other Assets	3.5%
** Foreign investments	15.9%



Investments June 30, 2010 (Unaudited)

Showing Percentage of Net Assets

Corporate Bonds – 88.9%

	Principal Amount	Value
Convertible Bonds – 0.5%		
Energy – 0.1%		
Energy Conversion Devices, Inc. 3% 6/15/13	\$ 1,040,000	\$ 577,200
Metals/Mining – 0.2%		
Massey Energy Co. 3.25% 8/1/15	2,230,000	1,839,750
Technology – 0.2%		
Lucent Technologies, Inc. 2.875% 6/15/25	2,902,600	2,436,370
TOTAL CONVERTIBLE BONDS		4,853,320
Nonconvertible Bonds – 88.4%		
Aerospace – 0.9%		
BE Aerospace, Inc. 8.5% 7/1/18 . Sequa Corp.:	3,730,000	3,916,500
11.75% 12/1/15 (c)	3,750,000	3,693,750
13.5% 12/1/15 pay-in-kind (c)	1,345,605	1,365,789
		<u>8,976,039</u>
Air Transportation – 2.7%		
American Airlines, Inc. 10.5% 10/15/12 (c)	1,990,000	2,079,550
American Airlines, Inc. pass-thru trust certificates:		
6.977% 11/23/22	475,729	390,098
8.608% 10/1/12	535,000	516,275
10.375% 7/2/19	1,876,983	2,092,836
AMR Corp. 9% 8/1/12	1,980,000	1,732,500
Continental Airlines, Inc. pass-thru trust certificates:		
7.875% 7/2/18	550,465	489,913
8.388% 5/1/22	387,913	360,759
9.798% 4/1/21	6,093,647	5,667,092
Continental Airlines, Inc. 9.25% 5/10/17	1,075,000	1,107,250
Delta Air Lines, Inc. 9.5% 9/15/14 (c)	1,690,000	1,782,950
Delta Air Lines, Inc. pass-thru trust certificates:		
8.021% 8/10/22	2,213,341	2,124,808
8.954% 8/10/14	1,922,152	1,893,319
Northwest Airlines, Inc. pass-thru trust certificates 8.028% 11/1/17	918,557	808,330
United Air Lines, Inc.:		
9.875% 8/1/13 (c)	795,000	822,030
12% 11/1/13 (c)	1,005,000	1,052,738
United Air Lines, Inc. pass-thru trust certificates:		
Class B, 7.336% 7/2/19	2,821,893	2,342,171
9.75% 1/15/17	2,445,000	2,597,813
12% 1/15/16 (c)	875,000	916,563
		<u>28,776,995</u>

	Principal Amount	Value
Automotive – 2.8%		
ArvinMeritor, Inc.:		
8.125% 9/15/15	\$ 3,250,000	\$ 3,120,000
10.625% 3/15/18	710,000	747,275
Ford Motor Credit Co. LLC:		
7% 4/15/15	3,380,000	3,363,100
8% 6/1/14	1,840,000	1,890,600
8% 12/15/16	4,870,000	4,982,502
12% 5/15/15	3,495,000	4,027,988
General Motors Acceptance Corp.		
6.875% 8/28/12	4,155,000	4,144,613
Lear Corp. 7.875% 3/15/18	2,850,000	2,842,875
Navistar International Corp. 8.25% 11/1/21	4,720,000	4,779,000
		<u>29,897,953</u>
Banks and Thrifts – 3.1%		
Bank of America Corp.:		
8% (d)	995,000	962,663
8.125% (d)	2,985,000	2,902,913
CIT Group, Inc.:		
7% 5/1/13	372,017	357,136
7% 5/1/14	3,723,026	3,481,029
7% 5/1/15	1,548,026	1,420,314
7% 5/1/16	3,540,044	3,212,590
7% 5/1/17	5,417,062	4,888,898
Fifth Third Capital Trust IV 6.5% 4/15/67 (d)	5,245,000	4,327,125
GMAC LLC:		
6.75% 12/1/14	4,400,000	4,268,000
8% 12/31/18	1,220,000	1,128,500
8% 11/1/31	2,275,000	2,104,375
Zions Bancorp. 7.75% 9/23/14 ..	3,225,000	3,287,372
		<u>32,340,915</u>
Broadcasting – 1.8%		
Belo Corp. 8% 11/15/16	1,700,000	1,759,500
Clear Channel Communications, Inc.:		
5.5% 9/15/14	3,360,000	1,848,000
11.75% 8/1/16 pay-in-kind (d)	2,190,000	1,381,981
Clear Channel Worldwide Holdings, Inc.:		
Series A 9.25% 12/15/17 (c) ..	560,000	557,200
Series B 9.25% 12/15/17 (c) ..	3,780,000	3,798,900
Nexstar Broadcasting, Inc./Mission, Inc. 8.875% 4/15/17 (c)	2,390,000	2,366,100
Umbrella Acquisition, Inc. 10.5% 3/15/15 pay-in-kind (c)(d)	6,904,400	5,530,424
Univision Communications, Inc. 12% 7/1/14 (c)	1,975,000	2,118,188
		<u>19,360,293</u>

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

Investments (Unaudited) – continued

Corporate Bonds – continued

	Principal Amount	Value
Nonconvertible Bonds – continued		
Cable TV – 4.0%		
Cablevision Systems Corp.:		
7.75% 4/15/18	\$ 1,635,000	\$ 1,635,000
8% 4/15/20	1,635,000	1,659,525
8.625% 9/15/17 (c)	2,525,000	2,550,250
CCO Holdings LLC/CCO Holdings Capital Corp.:		
7.875% 4/30/18 (c)	985,000	987,463
8.125% 4/30/20 (c)	2,345,000	2,374,313
Cequel Communications Holdings I LLC/Cequel Capital Corp.		
8.625% 11/15/17 (c)	7,435,000	7,407,119
Charter Communications Holdings II LLC/Charter Communications Holdings II Capital Corp. 13.5%		
11/30/16	2,137,796	2,498,549
CSC Holdings LLC:		
8.5% 4/15/14	2,370,000	2,476,650
8.5% 6/15/15	3,680,000	3,799,600
8.625% 2/15/19	1,940,000	2,039,328
EchoStar Communications Corp.		
7.125% 2/1/16	1,280,000	1,286,400
Insight Communications, Inc.		
9.375% 7/15/18 (c)	2,660,000	2,660,000
Kabel Deutschland GmbH 10.625%		
7/1/14	5,050,000	5,214,125
UPC Germany GmbH 8.125%		
12/1/17 (c)	2,880,000	2,822,400
Videotron Ltd. 9.125% 4/15/18 ..	2,010,000	2,185,875
		<u>41,596,597</u>
Capital Goods – 1.1%		
Amsted Industries, Inc. 8.125%		
3/15/18 (c)	2,840,000	2,811,600
Coleman Cable, Inc. 9%		
2/15/18 (c)	2,815,000	2,744,625
RBS Global, Inc. / Rexnord Corp.:		
8.5% 5/1/18 (c)	3,480,000	3,366,900
11.75% 8/1/16	2,145,000	2,252,250
		<u>11,175,375</u>
Chemicals – 2.3%		
Huntsman International LLC:		
5.5% 6/30/16 (c)	3,245,000	2,855,600
7.875% 11/15/14	490,000	474,075
LBI Escrow Corp. 8% 11/1/17 (c)		
	4,300,000	4,418,250
Lyondell Chemical Co. 11%		
5/1/18	4,945,000	5,303,513
NOVA Chemicals Corp.:		
3.7476% 11/15/13 (d)	5,325,000	4,899,000
6.5% 1/15/12	2,320,000	2,331,600
8.375% 11/1/16	1,990,000	1,990,000
8.625% 11/1/19	1,985,000	1,985,000
		<u>24,257,038</u>

	Principal Amount	Value
Consumer Products – 0.5%		
ACCO Brands Corp. 10.625%		
3/15/15	\$ 2,030,000	\$ 2,172,100
Jostens Holding Corp. 10.25%		
12/1/13	3,050,000	3,114,813
		<u>5,286,913</u>
Containers – 1.5%		
Berry Plastics Corp.:		
5.0528% 2/15/15 (d)	1,980,000	1,881,000
8.25% 11/15/15	3,880,000	3,880,000
8.875% 9/15/14	2,490,000	2,390,400
9.5% 5/15/18 (c)	4,465,000	4,063,150
Crown Cork & Seal, Inc. 7.375%		
12/15/26	3,648,000	3,319,680
		<u>15,534,230</u>
Diversified Financial Services – 5.1%		
GMAC, Inc. 8% 3/15/20 (c)		
	6,215,000	6,137,313
Icahn Enterprises LP/Icahn Enterprises Finance Corp.:		
7.75% 1/15/16 (c)	4,405,000	4,272,850
8% 1/15/18 (c)	3,995,000	3,875,150
ILFC E-Capital Trust II 6.25%		
12/21/65 (c)(d)	1,275,000	816,000
Ineos Finance PLC 9% 5/15/15 (c)		
	2,505,000	2,495,606
International Lease Finance Corp.:		
5.625% 9/20/13	1,530,000	1,380,825
5.65% 6/1/14	1,315,000	1,167,063
6.375% 3/25/13	360,000	337,500
6.625% 11/15/13	1,640,000	1,508,800
8.625% 9/15/15 (c)	3,090,000	2,920,050
8.75% 3/15/17 (c)	6,100,000	5,734,000
MU Finance PLC 8.375%		
2/1/17 (c)	2,755,000	2,644,800
National Money Mart Co. 10.375%		
12/15/16 (c)	3,010,000	3,055,150
Nuveen Investments, Inc.:		
5.5% 9/15/15	1,025,000	707,250
10.5% 11/15/15	1,025,000	896,875
Penson Worldwide, Inc. 12.5%		
5/15/17 (c)	1,245,000	1,241,888
Reliance Intermediate Holdings LP		
9.5% 12/15/19 (c)	3,055,000	3,177,200
SLM Corp. 8% 3/25/20		
	5,650,000	4,965,887
Sprint Capital Corp. 8.75%		
3/15/32	3,345,000	3,194,475
Trans Union LLC/Trans Union Financing Corp. 11.375%		
6/15/18 (c)	3,225,000	3,365,933
		<u>53,894,615</u>
Diversified Media – 3.6%		
Affinion Group, Inc. 11.5%		
10/15/15	5,340,000	5,607,000
Catalina Marketing Corp. 10.5%		
10/1/15 pay-in-kind (c)(d)	2,200,000	2,271,500

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

Corporate Bonds – continued

	Principal Amount	Value
Nonconvertible Bonds – continued		
Diversified Media – continued		
Interpublic Group of Companies, Inc.:		
6.25% 11/15/14	\$ 490,000	\$ 480,200
10% 7/15/17	1,120,000	1,234,800
Liberty Media Corp. 8.25% 2/1/30	255,000	234,600
Nielsen Finance LLC/Nielsen Finance Co.:		
0% 8/1/16 (b)	8,345,000	7,865,163
10% 8/1/14	5,140,000	5,281,350
11.5% 5/1/16	2,275,000	2,491,125
11.625% 2/1/14	4,320,000	4,730,400
Quebecor Media, Inc.:		
7.75% 3/15/16	3,905,000	3,826,900
7.75% 3/15/16	3,585,000	3,513,300
		<u>37,536,338</u>
Electric Utilities – 5.0%		
AES Corp.:		
7.75% 3/1/14	905,000	916,313
7.75% 10/15/15	3,745,000	3,791,813
8% 10/15/17	2,060,000	2,070,300
9.75% 4/15/16 (c)	3,010,000	3,235,750
Calpine Construction Finance Co. LP 8% 6/1/16 (c)	5,775,000	5,890,500
Dynegy Holdings, Inc. 7.5% 6/1/15 (c)	3,190,000	2,508,138
Intergen NV 9% 6/30/17 (c)	3,755,000	3,736,225
Mirant Americas Generation LLC:		
8.5% 10/1/21	5,990,000	5,510,800
9.125% 5/1/31	4,630,000	4,259,600
NRG Energy, Inc. 7.375% 2/1/16	3,710,000	3,682,175
NSG Holdings II, LLC 7.75% 12/15/25 (c)	9,620,000	8,465,600
Otter Tail Corp. 9% 12/15/16 ...	2,460,000	2,632,200
RRI Energy, Inc. 7.625% 6/15/14	6,280,000	6,185,800
		<u>52,885,214</u>
Energy – 7.7%		
Anadarko Petroleum Corp.:		
5.95% 9/15/16	2,110,000	1,816,974
6.95% 6/15/19	990,000	864,855
Antero Resources Finance Corp. 9.375% 12/1/17 (c)	3,240,000	3,240,000
Atlas Pipeline Partners LP 8.125% 12/15/15	360,000	331,200
Compagnie Generale de Geophysique SA:		
7.5% 5/15/15	430,000	408,500
7.75% 5/15/17	890,000	845,500
9.5% 5/15/16	1,225,000	1,237,250
Crosstex Energy/Crosstex Energy Finance Corp. 8.875% 2/15/18	3,745,000	3,745,000

	Principal Amount	Value
Denbury Resources, Inc. 9.75% 3/1/16	\$ 3,675,000	\$ 3,941,438
Drummond Co., Inc. 7.375% 2/15/16	5,510,000	5,289,600
Forest Oil Corp. 8.5% 2/15/14 ..	4,380,000	4,566,150
Frontier Oil Corp. 8.5% 9/15/16 .	2,700,000	2,733,750
Hercules Offshore, Inc. 10.5% 10/15/17 (c)	1,990,000	1,766,125
LINN Energy LLC 8.625% 4/15/20 (c)	3,055,000	3,127,556
OPTI Canada, Inc.:		
8.25% 12/15/14	3,920,000	3,430,000
9% 12/15/12 (c)	1,710,000	1,727,100
Pan American Energy LLC 7.875% 5/7/21 (c)	4,125,000	4,083,750
Parker Drilling Co. 9.125% 4/1/18 (c)	2,605,000	2,448,700
Petrohawk Energy Corp.:		
7.875% 6/1/15	770,000	771,925
9.125% 7/15/13	5,320,000	5,572,700
10.5% 8/1/14	725,000	779,375
Petroleum Development Corp. 12% 2/15/18	2,810,000	2,901,325
Pioneer Natural Resources Co.:		
6.65% 3/15/17	3,365,000	3,365,000
7.5% 1/15/20	3,360,000	3,460,800
Plains Exploration & Production Co.:		
7% 3/15/17	4,230,000	4,029,075
7.625% 6/1/18	1,535,000	1,506,142
10% 3/1/16	3,207,000	3,399,420
Quicksilver Resources, Inc.:		
7.125% 4/1/16	4,920,000	4,514,100
9.125% 8/15/19	2,080,000	2,100,800
11.75% 1/1/16	2,250,000	2,486,250
		<u>80,490,360</u>
Entertainment/Film – 0.3%		
MCE Finance Ltd. 10.25% 5/15/18 (c)	3,125,000	3,281,250
Food and Drug Retail – 0.7%		
Albertsons, Inc. 7.75% 6/15/26 .	435,000	361,050
SUPERVALU, Inc. 8% 5/1/16	2,500,000	2,468,750
The Great Atlantic & Pacific Tea Co. 11.375% 8/1/15 (c)	3,365,000	2,767,713
Tops Markets LLC 10.125% 10/15/15 (c)	1,870,000	1,926,100
		<u>7,523,613</u>
Food/Beverage/Tobacco – 0.1%		
C&S Group Enterprises LLC 8.375% 5/1/17 (c)	735,000	711,113
Gaming – 2.3%		
Chukchansi Economic Development Authority:		
4.1226% 11/15/12 (c)(d)	1,010,000	666,600

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

Investments (Unaudited) – continued

Corporate Bonds – continued

	Principal Amount	Value
Nonconvertible Bonds – continued		
Gaming – continued		
Chukchansi Economic Development Authority: – continued		
8% 11/15/13 (c)	\$ 3,410,000	\$ 2,387,000
Las Vegas Sands Corp. 6.375% 2/15/15	1,295,000	1,243,200
MGM Mirage, Inc.:		
6.625% 7/15/15	1,600,000	1,248,000
7.5% 6/1/16	400,000	316,000
Scientific Games Corp.:		
7.875% 6/15/16 (c)	5,230,000	5,151,550
9.25% 6/15/19	1,920,000	1,968,000
Seneca Gaming Corp.:		
Series B, 7.25% 5/1/12	5,205,000	5,087,888
7.25% 5/1/12	2,075,000	2,028,313
Snoqualmie Entertainment Authority:		
4.1356% 2/1/14 (c)(d)	3,525,000	2,811,188
9.125% 2/1/15 (c)	1,290,000	1,080,375
		<u>23,988,114</u>
Healthcare – 7.0%		
Apria Healthcare Group, Inc.:		
11.25% 11/1/14 (c)	1,830,000	1,944,375
12.375% 11/1/14 (c)	1,000,000	1,067,500
Biomet, Inc. 10.375% 10/15/17 pay-in-kind (d)	995,000	1,069,625
DJO Finance LLC / DJO Finance Corp. 10.875% 11/15/14	8,375,000	8,730,938
HCA, Inc.:		
8.5% 4/15/19	2,125,000	2,241,875
9.125% 11/15/14	6,670,000	6,953,475
9.25% 11/15/16	8,519,000	8,987,545
9.625% 11/15/16 pay-in-kind (d)	5,401,000	5,725,060
9.875% 2/15/17	1,610,000	1,710,625
Inverness Medical Innovations, Inc.:		
7.875% 2/1/16	1,830,000	1,788,825
9% 5/15/16	2,875,000	2,882,188
Mylan, Inc. 7.625% 7/15/17 (c) .	1,255,000	1,289,513
Omega Healthcare Investors, Inc.:		
7% 4/1/14	9,235,000	9,211,913
7% 1/15/16	1,665,000	1,644,188
Psychiatric Solutions, Inc. 7.75% 7/15/15	435,000	438,263
Senior Housing Properties Trust 6.75% 4/15/20	2,640,000	2,607,000
Valeant Pharmaceuticals International:		
7.625% 3/15/20 (c)	1,955,000	2,306,900
8.375% 6/15/16	485,000	557,750

	Principal Amount	Value
Vanguard Health Holding Co. II LLC/Vanguard Health Holding Co. II, Inc.:		
8% 2/1/18	\$ 5,045,000	\$ 4,868,425
8% 2/1/18 (c)	2,690,000	2,595,850
Ventas Realty LP:		
6.5% 6/1/16	1,200,000	1,203,000
6.5% 6/1/16	460,000	461,150
6.625% 10/15/14	2,835,000	2,877,525
		<u>73,163,508</u>
Homebuilding/Real Estate – 0.8%		
KB Home 7.25% 6/15/18	2,965,000	2,631,438
Lennar Corp. 12.25% 6/1/17 ...	1,650,000	1,864,500
Standard Pacific Corp.:		
7% 8/15/15	1,070,000	984,400
8.375% 5/15/18	995,000	947,738
10.75% 9/15/16	2,405,000	2,525,250
		<u>8,953,326</u>
Hotels – 0.9%		
Host Hotels & Resorts LP 9% 5/15/17	2,195,000	2,326,700
Host Marriott LP 7.125% 11/1/13	6,900,000	6,934,500
		<u>9,261,200</u>
Leisure – 2.6%		
Equinox Holdings, Inc. 9.5% 2/1/16 (c)	3,080,000	3,045,350
GWR Operating Partnership LLP 10.875% 4/1/17 (c)	1,865,000	1,846,350
NCL Corp. Ltd. 11.75% 11/15/16	1,490,000	1,579,400
Royal Caribbean Cruises Ltd.:		
7.25% 3/15/18	1,815,000	1,746,938
11.875% 7/15/15	1,440,000	1,652,400
yankee:		
7% 6/15/13	3,985,000	3,965,075
7.25% 6/15/16	6,940,000	6,801,200
7.5% 10/15/27	1,400,000	1,226,680
Town Sports International Holdings, Inc. 11% 2/1/14	1,772,000	1,612,520
Universal City Development Partners Ltd./UCDP Finance, Inc.:		
8.875% 11/15/15 (c)	1,245,000	1,251,225
10.875% 11/15/16 (c)	2,130,000	2,204,550
		<u>26,931,688</u>
Metals/Mining – 1.9%		
Arch Coal, Inc. 8.75% 8/1/16 (c)	1,035,000	1,077,746
CONSOL Energy, Inc.:		
8% 4/1/17 (c)	2,640,000	2,732,400
8.25% 4/1/20 (c)	1,760,000	1,839,200
Drummond Co., Inc. 9% 10/15/14 (c)	830,000	842,450
FMG Finance Property Ltd. 10% 9/1/13 (c)	3,100,000	3,270,500

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

Corporate Bonds – continued

	Principal Amount	Value
Nonconvertible Bonds – continued		
Metals/Mining – continued		
Massey Energy Co. 6.875% 12/15/13	\$ 5,595,000	\$ 5,462,119
Severstal Columbus LLC 10.25% 2/15/18 (c)	4,340,000	<u>4,383,400</u>
		<u>19,607,815</u>
Paper – 1.0%		
Boise Paper LLC/Boise Co-Issuer Co. 8% 4/1/20 (c)	2,790,000	2,741,175
Domtar Corp.:		
7.125% 8/15/15	357,000	374,850
10.75% 6/1/17	2,305,000	2,760,238
Rock-Tenn Co. 9.25% 3/15/16 ..	420,000	445,200
Verso Paper Holdings LLC/Verso Paper, Inc.:		
9.125% 8/1/14	1,495,000	1,420,250
11.5% 7/1/14	2,615,000	<u>2,804,588</u>
		<u>10,546,301</u>
Services – 3.3%		
ARAMARK Corp.:		
3.8466% 2/1/15 (d)	7,820,000	7,194,400
8.5% 2/1/15	3,080,000	3,118,500
Avis Budget Car Rental LLC/Avis Budget Finance, Inc.:		
7.625% 5/15/14	2,750,000	2,640,000
7.75% 5/15/16	3,195,000	3,003,300
9.625% 3/15/18 (c)	825,000	833,250
FTI Consulting, Inc. 7.625% 6/15/13	1,960,000	1,940,400
Hertz Corp.:		
8.875% 1/1/14	3,460,000	3,494,600
10.5% 1/1/16	2,085,000	2,163,188
McJunkin Red Man Corp. 9.5% 12/15/16 (c)	5,700,000	5,429,250
Rural/Metro Corp. 12.75% 3/15/16	1,770,000	1,876,200
ServiceMaster Co. 10.75% 7/15/15 pay-in-kind (c)(d)	3,000,000	<u>3,075,000</u>
		<u>34,768,088</u>
Shipping – 2.9%		
Navios Maritime Holdings, Inc.:		
8.875% 11/1/17 (c)	2,255,000	2,266,275
9.5% 12/15/14	4,737,000	4,547,520
Overseas Shipholding Group, Inc.:		
7.5% 2/15/24	475,000	408,500
8.125% 3/30/18	2,895,000	2,847,956
Ship Finance International Ltd. 8.5% 12/15/13	20,075,000	19,673,473
Western Express, Inc. 12.5% 4/15/15 (c)	1,025,000	<u>940,438</u>
		<u>30,684,162</u>

	Principal Amount	Value
Steels – 1.7%		
Algoma Acquisition Corp. 9.875% 6/15/15 (c)	\$ 3,210,000	\$ 2,728,500
Edgen Murray Corp. 12.25% 1/15/15 (c)	5,015,000	4,237,675
Essar Steel Algoma, Inc. 9.375% 3/15/15 (c)	3,155,000	2,997,250
Steel Dynamics, Inc.:		
6.75% 4/1/15	5,775,000	5,652,570
7.625% 3/15/20 (c)	450,000	442,125
Tube City IMS Corp. 9.75% 2/1/15	1,695,000	<u>1,639,913</u>
		<u>17,698,033</u>
Super Retail – 1.3%		
AutoNation, Inc. 6.75% 4/15/18	2,325,000	2,295,938
Intcomex, Inc. 13.25% 12/15/14 (c)	2,550,000	2,652,000
Netflix, Inc. 8.5% 11/15/17	2,140,000	2,228,168
QVC, Inc. 7.125% 4/15/17 (c) ..	1,470,000	1,462,650
Sonic Automotive, Inc. 9% 3/15/18	965,000	969,825
Toys 'R' Us Property Co. I LLC 10.75% 7/15/17 (c)	830,000	913,000
Toys 'R' Us Property Co. II LLC 8.5% 12/1/17 (c)	3,575,000	<u>3,673,313</u>
		<u>14,194,894</u>
Technology – 4.8%		
Amkor Technology, Inc. 7.375% 5/1/18 (c)	3,460,000	3,373,500
Avaya, Inc.:		
9.75% 11/1/15	2,160,000	2,019,600
10.125% 11/1/15 pay-in-kind (d)	7,399,645	6,918,668
First Data Corp. 10.55% 9/24/15 pay-in-kind (d)	3,213,015	2,258,875
Freescale Semiconductor, Inc.:		
9.125% 12/15/14 pay-in-kind (d)	3,145,979	2,815,651
9.25% 4/15/18 (c)	2,705,000	2,650,900
10.125% 12/15/16	1,200,000	948,000
Jabil Circuit, Inc.:		
7.75% 7/15/16	2,385,000	2,492,325
8.25% 3/15/18	430,000	455,800
Lucent Technologies, Inc.:		
6.45% 3/15/29	5,430,000	3,583,800
6.5% 1/15/28	4,915,000	3,243,900
Seagate HDD Cayman 6.875% 5/1/20 (c)	1,730,000	1,639,175
SunGard Data Systems, Inc. 10.25% 8/15/15	2,045,000	2,111,463
Terremark Worldwide, Inc. 12% 6/15/17	4,020,000	4,542,600

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

Investments (Unaudited) – continued

Corporate Bonds – continued

	Principal Amount	Value
Nonconvertible Bonds – continued		
Technology – continued		
Viasystems, Inc. 12% 1/15/15 (c)	\$ 1,625,000	\$ 1,755,000
Xerox Capital Trust I 8% 2/1/27 ..	9,405,000	9,468,568
		<u>50,277,825</u>
Telecommunications – 14.5%		
Citizens Communications Co.:		
7.875% 1/15/27	940,000	836,600
9% 8/15/31	2,685,000	2,490,338
Clearwire Communications LLC/Clearwire Finance, Inc. 12% 12/1/15 (c)		
	3,195,000	3,187,013
Clearwire Escrow Corp. 12% 12/1/15 (c)		
	7,570,000	7,551,075
Cleveland Unlimited, Inc. 13.5% 12/15/10 (c)(d)		
	1,275,000	1,198,500
Cricket Communications, Inc.:		
7.75% 5/15/16	1,915,000	1,953,300
9.375% 11/1/14	1,020,000	1,035,300
10% 7/15/15	2,055,000	2,147,475
Digicel Group Ltd.:		
8.25% 9/1/17 (c)	3,145,000	3,082,100
8.875% 1/15/15 (c)	5,750,000	5,548,750
9.125% 1/15/15 pay-in-kind (c)(d)	3,357,000	3,256,290
10.5% 4/15/18 (c)	830,000	850,750
12% 4/1/14 (c)	1,430,000	1,594,450
Equinix, Inc. 8.125% 3/1/18	2,745,000	2,786,175
Frontier Communications Corp.:		
7.875% 4/15/15 (c)	1,760,000	1,777,600
8.125% 10/1/18	5,125,000	5,073,750
8.25% 5/1/14	1,945,000	2,022,800
8.25% 4/15/17 (c)	2,585,000	2,604,388
8.5% 4/15/20 (c)	880,000	884,400
Global Crossing Ltd. 12% 9/15/15 (c)		
	915,000	969,900
Intelsat Bermuda Ltd. 12.5% 2/4/17 pay-in-kind (d)		
	10,155,000	9,675,458
Intelsat Jackson Holdings Ltd.:		
9.5% 6/15/16	5,125,000	5,368,438
11.5% 6/15/16	1,203,000	1,278,188
Intelsat Ltd.:		
6.5% 11/1/13	7,705,000	7,223,438
7.625% 4/15/12	3,855,000	3,855,000
Intelsat Subsidiary Holding Co. Ltd.:		
8.875% 1/15/15 (c)	585,000	591,581
8.875% 1/15/15	6,240,000	6,341,400
MetroPCS Wireless, Inc.:		
9.25% 11/1/14	3,335,000	3,435,050
9.25% 11/1/14	1,755,000	1,807,650
Nextel Communications, Inc.:		
5.95% 3/15/14	4,895,000	4,540,113
6.875% 10/31/13	3,945,000	3,821,719

	Principal Amount	Value
7.375% 8/1/15	\$ 7,615,000	\$ 7,234,250
NII Capital Corp.:		
8.875% 12/15/19	2,735,000	2,803,375
10% 8/15/16	2,495,000	2,625,988
PAETEC Holding Corp.:		
8.875% 6/30/17	2,590,000	2,577,050
8.875% 6/30/17 (c)	1,005,000	999,975
Qwest Communications International, Inc.:		
7.125% 4/1/18 (c)	2,465,000	2,452,675
7.5% 2/15/14	900,000	902,250
8% 10/1/15 (c)	2,080,000	2,137,200
Qwest Corp. 3.7871% 6/15/13 (d)		
	385,000	381,150
Sprint Capital Corp. 6.875% 11/15/28		
	4,075,000	3,382,250
Sprint Nextel Corp.:		
6% 12/1/16	8,405,000	7,543,488
8.375% 8/15/17	5,065,000	5,065,000
U.S. West Communications 7.5% 6/15/23		
	6,035,000	5,778,513
Wind Acquisition Finance SA 11.75% 7/15/17 (c)		
	4,510,000	4,622,750
Wind Acquisition Holdings Finance SA 12.25% 7/15/17 pay-in-kind (c)(d)		
	4,825,000	4,379,291
		<u>151,674,194</u>

Trucking & Freight – 0.2%

Swift Transportation Co., Inc. 12.5% 5/15/17 (c)	2,680,000	2,559,400
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TOTAL NONCONVERTIBLE BONDS 927,833,399

TOTAL CORPORATE BONDS

(Cost \$912,092,414) 932,686,719

Commercial Mortgage Securities – 0.0%

LB Multi-family Mortgage Trust Series 1991-4 Class A1, 7.0832% 4/25/21 (c)(d) (Cost \$57,833)	92,036	<u>60,238</u>
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Common Stocks – 0.1%

	Shares	
Cable TV – 0.1%		
Charter Communications, Inc. Class A (a)	23,060	<u>814,018</u>
Chemicals – 0.0%		
LyondellBasell Industries NV Class B (a) .	54	<u>872</u>

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

Common Stocks – continued

	Shares	Value
Textiles & Apparel – 0.0%		
Arena Brands Holding Corp. Class B (a)(f)	48,889	\$ 303,601
TOTAL COMMON STOCKS (Cost \$2,736,180)		1,118,491

Preferred Stocks – 0.4%

Convertible Preferred Stocks – 0.2%

Electric Utilities – 0.2%		
AES Trust III 6.75%	51,000	2,203,710

Nonconvertible Preferred Stocks – 0.2%

Diversified Financial Services – 0.2%		
GMAC, Inc. 7.00% (c)	2,510	1,945,250
TOTAL PREFERRED STOCKS (Cost \$4,609,697)		4,148,960

Floating Rate Loans – 6.0%

	Principal Amount	
Aerospace – 0.2%		
Sequa Corp. term loan 3.5651% 12/3/14 (d)	\$ 2,370,000	<u>2,144,850</u>
Air Transportation – 0.6%		
Delta Air Lines, Inc. Tranche 2LN, term loan 3.5478% 4/30/14 (d)	2,967,758	2,641,304
US Airways Group, Inc. term loan 2.8128% 3/23/14 (d)	4,295,000	<u>3,393,050</u>
		<u>6,034,354</u>
Automotive – 0.9%		
Federal-Mogul Corp.:		
Tranche B, term loan 2.2875% 12/27/14 (d)	3,664,698	3,215,773
Tranche C, term loan 2.2875% 12/27/15 (d)	2,466,044	2,139,293
Ford Motor Co. term loan 3.331% 12/15/13 (d)	4,224,214	<u>3,986,602</u>
		<u>9,341,668</u>
Broadcasting – 0.3%		
Univision Communications, Inc. Tranche 1LN, term loan 2.5972% 9/29/14 (d)	3,835,648	<u>3,183,588</u>
Capital Goods – 0.4%		
Dresser, Inc. Tranche 2LN, term loan 6.1951% 5/4/15 pay-in- kind (d)	4,950,000	<u>4,554,000</u>
Containers – 0.4%		
Anchor Glass Container Corp.:		
Tranche 1LN, term loan 6% 3/2/16 (d)	1,833,144	1,819,396
Tranche 2LN, term loan 10% 9/2/16 (d)	2,070,000	<u>2,028,600</u>
		<u>3,847,996</u>

Diversified Financial Services – 1.2%

	Principal Amount	Value
AWAS Aviation Acquisitions Ltd. term loan 7.75% 6/2/16 (d) ...	\$ 4,195,000	\$ 4,168,781
Blackstone UTP Capital LLC term loan 7.75% 11/2/14	3,965,075	3,965,075
Clear Channel Capital I LLC Tranche B, term loan 3.9972% 1/29/16 (d)	2,130,000	1,629,450
International Lease Finance Corp.:		
Tranche 1LN, term loan 6.75% 3/17/15 (d)	1,964,000	1,944,360
Tranche 2LN, term loan 7% 3/17/16 (d)	1,441,000	<u>1,422,988</u>
		<u>13,130,654</u>

Electric Utilities – 1.0%

Ashmore Energy International:		
Revolving Credit-Linked Deposit 3.5334% 3/30/12 (d)	940,239	866,195
term loan 3.5334% 3/30/14 (d)	10,240,082	<u>9,433,676</u>
		<u>10,299,871</u>

Publishing/Printing – 0.1%

Newsday LLC term loan 10.5% 8/1/13	925,000	<u>957,375</u>
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Technology – 0.4%

Avaya, Inc. term loan 3.2597% 10/24/14 (d)	2,298,106	1,962,008
First Data Corp.:		
Tranche B1, term loan 3.0972% 9/24/14 (d)	900,738	758,872
Tranche B3, term loan 3.0972% 9/24/14 (d)	1,259,967	<u>1,061,522</u>
		<u>3,782,402</u>

Telecommunications – 0.5%

Asurion Corp. Tranche 2LN, term loan 6.8503% 7/3/15 (d)	4,425,000	4,314,375
Intelsat Jackson Holdings Ltd. term loan 3.2915% 2/1/14 (d)	830,000	<u>763,600</u>
		<u>5,077,975</u>

TOTAL FLOATING RATE LOANS

(Cost \$60,529,716) **62,354,733**

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

Investments (Unaudited) – continued

Money Market Funds – 4.7%

	Shares	Value
Fidelity Cash Central Fund, 0.20% (e) (Cost \$49,611,513)	49,611,513	\$ 49,611,513
TOTAL INVESTMENT PORTFOLIO – 100.1% (Cost \$1,029,637,353)		1,049,980,654
NET OTHER ASSETS (LIABILITIES) – (0.1)%		(1,032,155)
NET ASSETS – 100%		\$ 1,048,948,499

Legend

- (a) Non-income producing
- (b) Security initially issued in zero coupon form which converts to coupon form at a specified rate and date. The rate shown is the rate at period end.
- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At the end of the period, the value of these securities amounted to \$295,926,986 or 28.2% of net assets.

Affiliated Central Funds

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

Fund	Income earned
Fidelity Cash Central Fund	<u>\$ 40,026</u>

Other Information

The following is a summary of the inputs used, as of June 30, 2010, involving the Fund's assets and liabilities carried at value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the tables below, please refer to the Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs at Reporting Date:

Description	Total	Level 1	Level 2	Level 3
Investments in Securities:				
Equities:				
Consumer Discretionary	\$ 1,117,619	\$ 814,018	\$ —	\$ 303,601
Financials	1,945,250	—	1,945,250	—
Materials	872	872	—	—
Utilities	2,203,710	—	2,203,710	—
Corporate Bonds	932,686,719	—	932,686,719	—
Commercial Mortgage Securities	60,238	—	—	60,238
Floating Rate Loans	62,354,733	—	62,354,733	—
Money Market Funds	49,611,513	49,611,513	—	—
Total Investments in Securities:	<u>\$ 1,049,980,654</u>	<u>\$ 50,426,403</u>	<u>\$ 999,190,412</u>	<u>\$ 363,839</u>

- (d) The coupon rate shown on floating or adjustable rate securities represents the rate at period end.
- (e) Affiliated fund that is available only to investment companies and other accounts managed by Fidelity Investments. The rate quoted is the annualized seven-day yield of the fund at period end. A complete unaudited listing of the fund's holdings as of its most recent quarter end is available upon request.
- (f) Restricted securities – Investment in securities not registered under the Securities Act of 1933 (excluding 144A issues). At the end of the period, the value of restricted securities (excluding 144A issues) amounted to \$303,601 or 0.0% of net assets.

Additional information on each holding is as follows:

Security	Acquisition Date	Acquisition Cost
Arena Brands Holding Corp. Class B	6/18/97	\$ 1,974,627

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

Other Information – continued

The following is a reconciliation of Investments in Securities for which Level 3 inputs were used in determining value:

Investments in Securities:

Beginning Balance	\$ 431,931
Total Realized Gain (Loss)	—
Total Unrealized Gain (Loss)	(64,519)
Cost of Purchases	—
Proceeds of Sales	(3,875)
Amortization/Accretion	302
Transfers in to Level 3	—
Transfers out of Level 3	—
Ending Balance	<u>\$ 363,839</u>
The change in unrealized gain (loss) for the period attributable to Level 3 securities held at June 30, 2010	\$ (64,519)

The information used in the above reconciliation represents fiscal year to date activity for any Investments in Securities identified as using Level 3 inputs at either the beginning or the end of the current fiscal period. Transfers in or out of Level 3 represent the beginning value of any Security or Instrument where a change in the pricing level occurred from the beginning to the end of the period. The cost of purchases and the proceeds of sales may include securities received or delivered through corporate actions or exchanges. Realized and unrealized gains (losses) disclosed in the reconciliation are included in Net Gain (Loss) on the Fund's Statement of Operations.

Distribution of investments by country of issue, as a percentage of total net assets, is as follows: (Unaudited)

United States of America	82.4%
Bermuda	6.9%
Canada	3.7%
Liberia	1.5%
Cayman Islands	1.5%
Others (Individually Less Than 1%)	4.0%
	<u>100.0%</u>

Income Tax Information

At December 31, 2009, the Fund had a capital loss carryforward of approximately \$238,711,832 of which \$88,480,642, \$70,783,139 and \$79,448,051 will expire on December 31, 2010, 2016 and 2017, respectively. Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited.

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

Financial Statements

Statement of Assets and Liabilities

June 30, 2010 (Unaudited)

Assets	
Investment in securities, at value — See accompanying schedule:	
Unaffiliated issuers (cost \$980,025,840)	\$ 1,000,369,141
Fidelity Central Funds (cost \$49,611,513)	49,611,513
Total Investments (cost \$1,029,637,353)	\$ 1,049,980,654
Cash	592,150
Receivable for investments sold	9,165,728
Receivable for fund shares sold	159,636
Interest receivable	19,233,988
Distributions receivable from Fidelity Central Funds	7,637
Other receivables	1,415
Total assets	<u>1,079,141,208</u>
Liabilities	
Payable for investments purchased . . . \$	26,754,314
Payable for fund shares redeemed . . .	2,733,276
Accrued management fee	486,461
Distribution fees payable	38,367
Other affiliated payables	92,363
Other payables and accrued expenses	87,928
Total liabilities	<u>30,192,709</u>
Net Assets	<u>\$ 1,048,948,499</u>
Net Assets consist of:	
Paid in capital	\$ 1,199,914,615
Undistributed net investment income	52,555,115
Accumulated undistributed net real- ized gain (loss) on investments . . .	(223,853,670)
Net unrealized appreciation (de- preciation) on investments	20,332,439
Net Assets	<u>\$ 1,048,948,499</u>

Statement of Assets and Liabilities – continued

June 30, 2010 (Unaudited)

Initial Class:	
Net Asset Value , offering price and redemption price per share (\$569,349,690 ÷ 104,073,330 shares)	<u>\$ 5.47</u>
Service Class:	
Net Asset Value , offering price and redemption price per share (\$95,816,811 ÷ 17,606,851 shares)	<u>\$ 5.44</u>
Service Class 2:	
Net Asset Value , offering price and redemption price per share (\$125,191,990 ÷ 23,387,878 shares)	<u>\$ 5.35</u>
Initial Class R:	
Net Asset Value , offering price and redemption price per share (\$29,410,469 ÷ 5,392,805 shares)	<u>\$ 5.45</u>
Service Class R:	
Net Asset Value , offering price and redemption price per share (\$37,311,614 ÷ 6,878,971 shares)	<u>\$ 5.42</u>
Service Class 2R:	
Net Asset Value , offering price and redemption price per share (\$1,968,209 ÷ 368,212 shares) . . .	<u>\$ 5.35</u>
Investor Class:	
Net Asset Value , offering price and redemption price per share (\$189,899,716 ÷ 34,813,113 shares)	<u>\$ 5.45</u>

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

Statement of Operations

Six months ended June 30, 2010 (Unaudited)

Investment Income		
Dividends		\$ 86,062
Interest		48,492,872
Income from Fidelity Central Funds		40,026
Total income		<u>48,618,960</u>
Expenses		
Management fee	\$ 3,141,381	
Transfer agent fees	417,418	
Distribution fees	273,065	
Accounting fees and expenses	195,524	
Custodian fees and expenses	13,032	
Independent trustees' compensation	3,266	
Audit	34,102	
Legal	16,136	
Interest	902	
Miscellaneous	52,622	
Total expenses before reductions	4,147,448	
Expense reductions	(661)	
		<u>4,146,787</u>
Net investment income		<u>44,472,173</u>
Realized and Unrealized Gain (Loss)		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers		15,828,409
Change in net unrealized appreciation (depreciation) on investment securities		(24,518,045)
Net gain (loss)		<u>(8,689,636)</u>
Net increase (decrease) in net assets resulting from operations		<u>\$ 35,782,537</u>

Statement of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 44,472,173	\$ 88,146,519
Net realized gain (loss)	15,828,409	(80,957,504)
Change in net unrealized appreciation (depreciation)	(24,518,045)	340,753,509
Net increase (decrease) in net assets resulting from operations	<u>35,782,537</u>	<u>347,942,524</u>
Distributions to shareholders from net investment income	—	(82,969,090)
Share transactions – net increase (decrease)	(147,396,238)	122,868,111
Redemption fees	97,688	89,023
Total increase (decrease) in net assets	<u>(111,516,013)</u>	<u>387,930,568</u>
Net Assets		
Beginning of period	<u>1,160,464,512</u>	<u>772,533,944</u>
End of period (including undistributed net investment income of \$52,555,115 and undistributed net investment income of \$8,082,942, respectively)	<u>\$ 1,048,948,499</u>	<u>\$ 1,160,464,512</u>

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

Financial Highlights — Initial Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.29	\$ 3.96	\$ 5.98	\$ 6.35	\$ 6.17	\$ 7.00
Income from Investment Operations						
Net investment income ^E	.219	.438	.475	.485	.476	.457
Net realized and unrealized gain (loss)	(.039)	1.298	(1.990)	(.311)	.216	(.281)
Total from investment operations	.180	1.736	(1.515)	.174	.692	.176
Distributions from net investment income	—	(.406)	(.506)	(.545)	(.512)	(1.006)
Redemption fees added to paid in capital ^E	— ^I	— ^I	.001	.001	—	—
Net asset value, end of period	\$ 5.47	\$ 5.29	\$ 3.96	\$ 5.98	\$ 6.35	\$ 6.17
Total Return ^{B,C,D}	3.40%	43.96%	(24.98)%	2.79%	11.24%	2.70%
Ratios to Average Net Assets ^{F,H}						
Expenses before reductions	.70% ^A	.70%	.71%	.68%	.71%	.70%
Expenses net of fee waivers, if any	.70% ^A	.70%	.71%	.68%	.71%	.70%
Expenses net of all reductions	.70% ^A	.70%	.70%	.68%	.71%	.70%
Net investment income	8.14% ^A	9.02%	8.48%	7.47%	7.40%	6.98%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 569,350	\$ 608,802	\$ 451,824	\$ 726,409	\$ 922,565	\$ 1,080,002
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.001 per share.

Financial Highlights — Service Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.26	\$ 3.95	\$ 5.95	\$ 6.32	\$ 6.14	\$ 6.97
Income from Investment Operations						
Net investment income ^E	.215	.429	.469	.477	.467	.448
Net realized and unrealized gain (loss)	(.035)	1.281	(1.971)	(.312)	.218	(.283)
Total from investment operations	.180	1.710	(1.502)	.165	.685	.165
Distributions from net investment income	—	(.400)	(.499)	(.536)	(.505)	(.995)
Redemption fees added to paid in capital ^E	— ^I	— ^I	.001	.001	—	—
Net asset value, end of period	\$ 5.44	\$ 5.26	\$ 3.95	\$ 5.95	\$ 6.32	\$ 6.14
Total Return ^{B,C,D}	3.42%	43.41%	(24.87)%	2.66%	11.18%	2.52%
Ratios to Average Net Assets ^{F,H}						
Expenses before reductions	.80% ^A	.80%	.80%	.78%	.81%	.80%
Expenses net of fee waivers, if any	.80% ^A	.80%	.80%	.78%	.81%	.80%
Expenses net of all reductions	.80% ^A	.80%	.80%	.78%	.81%	.80%
Net investment income	8.04% ^A	8.92%	8.39%	7.37%	7.30%	6.88%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 95,817	\$ 103,511	\$ 95,461	\$ 180,837	\$ 277,546	\$ 319,380
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.001 per share.

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

Financial Highlights — Service Class 2

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.18	\$ 3.89	\$ 5.88	\$ 6.25	\$ 6.08	\$ 6.91
Income from Investment Operations						
Net investment income ^E	.209	.422	.450	.461	.453	.433
Net realized and unrealized gain (loss)	(.039)	1.264	(1.949)	(.305)	.216	(.284)
Total from investment operations	.170	1.686	(1.499)	.156	.669	.149
Distributions from net investment income	—	(.396)	(.492)	(.527)	(.499)	(.979)
Redemption fees added to paid in capital ^E	— ^I	— ^I	.001	.001	—	—
Net asset value, end of period	\$ 5.35	\$ 5.18	\$ 3.89	\$ 5.88	\$ 6.25	\$ 6.08
Total Return ^{B,C,D}	3.28%	43.46%	(25.14)%	2.54%	11.02%	2.31%
Ratios to Average Net Assets ^{F,H}						
Expenses before reductions	.95% ^A	.95%	.96%	.93%	.97%	.95%
Expenses net of fee waivers, if any	.95% ^A	.95%	.96%	.93%	.97%	.95%
Expenses net of all reductions	.95% ^A	.95%	.96%	.93%	.97%	.95%
Net investment income	7.89% ^A	8.77%	8.23%	7.22%	7.14%	6.72%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 125,192	\$ 181,377	\$ 87,077	\$ 97,266	\$ 110,503	\$ 86,757
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.001 per share.

Financial Highlights — Initial Class R

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.27	\$ 3.95	\$ 5.96	\$ 6.34	\$ 6.16	\$ 7.00
Income from Investment Operations						
Net investment income ^E	.219	.440	.471	.479	.475	.455
Net realized and unrealized gain (loss)	(.039)	1.286	(1.975)	(.313)	.218	(.288)
Total from investment operations	.180	1.726	(1.504)	.166	.693	.167
Distributions from net investment income	—	(.406)	(.507)	(.547)	(.513)	(1.007)
Redemption fees added to paid in capital ^E	— ^I	— ^I	.001	.001	—	—
Net asset value, end of period	\$ 5.45	\$ 5.27	\$ 3.95	\$ 5.96	\$ 6.34	\$ 6.16
Total Return ^{B,C,D}	3.42%	43.82%	(24.88)%	2.65%	11.27%	2.55%
Ratios to Average Net Assets ^{F,H}						
Expenses before reductions	.70% ^A	.70%	.70%	.68%	.71%	.70%
Expenses net of fee waivers, if any	.70% ^A	.70%	.70%	.68%	.71%	.70%
Expenses net of all reductions	.70% ^A	.69%	.70%	.67%	.71%	.70%
Net investment income	8.14% ^A	9.02%	8.49%	7.47%	7.39%	6.98%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 29,410	\$ 34,080	\$ 19,801	\$ 19,401	\$ 93	\$ 83
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.001 per share.

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

Financial Highlights — Service Class R

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.25	\$ 3.94	\$ 5.93	\$ 6.32	\$ 6.14	\$ 6.97
Income from Investment Operations						
Net investment income ^E	.215	.431	.467	.471	.467	.447
Net realized and unrealized gain (loss)	(.045)	1.280	(1.959)	(.318)	.219	(.282)
Total from investment operations	.170	1.711	(1.492)	.153	.686	.165
Distributions from net investment income	—	(.401)	(.499)	(.544)	(.506)	(.995)
Redemption fees added to paid in capital ^E	— ^I	— ^I	.001	.001	—	—
Net asset value, end of period	\$ 5.42	\$ 5.25	\$ 3.94	\$ 5.93	\$ 6.32	\$ 6.14
Total Return ^{B,C,D}	3.24%	43.56%	(24.79)%	2.45%	11.19%	2.53%
Ratios to Average Net Assets ^{F,H}						
Expenses before reductions	.80% ^A	.80%	.80%	.78%	.81%	.80%
Expenses net of fee waivers, if any	.80% ^A	.80%	.80%	.78%	.81%	.80%
Expenses net of all reductions	.80% ^A	.80%	.80%	.77%	.81%	.80%
Net investment income	8.04% ^A	8.92%	8.39%	7.37%	7.30%	6.88%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 37,312	\$ 47,873	\$ 26,572	\$ 33,129	\$ 92	\$ 83
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.001 per share.

Financial Highlights — Service Class 2R

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.17	\$ 3.89	\$ 5.87	\$ 6.25	\$ 6.08	\$ 6.91
Income from Investment Operations						
Net investment income ^E	.208	.416	.451	.453	.453	.433
Net realized and unrealized gain (loss)	(.028)	1.257	(1.940)	(.294)	.214	(.282)
Total from investment operations	.180	1.673	(1.489)	.159	.667	.151
Distributions from net investment income	—	(.393)	(.492)	(.540)	(.497)	(.981)
Redemption fees added to paid in capital ^E	— ^I	— ^I	.001	.001	—	—
Net asset value, end of period	\$ 5.35	\$ 5.17	\$ 3.89	\$ 5.87	\$ 6.25	\$ 6.08
Total Return ^{B,C,D}	3.48%	43.13%	(24.99)%	2.59%	10.99%	2.33%
Ratios to Average Net Assets ^{F,H}						
Expenses before reductions	.95% ^A	.95%	.95%	.93%	.96%	.94%
Expenses net of fee waivers, if any	.95% ^A	.95%	.95%	.93%	.96%	.94%
Expenses net of all reductions	.95% ^A	.94%	.95%	.92%	.96%	.94%
Net investment income	7.89% ^A	8.77%	8.24%	7.23%	7.14%	6.73%
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 1,968	\$ 2,016	\$ 1,487	\$ 2,347	\$ 92	\$ 83
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized
^B Total returns for periods of less than one year are not annualized.
^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
^D Total returns would have been lower had certain expenses not been reduced during the periods shown.
^E Calculated based on average shares outstanding during the period.
^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.
^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.
^H Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.
^I Amount represents less than \$.001 per share.

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

Financial Highlights — Investor Class

	Six months ended		Years ended December 31,			
	June 30, 2010 (Unaudited)	2009	2008	2007	2006	2005 ^H
Selected Per-Share Data						
Net asset value, beginning of period	\$ 5.27	\$ 3.96	\$ 5.96	\$ 6.34	\$ 6.16	\$ 6.54
Income from Investment Operations						
Net investment income ^E	.218	.441	.473	.477	.471	.193
Net realized and unrealized gain (loss)	(.038)	1.274	(1.971)	(.317)	.220	(.089)
Total from investment operations	.180	1.715	(1.498)	.160	.691	.104
Distributions from net investment income	—	(.405)	(.503)	(.541)	(.511)	(.484)
Redemption fees added to paid in capital ^E	— ^J	— ^J	.001	.001	—	—
Net asset value, end of period	\$ 5.45	\$ 5.27	\$ 3.96	\$ 5.96	\$ 6.34	\$ 6.16
Total Return ^{B,C,D}	3.42%	43.43%	(24.76)%	2.56%	11.24%	1.60%
Ratios to Average Net Assets ^{F,I}						
Expenses before reductions	.73% ^A	.73%	.74%	.75%	.80%	.82% ^A
Expenses net of fee waivers, if any	.73% ^A	.73%	.74%	.75%	.80%	.82% ^A
Expenses net of all reductions	.73% ^A	.73%	.74%	.75%	.79%	.82% ^A
Net investment income	8.11% ^A	8.99%	8.45%	7.40%	7.31%	6.86% ^A
Supplemental Data						
Net assets, end of period (000 omitted)	\$ 189,900	\$ 182,806	\$ 90,312	\$ 105,920	\$ 78,122	\$ 17,363
Portfolio turnover rate ^G	88% ^A	70%	58%	70%	65%	95%

^A Annualized

^B Total returns for periods of less than one year are not annualized.

^C Total returns do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

^D Total returns would have been lower had certain expenses not been reduced during the periods shown.

^E Calculated based on average shares outstanding during the period.

^F Fees and expenses of the underlying Fidelity Central Funds are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of the expenses of any underlying Fidelity Central Funds.

^G Amount does not include the portfolio activity of any underlying Fidelity Central Funds.

^H For the period July 21, 2005 (commencement of sale of shares) to December 31, 2005.

^I Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or reductions from other 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 brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

^J Amount represents less than \$.001 per share.

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

Notes to Financial Statements

For the period ended June 30, 2010 (Unaudited)

1. Organization.

VIP High Income Portfolio (the Fund) is a fund of Variable Insurance Products Fund (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, Service Class 2 shares, Initial Class R shares, Service Class R shares, Service Class 2R shares, and Investor Class 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 transfer agent and distribution and service plan fees incurred. Certain expense reductions also differ by class.

2. Investments in Fidelity Central Funds.

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

The Money Market Central Funds seek preservation of capital and current income and are managed by Fidelity Investments Money Management, Inc. (FIMM), an affiliate of FMR.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission (the SEC) web site at www.sec.gov. In addition, the financial statements of the Fidelity Central Funds are available on the SEC web site or upon request.

3. Significant Accounting Policies.

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

Security Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Fund uses independent pricing services approved by the Board of Trustees to value its investments. When current market prices or quotations are not readily available or reliable, valuations may be determined in good faith in accordance with procedures adopted by the Board of Trustees. Factors used in determining value may include market or security specific events, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The value used for net asset value (NAV) calculation under these procedures may differ from published prices for the same securities.

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

Level 1 – quoted prices in active markets for identical investments

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

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level, as of June 30, 2010, for the Fund's investments, as well as a roll forward of Level 3 securities, is included at the end of the Fund's Schedule of Investments. Valuation techniques used to value the Fund's investments by major category are as follows.

Debt securities, including restricted securities, are valued based on evaluated prices received from independent pricing services or from dealers who make markets in such securities. For corporate bonds and floating rate loans, pricing services utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and are generally categorized as Level 2 in the hierarchy. For commercial mortgage securities, pricing services utilize matrix pricing which considers prepayment speed assumptions, attributes of the collateral, yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices and, accordingly, such securities are generally categorized as Level 2 in the hierarchy. Dealers which make markets in asset backed securities, collateralized mortgage obligations and commercial mortgage securities may also consider such factors as the structure of the issue, cash flow assumptions, the value of underlying assets as well as any guarantees. Short-term securities with remaining maturities of sixty days or less for which quotations are not readily available are valued at amortized cost, which approximates value and are categorized as Level 2 in the hierarchy. The Fund invests a significant portion of its assets in below investment

3. Significant Accounting Policies – continued

Security Valuation – continued

grade securities. The value of these securities can be more volatile due to changes in the credit quality of the issuer and is sensitive to changes in economic, market and regulatory conditions.

When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing matrices which consider similar factors that would be used by independent pricing services. These are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

Equity securities, including restricted securities, for which market quotations are readily available, are valued at the last reported sale price or official closing price as reported by an independent pricing service on the primary market or exchange on which they are traded and are categorized as Level 1 in the hierarchy. In the event there were no sales during the day or closing prices are not available, securities are valued at the last quoted bid price or may be valued using the last available price and are generally categorized as Level 2 in the hierarchy. For restricted securities and private placements where observable inputs are limited, assumptions about market activity and risk are used and are categorized as Level 3 in the hierarchy.

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

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

Expenses. Most expenses of the Trust can be directly attributed to a fund. Expenses which cannot be directly attributed are apportioned amongst each fund in the Trust. 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, the Fund intends to qualify as a regulated investment company by distributing substantially all of its taxable income and realized gains under Subchapter M of the Internal Revenue Code and filing its U.S. federal tax return. As a result, no provision for income taxes is required. A fund's federal tax return is subject to examination by the Internal Revenue Service (IRS) for a period of three years.

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

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

Book-tax differences are primarily due to market discount, deferred trustees compensation, capital loss carryforwards, expiring capital loss carryforwards, and losses deferred due to wash sales.

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

Gross unrealized appreciation	\$	48,829,700
Gross unrealized depreciation		(21,965,480)
Net unrealized appreciation (depreciation)	\$	<u>26,864,220</u>
Tax cost	\$	<u>1,023,116,434</u>

Trading (Redemption) Fees. Initial Class R shares, Service Class R shares, and Service Class 2 R shares held less than 60 days are subject to a redemption fee equal to 1% of the proceeds of the redeemed shares. All redemption fees, including any estimated redemption fees paid by FMR, are retained by the Fund and accounted for as an addition to paid in capital.

Notes to Financial Statements (Unaudited) – continued

4. Operating Policies.

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

Loans and Other Direct Debt Instruments. The Fund may invest in loans and loan participations, trade claims or other receivables. These investments may include standby financing commitments, including revolving credit facilities, that obligate the Fund to supply additional cash to the borrower on demand. Loan participations involve a risk of insolvency of the lending bank or other financial intermediary. The Fund may be contractually obligated to receive approval from the agent bank and/or borrower prior to the sale of these investments.

5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, aggregated \$458,575,055 and \$568,889,167, respectively.

6. Fees and Other Transactions with Affiliates.

Management Fee. FMR and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is the sum of an individual fund fee rate that is based on an annual rate of .45% of the Fund's average net assets and a group fee rate that averaged .12% during the period. The group fee rate is based upon the average net assets of all the mutual funds advised by FMR. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the period, the total annualized management fee rate was .57% of the Fund's average net assets.

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

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

Service Class	\$	50,657
Service Class 2		198,447
Service Class R		21,314
Service Class 2R		2,647
	\$	<u>273,065</u>

Transfer Agent Fees. Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of FMR, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class (with the exception of Investor Class) pays a transfer agent fee, excluding out of pocket expenses, equal to an annual rate of .07% of average net assets. Investor Class pays a monthly asset-based transfer agent fee of .10% of average net assets. The total transfer agent fees paid by each class to FIIOC, including out of pocket expenses, were as follows:

Initial Class	\$	211,550
Service Class		34,457
Service Class 2		55,509
Initial Class R		10,346
Service Class R		14,083
Service Class 2R		699
Investor Class		90,774
	\$	<u>417,418</u>

Accounting Fees. Fidelity Service Company, Inc. (FSC), an affiliate of FMR, maintains the Fund's accounting records. The fee is based on the level of average net assets for the month.

Interfund Lending Program. Pursuant to an Exemptive Order issued by the SEC, the Fund, along with other registered investment companies having management contracts with FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the funds to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding.

6. Fees and Other Transactions with Affiliates – continued

Interfund Lending Program – continued

The Fund's activity in this program during the period for which loans were outstanding was as follows:

Borrower or Lender	Average Daily Loan Balance	Weighted Average Interest Rate	Interest Expense
Borrower	\$ 25,458,333	.43%	\$ 902

7. Committed Line of Credit.

The Fund participates with other funds managed by FMR in a \$3.75 billion credit facility (the "line of credit") to be utilized for temporary or emergency purposes to fund shareholder redemptions or for other short-term liquidity purposes. The Fund has agreed to pay commitment fees on its pro-rata portion of the line of credit, which amounted to \$2,276 and is reflected in Miscellaneous expenses on the Statement of Operations. During the period, there were no borrowings on this line of credit.

8. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of uninvested cash balances were used to reduce the Fund's expenses. During the period, these credits reduced the Fund's custody expenses by \$661.

9. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2010	Year ended December 31, 2009
From net investment income		
Initial Class	\$ —	\$ 43,747,787
Service Class	—	7,425,935
Service Class 2	—	12,835,833
Initial Class R	—	2,441,349
Service Class R	—	3,419,501
Service Class 2R	—	146,215
Investor Class	—	12,952,470
Total	\$ —	\$ 82,969,090

10. Share Transactions.

Transactions for each class of shares were as follows:

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
Initial Class				
Shares sold	6,514,992	20,216,701	\$ 35,437,949	\$ 94,993,807
Reinvestment of distributions	—	8,357,240	—	43,747,787
Shares redeemed	(17,558,642)	(27,414,117)	(94,989,140)	(129,625,734)
Net increase (decrease)	<u>(11,043,650)</u>	<u>1,159,824</u>	<u>\$ (59,551,191)</u>	<u>\$ 9,115,860</u>
Service Class				
Shares sold	844,955	2,777,781	\$ 4,584,743	\$ 12,897,331
Reinvestment of distributions	—	1,427,657	—	7,425,935
Shares redeemed	(2,904,196)	(8,725,159)	(15,653,381)	(41,193,317)
Net increase (decrease)	<u>(2,059,241)</u>	<u>(4,519,721)</u>	<u>\$ (11,068,638)</u>	<u>\$ (20,870,051)</u>
Service Class 2				
Shares sold	11,246,887	24,366,893	\$ 60,513,503	\$ 112,451,939
Reinvestment of distributions	—	2,502,443	—	12,835,833
Shares redeemed	(22,866,014)	(14,230,958)	(120,978,123)	(64,857,511)
Net increase (decrease)	<u>(11,619,127)</u>	<u>12,638,378</u>	<u>\$ (60,464,620)</u>	<u>\$ 60,430,261</u>

Notes to Financial Statements (Unaudited) – continued

10. Share Transactions – continued

	Shares		Dollars	
	Six months ended June 30, 2010	Year ended December 31, 2009	Six months ended June 30, 2010	Year ended December 31, 2009
Initial Class R				
Shares sold	1,518,026	4,004,167	\$ 8,268,535	\$ 17,798,935
Reinvestment of distributions	—	468,040	—	2,441,349
Shares redeemed	(2,589,632)	(3,016,877)	(13,896,361)	(13,725,409)
Net increase (decrease)	<u>(1,071,606)</u>	<u>1,455,330</u>	<u>\$ (5,627,826)</u>	<u>\$ 6,514,875</u>
Service Class R				
Shares sold	2,648,462	7,453,151	\$ 14,416,667	\$ 33,119,246
Reinvestment of distributions	—	659,445	—	3,419,501
Shares redeemed	(4,895,149)	(5,739,021)	(26,219,943)	(26,100,257)
Net increase (decrease)	<u>(2,246,687)</u>	<u>2,373,575</u>	<u>\$ (11,803,276)</u>	<u>\$ 10,438,490</u>
Service Class 2R				
Shares sold	63,981	190,944	\$ 339,387	\$ 835,730
Reinvestment of distributions	—	28,591	—	146,215
Shares redeemed	(85,473)	(212,466)	(455,064)	(995,434)
Net increase (decrease)	<u>(21,492)</u>	<u>7,069</u>	<u>\$ (115,677)</u>	<u>\$ (13,489)</u>
Investor Class				
Shares sold	15,091,746	20,189,376	\$ 81,631,928	\$ 92,880,106
Reinvestment of distributions	—	2,482,010	—	12,952,470
Shares redeemed	(14,939,961)	(10,842,692)	(80,396,938)	(48,580,411)
Net increase (decrease)	<u>151,785</u>	<u>11,828,694</u>	<u>\$ 1,234,990</u>	<u>\$ 57,252,165</u>

11. Other.

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

At the end of the period, FMR or its affiliates were the owners of record of 37% of the total outstanding shares of the Fund and one otherwise unaffiliated shareholder was the owner of record of 24% of the total outstanding shares of the Fund.

Investment Adviser

Fidelity Management & Research Company
Boston, MA

Investment Sub-Advisers

FMR Co., Inc.
Fidelity Research & Analysis Company
FIL Investments (Japan) Limited
FIL Investment Advisors
FIL Investment Advisors (U.K.) Ltd.
Fidelity Management & Research (U.K.) Inc.
Fidelity Management & Research (Hong Kong) Limited
Fidelity Management & Research (Japan) Inc.

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