

The Fidelity® Variable Insurance Products: Emerging Markets Portfolio Semi-Annual Report for June 30, 2022, provides shareholders with a detailed overview of the fund's performance and investment strategy, emphasizing that the fund is structured as a separate account option through a variable insurance contract and is not FDIC insured. The report notes the significant impact of the COVID-19 pandemic on financial markets, leading to volatility and uncertainty, although conditions improved in 2021 with vaccine distribution. As of June 30, 2022, the fund's investments are geographically diversified, with major holdings in the Cayman Islands (20.0%), China (15.9%), and South Korea (15.0%), and predominantly in stocks (98.1%). The total investment in securities is approximately \$1,089 million, with net assets totaling around \$1,091 million, and the top holdings include Tencent Holdings Ltd. and Taiwan Semiconductor Manufacturing Co. Ltd. The report also highlights the fund's sector allocations, with significant investments in financials, consumer discretionary, and information technology.

The financial status of the fund reveals total assets of \$1,101,105,600 against liabilities of \$9,569,600, resulting in net assets of \$1,091,536,000. The net asset value (NAV) per share varies by class, with the Initial Class at \$10.05 and the Service Class at \$10.07. The report indicates total investment income of \$16,040,999, primarily from dividends, and total expenses of \$5,646,302, leading to a net investment income of \$10,394,697. However, the fund experienced a net loss of \$268,641,312 due to realized and unrealized losses on investments, with a total return of -20.17% for the Initial Class and -20.14% for the Service Class. The fund's expense ratios are 1.01% for the Service Class and 0.99% for the Investor Class, with a portfolio turnover rate of 50%.

The fund aims to achieve a high level of current income while preserving capital and liquidity, adhering to Financial Accounting Standards Board (FASB) guidelines and generally accepted accounting principles (GAAP). Investment valuation occurs at 4:00 p.m. Eastern time on the last calendar day of the period, with a Fair Value Committee determining fair values when market prices are unavailable. The fund may engage in foreign currency transactions and is designed to qualify as

a regulated investment company, distributing substantially all taxable income to avoid federal income tax provisions. The report also discusses investments in restricted securities and outlines management fees, service fees, and other transactions with affiliates.

The fund participates in an interfund lending program and has a committed line of credit for temporary liquidity needs. It engages in securities lending to generate additional income, with collateral typically consisting of U.S. Treasury obligations or cash. The investment adviser has waived certain fund-level operating expenses during the reporting period. The Board of Trustees reviews the management contract annually, considering the quality of services and competitiveness of fees, and has renewed the Advisory Contracts, determining that the compensation is fair and in the best interests of the fund and its shareholders.

The Board also evaluated Fidelity's investment management capabilities, focusing on the qualifications of its investment staff and the resources available for analysis. The Board recognized the advantages of investing in a Fidelity fund, including diverse investment options and enhanced services. The liquidity risk management program, compliant with the SEC's Liquidity Rule, is overseen by a Liquidity Risk Management Committee, which assesses liquidity risk and classifies investments into four liquidity categories. The report confirms that the liquidity risk management program is effectively implemented to manage the fund's liquidity risk, ensuring it can meet redemption obligations and mitigate shareholder dilution.