

# SEMI-ANNUAL REPORT



Southern Farm Bureau Life Insurance Company  
Jackson, Mississippi

June 30, 2023

Semi-Annual Reports for:

## **T. Rowe Price Equity Series, Inc.**

- T. Rowe Price Equity Income Portfolio
- T. Rowe Price Mid-Cap Growth Portfolio
- T. Rowe Price Moderate Allocation Portfolio
- T. Rowe Price Blue Chip Growth Portfolio

## **T. Rowe Price Fixed Income Series, Inc.**

- T. Rowe Price Limited-Term Bond Portfolio

## **Fidelity<sup>®</sup> Variable Insurance Products Funds**

- Fidelity VIP Growth Portfolio
- Fidelity VIP High Income Portfolio
- Fidelity VIP Overseas Portfolio
- Fidelity VIP Contrafund<sup>®</sup> Portfolio
- Fidelity VIP Index 500 Portfolio
- Fidelity VIP Mid Cap Portfolio
- Fidelity VIP Disciplined Small Cap Portfolio
- Fidelity VIP Dynamic Capital Appreciation Portfolio
- Fidelity VIP Equity-Income Portfolio
- Fidelity VIP Investment Grade Bond Portfolio
- Fidelity VIP Value Strategies Portfolio
- Fidelity VIP Government Money Market Portfolio

## **Franklin Templeton Variable Insurance Products Trust**

- Franklin Income VIP Fund – Class 1
- Franklin Mutual Shares VIP Fund – Class 1
- Franklin Rising Dividends VIP Fund – Class 1
- Franklin Small Cap Value VIP Fund – Class 1
- Franklin Small-Mid Cap Growth VIP Fund – Class 1
- Templeton Global Bond VIP Fund – Class 1

T.RowePrice®



**SEMIANNUAL REPORT**

June 30, 2023

T. ROWE PRICE

# Equity Income Portfolio

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## Dear Investor

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended June 30, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets were resilient as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the six-month period, the technology-oriented Nasdaq Composite Index gained more than 30%, the strongest result of the major benchmarks, as tech companies benefited from investor enthusiasm for artificial intelligence applications. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector partly recovered from the failure of three large regional banks during the period but still finished with modest losses.

Cheaper oil contributed to slowing inflation, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. In response, the Federal Reserve raised its short-term lending benchmark rate to a target range of 5.00% to 5.25% by early May, the highest level since 2007. The Fed held rates steady at its June meeting, but policymakers indicated that two more rate hikes could come by the end of the year.

In the fixed income market, returns were generally positive across most sectors as investors benefited from the higher interest rates that have become available over the past year. Investment-grade corporate bonds were supported by generally solid balance sheets and were among the strongest performers.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could weigh on credit conditions. Moreover, market consensus still seems to point to a coming recession, although hopes have emerged that such a downturn could be more modest.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,



Robert Sharps  
CEO and President



## T. ROWE PRICE EQUITY INCOME PORTFOLIO

## Portfolio Summary

## SECTOR DIVERSIFICATION

	Percent of Net Assets	
	12/31/22	6/30/23
Financials	21.0%	20.7%
Health Care	17.8	17.4
Industrials and Business Services	10.8	11.8
Energy	8.6	8.1
Information Technology	6.9	8.0
Consumer Staples	7.0	7.7
Utilities	8.3	7.3
Consumer Discretionary	5.0	5.0
Communication Services	5.1	4.6
Real Estate	3.9	4.1
Materials	4.2	3.5
Other and Reserves	1.4	1.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

## TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 6/30/23
Southern	3.1%
Wells Fargo	2.9
TotalEnergies	2.8
General Electric	2.4
QUALCOMM	2.4
American International Group	2.3
Elevance Health	2.2
Becton Dickinson & Company	2.1
Johnson & Johnson	2.1
Chubb	1.9
News	1.8
Philip Morris International	1.8
Microsoft	1.7
Weyerhaeuser	1.7
L3Harris Technologies	1.7
CF Industries Holdings	1.6
Equitable Holdings	1.6
Exxon Mobil	1.5
Equity Residential	1.5
Dominion Energy	1.4
United Parcel Service	1.4
Zimmer Biomet Holdings	1.4
MetLife	1.3
Conagra Brands	1.3
Boeing	1.2
<b>Total</b>	<b>47.1%</b>

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

**FUND EXPENSE EXAMPLE**

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following 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 most recent six-month period and held for the entire period.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and the II Class. The II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

**Actual Expenses**

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. 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 should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. 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. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

**EQUITY INCOME PORTFOLIO**

	<b>Beginning Account Value 1/1/23</b>	<b>Ending Account Value 6/30/23</b>	<b>Expenses Paid During Period* 1/1/23 to 6/30/23</b>
<b>Equity Income Portfolio</b>			
Actual	\$1,000.00	\$1,024.60	\$3.71
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.12	3.71
<b>Equity Income Portfolio - II</b>			
Actual	1,000.00	1,023.10	4.97
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.89	4.96

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Equity Income Portfolio was 0.74% and the Equity Income Portfolio - II was 0.99%.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Equity Income Portfolio Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 27.01	\$ 30.07	\$ 26.21	\$ 27.13	\$ 23.36	\$ 29.27
Investment activities						
Net investment income <sup>(1)(2)</sup>	0.28	0.57	0.48	0.54	0.61	0.58
Net realized and unrealized gain/ loss	0.37	(1.60)	6.12	(0.34)	5.49	(3.28)
Total from investment activities	0.65	(1.03)	6.60	0.20	6.10	(2.70)
Distributions						
Net investment income	(0.29)	(0.55)	(0.48)	(0.55)	(0.62)	(0.59)
Net realized gain	-	(1.48)	(2.26)	(0.57)	(1.71)	(2.62)
Total distributions	(0.29)	(2.03)	(2.74)	(1.12)	(2.33)	(3.21)
<b>NET ASSET VALUE</b>						
End of period	\$ 27.37	\$ 27.01	\$ 30.07	\$ 26.21	\$ 27.13	\$ 23.36

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>2.46%</b>	<b>(3.34)%</b>	<b>25.55%</b>	<b>1.18%</b>	<b>26.40%</b>	<b>(9.50)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	0.85% <sup>(5)</sup>	0.85%	0.85%	0.85%	0.85%	0.80%
Net expenses after waivers/ payments by Price Associates	0.74% <sup>(5)</sup>	0.74%	0.74%	0.74%	0.74%	0.80%
Net investment income	2.07% <sup>(5)</sup>	1.96%	1.60%	2.30%	2.31%	2.01%
Portfolio turnover rate	9.9%	18.3%	19.8%	27.7%	19.5%	16.5%
Net assets, end of period (in millions)	\$ 423	\$ 434	\$ 491	\$ 430	\$ 477	\$ 428

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Equity Income Portfolio - II Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 26.85	\$ 29.91	\$ 26.10	\$ 27.01	\$ 23.27	\$ 29.16
Investment activities						
Net investment income <sup>(1)(2)</sup>	0.24	0.50	0.41	0.48	0.55	0.51
Net realized and unrealized gain/ loss	0.37	(1.60)	6.08	(0.33)	5.45	(3.26)
Total from investment activities	0.61	(1.10)	6.49	0.15	6.00	(2.75)
Distributions						
Net investment income	(0.26)	(0.48)	(0.42)	(0.49)	(0.55)	(0.52)
Net realized gain	-	(1.48)	(2.26)	(0.57)	(1.71)	(2.62)
Total distributions	(0.26)	(1.96)	(2.68)	(1.06)	(2.26)	(3.14)
<b>NET ASSET VALUE</b>						
End of period	\$ 27.20	\$ 26.85	\$ 29.91	\$ 26.10	\$ 27.01	\$ 23.27

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>2.31%</b>	<b>(3.59)%</b>	<b>25.22%</b>	<b>0.96%</b>	<b>26.04%</b>	<b>(9.69)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	1.10% <sup>(5)</sup>	1.10%	1.10%	1.10%	1.10%	1.05%
Net expenses after waivers/ payments by Price Associates	0.99% <sup>(5)</sup>	0.99%	0.99%	0.99%	0.99%	1.05%
Net investment income	1.83% <sup>(5)</sup>	1.73%	1.36%	2.05%	2.07%	1.77%
Portfolio turnover rate	9.9%	18.3%	19.8%	27.7%	19.5%	16.5%
Net assets, end of period (in thousands)	\$ 288,896	\$ 283,936	\$ 295,512	\$ 236,856	\$ 238,540	\$ 183,383

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

June 30, 2023 (Unaudited)

<b>PORTFOLIO OF INVESTMENTS†</b>	<b>Shares</b>	<b>\$ Value</b>
(Cost and value in \$000s)		
<b>COMMON STOCKS 95.8%</b>		
<b>COMMUNICATION SERVICES 4.6%</b>		
<b>Diversified Telecommunication Services 0.8%</b>		
AT&T	64,010	1,021
Verizon Communications	126,702	4,712
		5,733
<b>Entertainment 1.2%</b>		
Walt Disney (1)	93,204	8,321
		8,321
<b>Interactive Media &amp; Services 0.3%</b>		
Meta Platforms, Class A (1)	6,300	1,808
		1,808
<b>Media 2.3%</b>		
Comcast, Class A	78,333	3,255
News, Class A	597,630	11,654
News, Class B	64,303	1,268
Paramount Global, Class B	19,300	307
		16,484
Total Communication Services		32,346
<b>CONSUMER DISCRETIONARY 3.1%</b>		
<b>Broadline Retail 0.4%</b>		
Kohl's	135,893	3,132
		3,132
<b>Hotels, Restaurants &amp; Leisure 1.0%</b>		
Las Vegas Sands (1)	123,562	7,167
		7,167
<b>Leisure Products 0.7%</b>		
Mattel (1)	260,220	5,085
		5,085
<b>Specialty Retail 1.0%</b>		
Best Buy	40,156	3,291
TJX	48,943	4,150
		7,441
Total Consumer Discretionary		22,825
<b>CONSUMER STAPLES 7.8%</b>		
<b>Beverages 0.6%</b>		
Constellation Brands, Class A	17,400	4,283
		4,283
<b>Consumer Staples Distribution &amp; Retail 1.2%</b>		
Target	7,101	936
Walmart	47,282	7,432
		8,368
<b>Food Products 2.3%</b>		
Conagra Brands	274,301	9,249
Mondelez International, Class A	14,969	1,092
Tyson Foods, Class A	114,626	5,851
		16,192
<b>Household Products 1.7%</b>		
Colgate-Palmolive	43,514	3,352

	<b>Shares</b>	<b>\$ Value</b>
(Cost and value in \$000s)		
Kimberly-Clark	62,694	8,656
		12,008
<b>Personal Care Products 0.2%</b>		
Kenvue (1)	44,783	1,183
		1,183
<b>Tobacco 1.8%</b>		
Philip Morris International	130,600	12,749
		12,749
Total Consumer Staples		54,783
<b>ENERGY 8.1%</b>		
<b>Oil, Gas &amp; Consumable Fuels 8.1%</b>		
Chevron	15,070	2,371
Enbridge	46,400	1,724
EOG Resources	54,396	6,225
EQT	38,695	1,591
Exxon Mobil	97,520	10,459
Hess	45,945	6,246
Suncor Energy	31,500	924
TC Energy	150,120	6,066
TotalEnergies (EUR)	276,025	15,845
TotalEnergies, ADR	68,941	3,974
Williams	64,100	2,092
Total Energy		57,517
<b>FINANCIALS 20.7%</b>		
<b>Banks 7.9%</b>		
Bank of America	119,175	3,419
Citigroup	69,462	3,198
Fifth Third Bancorp	280,906	7,362
Huntington Bancshares	612,211	6,600
JPMorgan Chase	47,089	6,849
PNC Financial Services Group	10,953	1,379
U.S. Bancorp	200,516	6,625
Wells Fargo	487,436	20,804
		56,236
<b>Capital Markets 2.4%</b>		
Carlyle Group	77,200	2,467
Charles Schwab	59,289	3,360
Franklin Resources	25,940	693
Goldman Sachs Group	6,286	2,027
Morgan Stanley	54,623	4,665
Raymond James Financial	20,550	2,132
State Street	22,815	1,670
		17,014
<b>Financial Services 3.0%</b>		
Apollo Global Management	26,021	1,998
Equitable Holdings	415,531	11,286
Fiserv (1)	66,324	8,367
		21,651
<b>Insurance 7.4%</b>		
American International Group	281,409	16,192
Chubb	69,177	13,321
Hartford Financial Services Group	93,155	6,709
Loews	119,527	7,098

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
MetLife	163,685	9,253
		52,573
Total Financials		147,474
<b>HEALTH CARE 17.3%</b>		
<b>Biotechnology 1.2%</b>		
AbbVie	48,593	6,547
Biogen (1)	8,106	2,309
		8,856
<b>Health Care Equipment &amp; Supplies 5.1%</b>		
Becton Dickinson & Company	57,450	15,167
GE HealthCare Technologies	55,336	4,496
Medtronic	81,495	7,180
Zimmer Biomet Holdings	66,100	9,624
		36,467
<b>Health Care Providers &amp; Services 4.9%</b>		
Cardinal Health	28,000	2,648
Centene (1)	22,680	1,530
Cigna Group	25,571	7,175
CVS Health	107,909	7,460
Elevance Health	35,426	15,739
Humana	1,100	492
		35,044
<b>Pharmaceuticals 6.1%</b>		
AstraZeneca, ADR	60,400	4,323
Johnson & Johnson	89,296	14,780
Merck	60,357	6,965
Pfizer	196,325	7,201
Sanofi (EUR)	47,111	5,072
Sanofi, ADR	13,900	749
Viatis	406,900	4,061
		43,151
Total Health Care		123,518
<b>INDUSTRIALS &amp; BUSINESS SERVICES 11.8%</b>		
<b>Aerospace &amp; Defense 2.9%</b>		
Boeing (1)	41,676	8,800
L3Harris Technologies	61,422	12,025
		20,825
<b>Air Freight &amp; Logistics 1.4%</b>		
United Parcel Service, Class B	55,446	9,939
		9,939
<b>Commercial Services &amp; Supplies 0.5%</b>		
Stericycle (1)	81,757	3,797
		3,797
<b>Ground Transportation 0.7%</b>		
Norfolk Southern	8,600	1,950
Union Pacific	15,634	3,199
		5,149
<b>Industrial Conglomerates 3.8%</b>		
3M	13,400	1,341

	Shares	\$ Value
(Cost and value in \$000s)		
General Electric	158,009	17,358
Siemens (EUR)	48,039	8,008
		26,707
<b>Machinery 1.6%</b>		
Cummins	8,700	2,133
Flowserve	22,166	823
Stanley Black & Decker	86,563	8,112
		11,068
<b>Passenger Airlines 0.9%</b>		
Southwest Airlines	185,237	6,707
		6,707
Total Industrials & Business Services		84,192
<b>INFORMATION TECHNOLOGY 7.9%</b>		
<b>Communications Equipment 0.2%</b>		
Cisco Systems	29,828	1,543
		1,543
<b>Electronic Equipment, Instruments &amp; Components 0.4%</b>		
TE Connectivity	20,720	2,904
		2,904
<b>IT Services 0.5%</b>		
Accenture, Class A	11,405	3,519
		3,519
<b>Semiconductors &amp; Semiconductor Equipment 4.4%</b>		
Applied Materials	53,229	7,694
QUALCOMM	144,458	17,196
Texas Instruments	35,498	6,390
		31,280
<b>Software 1.7%</b>		
Microsoft	36,497	12,429
		12,429
<b>Technology Hardware, Storage &amp; Peripherals 0.7%</b>		
Samsung Electronics (KRW)	90,529	4,985
		4,985
Total Information Technology		56,660
<b>MATERIALS 3.5%</b>		
<b>Chemicals 2.4%</b>		
CF Industries Holdings	165,957	11,521
DuPont de Nemours	4,856	347
International Flavors & Fragrances	36,306	2,889
RPM International	22,300	2,001
		16,758
<b>Containers &amp; Packaging 1.1%</b>		
International Paper	257,739	8,199
		8,199
Total Materials		24,957

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
<b>REAL ESTATE 4.2%</b>		
<b>Health Care Real Estate Investment Trusts 0.2%</b>		
Welltower, REIT	13,700	1,108
		1,108
<b>Office Real Estate Investment Trusts 0.0%</b>		
Vornado Realty Trust, REIT	11,600	210
		210
<b>Residential Real Estate Investment Trusts 1.5%</b>		
Equity Residential, REIT	158,096	10,430
		10,430
<b>Specialized Real Estate Investment Trusts 2.5%</b>		
Rayonier, REIT	178,252	5,597
Weyerhaeuser, REIT	361,565	12,116
		17,713
Total Real Estate		29,461
<b>UTILITIES 6.8%</b>		
<b>Electric Utilities 3.5%</b>		
NextEra Energy	31,400	2,330
PG&E (1)	58,100	1,004
Southern	310,512	21,813
		25,147
<b>Multi-Utilities 3.3%</b>		
Ameren	50,509	4,125
Dominion Energy	195,384	10,119
NiSource	63,494	1,737
Sempra Energy	49,408	7,193
		23,174
Total Utilities		48,321
<b>Total Common Stocks (Cost \$495,984)</b>		<b>682,054</b>
<b>CONVERTIBLE PREFERRED STOCKS 0.5%</b>		
<b>UTILITIES 0.5%</b>		
<b>Electric Utilities 0.2%</b>		
NextEra Energy, 6.926%, 9/1/25	29,299	1,332
		1,332
<b>Multi-Utilities 0.3%</b>		
NiSource, 7.75%, 3/1/24	20,959	2,129
		2,129
Total Utilities		3,461
<b>Total Convertible Preferred Stocks (Cost \$3,524)</b>		<b>3,461</b>
<b>PREFERRED STOCKS 1.8%</b>		
<b>CONSUMER DISCRETIONARY 1.8%</b>		
<b>Automobiles 1.8%</b>		
Dr. Ing. h.c. F. Porsche (EUR)	47,938	5,956

	Shares	\$ Value
(Cost and value in \$000s)		
Volkswagen (EUR)	52,948	7,120
Total Consumer Discretionary		13,076
<b>Total Preferred Stocks (Cost \$12,601)</b>		<b>13,076</b>
<b>SHORT-TERM INVESTMENTS 1.6%</b>		
<b>Money Market Funds 1.6%</b>		
T. Rowe Price Government Reserve Fund, 5.13% (2)(3)	11,057,868	11,058
<b>Total Short-Term Investments (Cost \$11,058)</b>		<b>11,058</b>
<b>Total Investments in Securities 99.7% of Net Assets (Cost \$523,167)</b>		<b>\$ 709,649</b>

T. ROWE PRICE EQUITY INCOME PORTFOLIO

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- ‡ Shares are denominated in U.S. dollars unless otherwise noted.
  - (1) Non-income producing
  - (2) Seven-day yield
  - (3) Affiliated Companies
  - ADR American Depositary Receipts
  - EUR Euro
  - KRW South Korean Won
  - REIT A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder



## T. ROWE PRICE EQUITY INCOME PORTFOLIO

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

<b>Affiliate</b>	<b>Net Realized Gain (Loss)</b>	<b>Change in Net Unrealized Gain/Loss</b>	<b>Investment Income</b>
T. Rowe Price Government Reserve Fund, 5.13%	\$ —#	\$ —	\$ 186+

**Supplementary Investment Schedule**

<b>Affiliate</b>	<b>Value 12/31/22</b>	<b>Purchase Cost</b>	<b>Sales Cost</b>	<b>Value 06/30/23</b>
T. Rowe Price Government Reserve Fund, 5.13%	\$ 8,005	□	□	\$ 11,058^

# Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

+ Investment income comprised \$186 of dividend income and \$0 of interest income.

✕ Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$11,058.

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

June 30, 2023 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$523,167)	\$	709,649
Dividends receivable		1,352
Receivable for shares sold		585
Receivable for investment securities sold		240
Foreign currency (cost \$137)		137
Other assets		359
Total assets		<u>712,322</u>

**Liabilities**

Investment management and administrative fees payable		470
Payable for investment securities purchased		133
Payable for shares redeemed		94
Other liabilities		82
Total liabilities		<u>779</u>

**NET ASSETS****\$ 711,543****Net Assets Consist of:**

Total distributable earnings (loss)	\$	206,738
Paid-in capital applicable to 26,062,134 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		<u>504,805</u>

**NET ASSETS****\$ 711,543****NET ASSET VALUE PER SHARE****Equity Income Portfolio Class****(Net assets: \$422,647; Shares outstanding: 15,441,979)****\$ 27.37****Equity Income Portfolio - II Class****(Net assets: \$288,896; Shares outstanding: 10,620,155)****\$ 27.20**

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

(Unaudited)

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 6/30/23
<b>Investment Income (Loss)</b>	
Dividend income (net of foreign taxes of \$323)	\$ 9,907
Expenses	
Investment management and administrative expense	2,999
Rule 12b-1 fees - Equity Income Portfolio - II Class	348
Waived / paid by Price Associates	(388)
Net expenses	2,959
Net investment income	6,948
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	19,085
Foreign currency transactions	18
Net realized gain	19,103
Change in net unrealized gain / loss	
Securities	(9,204)
Other assets and liabilities denominated in foreign currencies	(7)
Change in net unrealized gain / loss	(9,211)
Net realized and unrealized gain / loss	9,892
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 16,840</b>

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

(Unaudited)

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 6/30/23	Year Ended 12/31/22
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 6,948	\$ 13,879
Net realized gain	19,103	32,962
Change in net unrealized gain / loss	(9,211)	(73,949)
Increase (decrease) in net assets from operations	16,840	(27,108)
Distributions to shareholders		
Net earnings		
Equity Income Portfolio Class	(4,558)	(30,925)
Equity Income Portfolio - II Class	(2,773)	(19,622)
Decrease in net assets from distributions	(7,331)	(50,547)
Capital share transactions*		
Shares sold		
Equity Income Portfolio Class	12,742	36,700
Equity Income Portfolio - II Class	15,492	54,484
Distributions reinvested		
Equity Income Portfolio Class	4,558	30,925
Equity Income Portfolio - II Class	2,773	19,621
Shares redeemed		
Equity Income Portfolio Class	(34,373)	(77,003)
Equity Income Portfolio - II Class	(17,203)	(55,445)
Increase (decrease) in net assets from capital share transactions	(16,011)	9,282
<b>Net Assets</b>		
Decrease during period	(6,502)	(68,373)
Beginning of period	718,045	786,418
<b>End of period</b>	<b>\$ 711,543</b>	<b>\$ 718,045</b>

\*Share information (000s)

Shares sold		
Equity Income Portfolio Class	466	1,267
Equity Income Portfolio - II Class	576	1,874
Distributions reinvested		
Equity Income Portfolio Class	171	1,146
Equity Income Portfolio - II Class	105	732
Shares redeemed		
Equity Income Portfolio Class	(1,269)	(2,664)
Equity Income Portfolio - II Class	(636)	(1,910)
Increase (decrease) in shares outstanding	(587)	445

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Equity Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Equity Income Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the Equity Income Portfolio (Equity Income Portfolio Class) and the Equity Income Portfolio–II (Equity Income Portfolio–II Class). Equity Income Portfolio–II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Distributions from REITs are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class quarterly. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Currency Translation** Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

**Class Accounting** Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Equity Income Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**New Accounting Guidance** In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the fund opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

## NOTE 2 - VALUATION

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

The last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE, if the Valuation Designee determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of the fund's portfolio securities. Each business day, the Valuation Designee uses information from outside pricing services to evaluate the quoted prices of portfolio securities and, if appropriate, decide whether it is necessary to adjust quoted prices to reflect fair value by reviewing a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Valuation Designee uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The Valuation Designee cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

## T. ROWE PRICE EQUITY INCOME PORTFOLIO

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Common Stocks	\$ 648,144	\$ 33,910	\$ —	\$ 682,054
Convertible Preferred Stocks	—	3,461	—	3,461
Preferred Stocks	—	13,076	—	13,076
Short-Term Investments	11,058	—	—	11,058
Total	\$ 659,202	\$ 50,447	\$ —	\$ 709,649

**NOTE 3 - OTHER INVESTMENT TRANSACTIONS**

Purchases and sales of portfolio securities other than short-term securities aggregated \$69,594,000 and \$88,059,000, respectively, for the six months ended June 30, 2023.

**NOTE 4 - FEDERAL INCOME TAXES**

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was \$525,453,000. Net unrealized gain aggregated \$184,197,000 at period-end, of which \$202,304,000 related to appreciated investments and \$18,107,000 related to depreciated investments.

**NOTE 5 - FOREIGN TAXES**

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2024 to waive a portion of its management fee in order to limit the fund's management fee to 0.74% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were \$388,000 and allocated ratably in the amounts of \$232,000 and \$156,000 for the Equity Income Portfolio Class and Equity Income Portfolio-II Class, respectively, for the six months ended June 30, 2023.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2023, this reimbursement amounted to \$12,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.



**NOTE 7 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

## INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	<b>Votes For</b>	<b>Votes Withheld</b>
Melody Bianchetto	74,096,003	4,864,479
Mark J. Parrell	76,629,190	2,346,625
Kellye L. Walker	76,708,663	2,268,629
Eric L. Veiel	76,898,359	2,090,473

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

## HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](https://www.troweprice.com).

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT**

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser). In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and the approval of the Advisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Adviser about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

**Services Provided by the Adviser**

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Adviser's senior management team and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract.

**Investment Performance of the Fund**

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract.

**Costs, Benefits, Profits, and Economies of Scale**

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. The Board also reviewed estimates of the profits realized from managing the fund in particular, and the Board concluded that the Adviser's profits were reasonable in light of the services provided to the fund.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays the Adviser an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Adviser to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Adviser has agreed to waive a

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)**

portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.74% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Adviser by the fund. The Adviser has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the fund's investors and has historically sought to set the initial all-inclusive management fee rate at levels below the expense ratios of comparable funds to take into account potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. In addition, the assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement), and total expenses (which reflect the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group and Expense Universe).

The Adviser provided the Board with additional information with respect to the fund's relative management fees and total expenses ranking in the fourth and fifth quintiles. The Board reviewed and considered the information provided relating to the fund, including other funds in the peer group, and other factors that the Board determined to be relevant.

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)**

**Approval of the Advisory Contract**

As noted, the Board approved the continuation of the Advisory Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract (including the fees to be charged for services thereunder).

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**SEMIANNUAL REPORT**

June 30, 2023

T. ROWE PRICE

# Mid-Cap Growth Portfolio

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## Dear Investor

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended June 30, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets were resilient as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the six-month period, the technology-oriented Nasdaq Composite Index gained more than 30%, the strongest result of the major benchmarks, as tech companies benefited from investor enthusiasm for artificial intelligence applications. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector partly recovered from the failure of three large regional banks during the period but still finished with modest losses.

Cheaper oil contributed to slowing inflation, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. In response, the Federal Reserve raised its short-term lending benchmark rate to a target range of 5.00% to 5.25% by early May, the highest level since 2007. The Fed held rates steady at its June meeting, but policymakers indicated that two more rate hikes could come by the end of the year.

In the fixed income market, returns were generally positive across most sectors as investors benefited from the higher interest rates that have become available over the past year. Investment-grade corporate bonds were supported by generally solid balance sheets and were among the strongest performers.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could weigh on credit conditions. Moreover, market consensus still seems to point to a coming recession, although hopes have emerged that such a downturn could be more modest.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,



Robert Sharps  
CEO and President



## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

## Portfolio Summary

## SECTOR DIVERSIFICATION

	Percent of Net Assets	
	12/31/22	6/30/23
Health Care	24.9%	24.3%
Information Technology	20.5	18.7
Industrials and Business Services	17.0	17.0
Consumer Discretionary	13.4	11.2
Financials	6.4	7.6
Materials	5.6	5.5
Consumer Staples	2.4	4.1
Communication Services	2.7	3.8
Energy	3.0	3.1
Real Estate	0.0	1.1
Utilities	0.0	0.0
Other and Reserves	4.1	3.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

## TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 6/30/23
Microchip Technology	3.4%
Hologic	2.9
Marvell Technology	2.6
Teleflex	2.1
Ingersoll Rand	2.1
Agilent Technologies	2.0
Trade Desk	1.9
Textron	1.8
Ball	1.6
JB Hunt Transport Services	1.6
FleetCor Technologies	1.5
Fortive	1.5
Hilton Worldwide Holdings	1.5
Equifax	1.4
Burlington Stores	1.4
Bruker	1.4
Veeva Systems	1.4
MGM Resorts International	1.4
Keysight Technologies	1.4
Martin Marietta Materials	1.3
Dollar Tree	1.3
KKR	1.2
Cooper	1.2
CrowdStrike Holdings	1.2
Domino's Pizza	1.2
<b>Total</b>	<b>42.3%</b>

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

**FUND EXPENSE EXAMPLE**

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following 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 most recent six-month period and held for the entire period.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and the II Class. The II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

**Actual Expenses**

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. 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 should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. 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. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

**MID-CAP GROWTH PORTFOLIO**

	<b>Beginning Account Value 1/1/23</b>	<b>Ending Account Value 6/30/23</b>	<b>Expenses Paid During Period* 1/1/23 to 6/30/23</b>
<b>Mid-Cap Growth Portfolio</b>			
Actual	\$1,000.00	\$1,128.40	\$4.43
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.63	4.21
<b>Mid-Cap Growth Portfolio – II</b>			
Actual	1,000.00	1,126.80	5.75
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.39	5.46

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Mid-Cap Growth Portfolio was 0.84%, and the Mid-Cap Growth Portfolio – II was 1.09%.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Mid-Cap Growth Portfolio Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 25.85	\$ 34.47	\$ 33.47	\$ 28.88	\$ 23.70	\$ 28.25
Investment activities						
Net investment income (loss) <sup>(1)(2)</sup>	— <sup>(3)</sup>	(0.05)	(0.14)	(0.05)	0.03	0.01
Net realized and unrealized gain/loss	3.32	(7.74)	4.98	6.92	7.36	(0.54)
Total from investment activities	3.32	(7.79)	4.84	6.87	7.39	(0.53)
Distributions						
Net investment income	—	—	—	—	(0.04)	—
Net realized gain	—	(0.83)	(3.84)	(2.28)	(2.17)	(4.02)
Total distributions	—	(0.83)	(3.84)	(2.28)	(2.21)	(4.02)
<b>NET ASSET VALUE</b>						
End of period	\$ 29.17	\$ 25.85	\$ 34.47	\$ 33.47	\$ 28.88	\$ 23.70

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(4)</sup></b>	<b>12.84%</b>	<b>(22.58)%</b>	<b>14.85%</b>	<b>23.80%</b>	<b>31.29%</b>	<b>(2.03)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(5)</sup>	0.85% <sup>(6)</sup>	0.85%	0.85%	0.85%	0.85%	0.85%
Net expenses after waivers/ payments by Price Associates	0.84% <sup>(6)</sup>	0.84%	0.84%	0.84%	0.84%	0.85%
Net investment income (loss)	0.03% <sup>(6)</sup>	(0.18)%	(0.39)%	(0.18)%	0.12%	0.05%
Portfolio turnover rate	11.5%	22.3%	18.8%	26.1%	22.1%	24.6%
Net assets, end of period (in thousands)	\$ 466,862	\$ 422,825	\$ 576,739	\$ 536,629	\$ 474,038	\$ 379,884

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Amounts round to less than \$0.01 per share.<sup>(4)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(5)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(6)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Mid-Cap Growth Portfolio - II  
Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 24.13	\$ 32.32	\$ 31.63	\$ 27.41	\$ 22.58	\$ 27.11
Investment activities						
Net investment loss <sup>(1)(2)</sup>	(0.03)	(0.11)	(0.22)	(0.12)	(0.03)	(0.06)
Net realized and unrealized gain/ loss	3.09	(7.25)	4.70	6.55	7.00	(0.52)
Total from investment activities	3.06	(7.36)	4.48	6.43	6.97	(0.58)
Distributions						
Net realized gain	-	(0.83)	(3.79)	(2.21)	(2.14)	(3.95)
<b>NET ASSET VALUE</b>						
End of period	\$ 27.19	\$ 24.13	\$ 32.32	\$ 31.63	\$ 27.41	\$ 22.58

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>12.68%</b>	<b>(22.75)%</b>	<b>14.57%</b>	<b>23.47%</b>	<b>30.98%</b>	<b>(2.30)%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	1.10% <sup>(5)</sup>	1.10%	1.10%	1.10%	1.10%	1.10%
Net expenses after waivers/ payments by Price Associates	1.09% <sup>(5)</sup>	1.09%	1.09%	1.09%	1.09%	1.10%
Net investment loss	(0.23)% <sup>(5)</sup>	(0.44)%	(0.64)%	(0.43)%	(0.13)%	(0.20)%
Portfolio turnover rate	11.5%	22.3%	18.8%	26.1%	22.1%	24.6%
Net assets, end of period (in thousands)	\$ 53,293	\$ 50,985	\$ 71,773	\$ 61,897	\$ 56,450	\$ 44,782

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

June 30, 2023 (Unaudited)

PORTFOLIO OF INVESTMENTS <sup>†</sup>	Shares	\$ Value
(Cost and value in \$000s)		
<b>COMMON STOCKS 96.1%</b>		
<b>COMMUNICATION SERVICES 3.9%</b>		
<b>Entertainment 1.8%</b>		
Liberty Media-Liberty Formula One, Class C (1)	64,700	4,871
Spotify Technology (1)	27,900	4,479
		9,350
<b>Interactive Media &amp; Services 0.2%</b>		
Match Group (1)	21,400	896
		896
<b>Media 1.9%</b>		
Trade Desk, Class A (1)	124,800	9,637
		9,637
Total Communication Services		19,883
<b>CONSUMER DISCRETIONARY 11.2%</b>		
<b>Automobile Components 0.1%</b>		
Mobileye Global, Class A (1)	8,474	326
		326
<b>Diversified Consumer Services 0.6%</b>		
Bright Horizons Family Solutions (1)	26,000	2,404
Clear Secure, Class A	28,903	669
		3,073
<b>Hotels, Restaurants &amp; Leisure 5.6%</b>		
Caesars Entertainment (1)	26,122	1,331
Chipotle Mexican Grill (1)	1,000	2,139
Domino's Pizza	18,400	6,201
Hilton Worldwide Holdings	52,500	7,641
MGM Resorts International	167,917	7,375
Vail Resorts	900	227
Yum! Brands	30,000	4,157
		29,071
<b>Specialty Retail 4.6%</b>		
Bath & Body Works	102,300	3,836
Burlington Stores (1)	47,400	7,460
Five Below (1)	21,200	4,167
O'Reilly Automotive (1)	2,600	2,484
Ross Stores	37,100	4,160
Tractor Supply	7,592	1,679
		23,786
<b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>		
Lululemon Athletica (1)	4,500	1,703
		1,703
Total Consumer Discretionary		57,959
<b>CONSUMER STAPLES 4.0%</b>		
<b>Beverages 0.3%</b>		
Boston Beer, Class A (1)	5,235	1,615
		1,615
<b>Consumer Staples Distribution &amp; Retail 2.5%</b>		
Casey's General Stores	19,800	4,829

	Shares	\$ Value
(Cost and value in \$000s)		
Dollar General	11,200	1,901
Dollar Tree (1)	45,449	6,522
		13,252
<b>Food Products 0.5%</b>		
TreeHouse Foods (1)	47,462	2,391
		2,391
<b>Household Products 0.4%</b>		
Reynolds Consumer Products	68,400	1,932
		1,932
<b>Personal Care Products 0.3%</b>		
Kenvue (1)	60,485	1,598
		1,598
Total Consumer Staples		20,788
<b>ENERGY 3.1%</b>		
<b>Oil, Gas &amp; Consumable Fuels 3.1%</b>		
Cheniere Energy	22,400	3,413
Coterra Energy	99,800	2,525
Devon Energy	19,890	961
EQT	55,000	2,262
Pioneer Natural Resources	20,822	4,314
Venture Global LNG, Series B, Acquisition Date: 3/8/18, Cost \$60 (1)(2)(3)	20	360
Venture Global LNG, Series C, Acquisition Date: 10/16/17 - 3/8/18, Cost \$512 (1)(2)(3)	139	2,502
Total Energy		16,337
<b>FINANCIALS 7.6%</b>		
<b>Capital Markets 4.5%</b>		
Cboe Global Markets	5,500	759
Intercontinental Exchange	46,400	5,247
KKR	113,500	6,356
MarketAxess Holdings	11,700	3,058
Raymond James Financial	30,500	3,165
Tradeweb Markets, Class A	67,900	4,650
		23,235
<b>Financial Services 1.5%</b>		
FleetCor Technologies (1)	31,400	7,884
		7,884
<b>Insurance 1.6%</b>		
Assurant	38,000	4,777
Axis Capital Holdings	34,700	1,868
Kemper	17,400	840
Markel Group (1)	600	830
		8,315
Total Financials		39,434
<b>HEALTH CARE 24.2%</b>		
<b>Biotechnology 4.7%</b>		
Alnylam Pharmaceuticals (1)	28,000	5,318
Apellis Pharmaceuticals (1)	20,864	1,901
Argenx, ADR (1)	6,019	2,346
Ascendis Pharma, ADR (1)	21,100	1,883
Biogen (1)	11,700	3,333

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
CRISPR Therapeutics (1)	20,857	1,171
Exact Sciences (1)	25,000	2,347
Ionis Pharmaceuticals (1)	82,500	3,385
Karuna Therapeutics (1)	8,646	1,875
Seagen (1)	5,200	1,001
		24,560
<b>Health Care Equipment &amp; Supplies 9.3%</b>		
Alcon	54,400	4,467
Cooper	16,400	6,288
DENTSPLY SIRONA	43,000	1,721
Enovis (1)	56,424	3,618
Hologic (1)	186,000	15,060
ICU Medical (1)	15,000	2,673
Novocure (1)	17,500	726
QuidelOrtho (1)	34,933	2,895
Teleflex	45,172	10,933
		48,381
<b>Health Care Providers &amp; Services 2.2%</b>		
Acadia Healthcare (1)	68,800	5,479
Agilon Health (1)	129,622	2,248
Molina Healthcare (1)	12,900	3,886
		11,613
<b>Health Care Technology 1.7%</b>		
Doximity, Class A (1)	35,400	1,204
Veeva Systems, Class A (1)	37,344	7,384
		8,588
<b>Life Sciences Tools &amp; Services 5.5%</b>		
Agilent Technologies	85,000	10,221
Avantor (1)	287,500	5,905
Bruker	100,102	7,400
West Pharmaceutical Services	13,445	5,142
		28,668
<b>Pharmaceuticals 0.8%</b>		
Catalent (1)	99,317	4,306
		4,306
Total Health Care		126,116
<b>INDUSTRIALS &amp; BUSINESS SERVICES 17.0%</b>		
<b>Aerospace &amp; Defense 2.2%</b>		
BWX Technologies	30,800	2,204
Textron	140,486	9,501
		11,705
<b>Commercial Services &amp; Supplies 0.3%</b>		
Waste Connections	12,200	1,744
		1,744
<b>Electrical Equipment 0.2%</b>		
Shoals Technologies Group, Class A (1)	42,900	1,097
		1,097

	Shares	\$ Value
(Cost and value in \$000s)		
<b>Ground Transportation 1.6%</b>		
JB Hunt Transport Services	45,300	8,201
		8,201
<b>Industrial Conglomerates 1.0%</b>		
Roper Technologies	10,300	4,952
		4,952
<b>Machinery 4.9%</b>		
Esab	54,052	3,597
Fortive	104,100	7,784
IDEX	15,600	3,358
Ingersoll Rand	163,900	10,712
		25,451
<b>Passenger Airlines 1.1%</b>		
Southwest Airlines	155,500	5,631
		5,631
<b>Professional Services 4.9%</b>		
Broadridge Financial Solutions	26,600	4,406
Equifax	32,000	7,530
Paylocity Holding (1)	20,900	3,857
TransUnion	69,400	5,436
Verisk Analytics	19,000	4,294
		25,523
<b>Trading Companies &amp; Distributors 0.8%</b>		
United Rentals	9,300	4,142
		4,142
Total Industrials & Business Services		88,446
<b>INFORMATION TECHNOLOGY 18.6%</b>		
<b>Electronic Equipment, Instruments &amp; Components 3.1%</b>		
Amphenol, Class A	47,300	4,018
Cognex	43,900	2,459
Corning	34,700	1,216
Keysight Technologies (1)	43,800	7,334
Littelfuse	3,600	1,049
		16,076
<b>IT Services 0.3%</b>		
MongoDB (1)	4,300	1,767
		1,767
<b>Semiconductors &amp; Semiconductor Equipment 7.9%</b>		
KLA	10,834	5,255
Lattice Semiconductor (1)	36,400	3,497
Marvell Technology	224,371	13,413
Microchip Technology	195,000	17,470
NXP Semiconductors	7,800	1,596
		41,231
<b>Software 7.3%</b>		
Atlassian, Class A (1)	11,100	1,863
BILL Holdings (1)	22,362	2,613
Black Knight (1)	69,435	4,147
CCC Intelligent Solutions Holdings (1)	268,239	3,007

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

	Shares	\$ Value
(Cost and value in \$000s)		
Confluent, Class A (1)	17,200	607
CrowdStrike Holdings, Class A (1)	42,512	6,244
Fair Isaac (1)	5,800	4,693
Fortinet (1)	69,000	5,216
HashiCorp, Class A (1)	8,600	225
PTC (1)	35,400	5,038
Synopsys (1)	9,472	4,124
		37,777
Total Information Technology		96,851
<b>MATERIALS 5.4%</b>		
<b>Chemicals 0.6%</b>		
RPM International	34,600	3,105
		3,105
<b>Construction Materials 1.3%</b>		
Martin Marietta Materials	14,689	6,782
		6,782
<b>Containers &amp; Packaging 3.5%</b>		
Avery Dennison	35,400	6,082
Ball	147,169	8,566
Sealed Air	91,900	3,676
		18,324
Total Materials		28,211
<b>REAL ESTATE 1.1%</b>		
<b>Real Estate Management &amp; Development 1.1%</b>		
CoStar Group (1)	63,934	5,690
Total Real Estate		5,690
<b>Total Common Stocks (Cost \$317,083)</b>		<b>499,715</b>
<b>CONVERTIBLE PREFERRED STOCKS 0.3%</b>		
<b>CONSUMER STAPLES 0.1%</b>		
<b>Consumer Staples Distribution &amp; Retail 0.1%</b>		
Maplebear DBA Instacart, Series E, Acquisition Date: 11/19/21, Cost \$975 (1)(2)(3)	8,106	263

	Shares	\$ Value
(Cost and value in \$000s)		
Maplebear DBA Instacart, Series I, Acquisition Date: 2/26/21, Cost \$146 (1)(2)(3)	1,170	38
Total Consumer Staples		301
<b>HEALTH CARE 0.0%</b>		
<b>Biotechnology 0.0%</b>		
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost \$426 (1)(2)(3)	52,622	282
Total Health Care		282
<b>INFORMATION TECHNOLOGY 0.1%</b>		
<b>Software 0.1%</b>		
Databricks, Series H, Acquisition Date: 8/31/21, Cost \$302 (1)(2)(3)	4,103	300
Nuro, Series D, Acquisition Date: 10/29/21, Cost \$293 (1)(2)(3)	14,070	87
Total Information Technology		387
<b>MATERIALS 0.1%</b>		
<b>Chemicals 0.1%</b>		
Redwood Materials, Series C, Acquisition Date: 5/28/21, Cost \$316 (1)(2)(3)	6,674	319
Sila Nano, Series F, Acquisition Date: 1/7/21, Cost \$595 (1)(2)(3)	14,417	292
Total Materials		611
<b>Total Convertible Preferred Stocks (Cost \$3,053)</b>		<b>1,581</b>
<b>SHORT-TERM INVESTMENTS 3.8%</b>		
<b>Money Market Funds 3.8%</b>		
T. Rowe Price Treasury Reserve Fund, 5.11% (4)(5)	19,791,961	19,792
<b>Total Short-Term Investments (Cost \$19,792)</b>		<b>19,792</b>
<b>Total Investments in Securities 100.2% of Net Assets (Cost \$339,928)</b>		
		<b>\$ 521,088</b>

‡ Shares are denominated in U.S. dollars unless otherwise noted.

(1) Non-income producing

(2) See Note 2. Level 3 in fair value hierarchy.

(3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund may have registration rights for certain restricted securities. Any costs related to such registration are generally borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period end amounts to \$4,443 and represents 0.9% of net assets.

(4) Seven-day yield

(5) Affiliated Companies

ADR American Depositary Receipts

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate		Change in Net		Investment Income	
		Net Realized Gain (Loss)	Unrealized Gain/Loss		
T. Rowe Price Treasury Reserve Fund, 5.11%	\$	—#	\$	— \$	448+

**Supplementary Investment Schedule**

Affiliate	Value 12/31/22	Purchase Cost	Sales Cost	Value 06/30/23
T. Rowe Price Treasury Reserve Fund, 5.11%	\$ 19,972	α	α \$	19,792^

# Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

+ Investment income comprised \$448 of dividend income and \$0 of interest income.

α Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$19,792.

The accompanying notes are an integral part of these financial statements.



## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

June 30, 2023 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$339,928)	\$	521,088
Receivable for investment securities sold		2,247
Dividends receivable		122
Receivable for shares sold		34
Other assets		7
Total assets		<u>523,498</u>

**Liabilities**

Payable for investment securities purchased		2,626
Investment management and administrative fees payable		395
Payable for shares redeemed		312
Other liabilities		10
Total liabilities		<u>3,343</u>

**NET ASSETS****\$ 520,155****Net Assets Consist of:**

Total distributable earnings (loss)	\$	204,652
Paid-in capital applicable to 17,965,510 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		<u>315,503</u>

**NET ASSETS****\$ 520,155****NET ASSET VALUE PER SHARE****Mid-Cap Growth Portfolio Class****(Net assets: \$466,862; Shares outstanding: 16,005,331)****\$ 29.17****Mid-Cap Growth Portfolio - II Class****(Net assets: \$53,293; Shares outstanding: 1,960,179)****\$ 27.19**

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

(Unaudited)

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 6/30/23
<b>Investment Income (Loss)</b>	
Dividend income (net of foreign taxes of \$5)	\$ 2,132
Expenses	
Investment management and administrative expense	2,096
Rule 12b-1 fees - Mid-Cap Growth Portfolio - II Class	66
Waived / paid by Price Associates	(25)
Net expenses	2,137
Net investment loss	(5)
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain on securities	21,140
Change in net unrealized gain on securities	38,814
Net realized and unrealized gain / loss	59,954
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 59,949</b>

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

(Unaudited)

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 6/30/23	Year Ended 12/31/22
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment loss	\$ (5)	\$ (1,083)
Net realized gain	21,140	11,022
Change in net unrealized gain / loss	38,814	(155,119)
Increase (decrease) in net assets from operations	59,949	(145,180)
Distributions to shareholders		
Net earnings		
Mid-Cap Growth Portfolio Class	-	(13,209)
Mid-Cap Growth Portfolio - II Class	-	(1,702)
Decrease in net assets from distributions	-	(14,911)
Capital share transactions*		
Shares sold		
Mid-Cap Growth Portfolio Class	11,171	19,382
Mid-Cap Growth Portfolio - II Class	8,536	10,507
Distributions reinvested		
Mid-Cap Growth Portfolio Class	-	13,209
Mid-Cap Growth Portfolio - II Class	-	1,702
Shares redeemed		
Mid-Cap Growth Portfolio Class	(20,809)	(44,176)
Mid-Cap Growth Portfolio - II Class	(12,502)	(15,235)
Decrease in net assets from capital share transactions	(13,604)	(14,611)
<b>Net Assets</b>		
Increase (decrease) during period	46,345	(174,702)
Beginning of period	473,810	648,512
<b>End of period</b>	<b>\$ 520,155</b>	<b>\$ 473,810</b>
*Share information (000s)		
Shares sold		
Mid-Cap Growth Portfolio Class	407	687
Mid-Cap Growth Portfolio - II Class	330	392
Distributions reinvested		
Mid-Cap Growth Portfolio Class	-	513
Mid-Cap Growth Portfolio - II Class	-	71
Shares redeemed		
Mid-Cap Growth Portfolio Class	(758)	(1,577)
Mid-Cap Growth Portfolio - II Class	(483)	(571)
Decrease in shares outstanding	(504)	(485)

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Equity Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Mid-Cap Growth Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to provide long-term capital appreciation by investing in mid-cap stocks with potential for above-average earnings growth. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the Mid-Cap Growth Portfolio (Mid-Cap Growth Portfolio Class) and the Mid-Cap Growth Portfolio-II (Mid-Cap Growth Portfolio-II Class). Mid-Cap Growth Portfolio-II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Class Accounting** Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Mid-Cap Growth Portfolio-II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**New Accounting Guidance** In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the fund opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

**NOTE 2 - VALUATION**

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

## T. ROWE PRICE MID-CAP GROWTH PORTFOLIO

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Common Stocks	\$ 496,853	\$ —	\$ 2,862	\$ 499,715
Convertible Preferred Stocks	—	—	1,581	1,581
Short-Term Investments	19,792	—	—	19,792
Total	\$ 516,645	\$ —	\$ 4,443	\$ 521,088

**NOTE 3 - OTHER INVESTMENT TRANSACTIONS**

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

**Restricted Securities** The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

**Other** Purchases and sales of portfolio securities other than short-term securities aggregated \$55,111,000 and \$67,943,000, respectively, for the six months ended June 30, 2023.

**NOTE 4 - FEDERAL INCOME TAXES**

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

At June 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was \$341,199,000. Net unrealized gain aggregated \$179,889,000 at period-end, of which \$196,836,000 related to appreciated investments and \$16,947,000 related to depreciated investments.

**NOTE 5 - FOREIGN TAXES**

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2024 to waive a portion of its management fee in order to limit the fund's management fee to 0.84% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were \$25,000 and allocated ratably in the amounts of \$22,000 and \$3,000 for the Mid-Cap Growth Portfolio Class and Mid-Cap Growth Portfolio-II Class, respectively, for the six months ended June 30, 2023.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the funds. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades and for the cost of brokerage commissions embedded in the cost of the fund's foreign currency transactions. These agreements may be rescinded at any time. For the six months ended June 30, 2023, these reimbursements amounted to \$9,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

**NOTE 7 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases,

government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.



## INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	<b>Votes For</b>	<b>Votes Withheld</b>
Melody Bianchetto	74,096,003	4,864,479
Mark J. Parrell	76,629,190	2,346,625
Kellye L. Walker	76,708,663	2,268,629
Eric L. Veiel	76,898,359	2,090,473

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

## HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](https://www.troweprice.com).

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT**

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser), as well as the investment subadvisory agreement (Subadvisory Contract) that the Adviser has entered into with T. Rowe Price Investment Management, Inc. (Subadviser) on behalf of the fund. In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract and Subadvisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadviser and the approval of the Advisory Contract and Subadvisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract and Subadvisory Contract, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Adviser and Subadviser about various topics. The Board also considered that the Subadviser has its own investment platform and investment management leadership, and the Adviser and Subadviser have implemented information barriers restricting the sharing of investment information and voting activity. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

**Services Provided by the Adviser and Subadviser**

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser and Subadviser. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. However, the Board noted that there are information barriers between investment personnel of the Adviser and Subadviser that restrict the sharing of certain information, such as investment research, trading, and proxy voting. The Board also reviewed the background and experience of the Adviser's and Subadviser's senior management teams and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser and Subadviser, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contract.

**Investment Performance of the Fund**

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contract.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT (CONTINUED)****Costs, Benefits, Profits, and Economies of Scale**

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. The Board also reviewed estimates of the profits realized from managing the fund in particular, and the Board concluded that the Adviser's profits were reasonable in light of the services provided to the fund.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays the Adviser an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Adviser to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Adviser has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.84% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Adviser by the fund. Under the Subadvisory Contract, the Adviser may pay the Subadviser up to 60% of the advisory fees that the Adviser receives from the fund. The Adviser has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the fund's investors and has historically sought to set the initial all-inclusive management fee rate at levels below the expense ratios of comparable funds to take into account potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. In addition, the assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement), and total expenses (which reflect the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group) and third quintile (Expense Universe).

The Adviser provided the Board with additional information with respect to the fund's relative management fees and total expenses ranking in the fourth and fifth quintiles. The Board reviewed and considered the information provided relating to the fund, including other funds in the peer group, and other factors that the Board determined to be relevant.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT (CONTINUED)**

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

**Approval of the Advisory Contract and Subadvisory Contract**

As noted, the Board approved the continuation of the Advisory Contract and Subadvisory Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract and Subadvisory Contract (including the fees to be charged for services thereunder).

# T.RowePrice®

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T.RowePrice®



**SEMIANNUAL REPORT**

June 30, 2023

T. ROWE PRICE

# Moderate Allocation Portfolio

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## Dear Investor

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended June 30, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets were resilient as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the six-month period, the technology-oriented Nasdaq Composite Index gained more than 30%, the strongest result of the major benchmarks, as tech companies benefited from investor enthusiasm for artificial intelligence applications. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector partly recovered from the failure of three large regional banks during the period but still finished with modest losses.

Cheaper oil contributed to slowing inflation, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. In response, the Federal Reserve raised its short-term lending benchmark rate to a target range of 5.00% to 5.25% by early May, the highest level since 2007. The Fed held rates steady at its June meeting, but policymakers indicated that two more rate hikes could come by the end of the year.

In the fixed income market, returns were generally positive across most sectors as investors benefited from the higher interest rates that have become available over the past year. Investment-grade corporate bonds were supported by generally solid balance sheets and were among the strongest performers.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could weigh on credit conditions. Moreover, market consensus still seems to point to a coming recession, although hopes have emerged that such a downturn could be more modest.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,

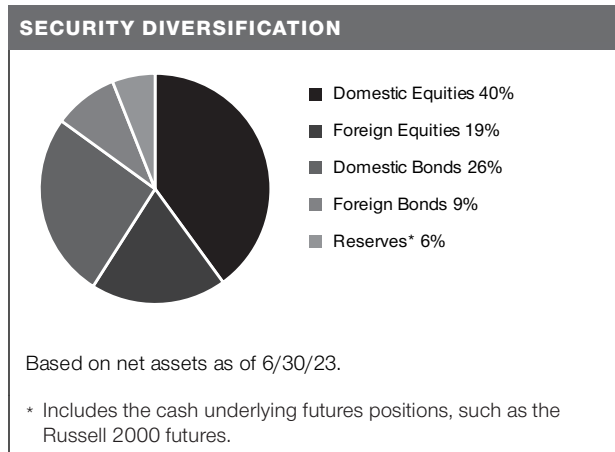


Robert Sharps  
CEO and President



T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

Portfolio Summary



## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

**FUND EXPENSE EXAMPLE**

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following 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 most recent six-month period and held for the entire period.

**Actual Expenses**

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. 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 should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. 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. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

**MODERATE ALLOCATION PORTFOLIO**

	<b>Beginning Account Value 1/1/23</b>	<b>Ending Account Value 6/30/23</b>	<b>Expenses Paid During Period* 1/1/23 to 6/30/23</b>
<b>Actual</b>	\$1,000.00	\$1,087.40	\$3.62
<b>Hypothetical (assumes 5% return before expenses)</b>	1,000.00	1,021.32	3.51

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.70%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 17.81	\$ 22.63	\$ 22.92	\$ 20.96	\$ 18.31	\$ 21.09
Investment activities						
Net investment income <sup>(1)(2)</sup>	0.21	0.31	0.24	0.28	0.38	0.39
Net realized and unrealized gain/ loss	1.34	(4.45)	2.02	2.72	3.22	(1.44)
Total from investment activities	1.55	(4.14)	2.26	3.00	3.60	(1.05)
Distributions						
Net investment income	(0.20)	(0.30)	(0.24)	(0.29)	(0.40)	(0.38)
Net realized gain	-	(0.38)	(2.31)	(0.75)	(0.55)	(1.35)
Total distributions	(0.20)	(0.68)	(2.55)	(1.04)	(0.95)	(1.73)
<b>NET ASSET VALUE</b>						
End of period	\$ 19.16	\$ 17.81	\$ 22.63	\$ 22.92	\$ 20.96	\$ 18.31
<b>Ratios/Supplemental Data</b>						
Total return <sup>(2)(3)</sup>	8.74%	(18.31)%	10.06%	14.54%	19.80%	(5.08)%
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	0.90% <sup>(5)</sup>	0.90%	0.90%	0.90%	0.90%	0.88%
Net expenses after waivers/ payments by Price Associates	0.70% <sup>(5)</sup>	0.70%	0.71%	0.72%	0.72%	0.76%
Net investment income	2.23% <sup>(5)</sup>	1.60%	1.00%	1.32%	1.88%	1.84%
Portfolio turnover rate	42.3%	98.9%	82.3%	65.5%	91.2%	77.0%
Net assets, end of period (in thousands)	\$ 170,908	\$ 161,984	\$ 209,296	\$ 200,870	\$ 184,645	\$ 166,744

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 7 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 7. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

June 30, 2023 (Unaudited)

PORTFOLIO OF INVESTMENTS <sup>†</sup>	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>ASSET-BACKED SECURITIES 1.3%</b>		
AmeriCredit Automobile Receivables Trust Series 2020-3, Class D 1.49%, 9/18/26	20,000	18
AmeriCredit Automobile Receivables Trust Series 2021-1, Class D 1.21%, 12/18/26	23,000	21
AmeriCredit Automobile Receivables Trust Series 2023-1, Class C 5.80%, 12/18/28	35,000	35
Amur Equipment Finance Receivables X Series 2022-1A, Class D 2.91%, 8/21/28 (1)	100,000	89
Carlyle U.S. Series 2019-4A, Class A11R, CLO, FRN 3M TSFR + 1.32%, 6.306%, 4/15/35 (1)	250,000	244
Carmax Auto Owner Trust Series 2021-1, Class D 1.28%, 7/15/27	90,000	82
CarMax Auto Owner Trust Series 2022-1, Class D 2.47%, 7/17/28	20,000	18
Carvana Auto Receivables Trust Series 2022-P1, Class C 3.30%, 4/10/28	35,000	31
CIFC Funding Series 2020-1A, Class A1R, CLO, FRN 3M USD LIBOR + 1.15%, 6.41%, 7/15/36 (1)	250,000	246
Driven Brands Funding Series 2020-2A, Class A2 3.237%, 1/20/51 (1)	63,538	55
Exeter Automobile Receivables Trust Series 2022-2A, Class C 3.85%, 7/17/28	75,000	72
Exeter Automobile Receivables Trust Series 2022-3A, Class C 5.30%, 9/15/27	50,000	49
Exeter Automobile Receivables Trust Series 2023-1A, Class D 6.69%, 6/15/29	10,000	10
Ford Credit Auto Owner Trust Series 2018-1, Class C 3.49%, 7/15/31 (1)	100,000	96
Ford Credit Auto Owner Trust Series 2022-C, Class C 5.22%, 3/15/30	25,000	25
Ford Credit Auto Owner Trust Series 2023-1, Class A 4.85%, 8/15/35 (1)	100,000	98
Hardee's Funding Series 2018-1A, Class A2II 4.959%, 6/20/48 (1)	52,388	49
HPEFS Equipment Trust Series 2022-1A, Class D 2.40%, 11/20/29 (1)	100,000	93
HPS Loan Management Series 2021-16A, Class A1, CLO, FRN 3M USD LIBOR + 1.14%, 6.413%, 1/23/35 (1)	250,000	244

	Shares/Par	\$ Value
(Cost and value in \$000s)		
MVV Series 2023-1A, Class A 4.93%, 10/20/40 (1)	96,585	95
Octane Receivables Trust Series 2023-1A, Class A 5.87%, 5/21/29 (1)	83,894	83
Santander Drive Auto Receivables Trust Series 2021-4, Class D 1.67%, 10/15/27	25,000	23
Santander Drive Auto Receivables Trust Series 2022-2, Class C 3.76%, 7/16/29	40,000	38
Santander Drive Auto Receivables Trust Series 2022-5, Class C 4.74%, 10/16/28	20,000	19
Santander Drive Auto Receivables Trust Series 2022-6, Class B 4.72%, 6/15/27	90,000	88
Santander Retail Auto Lease Trust Series 2021-A, Class D 1.38%, 3/22/27 (1)	50,000	48
SMB Private Education Loan Trust Series 2018-A, Class A2A 3.50%, 2/15/36 (1)	44,327	42
SMB Private Education Loan Trust Series 2018-C, Class A2A 3.63%, 11/15/35 (1)	42,473	41
SMB Private Education Loan Trust Series 2021-A, Class B 2.31%, 1/15/53 (1)	100,000	90
Verizon Master Trust Series 2023-1, Class C 4.98%, 1/22/29	20,000	19
<b>Total Asset-Backed Securities (Cost \$2,253)</b>		<b>2,161</b>
<b>BOND MUTUAL FUNDS 13.6%</b>		
T. Rowe Price Inflation Protected Bond Fund - I Class, 7.97% (2)(3)	519	6
T. Rowe Price Institutional Emerging Markets Bond Fund, 6.47% (2)(3)	1,090,725	6,937
T. Rowe Price Institutional Floating Rate Fund - Institutional Class, 8.76% (2)(3)	40,784	380
T. Rowe Price Institutional High Yield Fund - Institutional Class, 8.16% (2)(3)	1,251,416	9,411
T. Rowe Price International Bond Fund - I Class, 4.42% (2)(3)	456,877	3,230
T. Rowe Price International Bond Fund (USD Hedged) - I Class, 4.35% (2)(3)	414,414	3,369
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, 7.84% (2)(3)	1,401	6
<b>Total Bond Mutual Funds (Cost \$26,953)</b>		<b>23,339</b>
<b>COMMON STOCKS 51.9%</b>		
<b>COMMUNICATION SERVICES 3.2%</b>		
<b>Diversified Telecommunication Services 0.3%</b>		
KT (KRW)	3,294	75

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Nippon Telegraph & Telephone (JPY)	285,000	337
Verizon Communications	3,007	112
		524
<b>Entertainment 0.2%</b>		
Netflix (4)	641	282
Sea, ADR (4)	933	54
Walt Disney (4)	850	76
		412
<b>Interactive Media &amp; Services 2.2%</b>		
Alphabet, Class A (4)	2,117	254
Alphabet, Class C (4)	19,400	2,347
Meta Platforms, Class A (4)	3,435	986
NAVER (KRW)	364	51
Tencent Holdings (HKD)	1,000	42
Vimeo (4)	4,881	20
Z Holdings (JPY)	20,900	50
		3,750
<b>Media 0.1%</b>		
CyberAgent (JPY)	8,900	65
WPP (GBP)	14,719	154
		219
<b>Wireless Telecommunication Services 0.4%</b>		
T-Mobile U.S. (4)	4,196	583
Vodafone Group, ADR	9,564	90
		673
Total Communication Services		5,578
<b>CONSUMER DISCRETIONARY 5.3%</b>		
<b>Automobile Components 0.3%</b>		
Autoliv, SDR (SEK)	1,258	107
Denso (JPY)	2,200	148
Dowlais Group (GBP) (4)	22,216	36
Magna International	2,530	143
Stanley Electric (JPY)	2,700	55
		489
<b>Automobiles 0.6%</b>		
General Motors	2,270	87
Honda Motor (JPY)	1,600	48
Rivian Automotive, Class A (4)	2,270	38
Suzuki Motor (JPY)	2,500	91
Tesla (4)	2,180	571
Toyota Motor (JPY)	15,000	241
		1,076
<b>Broadline Retail 1.7%</b>		
Alibaba Group Holding, ADR (4)	354	30
Amazon.com (4)	20,036	2,612
Kohl's	649	15
Next (GBP)	1,356	119
Ollie's Bargain Outlet Holdings (4)	1,440	83
		2,859
<b>Diversified Consumer Services 0.1%</b>		
Bright Horizons Family Solutions (4)	622	58
Clear Secure, Class A	2,046	47
Duolingo (4)	336	48

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Rover Group, Acquisition Date: 8/2/21, Cost \$— (4)(5)	823	—
Service Corp International	1,147	74
Strategic Education	447	30
		257
<b>Hotels, Restaurants &amp; Leisure 1.1%</b>		
Amadeus IT Group (EUR) (4)	1,563	119
BJ's Restaurants (4)	1,045	33
Booking Holdings (4)	193	521
Cava Group, Acquisition Date: 6/23/20 - 3/26/21, Cost \$31 (4)(5)	3,267	134
Chipotle Mexican Grill (4)	97	208
Chuy's Holdings (4)	1,002	41
Compass Group (GBP)	7,715	216
DoorDash, Class A (4)	591	45
Dutch Bros, Class A (4)	252	7
Fiesta Restaurant Group (4)	2,043	16
Marriott Vacations Worldwide	147	18
McDonald's	1,347	402
Papa John's International	1,016	75
Red Rock Resorts, Class A	529	25
Wyndham Hotels & Resorts	447	31
		1,891
<b>Household Durables 0.3%</b>		
Installed Building Products	135	19
Panasonic Holdings (JPY)	11,100	136
Persimmon (GBP)	4,269	56
Skyline Champion (4)	651	42
Sony Group (JPY)	2,300	208
		461
<b>Specialty Retail 0.9%</b>		
AutoZone (4)	52	130
Bath & Body Works	700	26
Best Buy	755	62
Burlington Stores (4)	482	76
Caleres	889	21
Farfetch, Class A (4)	2,616	16
Five Below (4)	161	32
Floor & Decor Holdings, Class A (4)	122	13
Home Depot	225	70
Kingfisher (GBP)	52,239	154
Monro	989	40
O'Reilly Automotive (4)	199	190
RH (4)	66	22
Ross Stores	1,020	114
Savers Value Village (4)	335	8
TJX	1,806	153
Ulta Beauty (4)	673	317
Warby Parker, Class A (4)	2,264	26
Zalando (EUR) (4)	1,943	56
		1,526
<b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>		
Dr. Martens (GBP)	13,255	21
Kering (EUR)	211	117
Lululemon Athletica (4)	244	92
Moncler (EUR)	2,097	145

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
NIKE, Class B	658	73
Samsonite International (HKD) (4)	21,300	60
Skechers USA, Class A (4)	766	40
		548
Total Consumer Discretionary		9,107
<b>CONSUMER STAPLES 3.6%</b>		
<b>Beverages 0.6%</b>		
Boston Beer, Class A (4)	191	59
Coca-Cola	5,189	313
Coca-Cola Consolidated	43	27
Diageo (GBP)	4,683	201
Heineken (EUR)	1,678	173
Kirin Holdings (JPY)	4,100	60
PepsiCo	891	165
		998
<b>Consumer Staples Distribution &amp; Retail 0.6%</b>		
Dollar General	708	120
Fresh Market, EC (4)(6)	590	—
Seven & i Holdings (JPY)	4,400	190
Target	1,626	214
Walmart	2,571	404
Welcia Holdings (JPY)	1,900	40
		968
<b>Food Products 1.3%</b>		
Barry Callebaut (CHF)	46	89
General Mills	3,884	298
Hershey	867	216
Kraft Heinz	3,336	118
Mondelez International, Class A	7,973	582
Nestle (CHF)	5,236	630
Nomad Foods (4)	1,058	19
Post Holdings (4)	516	45
Simply Good Foods (4)	560	20
TreeHouse Foods (4)	474	24
Utz Brands	1,956	32
Wilmar International (SGD)	48,100	135
		2,208
<b>Household Products 0.4%</b>		
Colgate-Palmolive	1,786	138
Procter & Gamble	3,898	591
		729
<b>Personal Care Products 0.5%</b>		
BellRing Brands (4)	2,103	77
Kenvue (4)	6,511	172
L'Oreal (EUR)	449	210
Unilever (GBP)	7,089	369
		828
<b>Tobacco 0.2%</b>		
Philip Morris International	4,220	412
		412
Total Consumer Staples		6,143

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>ENERGY 1.9%</b>		
<b>Energy Equipment &amp; Services 0.2%</b>		
Cactus, Class A	491	21
Halliburton	900	30
Liberty Energy, Class A	2,498	33
NexTier Oilfield Solutions (4)	4,158	37
NOV	1,600	26
Schlumberger	5,110	251
		398
<b>Oil, Gas &amp; Consumable Fuels 1.7%</b>		
Chevron	2,279	359
Devon Energy	760	37
Diamondback Energy	491	64
EQT	8,980	369
Equinor (NOK)	8,864	258
Exxon Mobil	4,264	457
Kimbell Royalty Partners	462	7
Kinder Morgan	10,646	183
Magnolia Oil & Gas, Class A	3,385	71
Range Resources	6,470	190
Shell, ADR	2,675	161
Southwestern Energy (4)	12,582	76
TotalEnergies (EUR)	5,173	297
Venture Global LNG, Series B, Acquisition Date: 3/8/18, Cost \$3 (4)(5)(6)	1	18
Venture Global LNG, Series C, Acquisition Date: 5/25/17 - 3/8/18, Cost \$18 (4)(5)(6)	5	90
Williams	7,066	231
		2,868
Total Energy		3,266
<b>FINANCIALS 8.8%</b>		
<b>Banks 2.9%</b>		
ANZ Group Holdings (AUD)	5,636	89
Bank of America	21,282	611
BankUnited	973	21
Blue Foundry Bancorp (4)	655	7
BNP Paribas (EUR)	2,152	136
Cadence Bank	1,348	26
Capitol Federal Financial	2,256	14
Columbia Banking System	1,578	32
CRB Group, Acquisition Date: 4/14/22, Cost \$2 (4)(5)(6)	23	2
CrossFirst Bankshares (4)	1,190	12
DBS Group Holdings (SGD)	4,375	102
Dime Community Bancshares	929	16
DNB Bank (NOK)	12,171	228
Dogwood State Bank, Non-Voting Shares, Acquisition Date: 5/6/19, Cost \$3 (4)(5)(6)	307	6
Dogwood State Bank, Voting Shares, Acquisition Date: 5/6/19, Cost \$1 (4)(5)(6)	151	3
Dogwood State Bank, Warrants, 5/6/24, Acquisition Date: 5/6/19, Cost \$— (4)(5)(6)	46	1
East West Bancorp	1,473	78
Eastern Bankshares	1,409	17
Equity Bancshares, Class A	621	14
Erste Group Bank (EUR)	1,541	54
FB Financial	891	25

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
First Bancshares	917	24
Five Star Bancorp	621	14
Grasshopper Bancorp, Acquisition Date: 10/12/18 - 5/2/19, Cost \$5 (4)(5)(6)	528	1
Grasshopper Bancorp, Warrants, 10/12/28, Acquisition Date: 10/12/18, Cost \$— (4)(5) (6)	104	—
Heritage Commerce	2,477	21
Home BancShares	1,202	27
ING Groep (EUR)	18,857	254
Intesa Sanpaolo (EUR)	22,218	58
JPMorgan Chase	6,012	874
Kearny Financial	1,315	9
Live Oak Bancshares	1,060	28
Lloyds Banking Group (GBP)	188,471	104
Mitsubishi UFJ Financial Group (JPY)	21,900	161
National Bank of Canada (CAD)	2,710	202
Origin Bancorp	1,005	29
Pacific Premier Bancorp	925	19
Pinnacle Financial Partners	603	34
PNC Financial Services Group	3,595	453
Popular	340	21
SouthState	651	43
Standard Chartered (GBP)	9,022	79
Sumitomo Mitsui Trust Holdings (JPY)	1,935	69
Svenska Handelsbanken, Class A (SEK)	15,004	126
Texas Capital Bancshares (4)	446	23
U.S. Bancorp	7,621	252
United Overseas Bank (SGD)	7,900	164
Veritex Holdings	941	17
Wells Fargo	7,644	326
Western Alliance Bancorp	583	21
		4,947
<b>Capital Markets 0.8%</b>		
Bridgepoint Group (GBP)	19,176	49
Brookfield (CAD)	2,900	98
Cboe Global Markets	1,374	190
Charles Schwab	1,055	60
Goldman Sachs Group	1,073	346
Julius Baer Group (CHF)	1,871	118
Macquarie Group (AUD)	866	103
Morgan Stanley	1,091	93
MSCI	59	28
P10, Class A	1,936	22
S&P Global	263	105
StepStone Group, Class A	1,136	28
TMX Group (CAD)	1,330	30
XP, Class A (4)	2,236	52
		1,322
<b>Consumer Finance 0.2%</b>		
American Express	1,259	220
Encore Capital Group (4)	472	23
PRA Group (4)	976	22
		265
<b>Financial Services 2.2%</b>		
Adyen (EUR) (4)	67	116
Affirm Holdings (4)	682	11

	Shares/Par	\$ Value
(Cost and value in \$000s)		
ANT International, Class C, Acquisition Date: 6/7/18, Cost \$61 (4)(5)(6)	16,076	28
Berkshire Hathaway, Class B (4)	1,856	633
Block, Class A (4)	465	31
Challenger (AUD)	8,977	39
Conyers Park III Acquisition (4)	1,070	11
Corebridge Financial	3,515	62
Element Fleet Management (CAD)	12,152	185
Essent Group	420	20
Fidelity National Information Services	1,305	71
Fiserv (4)	3,491	440
FleetCor Technologies (4)	326	82
Housing Development Finance (INR)	3,257	112
Mastercard, Class A	1,333	524
Mitsubishi HC Capital (JPY)	10,200	61
PennyMac Financial Services	1,154	81
Toast, Class A (4)	1,502	34
Visa, Class A	4,927	1,170
		3,711
<b>Insurance 2.7%</b>		
AIA Group (HKD)	8,800	89
Allstate	2,522	275
Assurant	471	59
AXA (EUR)	10,400	307
Axis Capital Holdings	1,167	63
Chubb	2,932	565
Definity Financial (CAD)	1,501	40
First American Financial	512	29
Hanover Insurance Group	367	42
Hartford Financial Services Group	3,539	255
Kemper	546	26
Marsh & McLennan	696	131
MetLife	8,762	495
Munich Re (EUR)	887	333
PICC Property & Casualty, Class H (HKD)	72,000	80
Ping An Insurance Group, Class H (HKD)	7,000	45
Progressive	4,172	552
Sampo, Class A (EUR)	3,691	166
Selective Insurance Group	1,009	97
Storebrand (NOK)	14,124	110
Sun Life Financial (CAD)	3,530	184
Tokio Marine Holdings (JPY)	7,900	182
Travelers	1,298	225
Zurich Insurance Group (CHF)	441	210
		4,560
Total Financials		14,805
<b>HEALTH CARE 8.1%</b>		
<b>Biotechnology 0.9%</b>		
Abcam, ADR (4)	2,968	73
Agios Pharmaceuticals (4)	415	12
Amgen	1,474	327
Apellis Pharmaceuticals (4)	965	88
Argenx, ADR (4)	146	57
Ascendis Pharma, ADR (4)	479	43
Avid Bioservices (4)	1,759	25
Blueprint Medicines (4)	656	41
Cerevel Therapeutics Holdings (4)	530	17



## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Crinetics Pharmaceuticals (4)	410	7
CRISPR Therapeutics (4)	280	16
Cytokinetics (4)	551	18
Generation Bio (4)	997	5
Genmab (DKK) (4)	150	57
HilleVax (4)	360	6
Icosavax (4)	852	8
Immatics (4)	704	8
Insmed (4)	2,072	44
Ionis Pharmaceuticals (4)	708	29
Karuna Therapeutics (4)	235	51
Kymera Therapeutics (4)	237	5
MacroGenics (4)	1,250	7
Morphic Holding (4)	278	16
MorphoSys, ADR (4)	2,191	16
Nkarta (4)	987	2
Prothena (4)	319	22
RAPT Therapeutics (4)	457	9
Regeneron Pharmaceuticals (4)	423	304
Relay Therapeutics (4)	422	5
Repare Therapeutics (4)	373	4
Scholar Rock, Warrants, 12/31/25, Acquisition Date: 6/17/22, Cost \$— (4)(5)	87	—
Scholar Rock Holding (4)	1,161	9
Vaxcyte (4)	465	23
Vertex Pharmaceuticals (4)	651	229
Verve Therapeutics (4)	517	10
Xencor (4)	733	18
Zentalis Pharmaceuticals (4)	483	14
		1,625
<b>Health Care Equipment &amp; Supplies 1.2%</b>		
Alcon (CHF)	1,160	96
Align Technology (4)	83	29
Becton Dickinson & Company	823	217
Elekta, Class B (SEK)	10,172	79
Embecta	1,296	28
EssilorLuxottica (EUR)	713	134
GE Healthcare Technologies	2,369	192
ICU Medical (4)	292	52
Intuitive Surgical (4)	982	336
Koninklijke Philips (EUR) (4)	5,571	121
Masimo (4)	228	38
Medtronic	1,020	90
Neogen (4)	2,089	45
Outset Medical (4)	1,424	31
Pax Labs, Class A, Acquisition Date: 4/18/19, Cost \$15 (4)(5)(6)	3,864	2
Penumbra (4)	57	20
PROCEPT BioRobotics (4)	1,258	45
QuidelOrtho (4)	479	40
Siemens Healthineers (EUR)	3,166	179
STERIS	683	154
Stryker	411	125
Teleflex	107	26
		2,079
<b>Health Care Providers &amp; Services 2.4%</b>		
Alignment Healthcare (4)	2,836	16

	Shares/Par	\$ Value
(Cost and value in \$000s)		
AmerisourceBergen	3,957	762
dentalcorp Holdings (CAD) (4)	1,237	7
Elevance Health	2,253	1,001
Fresenius (EUR)	3,885	108
Guardant Health (4)	645	23
HCA Healthcare	713	216
Humana	589	263
ModivCare (4)	517	23
Molina Healthcare (4)	917	276
NeoGenomics (4)	2,260	36
Option Care Health (4)	1,309	43
Pennant Group (4)	745	9
Privia Health Group (4)	2,086	55
Quest Diagnostics	1,070	150
U.S. Physical Therapy	365	44
UnitedHealth Group	2,252	1,083
		4,115
<b>Health Care Technology 0.1%</b>		
Certara (4)	1,103	20
Doximity, Class A (4)	558	19
Veeva Systems, Class A (4)	250	49
		88
<b>Life Sciences Tools &amp; Services 0.9%</b>		
10X Genomics, Class A (4)	465	26
Adaptive Biotechnologies (4)	492	3
Agilent Technologies	1,133	136
Bruker	898	67
Danaher	2,272	545
Evotec (EUR) (4)	2,180	49
Olink Holding, ADR (4)	905	17
Pacific Biosciences of California (4)	2,692	36
Repligen (4)	97	14
Thermo Fisher Scientific	1,376	718
		1,611
<b>Pharmaceuticals 2.6%</b>		
Astellas Pharma (JPY)	14,200	211
AstraZeneca, ADR	8,056	576
Bayer (EUR)	3,264	181
Catalent (4)	695	30
Eli Lilly	1,601	751
GSK, ADR	3,049	109
Johnson & Johnson	2,887	478
Merck	4,575	528
Novartis (CHF)	3,309	334
Novo Nordisk, Class B (DKK)	1,373	222
Otsuka Holdings (JPY)	2,600	95
Roche Holding (CHF)	1,184	362
Sanofi (EUR)	3,545	382
Structure Therapeutics, ADR (4)	195	8
Ventix Biosciences (4)	251	8
Zoetis	653	112
		4,387
Total Health Care		13,905



## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>INDUSTRIALS &amp; BUSINESS SERVICES 5.7%</b>		
<b>Aerospace &amp; Defense 0.6%</b>		
Bombardier, Class B (CAD) (4)	343	17
Cadre Holdings	516	11
General Dynamics	1,110	239
L3Harris Technologies	1,364	267
Melrose Industries (GBP)	22,519	145
Northrop Grumman	155	71
Parsons (4)	1,047	50
Safran (EUR)	1,007	158
TransDigm Group	55	49
		1,007
<b>Building Products 0.3%</b>		
AZZ	1,100	48
Carrier Global	6,903	343
CSW Industrials	262	43
		434
<b>Commercial Services &amp; Supplies 0.1%</b>		
Casella Waste Systems, Class A (4)	331	30
Cintas	72	36
Rentokil Initial (GBP)	6,239	49
Stericycle (4)	615	29
Tetra Tech	174	28
		172
<b>Construction &amp; Engineering 0.1%</b>		
WillScot Mobile Mini Holdings (4)	341	16
Worley (AUD)	11,690	124
		140
<b>Electrical Equipment 1.1%</b>		
ABB (CHF)	5,981	235
AMETEK	2,633	426
Eaton	1,552	312
Hubbell	1,051	349
Legrand (EUR)	1,683	167
Mitsubishi Electric (JPY)	13,900	197
Prysmian (EUR)	4,576	191
Thermon Group Holdings (4)	475	13
		1,890
<b>Ground Transportation 0.8%</b>		
Central Japan Railway (JPY)	700	88
Convoy, Warrants, 03/15/33, Acquisition Date: 3/24/23, Cost \$— (4)(5)(6)	94	—
CSX	16,596	566
Landstar System	171	33
Norfolk Southern	460	104
Old Dominion Freight Line	857	317
Saia (4)	201	69
Union Pacific	1,101	225
		1,402
<b>Industrial Conglomerates 0.8%</b>		
DCC (GBP)	1,559	87
General Electric	4,260	468
Honeywell International	598	124
Roper Technologies	291	140

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Siemens (EUR)	3,775	629
		1,448
<b>Machinery 0.9%</b>		
ATS (4)	197	9
Cummins	1,288	316
Deere	120	49
Dover	263	39
Enerpac Tool Group	1,731	47
EnPro Industries	221	29
Esab	378	25
ESCO Technologies	391	41
Federal Signal	1,093	70
Graco	557	48
Helios Technologies	691	46
Ingersoll Rand	1,797	117
John Bean Technologies	414	50
KION Group (EUR)	1,849	75
Marel (ISK)	2,004	6
Mueller Water Products, Class A	2,659	43
RBC Bearings (4)	209	45
SMC (JPY)	100	56
SPX Technologies (4)	859	73
THK (JPY)	2,100	43
Toro	267	27
Westinghouse Air Brake Technologies	3,286	360
		1,614
<b>Passenger Airlines 0.0%</b>		
Allegiant Travel (4)	334	42
		42
<b>Professional Services 0.6%</b>		
Booz Allen Hamilton Holding	2,141	239
Broadridge Financial Solutions	1,037	172
Checkr, Acquisition Date: 6/29/18 - 12/2/19, Cost \$4 (4)(5)(6)	594	3
Clarivate (4)	3,131	30
Huron Consulting Group (4)	166	14
Legalzoom.com (4)	943	11
Paycom Software	65	21
Paycor HCM (4)	1,345	32
Recruit Holdings (JPY)	3,700	118
SS&C Technologies Holdings	717	43
TechnoPro Holdings (JPY)	4,000	87
Teleperformance (EUR)	499	84
Verisk Analytics	764	173
		1,027
<b>Trading Companies &amp; Distributors 0.4%</b>		
Air Lease	871	36
Ashtead Group (GBP)	2,303	160
Beacon Roofing Supply (4)	635	53
Bunzl (GBP)	2,402	92
Mitsubishi (JPY)	3,100	150
Rush Enterprises, Class A	563	34
SiteOne Landscape Supply (4)	433	72
Sumitomo (JPY)	6,700	142

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Xometry, Class A (4)	586	12
		751
Total Industrials & Business Services		9,927
<b>INFORMATION TECHNOLOGY 11.7%</b>		
<b>Communications Equipment 0.1%</b>		
Infinera (4)	1,348	7
Telefonaktiebolaget LM Ericsson, Class B (SEK)	23,581	128
		135
<b>Electronic Equipment, Instruments &amp; Components 0.8%</b>		
Amphenol, Class A	3,040	258
CTS	1,189	51
Hamamatsu Photonics (JPY)	2,100	103
Largan Precision (TWD)	1,000	68
Littelfuse	195	57
Mirion Technologies (4)	4,827	41
Murata Manufacturing (JPY)	2,200	126
Napco Security Technologies	628	22
Novanta (4)	229	42
Omron (JPY)	1,200	74
PAR Technology (4)	1,648	54
TE Connectivity	2,645	371
Teledyne Technologies (4)	175	72
Vontier	1,250	40
		1,379
<b>IT Services 0.4%</b>		
Accenture, Class A	925	285
MongoDB (4)	308	126
NTT Data Group (JPY)	11,700	164
ServiceTitan, Acquisition Date: 11/9/18 - 5/4/21, Cost \$1 (4)(5)(6)	26	2
Shopify, Class A (4)	1,855	120
Snowflake, Class A (4)	231	41
Themis Solutions, Acquisition Date: 4/14/21, Cost \$2 (4)(5)(6)	110	2
		740
<b>Semiconductors &amp; Semiconductor Equipment 4.4%</b>		
Advanced Micro Devices (4)	1,534	175
Analog Devices	564	110
Applied Materials	3,344	483
ASML Holding (EUR)	553	401
ASML Holding	370	268
Broadcom	906	786
Credo Technology Group Holding (4)	1,459	25
Entegris	672	74
KLA	581	282
Lam Research	525	338
Lattice Semiconductor (4)	863	83
MACOM Technology Solutions Holdings (4)	605	40
Marvell Technology	966	58
Micron Technology	7,050	445
Monolithic Power Systems	214	116
NVIDIA	4,429	1,874
NXP Semiconductors	1,624	332

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Onto Innovation (4)	511	60
QUALCOMM	690	82
Renesas Electronics (JPY) (4)	5,500	104
SiTime (4)	150	18
Skyworks Solutions	1,593	176
Taiwan Semiconductor Manufacturing (TWD)	23,219	429
Taiwan Semiconductor Manufacturing, ADR	718	72
Texas Instruments	3,141	565
Tokyo Electron (JPY)	1,100	158
		7,554
<b>Software 3.9%</b>		
Adobe (4)	107	52
Agilysys (4)	471	32
Amplitude, Class A (4)	2,363	26
Atlassian, Class A (4)	412	69
Autodesk (4)	685	140
BILL Holdings (4)	577	68
Braze, Class A (4)	254	11
Cadence Design Systems (4)	530	124
Canva, Acquisition Date: 8/16/21 - 12/17/21, Cost \$34 (4)(5)(6)	20	14
Confluent, Class A (4)	829	29
CrowdStrike Holdings, Class A (4)	192	28
Datadog, Class A (4)	380	37
Descartes Systems Group (4)	848	68
DoubleVerify Holdings (4)	2,138	83
Envestnet (4)	398	24
Five9 (4)	786	65
Fortinet (4)	296	22
Gusto, Acquisition Date: 10/4/21, Cost \$10 (4)(5)(6)	364	7
Intuit	522	239
Manhattan Associates (4)	219	44
Microsoft	13,336	4,542
SAP (EUR)	1,750	239
ServiceNow (4)	789	444
Socure, Acquisition Date: 12/22/21, Cost \$2 (4)(5)(6)	117	1
Synopsys (4)	520	227
Workiva (4)	568	58
		6,693
<b>Technology Hardware, Storage &amp; Peripherals 2.1%</b>		
Apple	17,248	3,345
Samsung Electronics (KRW)	4,663	257
		3,602
Total Information Technology		20,103
<b>MATERIALS 1.5%</b>		
<b>Chemicals 0.9%</b>		
Air Liquide (EUR)	1,036	186
Akzo Nobel (EUR)	1,500	123
Asahi Kasei (JPY)	10,600	72
BASF (EUR)	2,105	102
Covestro (EUR) (4)	2,211	115
Element Solutions	4,622	89
HB Fuller	293	21

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Johnson Matthey (GBP)	3,979	88
Linde	706	269
Nutrien	3,071	181
Quaker Chemical	262	51
Sherwin-Williams	337	90
Tosoh (JPY)	1,000	12
Umicore (EUR)	3,197	89
		1,488
<b>Containers &amp; Packaging 0.0%</b>		
Amtcor, CDI (AUD)	3,916	39
		39
<b>Metals &amp; Mining 0.5%</b>		
Antofagasta (GBP)	6,440	120
BHP Group (AUD)	1,770	53
BHP Group (GBP)	4,806	143
Compass Minerals International	261	9
Constellium (4)	3,252	56
ERO Copper (CAD) (4)	907	18
Freeport-McMoRan	2,400	96
Haynes International	661	34
IGO (AUD)	26,217	268
Rio Tinto (AUD)	579	44
South32 (AUD)	32,920	83
		924
<b>Paper &amp; Forest Products 0.1%</b>		
Stora Enso, Class R (EUR)	8,762	102
West Fraser Timber (CAD)	232	20
		122
Total Materials		2,573
<b>REAL ESTATE 0.9%</b>		
<b>Health Care Real Estate Investment Trusts 0.0%</b>		
Community Healthcare Trust, REIT	467	15
		15
<b>Industrial Real Estate Investment Trusts 0.2%</b>		
EastGroup Properties, REIT	529	92
Prologis, REIT	901	110
Rexford Industrial Realty, REIT	1,000	52
Terreno Realty, REIT	411	25
		279
<b>Office Real Estate Investment Trusts 0.0%</b>		
Great Portland Estates (GBP)	9,297	49
		49
<b>Real Estate Management &amp; Development 0.2%</b>		
Altus Group (CAD) (7)	227	8
DigitalBridge Group	1,063	16
FirstService	718	111
Mitsui Fudosan (JPY)	7,700	153
Tricon Residential	3,441	30
		318

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>Residential Real Estate Investment Trusts 0.1%</b>		
Equity LifeStyle Properties, REIT	1,434	96
Flagship Communities REIT	659	11
Independence Realty Trust, REIT	2,093	38
		145
<b>Retail Real Estate Investment Trusts 0.1%</b>		
Scentre Group (AUD)	58,954	104
		104
<b>Specialized Real Estate Investment Trusts 0.3%</b>		
CubeSmart, REIT	1,283	57
Life Storage, REIT	467	62
Public Storage, REIT	1,116	326
Weyerhaeuser, REIT	3,113	104
		549
Total Real Estate		1,459
<b>UTILITIES 1.2%</b>		
<b>Electric Utilities 0.7%</b>		
Constellation Energy	4,184	383
Entergy	457	45
Evergy	1,137	66
FirstEnergy	1,239	48
IDACORP	525	54
MGE Energy	275	22
NextEra Energy	2,299	171
Southern	4,985	350
		1,139
<b>Gas Utilities 0.1%</b>		
Beijing Enterprises Holdings (HKD)	10,500	38
Chesapeake Utilities	452	54
ONE Gas	271	21
Southwest Gas Holdings	885	56
		169
<b>Independent Power &amp; Renewable Electricity Producers 0.1%</b>		
Electric Power Development (JPY)	4,200	62
NextEra Energy Partners	617	36
		98
<b>Multi-Utilities 0.3%</b>		
Ameren	455	37
DTE Energy	216	24
Engie (EUR)	15,100	252
National Grid (GBP)	10,727	142
		455
<b>Water Utilities 0.0%</b>		
California Water Service Group	490	25
		25
Total Utilities		1,886
Total Miscellaneous Common Stocks 0.0% (8)		63
<b>Total Common Stocks (Cost \$54,616)</b>		<b>88,815</b>

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>CONVERTIBLE BONDS 0.0%</b>		
Convoy, 15.00%, 9/30/26, Acquisition Date: 3/24/23, Cost \$1 (4)(5)(6)	653	1
<b>Total Convertible Bonds (Cost \$1)</b>		<b>1</b>
<b>CONVERTIBLE PREFERRED STOCKS 0.2%</b>		
<b>CONSUMER DISCRETIONARY 0.0%</b>		
<b>Specialty Retail 0.0%</b>		
1661, Series F, Acquisition Date: 5/28/21, Cost \$10 (4)(5)(6)	1,674	3
Total Consumer Discretionary		3
<b>CONSUMER STAPLES 0.0%</b>		
<b>Food Products 0.0%</b>		
Farmers Business Network, Series D, Acquisition Date: 11/3/17, Cost \$14 (4)(5) (6)	733	37
Total Consumer Staples		37
<b>FINANCIALS 0.0%</b>		
<b>Banks 0.0%</b>		
CRB Group, Series D, Acquisition Date: 1/28/22, Cost \$9 (4)(5)(6)	81	6
Total Financials		6
<b>HEALTH CARE 0.1%</b>		
<b>Biotechnology 0.0%</b>		
Caris Life Sciences, Series C, Acquisition Date: 8/14/20, Cost \$5 (4)(5)(6)	1,752	9
Caris Life Sciences, Series D, Acquisition Date: 5/11/21, Cost \$7 (4)(5)(6)	895	5
		14
<b>Health Care Equipment &amp; Supplies 0.0%</b>		
Kardium, Series D-6, Acquisition Date: 1/8/21, Cost \$5 (4)(5)(6)	5,305	5
		5
<b>Health Care Providers &amp; Services 0.0%</b>		
Honor Technology, Series D, Acquisition Date: 10/16/20, Cost \$10 (4)(5)(6)	4,107	5
		5
<b>Life Sciences Tools &amp; Services 0.1%</b>		
Cleerly, Series C, Acquisition Date: 7/8/22, Cost \$5 (4)(5)(6)	413	5
Inscripta, Series E, Acquisition Date: 3/30/21, Cost \$6 (4)(5)(6)	636	2
National Resilience, Series B, Acquisition Date: 10/23/20, Cost \$7 (4)(5)(6)	524	32
National Resilience, Series C, Acquisition Date: 6/9/21, Cost \$11 (4)(5)(6)	237	14
		53
Total Health Care		77

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>INDUSTRIALS &amp; BUSINESS SERVICES 0.0%</b>		
<b>Aerospace &amp; Defense 0.0%</b>		
ABL Space Systems, Series B, Acquisition Date: 3/24/21, Cost \$6 (4)(5)(6)	126	4
Epirus, Series C-2, Acquisition Date: 1/28/22, Cost \$11 (4)(5)(6)	1,914	10
		14
<b>Air Freight &amp; Logistics 0.0%</b>		
FLEXE, Series C, Acquisition Date: 11/18/20, Cost \$5 (4)(5)(6)	445	8
FLEXE, Series D, Acquisition Date: 4/7/22, Cost \$3 (4)(5)(6)	138	3
		11
<b>Electrical Equipment 0.0%</b>		
CELLINK, Series D, Acquisition Date: 1/20/22, Cost \$5 (4)(5)(6)	252	3
		3
<b>Ground Transportation 0.0%</b>		
Convoy, Series C, Acquisition Date: 9/14/18, Cost \$9 (4)(5)(6)	1,241	6
Convoy, Series D, Acquisition Date: 10/30/19, Cost \$10 (4)(5)(6)	764	4
		10
<b>Professional Services 0.0%</b>		
Checkr, Series C, Acquisition Date: 4/10/18, Cost \$4 (4)(5)(6)	900	5
Checkr, Series D, Acquisition Date: 9/6/19, Cost \$12 (4)(5)(6)	1,200	6
		11
Total Industrials & Business Services		49
<b>INFORMATION TECHNOLOGY 0.1%</b>		
<b>IT Services 0.0%</b>		
Haul Hub, Series B, Acquisition Date: 2/14/20 - 3/3/21, Cost \$4 (4)(5)(6)	303	4
Haul Hub, Series C, Acquisition Date: 4/14/22, Cost \$2 (4)(5)(6)	90	1
ServiceTitan, Series D, Acquisition Date: 11/9/18, Cost \$5 (4)(5)(6)	184	13
ServiceTitan, Series F, Acquisition Date: 3/25/21, Cost \$1 (4)(5)(6)	10	1
Themis Solutions, Series AA, Acquisition Date: 4/14/21, Cost \$1 (4)(5)(6)	30	1
Themis Solutions, Series AB, Acquisition Date: 4/14/21, Cost \$— (4)(5)(6)	10	—
Themis Solutions, Series B, Acquisition Date: 4/14/21, Cost \$— (4)(5)(6)	10	—
Themis Solutions, Series E, Acquisition Date: 4/14/21, Cost \$7 (4)(5)(6)	320	6
		26
<b>Software 0.1%</b>		
Databricks, Series G, Acquisition Date: 2/1/21, Cost \$11 (4)(5)(6)	192	14
Databricks, Series H, Acquisition Date: 8/31/21, Cost \$30 (4)(5)(6)	411	30

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Gusto, Series E, Acquisition Date: 7/13/21, Cost \$15 (4)(5)(6)	504	9
Nuro, Series C, Acquisition Date: 10/30/20 - 3/2/21, Cost \$12 (4)(5)(6)	921	6
Nuro, Series D, Acquisition Date: 10/29/21, Cost \$5 (4)(5)(6)	242	1
SecurityScorecard, Series E, Acquisition Date: 3/5/21, Cost \$5 (4)(5)(6)	1,032	5
Seismic Software, Series E, Acquisition Date: 12/13/18, Cost \$7 (4)(5)(6)	1,115	10
Seismic Software, Series F, Acquisition Date: 9/25/20, Cost \$1 (4)(5)(6)	85	1
Socure, Series A, Acquisition Date: 12/22/21, Cost \$2 (4)(5)(6)	142	1
Socure, Series A-1, Acquisition Date: 12/22/21, Cost \$2 (4)(5)(6)	117	1
Socure, Series B, Acquisition Date: 12/22/21, Cost \$— (4)(5)(6)	2	—
Socure, Series E, Acquisition Date: 10/27/21, Cost \$4 (4)(5)(6)	270	2
		80
Total Information Technology		106
<b>MATERIALS 0.0%</b>		
<b>Chemicals 0.0%</b>		
Redwood Materials, Series C, Acquisition Date: 5/28/21, Cost \$6 (4)(5)(6)	135	6
Sila Nano, Series F, Acquisition Date: 1/7/21, Cost \$9 (4)(5)(6)	228	5
		11
<b>Metals &amp; Mining 0.0%</b>		
Kobold Metals, Series B-1, Acquisition Date: 1/10/22, Cost \$6 (4)(5)(6)	201	9
		9
Total Materials		20
<b>Total Convertible Preferred Stocks (Cost \$290)</b>		<b>298</b>
<b>CORPORATE BONDS 4.3%</b>		
AbbVie, 3.20%, 11/21/29	55,000	50
AbbVie, 4.05%, 11/21/39	25,000	22
AbbVie, 4.70%, 5/14/45	55,000	50
AbbVie, 4.875%, 11/14/48	88,000	83
AerCap Ireland Capital, 4.875%, 1/16/24	175,000	174
Alexandria Real Estate Equities, 3.375%, 8/15/31	45,000	39
Alexandria Real Estate Equities, 4.70%, 7/1/30	15,000	14
Ally Financial, 4.75%, 6/9/27	55,000	51
Amgen, 4.875%, 3/1/53	15,000	14
Anheuser-Busch InBev Worldwide, 4.50%, 6/1/50	29,000	27
Anheuser-Busch InBev Worldwide, 5.55%, 1/23/49	65,000	68
Aon, 2.80%, 5/15/30	15,000	13
Arrow Electronics, 4.00%, 4/1/25	50,000	48
AT&T, 3.50%, 9/15/53	105,000	74

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Baltimore Gas & Electric, 5.40%, 6/1/53	20,000	20
Bank of America, 3.248%, 10/21/27	70,000	65
Bank of America, VR, 1.898%, 7/23/31 (9)	210,000	167
Bank of America, VR, 1.922%, 10/24/31 (9)	40,000	32
Bank of America, VR, 2.496%, 2/13/31 (9)	105,000	88
Bank of America, VR, 2.592%, 4/29/31 (9)	50,000	42
Bank of America, VR, 3.419%, 12/20/28 (9)	80,000	73
Bank of America, VR, 4.271%, 7/23/29 (9)	65,000	62
Barclays, VR, 5.501%, 8/9/28 (9)	200,000	194
BAT International Finance, 1.668%, 3/25/26	2,000	2
Becton Dickinson & Company, 2.823%, 5/20/30	25,000	22
Becton Dickinson & Company, 3.70%, 6/6/27	33,000	31
Berkshire Hathaway Finance, 2.50%, 1/15/51	60,000	39
Berkshire Hathaway Finance, 2.85%, 10/15/50	25,000	17
Berkshire Hathaway Finance, 3.85%, 3/15/52	20,000	17
Boardwalk Pipelines, 3.40%, 2/15/31	28,000	24
Boardwalk Pipelines, 4.45%, 7/15/27	2,000	2
Boardwalk Pipelines, 5.95%, 6/1/26	10,000	10
Boston Properties, 2.90%, 3/15/30	60,000	48
Brixmor Operating Partnership, 3.90%, 3/15/27	35,000	32
Brixmor Operating Partnership, 4.05%, 7/1/30	35,000	32
Brixmor Operating Partnership, 4.125%, 5/15/29	33,000	29
Capital One Financial, 3.65%, 5/11/27	50,000	46
Capital One Financial, 3.75%, 3/9/27	50,000	46
Capital One Financial, VR, 2.359%, 7/29/32 (9)	55,000	39
Capital One Financial, VR, 3.273%, 3/1/30 (9)	25,000	21
Capital One Financial, VR, 5.247%, 7/26/30 (9)	15,000	14
Capital One Financial, VR, 5.468%, 2/1/29 (9)	75,000	72
Carvana, 10.25%, 5/1/30 (1)	55,000	42
CBRE Services, 5.95%, 8/15/34	40,000	39
Celanese U.S. Holdings, 6.05%, 3/15/25	40,000	40
Celanese U.S. Holdings, 6.165%, 7/15/27	10,000	10
Centene, 2.625%, 8/1/31	110,000	88
Charter Communications Operating, 2.25%, 1/15/29	25,000	21
Charter Communications Operating, 5.125%, 7/1/49	15,000	12
Charter Communications Operating, 6.484%, 10/23/45	12,000	11
Cheniere Corpus Christi Holdings, 5.125%, 6/30/27	15,000	15
Citigroup, VR, 3.106%, 4/8/26 (9)	22,000	21
Citigroup, VR, 5.61%, 9/29/26 (9)	55,000	55
Citigroup, VR, 6.174%, 5/25/34 (9)	20,000	20
Citigroup, Series VAR, VR, 3.07%, 2/24/28 (9)	50,000	46
CNO Financial Group, 5.25%, 5/30/25	15,000	15



## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Comcast, 3.90%, 3/1/38	60,000	52
Corebridge Financial, 3.90%, 4/5/32	15,000	13
Crown Castle, 2.25%, 1/15/31	95,000	77
Crown Castle Towers, 3.663%, 5/15/25 (1)	85,000	80
CSL Finance, 4.05%, 4/27/29 (1)	25,000	23
CVS Health, 3.25%, 8/15/29	10,000	9
CVS Health, 5.05%, 3/25/48	84,000	77
CVS Health, 5.625%, 2/21/53	45,000	45
CVS Health, 5.875%, 6/1/53	25,000	26
Duke Energy, 5.00%, 8/15/52	70,000	64
Duke Energy Indiana, 5.40%, 4/1/53	15,000	15
Ecolab, 4.80%, 3/24/30	5,000	5
Edison International, 4.95%, 4/15/25	5,000	5
Elevance Health, 5.125%, 2/15/53	20,000	19
Energy Transfer, 2.90%, 5/15/25	60,000	57
Enterprise Products Operating, 3.20%, 2/15/52	30,000	21
Equifax, 5.10%, 12/15/27	30,000	29
Equitable Holdings, 4.35%, 4/20/28	105,000	98
Fifth Third Bancorp, 2.375%, 1/28/25	10,000	9
Fifth Third Bancorp, 2.55%, 5/5/27	5,000	4
Fifth Third Bancorp, 3.95%, 3/14/28	12,000	11
Fifth Third Bancorp, VR, 4.772%, 7/28/30 (9)	15,000	14
General Motors Financial, 4.00%, 10/6/26	5,000	5
General Motors Financial, 4.30%, 7/13/25	25,000	24
Georgia Power, 4.95%, 5/17/33	45,000	44
GLP Capital, 3.35%, 9/1/24	10,000	10
Goldman Sachs Group, 3.50%, 11/16/26	70,000	66
Goldman Sachs Group, VR, 1.542%, 9/10/27 (9)	50,000	44
Goldman Sachs Group, VR, 3.615%, 3/15/28 (9)	45,000	42
Goldman Sachs Group, VR, 4.482%, 8/23/28 (9)	20,000	19
Hasbro, 3.55%, 11/19/26	25,000	23
HCA, 2.375%, 7/15/31	20,000	16
HCA, 3.125%, 3/15/27 (1)	20,000	18
HCA, 3.375%, 3/15/29 (1)	5,000	4
HCA, 3.50%, 9/1/30	25,000	22
HCA, 5.375%, 9/1/26	11,000	11
HCA, 5.875%, 2/15/26	18,000	18
Healthcare Realty Holdings, 2.05%, 3/15/31	15,000	11
Healthcare Realty Holdings, 3.625%, 1/15/28	60,000	53
Humana, 4.875%, 4/1/30	42,000	41
Humana, 5.50%, 3/15/53	20,000	20
Hyundai Capital America, 1.80%, 10/15/25 (1)	20,000	18
Hyundai Capital America, 5.50%, 3/30/26 (1)	10,000	10
Indiana Michigan Power, 5.625%, 4/1/53	5,000	5
Intercontinental Exchange, 4.35%, 6/15/29	40,000	39
JPMorgan Chase, VR, 1.578%, 4/22/27 (9)	35,000	31
JPMorgan Chase, VR, 2.182%, 6/1/28 (9)	60,000	53
JPMorgan Chase, VR, 2.522%, 4/22/31 (9)	10,000	8
JPMorgan Chase, VR, 2.739%, 10/15/30 (9)	23,000	20
JPMorgan Chase, VR, 2.956%, 5/13/31 (9)	69,000	59
JPMorgan Chase, VR, 3.54%, 5/1/28 (9)	25,000	23

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Kilroy Realty, 4.375%, 10/1/25	13,000	12
Las Vegas Sands, 3.50%, 8/18/26	25,000	23
Lowe's, 4.25%, 4/1/52	25,000	20
Lowe's, 5.625%, 4/15/53	15,000	15
Lowe's, 5.75%, 7/1/53	15,000	15
LSEGA Financing, 2.50%, 4/6/31 (1)	200,000	167
Marriott International, 4.90%, 4/15/29	10,000	10
Marriott International, 5.00%, 10/15/27	30,000	30
Marsh & McLennan, 2.25%, 11/15/30	15,000	12
Merck, 5.00%, 5/17/53	25,000	25
Meta Platforms, 5.60%, 5/15/53	65,000	67
Micron Technology, 5.327%, 2/6/29	22,000	22
Micron Technology, 5.875%, 9/15/33	30,000	30
Micron Technology, 6.75%, 11/1/29	20,000	21
Morgan Stanley, VR, 1.593%, 5/4/27 (9)	20,000	18
Morgan Stanley, VR, 3.217%, 4/22/42 (9)	15,000	11
Morgan Stanley, VR, 4.431%, 1/23/30 (9)	25,000	24
Morgan Stanley, VR, 5.123%, 2/1/29 (9)	95,000	94
Nasdaq, 5.95%, 8/15/53	10,000	10
Nasdaq, 6.10%, 6/28/63	10,000	10
Netflix, 6.375%, 5/15/29	55,000	58
NextEra Energy Capital Holdings, 2.44%, 1/15/32	35,000	28
NextEra Energy Capital Holdings, 3.00%, 1/15/52	35,000	23
NextEra Energy Capital Holdings, 5.00%, 7/15/32	15,000	15
NextEra Energy Capital Holdings, 5.25%, 2/28/53	15,000	15
NiSource, 5.25%, 3/30/28	10,000	10
Nissan Motor Acceptance, 1.85%, 9/16/26 (1)	15,000	13
NRG Energy, 4.45%, 6/15/29 (1)	15,000	13
Occidental Petroleum, 8.875%, 7/15/30	15,000	17
Oracle, 5.55%, 2/6/53	35,000	34
Pacific Gas & Electric, 2.10%, 8/1/27	20,000	17
Pacific Gas & Electric, 2.50%, 2/1/31	40,000	31
Pacific Gas & Electric, 4.55%, 7/1/30	45,000	41
Pacific Gas & Electric, 5.90%, 6/15/32	10,000	10
Pacific Gas & Electric, 6.70%, 4/1/53	10,000	10
Pfizer Investment Enterprises, 4.75%, 5/19/33	30,000	30
Pfizer Investment Enterprises, 5.30%, 5/19/53	30,000	31
Philip Morris International, 5.125%, 2/15/30	25,000	25
Pioneer Natural Resources, 5.10%, 3/29/26	15,000	15
PNC Financial Services Group, 2.55%, 1/22/30	15,000	13
PNC Financial Services Group, VR, 6.037%, 10/28/33 (9)	40,000	41
Realty Income, 3.95%, 8/15/27	35,000	33
Revvity, 1.90%, 9/15/28	35,000	30
Revvity, 2.25%, 9/15/31	15,000	12
Revvity, 3.30%, 9/15/29	19,000	17
Reynolds American, 4.45%, 6/12/25	7,000	7
Rogers Communications, 3.20%, 3/15/27 (1)	14,000	13
Rogers Communications, 3.80%, 3/15/32 (1)	25,000	22

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
Rogers Communications, 4.35%, 5/1/49	5,000	4
Rogers Communications, 4.55%, 3/15/52 (1)	94,000	76
Ross Stores, 1.875%, 4/15/31	45,000	36
Santander Holdings USA, VR, 2.49%, 1/6/28 (9)	12,000	10
Santander Holdings USA, VR, 6.499%, 3/9/29 (9)	6,000	6
SBA Tower Trust, 1.84%, 4/15/27 (1)	50,000	43
SBA Tower Trust, 2.593%, 10/15/31 (1)	40,000	31
Sempra Energy, 3.70%, 4/1/29	15,000	14
Southern, 5.20%, 6/15/33	60,000	59
Southern California Edison, 5.70%, 3/1/53	20,000	20
Southern California Edison, Series D, 4.70%, 6/1/27	30,000	30
Standard Chartered, VR, 2.608%, 1/12/28 (1)(9)	200,000	177
Sutter Health, 5.164%, 8/15/33	15,000	15
Sutter Health, 5.547%, 8/15/53	10,000	10
T-Mobile USA, 5.75%, 1/15/54	45,000	46
Targa Resources Partners, 5.50%, 3/1/30	57,000	55
Targa Resources Partners, 6.875%, 1/15/29	20,000	20
Transcontinental Gas Pipe Line, 4.60%, 3/15/48	5,000	4
Truist Financial, VR, 4.123%, 6/6/28 (9)	45,000	42
U.S. Bancorp, VR, 4.839%, 2/1/34 (9)	20,000	19
UnitedHealth Group, 2.00%, 5/15/30	105,000	88
UnitedHealth Group, 4.50%, 4/15/33	40,000	39
UnitedHealth Group, 5.05%, 4/15/53	60,000	59
UnitedHealth Group, 5.875%, 2/15/53	32,000	36
Utah Acquisition, 3.95%, 6/15/26	101,000	96
Verizon Communications, 1.75%, 1/20/31	25,000	20
Verizon Communications, 2.55%, 3/21/31	80,000	67
Verizon Communications, 2.65%, 11/20/40	77,000	53
Verizon Communications, 3.55%, 3/22/51	45,000	34
Vistra Operations, 5.125%, 5/13/25 (1)	45,000	44
Volkswagen Group of America Finance, 3.20%, 9/26/26 (1)	205,000	191
Warnermedia Holdings, 3.755%, 3/15/27	60,000	56
Wells Fargo, 4.30%, 7/22/27	35,000	34
Wells Fargo, VR, 2.393%, 6/2/28 (9)	115,000	103
Wells Fargo, VR, 2.572%, 2/11/31 (9)	225,000	190
Wells Fargo, VR, 2.879%, 10/30/30 (9)	100,000	87
Westlake, 1.625%, 7/17/29 (EUR)	100,000	89
Woodside Finance, 3.70%, 9/15/26 (1)	10,000	9
Woodside Finance, 3.70%, 3/15/28 (1)	24,000	22
Workday, 3.70%, 4/1/29	10,000	9
Xcel Energy, 3.40%, 6/1/30	45,000	40
Yara International, 4.75%, 6/1/28 (1)	25,000	24
<b>Total Corporate Bonds (Cost \$8,079)</b>		<b>7,325</b>

**EQUITY MUTUAL FUNDS 7.0%**

T. Rowe Price Institutional Emerging Markets Equity Fund (2)	213,085	7,074
T. Rowe Price Real Assets Fund - I Class (2)	356,039	4,828
<b>Total Equity Mutual Funds (Cost \$9,746)</b>		<b>11,902</b>

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>FOREIGN GOVERNMENT OBLIGATIONS &amp; MUNICIPALITIES 0.2%</b>		
State of Israel, Series 0347, 3.75%, 3/31/47 (ILS)	1,110,000	286
<b>Total Foreign Government Obligations &amp; Municipalities (Cost \$294)</b>		<b>286</b>
<b>NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 0.7%</b>		
Angel Oak Mortgage Trust, Series 2020-5, Class A3, CMO, ARM, 2.041%, 5/25/65 (1)	9,616	9
BBCMS Mortgage Trust, Series 2019-BWAY, Class D, ARM, 1M TSFR + 2.274%, 7.421%, 11/15/34 (1)	25,000	12
BINOM Securitization Trust, Series 2021- INV1, Class A1, CMO, ARM, 2.034%, 6/25/56 (1)	71,231	61
BX Commercial Mortgage Trust, Series 2022-CSMO, Class B, ARM, 1M TSFR + 3.141%, 8.288%, 6/15/27 (1)	100,000	100
BXSC Commercial Mortgage Trust, Series 2022-WSS, Class B, ARM, 1M TSFR + 2.092%, 7.239%, 3/15/35 (1)	100,000	98
CIM Trust, Series 2021-INV1, Class A29, CMO, ARM, 2.50%, 7/1/51 (1)	84,359	65
Commercial Mortgage Trust, Series 2016- CR28, Class AHR, 3.651%, 2/10/49	26,537	25
Connecticut Avenue Securities, Series 2017-C06, Class 2ED1, CMO, ARM, 1M USD LIBOR + 1.00%, 6.15%, 2/25/30	13,299	13
Connecticut Avenue Securities Trust, Series 2022-R04, Class 1M1, CMO, ARM, SOFR30A + 2.00%, 7.067%, 3/25/42 (1)	21,783	22
Finance of America HECM Buyout, Series 2022-HB2, Class A1A, ARM, 4.00%, 8/1/32 (1)	85,096	82
Galton Funding Mortgage Trust, Series 2018-1, Class A23, CMO, ARM, 3.50%, 11/25/57 (1)	6,248	6
Galton Funding Mortgage Trust, Series 2018-2, Class A22, CMO, ARM, 4.00%, 10/25/58 (1)	4,661	4
Great Wolf Trust, Series 2019-WOLF, Class A, ARM, 1M TSFR + 1.148%, 6.295%, 12/15/36 (1)	40,000	39
Great Wolf Trust, Series 2019-WOLF, Class C, ARM, 1M TSFR + 1.747%, 6.894%, 12/15/36 (1)	35,000	34
GS Mortgage-Backed Securities Trust, Series 2021-GR1, Class A4, CMO, ARM, 2.50%, 11/25/51 (1)	83,227	64
JPMorgan Chase Commercial Mortgage Securities Trust, Series 2018-WPT, Class AFX, 4.248%, 7/5/33 (1)	20,000	18
JPMorgan Mortgage Trust, Series 2020-5, Class B2, CMO, ARM, 3.578%, 12/25/50 (1)	23,390	19
JPMorgan Mortgage Trust, Series 2020- INV1, Class A11, CMO, ARM, 1M USD LIBOR + 0.83%, 5.968%, 8/25/50 (1)	6,313	6

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
JPMorgan Mortgage Trust, Series 2020-INV1, Class A3, CMO, ARM, 3.50%, 8/25/50 (1)	8,417	7
JPMorgan Mortgage Trust, Series 2020-LTV1, Class A15, CMO, ARM, 3.50%, 6/25/50 (1)	1,139	1
JPMorgan Mortgage Trust, Series 2020-LTV1, Class A3, CMO, ARM, 3.50%, 6/25/50 (1)	2,278	2
JPMorgan Mortgage Trust, Series 2020-LTV1, Class B1A, CMO, ARM, 3.286%, 6/25/50 (1)	28,235	24
New Residential Mortgage Loan Trust, Series 2021-INV2, Class A4, CMO, ARM, 2.50%, 9/25/51 (1)	85,449	66
OBX Trust, Series 2020-EXP1, Class 1A8, CMO, ARM, 3.50%, 2/25/60 (1)	28,182	25
Sequoia Mortgage Trust, Series 2013-4, Class B1, CMO, ARM, 3.442%, 4/25/43	19,698	18
Sequoia Mortgage Trust, Series 2017-CH2, Class A19, CMO, ARM, 4.00%, 12/25/47 (1)	6,351	6
SG Residential Mortgage Trust, Series 2019-3, Class A1, CMO, ARM, 2.703%, 9/25/59 (1)	2,192	2
Structured Agency Credit Risk Debt Notes, Series 2020-DNA2, Class M2, CMO, ARM, 1M USD LIBOR + 1.85%, 7.00%, 2/25/50 (1)	28,261	28
Structured Agency Credit Risk Debt Notes, Series 2021-DNA2, Class M2, CMO, ARM, SOFR30A + 2.30%, 7.367%, 8/25/33 (1)	24,236	24
Structured Agency Credit Risk Debt Notes, Series 2022-DNA3, Class M1A, CMO, ARM, SOFR30A + 2.00%, 7.067%, 4/25/42 (1)	22,437	23
Structured Agency Credit Risk Debt Notes, Series 2022-DNA4, Class M1A, CMO, ARM, SOFR30A + 2.20%, 7.267%, 5/25/42 (1)	30,938	31
Structured Agency Credit Risk Debt Notes, Series 2022-HQA1, Class M1A, CMO, ARM, SOFR30A + 2.10%, 7.167%, 3/25/42 (1)	46,501	47
Towd Point Mortgage Trust, Series 2019-HY3, Class A1A, CMO, ARM, 1M USD LIBOR + 1.00%, 6.15%, 10/25/59 (1)	30,154	30
Vista Point Securitization Trust, Series 2020-2, Class A1, CMO, ARM, 1.475%, 4/25/65 (1)	23,962	21
Wells Fargo Commercial Mortgage Trust, Series 2017-C39, Class B, 4.025%, 9/15/50	125,000	109
Wells Fargo Commercial Mortgage Trust, Series 2019-JWDR, Class A, ARM, 2.584%, 9/15/31 (1)	100,000	89
<b>Total Non-U.S. Government Mortgage-Backed Securities (Cost \$1,371)</b>		<b>1,230</b>

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>PREFERRED STOCKS 0.1%</b>		
<b>CONSUMER DISCRETIONARY 0.1%</b>		
<b>Automobiles 0.1%</b>		
Dr. Ing. h.c. F. Porsche (EUR)	1,078	134
Total Consumer Discretionary		134
<b>Total Preferred Stocks (Cost \$87)</b>		<b>134</b>
<b>U.S. GOVERNMENT &amp; AGENCY MORTGAGE-BACKED SECURITIES 7.8%</b>		
<b>U.S. Government Agency Obligations 6.2%</b>		
Federal Home Loan Mortgage		
2.50%, 4/1/30	13,250	12
3.00%, 12/1/42 - 4/1/43	61,974	56
3.50%, 8/1/42 - 3/1/44	86,360	81
4.00%, 8/1/40 - 8/1/45	41,567	40
4.50%, 6/1/39 - 5/1/42	41,541	40
5.00%, 1/1/24 - 8/1/40	13,998	13
6.00%, 10/1/32 - 8/1/38	3,554	3
7.00%, 6/1/32	538	—
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.827%, 4.201%, 2/1/37	1,945	2
12M USD LIBOR + 1.842%, 4.091%, 1/1/37	1,327	1
Federal Home Loan Mortgage, UMBS		
1.50%, 4/1/37	14,411	12
2.00%, 3/1/42 - 5/1/52	481,317	396
2.50%, 3/1/42 - 5/1/52	658,523	561
3.00%, 1/1/33 - 8/1/52	413,634	372
3.50%, 6/1/47 - 10/1/51	141,667	131
4.00%, 8/1/37 - 2/1/50	86,250	82
4.50%, 5/1/50	8,052	8
Federal National Mortgage Assn.		
3.00%, 8/1/43 - 2/1/44	9,280	8
3.50%, 6/1/42 - 1/1/44	86,901	81
4.00%, 11/1/40	17,703	17
Federal National Mortgage Assn., ARM,		
12M USD LIBOR + 1.869%, 4.119%, 8/1/36	1,382	1
Federal National Mortgage Assn., CMO, IO,		
6.50%, 2/25/32	374	—
Federal National Mortgage Assn., UMBS		
1.50%, 4/1/37 - 1/1/42	256,990	219
2.00%, 4/1/37 - 4/1/52	2,186,784	1,805
2.50%, 1/1/32 - 9/1/52	1,184,305	1,023
3.00%, 6/1/27 - 10/1/51	713,032	645
3.50%, 11/1/32 - 1/1/52	366,638	342
4.00%, 7/1/35 - 9/1/52	343,521	328
4.50%, 7/1/39 - 8/1/52	197,549	192
5.00%, 8/1/23 - 10/1/52	154,630	156
5.50%, 12/1/34 - 9/1/41	51,511	53
6.00%, 4/1/33 - 2/1/53	214,522	220
6.50%, 7/1/32 - 5/1/40	18,970	20
7.00%, 4/1/32	177	—
UMBS, TBA (10)		
2.00%, 7/1/38 - 7/1/53	1,350,000	1,123
2.50%, 7/1/53	920,000	780
3.00%, 7/1/53	375,000	330



## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
3.50%, 7/1/53	300,000	273
4.00%, 7/1/53	270,000	253
4.50%, 7/1/53	200,000	192
5.00%, 7/1/53	220,000	216
5.50%, 7/1/53	290,000	289
6.00%, 7/1/53	90,000	91
6.50%, 7/1/53	130,000	133
		10,600

**U.S. Government Obligations 1.6%**

## Government National Mortgage Assn.

1.50%, 5/20/37	47,302	41
2.00%, 3/20/51 - 3/20/52	552,673	466
2.50%, 8/20/50 - 3/20/52	526,525	455
3.00%, 7/15/43 - 6/20/52	487,795	439
3.50%, 12/20/42 - 10/20/49	289,478	271
4.00%, 7/20/42 - 10/20/52	257,142	245
4.50%, 10/20/39 - 10/20/52	191,719	187
5.00%, 3/20/34 - 6/20/49	89,852	91
5.50%, 10/20/32 - 3/20/49	50,712	51
6.00%, 4/15/36 - 12/20/38	7,625	8
6.50%, 3/15/26 - 4/15/26	1,544	1
7.00%, 9/20/27 - 1/20/53	30,403	31
8.00%, 4/15/26	81	—

## Government National Mortgage Assn., CMO

3.00%, 11/20/47 - 12/20/47	5,061	5
3.50%, 10/20/50	25,000	21

## Government National Mortgage Assn.,

## TBA (10)

2.00%, 7/20/53	35,000	29
2.50%, 7/20/53	40,000	35
5.00%, 7/20/53	45,000	44
5.50%, 7/20/53	300,000	299
6.00%, 7/20/53	65,000	65
6.50%, 7/20/53	55,000	56
		2,840

**Total U.S. Government & Agency  
Mortgage-Backed Securities (Cost  
\$14,211)****13,440****U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING  
MORTGAGE-BACKED) 7.0%****U.S. Treasury Obligations 7.0%**

U.S. Treasury Bonds, 3.00%, 8/15/52	790,000	672
U.S. Treasury Bonds, 3.375%, 8/15/42	1,000,000	907
U.S. Treasury Bonds, 3.625%, 2/15/53	690,000	662
U.S. Treasury Bonds, 3.875%, 2/15/43	365,000	356
U.S. Treasury Bonds, 4.00%, 11/15/42	710,000	706
U.S. Treasury Bonds, 4.00%, 11/15/52	440,000	452
U.S. Treasury Notes, 0.75%, 8/31/26	400,000	357
U.S. Treasury Notes, 1.50%, 1/31/27	1,135,000	1,028
U.S. Treasury Notes, 1.875%, 2/15/32	455,000	390
U.S. Treasury Notes, 2.25%, 1/31/24	1,395,000	1,369
U.S. Treasury Notes, 2.75%, 2/15/24	205,000	202
U.S. Treasury Notes, 3.75%, 4/15/26	270,000	264
U.S. Treasury Notes, 3.875%, 1/15/26 (11)	1,100,000	1,080
U.S. Treasury Notes, 3.875%, 11/30/27	110,000	109
U.S. Treasury Notes, 3.875%, 12/31/27	505,000	498

	Shares/Par	\$ Value
(Cost and value in \$000s)		
U.S. Treasury Notes, 4.00%, 12/15/25	1,085,000	1,068
U.S. Treasury Notes, 4.00%, 2/15/26	320,000	315
U.S. Treasury Notes, 4.125%, 9/30/27	830,000	825
U.S. Treasury Notes, 4.125%, 11/15/32	695,000	710
		11,970
<b>Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost \$12,165)</b>		<b>11,970</b>

**SHORT-TERM INVESTMENTS 8.2%****Money Market Funds 8.2%**

T. Rowe Price Treasury Reserve Fund, 5.11% (2)(12)	14,012,596	14,013
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**Total Short-Term Investments (Cost  
\$14,013)****14,013****SECURITIES LENDING COLLATERAL 0.0%****INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES  
LENDING PROGRAM WITH JPMORGAN CHASE BANK 0.0%****Money Market Funds 0.0%**

T. Rowe Price Government Reserve Fund, 5.13% (2)(12)	6,235	6
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**Total Investments in a Pooled Account  
through Securities Lending Program with  
JPMorgan Chase Bank****6****Total Securities Lending Collateral (Cost  
\$6)****6**

(Amounts in 000s, except for contracts)

**OPTIONS PURCHASED 0.0%****OTC Options Purchased 0.0%**

Counterparty	Description	Contracts	Notional Amount	\$ Value
	USD / JPY			
Bank of America	Put, 7/6/23 @ JPY127.00 (4)	1	560	—

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

(Amounts in 000s, except for contracts)

Counterparty	Description	Contracts	Notional Amount	\$ Value
	Credit Default Swap, Protection Bought (Relevant Credit: Markit CDX.NA.IG-S40, 5 Year Index, 6/20/28), Pay 1.00% Quarterly, Receive upon credit default, JPMorgan 7/19/23 @ Chase	1	1,450	—
<b>Total Options Purchased (Cost \$9)</b>				—
<b>Total Investments in Securities</b>				
<b>102.3% of Net Assets</b>				
<b>(Cost \$144,094)</b>			<b>\$ 174,920</b>	

‡ Shares/Par and Notional Amount are denominated in U.S. dollars unless otherwise noted.

\* Exercise Spread

- (1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to \$3,718 and represents 2.2% of net assets.
  - (2) Affiliated Companies
  - (3) SEC 30-day yield
  - (4) Non-income producing
  - (5) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund may have registration rights for certain restricted securities. Any costs related to such registration are generally borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period end amounts to \$613 and represents 0.4% of net assets.
  - (6) See Note 2. Level 3 in fair value hierarchy.
  - (7) See Note 4. All or a portion of this security is on loan at June 30, 2023.
  - (8) The identity of certain securities has been concealed to protect the fund while it completes a purchase or selling program for the securities.
  - (9) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread are provided if the rate is currently floating.
  - (10) See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to \$4,208 and represents 2.5% of net assets.
  - (11) At June 30, 2023, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
  - (12) Seven-day yield
- 1M TSFR One month term SOFR (Secured overnight financing rate)
- 1M USD LIBOR One month USD LIBOR (London interbank offered rate)
- 3M TSFR Three month term SOFR (Secured overnight financing rate)
- 3M USD LIBOR Three month USD LIBOR (London interbank offered rate)
- 12M USD LIBOR Twelve month USD LIBOR (London interbank offered rate)
- ADR American Depositary Receipts
- ARM Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.
- AUD Australian Dollar
- CAD Canadian Dollar
- CDI CHES or CREST Depositary Interest

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

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CHF	Swiss Franc
CLO	Collateralized Loan Obligation
CMO	Collateralized Mortgage Obligation
DKK	Danish Krone
EC	Escrow CUSIP; represents a beneficial interest in a residual pool of assets; the amount and timing of future distributions, if any, is uncertain; when presented, interest rate and maturity date are those of the original security.
EUR	Euro
FRN	Floating Rate Note
GBP	British Pound
HKD	Hong Kong Dollar
ILS	Israeli Shekel
INR	Indian Rupee
IO	Interest-only security for which the fund receives interest on notional principal
ISK	Iceland Krona
JPY	Japanese Yen
KRW	South Korean Won
NOK	Norwegian Krone
OTC	Over-the-counter
PLN	Polish Zloty
REIT	A domestic Real Estate Investment Trust whose distributions pass-through with original tax character to the shareholder
SDR	Swedish Depository Receipts
SEK	Swedish Krona
SGD	Singapore Dollar
SOFR30A	30-day Average SOFR (Secured overnight financing rate)
TBA	To-Be-Announced
TWD	Taiwan Dollar
UMBS	Uniform Mortgage-Backed Securities
USD	U.S. Dollar
VR	Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

(Amounts in 000s)

**SWAPS 0.0%**

Description	Notional Amount	\$ Value	Upfront Payments/ \$ (Receipts)**	Unrealized \$ Gain/(Loss)
<b>BILATERAL SWAPS 0.0%</b>				
<b>Credit Default Swaps, Protection Bought 0.0%</b>				
Morgan Stanley, Protection Bought (Relevant Credit: Markit CMBX.NA.AAA-S15, 40 Year Index), Pay 0.50% Monthly, Receive upon credit default, 11/18/64	366	10	10	—
<b>Total Bilateral Credit Default Swaps, Protection Bought</b>			<b>10</b>	<b>—</b>
<b>Credit Default Swaps, Protection Sold 0.0%</b>				
JPMorgan Chase, Protection Sold (Relevant Credit: Barclays Bank, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/24 (EUR)	10	—	—	—
<b>Total Bilateral Credit Default Swaps, Protection Sold</b>			<b>—</b>	<b>—</b>
<b>Total Bilateral Swaps</b>			<b>10</b>	<b>—</b>

Description	Notional Amount	\$ Value	Initial \$ Value	Unrealized \$ Gain/(Loss)
<b>CENTRALLY CLEARED SWAPS 0.0%</b>				
<b>Credit Default Swaps, Protection Sold 0.0%</b>				
Protection Sold (Relevant Credit: Markit CDX.NA.HY-S40, 5 Year Index), Receive 5.00% Quarterly, Pay upon credit default, 6/20/28	370	11	5	6
Protection Sold (Relevant Credit: MetLife, A3*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	9	—	—	—
Protection Sold (Relevant Credit: Republic of Indonesia, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	185	1	(2)	3
Protection Sold (Relevant Credit: United Mexican States, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	220	—	(4)	4
<b>Total Centrally Cleared Credit Default Swaps, Protection Sold</b>				<b>13</b>
<b>Total Centrally Cleared Swaps</b>				<b>13</b>
<b>Net payments (receipts) of variation margin to date</b>				<b>(10)</b>
<b>Variation margin receivable (payable) on centrally cleared swaps</b>			<b>\$</b>	<b>3</b>

\* Credit ratings as of June 30, 2023. Ratings shown are from Moody's Investors Service and if Moody's does not rate a security, then Standard & Poor's (S&P) is used. Fitch is used for securities that are not rated by either Moody's or S&P.

\*\* Includes interest purchased or sold but not yet collected of less than \$1.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

(Amounts in 000s)

**FORWARD CURRENCY EXCHANGE CONTRACTS**

<b>Counterparty</b>	<b>Settlement</b>	<b>Receive</b>	<b>Deliver</b>	<b>Unrealized Gain/(Loss)</b>
Bank of America	7/21/23	CAD	245 USD	183 \$ 2
Bank of America	7/21/23	USD	181 JPY	25,445 4
Bank of America	8/25/23	GBP	100 USD	125 2
BNP Paribas	7/14/23	DKK	1,650 USD	244 (2)
BNP Paribas	7/14/23	USD	244 DKK	1,650 2
BNP Paribas	8/25/23	USD	87 EUR	80 —
Citibank	8/18/23	PLN	1,580 USD	378 9
Citibank	8/18/23	USD	377 PLN	1,580 (11)
Goldman Sachs	8/25/23	USD	250 GBP	200 (4)
RBC Dominion Securities	7/21/23	CAD	250 USD	188 1
RBC Dominion Securities	7/21/23	USD	366 CAD	495 (8)
State Street	7/20/23	USD	297 ILS	1,081 6
State Street	7/21/23	JPY	25,445 USD	184 (7)
State Street	8/25/23	GBP	100 USD	125 1
Net unrealized gain (loss) on open forward currency exchange contracts				\$ (5)

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

**FUTURES CONTRACTS**

(\$000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Long, 20 U.S. Treasury Notes ten year contracts	9/23	2,245 \$	(35)
Short, 4 Ultra U.S. Treasury Bonds contracts	9/23	(545)	(6)
Long, 26 Ultra U.S. Treasury Notes ten year contracts	9/23	3,080	(20)
<b>Net payments (receipts) of variation margin to date</b>			<b>61</b>
<b>Variation margin receivable (payable) on open futures contracts</b>			<b>—</b>

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Inflation Protected Bond Fund - I Class, 7.97%	\$ —	\$ —	\$ —
T. Rowe Price Institutional Emerging Markets Bond Fund, 6.47%	(100)	186	190
T. Rowe Price Institutional Emerging Markets Equity Fund	(134)	436	—
T. Rowe Price Institutional Floating Rate Fund - Institutional Class, 8.76%	—	6	16
T. Rowe Price Institutional High Yield Fund - Institutional Class, 8.16%	(211)	424	320
T. Rowe Price International Bond Fund - I Class, 4.42%	(1,074)	1,118	47
T. Rowe Price International Bond Fund (USD Hedged) - I Class, 4.35%	—	33	36
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, 7.84%	—	—	—
T. Rowe Price Real Assets Fund - I Class	—	61	—
T. Rowe Price Government Reserve Fund, 5.13%	—	—	—++
T. Rowe Price Treasury Reserve Fund, 5.11%	—	—	267
Affiliates not held at period end	(192)	201	—
Totals	\$ (1,711)#	\$ 2,465	\$ 876+

**Supplementary Investment Schedule**

Affiliate	Value 12/31/22	Purchase Cost	Sales Cost	Value 06/30/23
T. Rowe Price Inflation Protected Bond Fund - I Class, 7.97%	\$ 6	\$ —	\$ —	\$ 6
T. Rowe Price Institutional Emerging Markets Bond Fund, 6.47%	6,935	191	375	6,937
T. Rowe Price Institutional Emerging Markets Equity Fund	7,172	—	534	7,074
T. Rowe Price Institutional Floating Rate Fund - Institutional Class, 8.76%	359	15	—	380
T. Rowe Price Institutional High Yield Fund - Institutional Class, 8.16%	9,978	320	1,311	9,411
T. Rowe Price International Bond Fund - I Class, 4.42%	6,438	48	4,374	3,230
T. Rowe Price International Bond Fund (USD Hedged) - I Class, 4.35%	—	3,336	—	3,369
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class, 7.84%	6	—	—	6
T. Rowe Price Real Assets Fund - I Class	4,767	—	—	4,828
T. Rowe Price U.S. Large-Cap Core Fund - I Class	2,483	—	2,684	—
T. Rowe Price Government Reserve Fund, 5.13%	424	□	□	6
T. Rowe Price Treasury Reserve Fund, 5.11%	10,661	□	□	14,013
Total			\$	49,260^

# Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.

+ Investment income comprised \$876 of dividend income and \$0 of interest income.

□ Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$50,718.

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

June 30, 2023 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$144,094)	\$	174,920
Receivable for investment securities sold		976
Interest and dividends receivable		324
Receivable for shares sold		54
Foreign currency (cost \$53)		53
Unrealized gain on forward currency exchange contracts		27
Bilateral swap premiums paid		10
Variation margin receivable on centrally cleared swaps		3
Cash		1
Other assets		137
Total assets		<u>176,505</u>

**Liabilities**

Payable for investment securities purchased		5,369
Investment management and administrative fees payable		163
Unrealized loss on forward currency exchange contracts		32
Payable for shares redeemed		27
Obligation to return securities lending collateral		6
Total liabilities		<u>5,597</u>

**NET ASSETS****\$ 170,908****Net Assets Consist of:**

Total distributable earnings (loss)	\$	28,207
Paid-in capital applicable to 8,921,976 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		<u>142,701</u>

**NET ASSETS****\$ 170,908****NET ASSET VALUE PER SHARE****\$ 19.16**

The accompanying notes are an integral part of these financial statements.



## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

(Unaudited)

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 6/30/23
<b>Investment Income (Loss)</b>	
Income	
Dividend (net of foreign taxes of \$64)	\$ 1,751
Interest	661
Securities lending	4
Total income	2,416
Expenses	
Investment management and administrative expense	742
Waived / paid by Price Associates	(162)
Net expenses	580
Net investment income	1,836
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	615
Futures	(285)
Swaps	8
Forward currency exchange contracts	(2)
Net realized gain	336
Change in net unrealized gain / loss	
Securities	11,765
Futures	(39)
Swaps	3
Forward currency exchange contracts	(2)
Other assets and liabilities denominated in foreign currencies	2
Change in net unrealized gain / loss	11,729
Net realized and unrealized gain / loss	12,065
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 13,901</b>

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

(Unaudited)

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 6/30/23	Year Ended 12/31/22
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 1,836	\$ 2,807
Net realized gain (loss)	336	(1,176)
Change in net unrealized gain / loss	11,729	(39,492)
Increase (decrease) in net assets from operations	13,901	(37,861)
Distributions to shareholders		
Net earnings	(1,790)	(6,064)
Capital share transactions*		
Shares sold	9,054	15,092
Distributions reinvested	1,790	6,064
Shares redeemed	(14,031)	(24,543)
Decrease in net assets from capital share transactions	(3,187)	(3,387)
<b>Net Assets</b>		
Increase (decrease) during period	8,924	(47,312)
Beginning of period	161,984	209,296
<b>End of period</b>	<b>\$ 170,908</b>	<b>\$ 161,984</b>
*Share information (000s)		
Shares sold	483	779
Distributions reinvested	96	335
Shares redeemed	(754)	(1,265)
Decrease in shares outstanding	(175)	(151)

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Equity Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Moderate Allocation Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks the highest total return over time consistent with an emphasis on both capital appreciation and income. Shares of the fund are currently offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Paydown gains and losses are recorded as an adjustment to interest income. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Distributions from REITs are initially recorded as dividend income and, to the extent such represent a return of capital or capital gain for tax purposes, are reclassified when such information becomes available. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid quarterly. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Currency Translation** Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**New Accounting Guidance** In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the fund opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

The FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to

apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

## NOTE 2 - VALUATION

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

The last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE, if the Valuation Designee determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of the fund's portfolio securities. Each business day, the Valuation Designee uses information from outside pricing services to evaluate the quoted prices of portfolio securities and, if appropriate, decide whether it is necessary to adjust quoted prices to reflect fair value by reviewing a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Valuation Designee uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The Valuation Designee cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value.

Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Listed options, and OTC options with a listed equivalent, are valued at the mean of the closing bid and asked prices and exchange-traded options on futures contracts are valued at closing settlement prices. Futures contracts are valued at closing settlement prices. Forward currency exchange contracts are valued using the prevailing forward exchange rate. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Fixed Income Securities <sup>1</sup>	\$ —	\$ 36,412	\$ —	\$ 36,412
Bond Mutual Funds	23,339	—	—	23,339
Common Stocks	68,006	20,629	180	88,815
Convertible Bonds	—	—	1	1
Convertible Preferred Stocks	—	—	298	298
Equity Mutual Funds	11,902	—	—	11,902
Preferred Stocks	—	134	—	134
Short-Term Investments	14,013	—	—	14,013
Securities Lending Collateral	6	—	—	6
Options Purchased	—	—	—	—
Total Securities	117,266	57,175	479	174,920
Swaps*	—	23	—	23
Forward Currency Exchange Contracts	—	27	—	27
Total	\$ 117,266	\$ 57,225	\$ 479	\$ 174,970
<b>Liabilities</b>				
Forward Currency Exchange Contracts	\$ —	\$ 32	\$ —	\$ 32
Futures Contracts*	61	—	—	61
Total	\$ 61	\$ 32	\$ —	\$ 93

<sup>1</sup> Includes Asset-Backed Securities, Corporate Bonds, Foreign Government Obligations & Municipalities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities and U.S. Government Agency Obligations (Excluding Mortgage-Backed).

\* The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the net value reflected on the accompanying Portfolio of Investments is only the unsettled variation margin receivable (payable) at that date.

### NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2023, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes and may use them to establish both long and short positions within the fund's portfolio. Potential uses include to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

collateral. The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2023, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

(\$000s)	Location on Statement of Assets and Liabilities	Fair Value*
<b>Assets</b>		
Foreign exchange derivatives	Forwards, Securities^	\$ 27
Credit derivatives	Bilateral Swaps and Premiums, Centrally Cleared Swaps, Securities^	23
Total		\$ 50
<b>Liabilities</b>		
Interest rate derivatives	Futures	\$ 61
Foreign exchange derivatives	Forwards	32
Total		\$ 93

\* The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

^ Options purchased are reported as securities and are reflected in the accompanying Portfolio of Investments.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2023, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

(\$000s)	Location of Gain (Loss) on Statement of Operations					Total
	Securities^	Futures	Forward Currency Exchange Contracts	Swaps		
<b>Realized Gain (Loss)</b>						
Interest rate derivatives	\$ —	\$ (285)	\$ —	\$ 2	\$	(283)
Foreign exchange derivatives	—	—	(2)	—	—	(2)
Credit derivatives	—	—	—	6	—	6
Total	\$ —	\$ (285)	\$ (2)	\$ 8	\$	(279)
<b>Change in Unrealized Gain (Loss)</b>						
Interest rate derivatives	\$ —	\$ (39)	\$ —	\$ —	\$	(39)
Foreign exchange derivatives	(8)	—	(2)	—	—	(10)
Credit derivatives	(1)	—	—	3	—	2
Total	\$ (9)	\$ (39)	\$ (2)	\$ 3	\$	(47)

^ Options purchased are reported as securities.

**Counterparty Risk and Collateral** The fund invests in derivatives in various markets, which expose it to differing levels of counterparty risk. Counterparty risk on exchange-traded and centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps, is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Derivatives, such as non-cleared bilateral swaps, forward currency exchange contracts, and OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives) may expose the fund to greater counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs provide the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount settled. ISDAs typically include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with a counterparty, subject to minimum transfer amounts that typically range from \$100,000 to \$250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies, although other securities may be used depending on the terms outlined in the applicable MNA. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were cleared, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2023, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2023, securities valued at \$391,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

**Forward Currency Exchange Contracts** The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. It may use forward currency exchange contracts (forwards) primarily to protect its non-U.S. dollar-denominated securities from adverse currency movements or to increase exposure to a particular foreign currency, to shift the fund's foreign currency exposure from one country to another, or to enhance the fund's return. A forward involves an obligation to purchase or sell a fixed amount of a specific currency on a future date at a price set at the time of the contract. Although certain forwards may be settled by exchanging only the net gain or loss on the contract, most forwards are settled with the exchange of the underlying currencies in accordance with the specified terms. Forwards are valued at the unrealized gain or loss on the contract, which reflects the net amount the fund either is entitled to receive or obligated to deliver, as measured by the difference between the forward exchange rates at the date of entry into the contract and the forward rates at the reporting date. Appreciated forwards are reflected as assets and depreciated forwards are reflected as liabilities on the accompanying Statement of Assets and Liabilities. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the agreements; that anticipated currency movements will not occur, thereby reducing the fund's total return; and the potential for losses in excess of the fund's initial investment. During the six months ended June 30, 2023, the volume of the fund's activity in forwards, based on underlying notional amounts, was generally less than 1% of net assets.

**Futures Contracts** The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rates, security prices, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or part of a target market; to enhance income;



as a cash management tool; or to adjust credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended June 30, 2023, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 1% and 4% of net assets.

**Options** The fund is subject to foreign currency exchange rate risk and credit risk in the normal course of pursuing its investment objectives and uses options to help manage such risks. The fund may use options to manage exposure to security prices, interest rates, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or a part of a target market; to enhance income; as a cash management tool; or to adjust credit exposure. Options are included in net assets at fair value, options purchased are included in Investments in Securities, and options written are separately reflected as a liability on the accompanying Statement of Assets and Liabilities. Premiums on unexercised, expired options are recorded as realized gains or losses; premiums on exercised options are recorded as an adjustment to the proceeds from the sale or cost of the purchase. The difference between the premium and the amount received or paid in a closing transaction is also treated as realized gain or loss. In return for a premium paid, currency options give the holder the right, but not the obligation, to buy and sell currency at a specified exchange rate; although certain currency options may be settled by exchanging only the net gain or loss on the contract. In return for a premium paid, options on swaps give the holder the right, but not the obligation, to enter a specified swap contract on predefined terms. The exercise price of an option on a credit default swap is stated in terms of a specified spread that represents the cost of credit protection on the reference asset, including both the upfront premium to open the position and future periodic payments. The exercise price of an interest rate swap is stated in terms of a fixed interest rate; generally, there is no upfront payment to open the position. Risks related to the use of options include possible illiquidity of the options markets; trading restrictions imposed by an exchange or counterparty; possible failure of counterparties to meet the terms of the agreements; movements in the underlying asset values, currency values and credit ratings; and, for options written, the potential for losses to exceed any premium received by the fund. During the six months ended June 30, 2023, the volume of the fund's activity in options, based on underlying notional amounts, was generally less than 1% of net assets.

**Swaps** The fund is subject to interest rate risk and credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risks. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the swap and are recognized as realized gain or loss in the Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities.

Interest rate swaps are agreements to exchange cash flows based on the difference between specified interest rates applied to a notional principal amount for a specified period of time. Risks related to the use of interest rate swaps include the potential for unanticipated movements in interest or currency rates, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Generally, the payment risk for the seller of protection is inversely related to the current market price or credit rating of the underlying credit or the market value of the contract relative to the notional amount, which are indicators of the markets' valuation of credit quality. As of June 30, 2023, the notional amount of protection sold by the fund totaled \$795,000 (0.5% of net assets), which reflects the maximum potential amount the fund could be required to pay under such contracts. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the six months ended June 30, 2023, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 0% and 2% of net assets.

#### NOTE 4 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

**Emerging and Frontier Markets** The fund invests, either directly or through investments in other T. Rowe Price funds, in securities of companies located in, issued by governments of, or denominated in or linked to the currencies of emerging and frontier market countries. Emerging markets, and to a greater extent frontier markets, tend to have economic structures that are less diverse and mature, less developed legal and regulatory regimes, and political systems that are less stable, than those of developed countries. These markets may be subject to greater political, economic, and social uncertainty and differing accounting standards and regulatory environments that may potentially impact the fund's ability to buy or sell certain securities or repatriate proceeds to U.S. dollars. Emerging markets securities exchanges are more likely to experience delays with the clearing and settling of trades, as well as the custody of holdings by local banks, agents, and depositories. Such securities are often subject to greater price volatility, less liquidity, and higher rates of inflation than U.S. securities. Investing in frontier markets is typically significantly riskier than investing in other countries, including emerging markets.

**Restricted Securities** The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

**Collateralized Loan Obligations** The fund invests in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

**Mortgage-Backed Securities** The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. The fund also invests in stripped MBS, created when a traditional MBS is split into an interest-only (IO) and a principal-only (PO) strip. MBS, including IOs and POs, are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments. IOs also risk loss of invested principal from faster-than-anticipated prepayments.

**TBA Purchase, Sale Commitments and Forward Settling Mortgage Obligations** The fund enters into to-be-announced (TBA) purchase or sale commitments (collectively, TBA transactions), pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such securities. With TBA transactions, the particular securities to be received or delivered by the fund are not identified at the trade date; however, the securities must meet specified terms, including rate and mortgage term, and be within industry-accepted “good delivery” standards. The fund may enter into TBA transactions with the intention of taking possession of or relinquishing the underlying securities, may elect to extend the settlement by “rolling” the transaction, and/or may use TBA transactions to gain or reduce interim exposure to underlying securities. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a TBA or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold.

To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements (MSFTA) with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund’s risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of June 30, 2023, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

**Securities Lending** The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At June 30, 2023, the value of loaned securities was \$6,000; the value of cash collateral and related investments was \$6,000.

**Other** Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated \$34,303,000 and \$43,856,000, respectively, for the six months ended June 30, 2023. Purchases and sales of U.S. government securities aggregated \$31,767,000 and \$28,353,000, respectively, for the six months ended June 30, 2023.

## NOTE 5 - FEDERAL INCOME TAXES

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of December 31, 2022, the fund had \$1,135,000 of available capital loss carryforwards.

At June 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was \$146,026,000. Net unrealized gain aggregated \$28,851,000 at period-end, of which \$38,116,000 related to appreciated investments and \$9,265,000 related to depreciated investments.

#### **NOTE 6 - FOREIGN TAXES**

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

#### **NOTE 7 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.90% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2024 to waive a portion of its management fee in order to limit the fund's management fee to 0.85% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were \$42,000 for the six months ended June 30, 2023.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may also invest in certain other T. Rowe Price funds (Price Funds) as a means of gaining efficient and cost-effective exposure to certain markets. The fund does not invest for the purpose of exercising management or control; however, investments by the fund may represent a significant portion of an underlying Price Fund's net assets. Each underlying Price Fund is an open-end management investment company managed by Price Associates and is considered an affiliate of the fund. To ensure that the fund does not incur duplicate management fees (paid by the underlying Price Fund(s) and the fund), Price Associates has agreed to permanently waive a portion of its management fee charged to the fund in an amount sufficient to fully offset that portion of management fees paid by

## T. ROWE PRICE MODERATE ALLOCATION PORTFOLIO

each underlying Price Fund related to the fund's investment therein. Annual management fee rates and amounts waived related to investments in the underlying Price Fund(s) for the six months ended June 30, 2023, are as follows:

(\$000s)	Effective Management Fee Rate	Management Fee Waived
T. Rowe Price Inflation Protected Bond Fund - I Class	0.17% \$	-
T. Rowe Price Institutional Emerging Markets Bond Fund	0.70%	24
T. Rowe Price Institutional Emerging Markets Equity Fund	1.00%	39
T. Rowe Price Institutional Floating Rate Fund - Institutional Class	0.55%	1
T. Rowe Price Institutional High Yield Fund - Institutional Class	0.50%	24
T. Rowe Price International Bond Fund - I Class	0.49%	9
T. Rowe Price International Bond Fund (USD Hedged) - I Class	0.49%	6
T. Rowe Price Limited Duration Inflation Focused Bond Fund - I Class	0.25%	-
T. Rowe Price Real Assets Fund - I Class	0.64%	15
T. Rowe Price U.S. Large-Cap Core Fund - I Class	0.54%	2
<b>Total Management Fee Waived</b>	<b>\$</b>	<b>120</b>

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades and for the cost of brokerage commissions embedded in the cost of the fund's foreign currency transactions. These agreements may be rescinded at any time. For the six months ended June 30, 2023, these reimbursements amounted to \$2,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

## NOTE 8 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

## INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	<b>Votes For</b>	<b>Votes Withheld</b>
Melody Bianchetto	74,096,003	4,864,479
Mark J. Parrell	76,629,190	2,346,625
Kellye L. Walker	76,708,663	2,268,629
Eric L. Veiel	76,898,359	2,090,473

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

## HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](https://www.troweprice.com).



**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS**

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser), as well as the investment subadvisory agreements (Subadvisory Contracts) that the Adviser has entered into with T. Rowe Price Investment Management, Inc. (TRPIM), T. Rowe Price International Ltd, and T. Rowe Price Hong Kong Limited (collectively, the Subadvisers) on behalf of the fund. In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract and Subadvisory Contracts. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadvisers and the approval of the Advisory Contract and Subadvisory Contracts. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory Contracts by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract and Subadvisory Contracts, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Adviser and Subadvisers about various topics. The Board also considered that TRPIM has its own investment platform and investment management leadership, and that TRPIM has implemented information barriers restricting the sharing of investment information and voting activity with the Adviser and other Subadvisers. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

**Services Provided by the Adviser and Subadvisers**

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser and Subadvisers. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. However, the Board noted that there are information barriers between investment personnel of TRPIM and the Adviser and the other Subadvisers that restrict the sharing of certain information, such as investment research, trading, and proxy voting. The Board also reviewed the background and experience of the Adviser's and Subadvisers' senior management teams and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser and Subadvisers, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

**Investment Performance of the Fund**

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)****Costs, Benefits, Profits, and Economies of Scale**

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. While the Board did not review information regarding profits realized from managing the fund, in particular, because the fund had either not achieved sufficient portfolio asset size or not recognized sufficient revenues to produce meaningful profit margin percentages, the Board concluded that the Adviser's profits were reasonable in light of the services provided to the T. Rowe Price funds.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays the Adviser an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Adviser to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Adviser has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.85% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Adviser by the fund. Under each Subadvisory Contract, the Adviser may pay the Subadviser up to 60% of the advisory fees that the Adviser receives from the fund. The Adviser has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the fund's investors and has historically sought to set the initial all-inclusive management fee rate at levels below the expense ratios of comparable funds to take into account potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. In addition, the assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement and any applicable waivers relating to investments in other T. Rowe Price funds), and total expenses (which reflect the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement and any applicable waivers relating to investments in other T. Rowe Price funds) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group) and fourth quintile (Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group and Expense Universe).



**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)**

The Adviser provided the Board with additional information with respect to the fund's relative management fees and total expenses ranking in the fourth and fifth quintiles. The Board reviewed and considered the information provided relating to the fund, including other funds in the peer group, and other factors that the Board determined to be relevant.

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

**Approval of the Advisory Contract and Subadvisory Contracts**

As noted, the Board approved the continuation of the Advisory Contract and Subadvisory Contracts. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract and Subadvisory Contracts (including the fees to be charged for services thereunder).

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T.RowePrice®



**SEMIANNUAL REPORT**

June 30, 2023

T. ROWE PRICE

# Blue Chip Growth Portfolio

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## Dear Investor

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended June 30, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets were resilient as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the six-month period, the technology-oriented Nasdaq Composite Index gained more than 30%, the strongest result of the major benchmarks, as tech companies benefited from investor enthusiasm for artificial intelligence applications. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector partly recovered from the failure of three large regional banks during the period but still finished with modest losses.

Cheaper oil contributed to slowing inflation, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. In response, the Federal Reserve raised its short-term lending benchmark rate to a target range of 5.00% to 5.25% by early May, the highest level since 2007. The Fed held rates steady at its June meeting, but policymakers indicated that two more rate hikes could come by the end of the year.

In the fixed income market, returns were generally positive across most sectors as investors benefited from the higher interest rates that have become available over the past year. Investment-grade corporate bonds were supported by generally solid balance sheets and were among the strongest performers.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could weigh on credit conditions. Moreover, market consensus still seems to point to a coming recession, although hopes have emerged that such a downturn could be more modest.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,



Robert Sharps  
CEO and President



## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

## Portfolio Summary

## SECTOR DIVERSIFICATION

	Percent of Net Assets	
	12/31/22	6/30/23
Information Technology	47.0%	43.1%
Communication Services	12.8	15.1
Consumer Discretionary	14.5	14.5
Health Care	16.7	12.7
Financials	5.1	10.2
Industrials and Business Services	2.0	2.1
Materials	1.3	1.0
Consumer Staples	0.0	0.6
Utilities	0.0	0.2
Energy	0.0	0.0
Real Estate	0.0	0.0
Other and Reserves	0.6	0.5
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

## TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 6/30/23
Microsoft	14.0%
Apple	11.3
Amazon.com	7.7
Alphabet	7.5
NVIDIA	5.9
Meta Platforms	5.0
UnitedHealth Group	3.3
Visa	3.3
Tesla	2.9
Mastercard	2.7
Eli Lilly	2.7
ServiceNow	2.2
Intuitive Surgical	1.7
Netflix	1.5
ASML Holding	1.4
Thermo Fisher Scientific	1.3
Intuit	1.2
Synopsys	1.2
Chipotle Mexican Grill	1.0
T-Mobile U.S.	1.0
Chubb	1.0
Advanced Micro Devices	0.9
Booking Holdings	0.8
Roper Technologies	0.7
Danaher	0.7
<b>Total</b>	<b>82.9%</b>

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

**FUND EXPENSE EXAMPLE**

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following 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 most recent six-month period and held for the entire period.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and the II Class. The II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

**Actual Expenses**

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. 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 should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. 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. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

**BLUE CHIP GROWTH PORTFOLIO**

	<b>Beginning Account Value 1/1/23</b>	<b>Ending Account Value 6/30/23</b>	<b>Expenses Paid During Period* 1/1/23 to 6/30/23</b>
<b>Blue Chip Growth Portfolio</b>			
Actual	\$1,000.00	\$1,349.70	\$4.37
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.08	3.76
<b>Blue Chip Growth Portfolio - II</b>			
Actual	1,000.00	1,348.60	5.82
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.84	5.01

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Blue Chip Growth Portfolio was 0.75%, and the Blue Chip Growth Portfolio - II was 1.00%.

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Blue Chip Growth Portfolio Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 30.94	\$ 53.12	\$ 50.71	\$ 38.98	\$ 30.79	\$ 31.22
Investment activities						
Net investment income (loss) <sup>(1)(2)</sup>	(0.01)	(0.09)	(0.24)	(0.14)	— <sup>(3)</sup>	— <sup>(3)</sup>
Net realized and unrealized gain/ loss	10.83	(20.36)	9.00	13.50	9.19	0.61
Total from investment activities	10.82	(20.45)	8.76	13.36	9.19	0.61
Distributions						
Net realized gain	—	(1.73)	(6.35)	(1.63)	(1.00)	(1.04)
<b>NET ASSET VALUE</b>						
End of period	\$ 41.76	\$ 30.94	\$ 53.12	\$ 50.71	\$ 38.98	\$ 30.79

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(4)</sup></b>	<b>34.97%</b>	<b>(38.50)%</b>	<b>17.62%</b>	<b>34.28%</b>	<b>29.89%</b>	<b>1.92%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(5)</sup>	0.85% <sup>(6)</sup>	0.85%	0.85%	0.85%	0.85%	0.80%
Net expenses after waivers/ payments by Price Associates	0.75% <sup>(6)</sup>	0.75%	0.75%	0.75%	0.75%	0.80%
Net investment income (loss)	(0.08)% <sup>(6)</sup>	(0.24)%	(0.42)%	(0.33)%	0.01%	(0.01)%
Portfolio turnover rate	7.8%	18.0%	38.2%	27.1%	31.6%	30.1%
Net assets, end of period (in thousands)	\$ 1,268,149	\$ 1,055,580	\$ 1,771,014	\$ 1,606,413	\$ 1,199,110	\$ 950,220

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Amounts round to less than \$0.01 per share.<sup>(4)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(5)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(6)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Blue Chip Growth Portfolio - II  
Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 29.23	\$ 50.47	\$ 48.48	\$ 37.42	\$ 29.66	\$ 30.19
Investment activities						
Net investment loss <sup>(1)(2)</sup>	(0.06)	(0.18)	(0.36)	(0.24)	(0.08)	(0.09)
Net realized and unrealized gain/ loss	10.25	(19.33)	8.59	12.93	8.84	0.60
Total from investment activities	10.19	(19.51)	8.23	12.69	8.76	0.51
Distributions						
Net realized gain	-	(1.73)	(6.24)	(1.63)	(1.00)	(1.04)
<b>NET ASSET VALUE</b>						
End of period	\$ 39.42	\$ 29.23	\$ 50.47	\$ 48.48	\$ 37.42	\$ 29.66

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>34.86%</b>	<b>(38.66)%</b>	<b>17.33%</b>	<b>33.92%</b>	<b>29.58%</b>	<b>1.65%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	1.10% <sup>(5)</sup>	1.10%	1.10%	1.10%	1.10%	1.05%
Net expenses after waivers/ payments by Price Associates	1.00% <sup>(5)</sup>	1.00%	1.00%	1.00%	1.00%	1.05%
Net investment loss	(0.33)% <sup>(5)</sup>	(0.49)%	(0.67)%	(0.57)%	(0.24)%	(0.27)%
Portfolio turnover rate	7.8%	18.0%	38.2%	27.1%	31.6%	30.1%
Net assets, end of period (in thousands)	\$ 580,498	\$ 449,529	\$ 785,041	\$ 700,063	\$ 553,467	\$ 425,060

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

June 30, 2023 (Unaudited)

<b>PORTFOLIO OF INVESTMENTS†</b>	<b>Shares/Par</b>	<b>\$ Value</b>
(Cost and value in \$000s)		
<b>COMMON STOCKS 99.2%</b>		
<b>COMMUNICATION SERVICES 15.2%</b>		
<b>Entertainment 1.7%</b>		
Netflix (1)	61,143	26,933
Sea, ADR (1)	87,449	5,075
		32,008
<b>Interactive Media &amp; Services 12.5%</b>		
Alphabet, Class A (1)	201,370	24,104
Alphabet, Class C (1)	946,180	114,459
Meta Platforms, Class A (1)	319,258	91,621
		230,184
<b>Wireless Telecommunication Services 1.0%</b>		
T-Mobile U.S. (1)	127,611	17,725
		17,725
Total Communication Services		279,917
<b>CONSUMER DISCRETIONARY 14.4%</b>		
<b>Automobiles 2.9%</b>		
Tesla (1)	208,189	54,498
		54,498
<b>Broadline Retail 7.7%</b>		
Amazon.com (1)	1,091,346	142,268
		142,268
<b>Hotels, Restaurants &amp; Leisure 2.0%</b>		
Booking Holdings (1)	5,366	14,490
Chipotle Mexican Grill (1)	8,924	19,088
DoorDash, Class A (1)	50,839	3,885
		37,463
<b>Specialty Retail 1.0%</b>		
Ross Stores	95,771	10,739
TJX	97,212	8,242
		18,981
<b>Textiles, Apparel &amp; Luxury Goods 0.8%</b>		
Lululemon Athletica (1)	22,932	8,680
NIKE, Class B	60,659	6,695
		15,375
Total Consumer Discretionary		268,585
<b>CONSUMER STAPLES 0.6%</b>		
<b>Consumer Staples Distribution &amp; Retail 0.6%</b>		
Dollar General	66,917	11,361
Total Consumer Staples		11,361
<b>FINANCIALS 10.1%</b>		
<b>Capital Markets 1.7%</b>		
Charles Schwab	101,469	5,751
Goldman Sachs Group	15,603	5,033
Morgan Stanley	104,096	8,890
MSCI	5,164	2,423

	<b>Shares/Par</b>	<b>\$ Value</b>
(Cost and value in \$000s)		
S&P Global	25,248	10,122
		32,219
<b>Financial Services 6.8%</b>		
Adyen (EUR) (1)	3,703	6,412
Affirm Holdings (1)	44,983	690
ANT International, Class C, Acquisition Date: 6/7/18, Cost \$2,803 (2)(3)	735,429	1,294
Block, Class A (1)	43,993	2,929
Fiserv (1)	31,925	4,027
Mastercard, Class A	125,685	49,432
Visa, Class A	254,472	60,432
		125,216
<b>Insurance 1.6%</b>		
Chubb	91,442	17,608
Marsh & McLennan	66,259	12,462
		30,070
Total Financials		187,505
<b>HEALTH CARE 12.7%</b>		
<b>Health Care Equipment &amp; Supplies 2.6%</b>		
Align Technology (1)	7,259	2,567
Intuitive Surgical (1)	92,315	31,566
Stryker	38,085	11,619
Teleflex	11,108	2,689
		48,441
<b>Health Care Providers &amp; Services 4.3%</b>		
Elevance Health	15,161	6,736
Humana	28,547	12,764
UnitedHealth Group	126,578	60,839
		80,339
<b>Health Care Technology 0.3%</b>		
Veeva Systems, Class A (1)	23,362	4,619
		4,619
<b>Life Sciences Tools &amp; Services 2.0%</b>		
Danaher	54,171	13,001
Thermo Fisher Scientific	46,836	24,437
		37,438
<b>Pharmaceuticals 3.5%</b>		
AstraZeneca, ADR	71,129	5,091
Eli Lilly	104,851	49,173
Zoetis	59,473	10,242
		64,506
Total Health Care		235,343
<b>INDUSTRIALS &amp; BUSINESS SERVICES 2.2%</b>		
<b>Aerospace &amp; Defense 0.3%</b>		
TransDigm Group	5,300	4,739
		4,739
<b>Commercial Services &amp; Supplies 0.2%</b>		
Cintas	6,092	3,028
		3,028

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>Ground Transportation 0.4%</b>		
Old Dominion Freight Line	18,452	6,823
		6,823
<b>Industrial Conglomerates 1.2%</b>		
General Electric	82,793	9,095
Roper Technologies	27,670	13,304
		22,399
<b>Professional Services 0.1%</b>		
Paycom Software	4,818	1,548
		1,548
Total Industrials & Business Services		38,537
<b>INFORMATION TECHNOLOGY 42.8%</b>		
<b>Electronic Equipment, Instruments &amp; Components 0.2%</b>		
TE Connectivity	24,412	3,422
		3,422
<b>IT Services 1.5%</b>		
MongoDB (1)	28,357	11,654
Shopify, Class A (1)	176,604	11,409
Snowflake, Class A (1)	23,373	4,113
		27,176
<b>Semiconductors &amp; Semiconductor Equipment 9.9%</b>		
Advanced Micro Devices (1)	144,690	16,482
ASML Holding	34,923	25,311
Lam Research	4,759	3,059
Marvell Technology	91,926	5,495
Monolithic Power Systems	20,125	10,872
NVIDIA	258,561	109,377
Taiwan Semiconductor Manufacturing, ADR	64,586	6,518
Texas Instruments	36,015	6,483
		183,597
<b>Software 19.9%</b>		
Atlassian, Class A (1)	37,400	6,276
BILL Holdings (1)	52,017	6,078
Canva, Acquisition Date: 8/16/21 - 12/17/21, Cost \$2,456 (1)(2)(3)	1,441	1,022
Confluent, Class A (1)	72,940	2,576
CrowdStrike Holdings, Class A (1)	15,919	2,338
Datadog, Class A (1)	32,257	3,173
Fortinet (1)	36,555	2,763
Gusto, Acquisition Date: 10/4/21, Cost \$805 (1)(2)(3)	27,971	527
Intuit	49,334	22,604
Microsoft	759,657	258,694
ServiceNow (1)	73,555	41,336
Synopsys (1)	49,048	21,356
		368,743

	Shares/Par	\$ Value
(Cost and value in \$000s)		
<b>Technology Hardware, Storage &amp; Peripherals 11.3%</b>		
Apple	1,077,150	208,935
		208,935
Total Information Technology		791,873
<b>MATERIALS 1.0%</b>		
<b>Chemicals 1.0%</b>		
Linde	23,464	8,942
Sherwin-Williams	32,606	8,657
Total Materials		17,599
<b>UTILITIES 0.2%</b>		
<b>Electric Utilities 0.2%</b>		
Constellation Energy	47,411	4,340
Total Utilities		4,340
<b>Total Common Stocks (Cost \$785,110)</b>		
		<b>1,835,060</b>
<b>CONVERTIBLE PREFERRED STOCKS 0.2%</b>		
<b>INFORMATION TECHNOLOGY 0.2%</b>		
<b>Software 0.2%</b>		
Canva, Series A, Acquisition Date: 11/4/21 - 12/17/21, Cost \$157 (1)(2)(3)	92	65
Canva, Series A-3, Acquisition Date: 11/4/21 - 12/17/21, Cost \$17 (1)(2)(3)	10	7
Databricks, Series G, Acquisition Date: 2/1/21, Cost \$742 (1)(2)(3)	12,546	918
Databricks, Series H, Acquisition Date: 8/31/21, Cost \$2,305 (1)(2)(3)	31,368	2,295
Gusto, Series E, Acquisition Date: 7/13/21, Cost \$1,126 (1)(2)(3)	37,063	698
Total Information Technology		3,983
<b>Total Convertible Preferred Stocks (Cost \$4,347)</b>		
		<b>3,983</b>
<b>CORPORATE BONDS 0.2%</b>		
Carvana, 10.25%, 5/1/30 (4)	4,175,000	3,215
<b>Total Corporate Bonds (Cost \$4,175)</b>		
		<b>3,215</b>
<b>SHORT-TERM INVESTMENTS 0.4%</b>		
<b>Money Market Funds 0.4%</b>		
T. Rowe Price Government Reserve Fund, 5.13% (5)(6)	7,234,308	7,234
<b>Total Short-Term Investments (Cost \$7,234)</b>		
		<b>7,234</b>
<b>Total Investments in Securities 100.0% of Net Assets (Cost \$800,866)</b>		
		<b>\$ 1,849,492</b>

‡ Shares/Par are denominated in U.S. dollars unless otherwise noted.

- (1) Non-income producing
  - (2) See Note 2. Level 3 in fair value hierarchy.
  - (3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund may have registration rights for certain restricted securities. Any costs related to such registration are generally borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period end amounts to \$6,826 and represents 0.4% of net assets.
  - (4) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to \$3,215 and represents 0.2% of net assets.
  - (5) Seven-day yield
  - (6) Affiliated Companies
- ADR American Depositary Receipts  
EUR Euro

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Change in Net		Investment Income
	Net Realized Gain (Loss)	Unrealized Gain/Loss	
T. Rowe Price Government Reserve Fund, 5.13%	\$ —	\$ —	\$ 118 <sup>++</sup>
Totals	\$ — <sup>#</sup>	\$ —	\$ 118 <sup>+</sup>

**Supplementary Investment Schedule**

Affiliate	Value 12/31/22	Purchase Cost	Sales Cost	Value 06/30/23
T. Rowe Price Government Reserve Fund, 5.13%	\$ 15,568	□	□	\$ 7,234
Total				\$ 7,234 <sup>^</sup>

# Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 3.

+ Investment income comprised \$118 of dividend income and \$0 of interest income.

□ Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$7,234.

The accompanying notes are an integral part of these financial statements.



## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

June 30, 2023 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$800,866)	\$ 1,849,492
Receivable for investment securities sold	2,155
Receivable for shares sold	1,000
Dividends and interest receivable	320
Total assets	<u>1,852,967</u>

**Liabilities**

Payable for investment securities purchased	1,602
Payable for shares redeemed	1,424
Investment management and administrative fees payable	1,174
Other liabilities	120
Total liabilities	<u>4,320</u>

**NET ASSETS****\$ 1,848,647****Net Assets Consist of:**

Total distributable earnings (loss)	\$ 975,061
Paid-in capital applicable to 45,091,340 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized	<u>873,586</u>

**NET ASSETS****\$ 1,848,647****NET ASSET VALUE PER SHARE****Blue Chip Growth Portfolio Class****(Net assets: \$1,268,149; Shares outstanding: 30,364,041) \$ 41.76****Blue Chip Growth Portfolio - II Class****(Net assets: \$580,498; Shares outstanding: 14,727,299) \$ 39.42**

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

(Unaudited)

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 6/30/23
<b>Investment Income (Loss)</b>	
Income	
Dividend (net of foreign taxes of \$32)	\$ 4,941
Other, non cash	371
Interest	213
Securities lending	1
Total income	5,526
Expenses	
Investment management and administrative expense	6,998
Rule 12b-1 fees - Blue Chip Growth Portfolio - II Class	627
Waived / paid by Price Associates	(823)
Net expenses	6,802
Net investment loss	(1,276)
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	50,603
Foreign currency transactions	(1)
Net realized gain	50,602
Change in net unrealized gain on securities	450,866
Net realized and unrealized gain / loss	501,468
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 500,192</b>

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE BLUE CHIP GROWTH PORTFOLIO

(Unaudited)

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 6/30/23	Year Ended 12/31/22
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment loss	\$ (1,276)	\$ (5,870)
Net realized gain (loss)	50,602	(114,416)
Change in net unrealized gain / loss	450,866	(851,275)
Increase (decrease) in net assets from operations	500,192	(971,561)
Distributions to shareholders		
Net earnings		
Blue Chip Growth Portfolio Class	-	(55,747)
Blue Chip Growth Portfolio - II Class	-	(25,099)
Decrease in net assets from distributions	-	(80,846)
Capital share transactions*		
Shares sold		
Blue Chip Growth Portfolio Class	115,328	279,904
Blue Chip Growth Portfolio - II Class	45,536	98,745
Distributions reinvested		
Blue Chip Growth Portfolio Class	-	55,747
Blue Chip Growth Portfolio - II Class	-	25,099
Shares redeemed		
Blue Chip Growth Portfolio Class	(250,021)	(324,012)
Blue Chip Growth Portfolio - II Class	(67,497)	(134,022)
Increase (decrease) in net assets from capital share transactions	(156,654)	1,461
<b>Net Assets</b>		
Increase (decrease) during period	343,538	(1,050,946)
Beginning of period	1,505,109	2,556,055
<b>End of period</b>	<b>\$ 1,848,647</b>	<b>\$ 1,505,109</b>

\*Share information (000s)

Shares sold		
Blue Chip Growth Portfolio Class	3,182	7,189
Blue Chip Growth Portfolio - II Class	1,325	2,625
Distributions reinvested		
Blue Chip Growth Portfolio Class	-	1,799
Blue Chip Growth Portfolio - II Class	-	857
Shares redeemed		
Blue Chip Growth Portfolio Class	(6,939)	(8,207)
Blue Chip Growth Portfolio - II Class	(1,975)	(3,658)
Increase (decrease) in shares outstanding	(4,407)	605

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Equity Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Blue Chip Growth Portfolio (the fund) is a nondiversified, open-end management investment company established by the corporation. The fund seeks to provide long-term capital growth. Income is a secondary objective. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the Blue Chip Growth Portfolio (Blue Chip Growth Portfolio Class) and the Blue Chip Growth Portfolio–II (Blue Chip Growth Portfolio–II Class). Blue Chip Growth Portfolio–II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Currency Translation** Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

**Class Accounting** Investment income, investment management and administrative expense, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. Blue Chip Growth Portfolio–II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**New Accounting Guidance** In June 2022, the FASB issued Accounting Standards Update (ASU), ASU 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments under this ASU are effective for fiscal years beginning after December 15, 2023; however, the fund opted to early adopt, as permitted, effective December 1, 2022. Adoption of the guidance did not have a material impact on the fund's financial statements.

The FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

## NOTE 2 - VALUATION

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

The last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE, if the Valuation Designee determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of the fund's portfolio securities. Each business day, the Valuation Designee uses information from outside pricing services to evaluate the quoted prices of portfolio securities and, if appropriate, decide whether it is necessary to adjust quoted prices to reflect fair value by reviewing a variety of factors, including developments in foreign markets, the performance of U.S.

securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Valuation Designee uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The Valuation Designee cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value.

Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Common Stocks	\$ 1,825,805	\$ 6,412	\$ 2,843	\$ 1,835,060
Convertible Preferred Stocks	—	—	3,983	3,983
Corporate Bonds	—	3,215	—	3,215
Short-Term Investments	7,234	—	—	7,234
Total	\$ 1,833,039	\$ 9,627	\$ 6,826	\$ 1,849,492

### NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

**Restricted Securities** The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

**Securities Lending** The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional

collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At June 30, 2023, there were no securities on loan.

**Other** Purchases and sales of portfolio securities other than short-term securities aggregated \$129,128,000 and \$287,055,000, respectively, for the six months ended June 30, 2023.

#### **NOTE 4 - FEDERAL INCOME TAXES**

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of December 31, 2022, the fund had \$108,015,000 of available capital loss carryforwards.

At June 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was \$816,610,000. Net unrealized gain aggregated \$1,032,882,000 at period-end, of which \$1,082,415,000 related to appreciated investments and \$49,533,000 related to depreciated investments.

#### **NOTE 5 - FOREIGN TAXES**

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

#### **NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.85% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2024 to waive a portion of its management fee in order to limit the fund's management fee to 0.75% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price

Associates by the fund. The total management fees waived were \$823,000 and allocated ratably in the amounts of \$572,000 and \$251,000 for the Blue Chip Growth Portfolio Class and Blue Chip Growth Portfolio-II Class, respectively, for the six months ended June 30, 2023.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

Price Associates has voluntarily agreed to reimburse the fund from its own resources on a monthly basis for the cost of investment research embedded in the cost of the fund's securities trades. This agreement may be rescinded at any time. For the six months ended June 30, 2023, this reimbursement amounted to \$9,000, which is included in Net realized gain (loss) on Securities in the Statement of Operations.

#### **NOTE 7 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.



## INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	<b>Votes For</b>	<b>Votes Withheld</b>
Melody Bianchetto	74,096,003	4,864,479
Mark J. Parrell	76,629,190	2,346,625
Kellye L. Walker	76,708,663	2,268,629
Eric L. Veiel	76,898,359	2,090,473

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

## HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](https://www.troweprice.com).

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT**

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser). In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and the approval of the Advisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Adviser about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

**Services Provided by the Adviser**

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Adviser's senior management team and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract.

**Investment Performance of the Fund**

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data.

In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board noted that, as of December 31, 2022, the fund lagged its benchmark for most performance periods and the fund's total returns ranked in the fourth quartile for most periods when compared with performance peer groups selected by third-party data providers. The Adviser provided the Board with information addressing the fund's performance relative to its benchmarks and performance peers during the applicable periods, the primary reasons for such results, and efforts being undertaken to improve performance. The Board considered the Adviser's responses and its efforts and plans to improve the fund's investment performance and noted that it will continue to periodically review the fund's performance. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)****Costs, Benefits, Profits, and Economies of Scale**

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. The Board also reviewed estimates of the profits realized from managing the fund in particular, and the Board concluded that the Adviser's profits were reasonable in light of the services provided to the fund.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays the Adviser an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Adviser to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Adviser has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.75% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Adviser by the fund. The Adviser has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the fund's investors and has historically sought to set the initial all-inclusive management fee rate at levels below the expense ratios of comparable funds to take into account potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. In addition, the assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement), and total expenses (which reflect the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fifth quintile (Expense Group) and fourth quintile (Expense Universe).

The Adviser provided the Board with additional information with respect to the fund's relative management fees and total expenses ranking in the fifth quintile. The Board reviewed and considered the information provided relating to the fund, including other funds in the peer group, and other factors that the Board determined to be relevant.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)**

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

**Approval of the Advisory Contract**

As noted, the Board approved the continuation of the Advisory Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract (including the fees to be charged for services thereunder).

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T.RowePrice®



**SEMIANNUAL REPORT**

June 30, 2023

T. ROWE PRICE

# Limited-Term Bond Portfolio

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## Dear Investor

Most major global stock and bond indexes produced positive returns during the first half of your fund's fiscal year, the six-month period ended June 30, 2023. Despite turmoil in the banking sector and a protracted debt ceiling standoff, markets were resilient as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the six-month period, the technology-oriented Nasdaq Composite Index gained more than 30%, the strongest result of the major benchmarks, as tech companies benefited from investor enthusiasm for artificial intelligence applications. Growth stocks outperformed value shares, and developed market stocks generally outpaced their emerging market counterparts. Currency movements were mixed over the period, although a weaker dollar versus major European currencies was beneficial for U.S. investors in European securities.

Within the S&P 500 Index, the information technology, communication services, and consumer discretionary sectors were all lifted by the tech rally and recorded significant gains. Conversely, the defensive utilities sector had the weakest returns in the growth-focused environment, and the energy sector also lost ground amid declining oil prices. The financials sector partly recovered from the failure of three large regional banks during the period but still finished with modest losses.

Cheaper oil contributed to slowing inflation, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. In response, the Federal Reserve raised its short-term lending benchmark rate to a target range of 5.00% to 5.25% by early May, the highest level since 2007. The Fed held rates steady at its June meeting, but policymakers indicated that two more rate hikes could come by the end of the year.

In the fixed income market, returns were generally positive across most sectors as investors benefited from the higher interest rates that have become available over the past year. Investment-grade corporate bonds were supported by generally solid balance sheets and were among the strongest performers.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could weigh on credit conditions. Moreover, market consensus still seems to point to a coming recession, although hopes have emerged that such a downturn could be more modest.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission (SEC) adopted new rules in January that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new report regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

While semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,



Robert Sharps  
CEO and President



## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

Portfolio Summary

**CREDIT QUALITY DIVERSIFICATION**

Quality Rating	Percent of Net Assets	
	12/31/22	6/30/23
U.S. Government Agency Securities*	3%	5%
U.S. Treasury**	19	21
AAA	14	12
AA	10	11
A	25	24
BBB	27	26
BB and Below	1	—
Reserves	1	1
<b>Total</b>	<b>100%</b>	<b>100%</b>

Sources: Credit ratings for the securities held in the fund are provided by Moody's, Standard & Poor's, and Fitch and are converted to the Standard & Poor's nomenclature. A rating of AAA represents the highest-rated securities, and a rating of D represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps. The fund is not rated by any agency. Securities that have not been rated by any rating agency totaled 0.09% of the portfolio at the end of the reporting period.

\* U.S. government agency securities include GNMA securities and conventional pass-throughs, collateralized mortgage obligations, and project loans. U.S. government agency securities, unlike Treasuries, are not issued directly by the U.S. government and are generally unrated but have credit support from the U.S. Treasury (in the case of Freddie Mac and Fannie Mae issues) or a direct government guarantee (in the case of Ginnie Mae issues).

\*\* U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

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## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

**FUND EXPENSE EXAMPLE**

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following 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 most recent six-month period and held for the entire period.

Shares of the fund are currently offered only through certain insurance companies as an investment medium for both variable annuity contracts and variable life insurance policies. Please note that the fund has two classes of shares: the original share class and the II Class. The II Class shares are sold through financial intermediaries, which are compensated for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan.

**Actual Expenses**

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes**

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. 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 should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. 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. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

**LIMITED-TERM BOND PORTFOLIO**

	<b>Beginning Account Value 1/1/23</b>	<b>Ending Account Value 6/30/23</b>	<b>Expenses Paid During Period* 1/1/23 to 6/30/23</b>
<b>Limited-Term Bond Portfolio</b>			
Actual	\$1,000.00	\$1,013.00	\$2.50
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.32	2.51
<b>Limited-Term Bond Portfolio-II</b>			
Actual	1,000.00	1,011.70	3.74
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.08	3.76

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Limited-Term Bond Portfolio was 0.50% and the Limited-Term Bond Portfolio-II was 0.75%.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Limited-Term Bond Portfolio Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 4.59	\$ 4.91	\$ 5.00	\$ 4.87	\$ 4.78	\$ 4.82
Investment activities						
Net investment income <sup>(1)(2)</sup>	0.07	0.09	0.07	0.10	0.11	0.09
Net realized and unrealized gain/ loss	(0.01)	(0.31)	(0.06)	0.13	0.10	(0.03)
Total from investment activities	0.06	(0.22)	0.01	0.23	0.21	0.06
Distributions						
Net investment income	(0.07)	(0.09)	(0.07)	(0.10)	(0.12)	(0.10)
Net realized gain	-	(0.01)	(0.03)	-	-	-
Total distributions	(0.07)	(0.10)	(0.10)	(0.10)	(0.12)	(0.10)
<b>NET ASSET VALUE</b>						
End of period	\$ 4.58	\$ 4.59	\$ 4.91	\$ 5.00	\$ 4.87	\$ 4.78

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>1.30%</b>	<b>(4.52)%</b>	<b>0.13%</b>	<b>4.71%</b>	<b>4.35%</b>	<b>1.18%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	0.70% <sup>(5)</sup>	0.70%	0.70%	0.70%	0.70%	0.60%
Net expenses after waivers/ payments by Price Associates	0.50% <sup>(5)</sup>	0.50%	0.50%	0.50%	0.50%	0.60%
Net investment income	3.04% <sup>(5)</sup>	1.93%	1.31%	2.04%	2.37%	1.93%
Portfolio turnover rate	29.5%	86.3%	64.3%	70.4%	61.1%	52.6%
Net assets, end of period (in thousands)	\$ 160,348	\$ 161,043	\$ 171,166	\$ 139,173	\$ 455,521	\$ 434,175

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**Limited-Term Bond Portfolio-II  
Class**

	6 Months Ended 6/30/23	Year Ended 12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 4.57	\$ 4.89	\$ 4.98	\$ 4.85	\$ 4.76	\$ 4.80
Investment activities						
Net investment income <sup>(1)(2)</sup>	0.06	0.08	0.05	0.08	0.10	0.08
Net realized and unrealized gain/ loss	(0.01)	(0.31)	(0.06)	0.13	0.09	(0.04)
Total from investment activities	0.05	(0.23)	(0.01)	0.21	0.19	0.04
Distributions						
Net investment income	(0.06)	(0.08)	(0.05)	(0.08)	(0.10)	(0.08)
Net realized gain	-	(0.01)	(0.03)	-	-	-
Total distributions	(0.06)	(0.09)	(0.08)	(0.08)	(0.10)	(0.08)
<b>NET ASSET VALUE</b>						
End of period	\$ 4.56	\$ 4.57	\$ 4.89	\$ 4.98	\$ 4.85	\$ 4.76

**Ratios/Supplemental Data**

<b>Total return<sup>(2)(3)</sup></b>	<b>1.17%</b>	<b>(4.78)%</b>	<b>(0.13)%</b>	<b>4.46%</b>	<b>4.10%</b>	<b>0.93%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates <sup>(4)</sup>	0.95% <sup>(5)</sup>	0.95%	0.95%	0.95%	0.95%	0.84%
Net expenses after waivers/ payments by Price Associates	0.75% <sup>(5)</sup>	0.75%	0.75%	0.75%	0.75%	0.84%
Net investment income	2.78% <sup>(5)</sup>	1.69%	1.06%	1.68%	2.11%	1.72%
Portfolio turnover rate	29.5%	86.3%	64.3%	70.4%	61.1%	52.6%
Net assets, end of period (in thousands)	\$ 16,526	\$ 17,217	\$ 18,786	\$ 15,503	\$ 16,613	\$ 15,247

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.<sup>(2)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6. Prior to 12/31/19, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.<sup>(5)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

June 30, 2023 (Unaudited)

**PORTFOLIO OF INVESTMENTS†**

	Par/Shares	\$ Value
(Amounts in 000s)		
<b>ASSET-BACKED SECURITIES 13.0%</b>		
<b>Car Loan 7.1%</b>		
AmeriCredit Automobile Receivables Trust Series 2020-1, Class C 1.59%, 10/20/25	395	388
AmeriCredit Automobile Receivables Trust Series 2020-1, Class D 1.80%, 12/18/25	415	397
AmeriCredit Automobile Receivables Trust Series 2020-2, Class B 0.97%, 2/18/26	52	52
AmeriCredit Automobile Receivables Trust Series 2020-3, Class C 1.06%, 8/18/26	115	108
AmeriCredit Automobile Receivables Trust Series 2021-1, Class C 0.89%, 10/19/26	190	176
AmeriCredit Automobile Receivables Trust Series 2021-1, Class D 1.21%, 12/18/26	115	105
AmeriCredit Automobile Receivables Trust Series 2021-2, Class D 1.29%, 6/18/27	235	211
AmeriCredit Automobile Receivables Trust Series 2022-1, Class D 3.23%, 2/18/28	420	385
Ari Fleet Lease Trust Series 2020-A, Class B 2.06%, 11/15/28 (1)	475	471
Avis Budget Rental Car Funding AESOP Series 2018-1A, Class D 5.25%, 9/20/24 (1)	158	157
Avis Budget Rental Car Funding AESOP Series 2018-2A, Class C 4.95%, 3/20/25 (1)	260	257
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class A 3.35%, 9/22/25 (1)	475	461
Avis Budget Rental Car Funding AESOP Series 2019-2A, Class B 3.55%, 9/22/25 (1)	415	401
Avis Budget Rental Car Funding AESOP Series 2020-1A, Class A 2.33%, 8/20/26 (1)	340	316
Carmax Auto Owner Trust Series 2023-2, Class C 5.57%, 11/15/28	265	261
Carmax Auto Owner Trust Series 2023-2, Class D 6.55%, 10/15/29	175	173
CarMax Auto Owner Trust Series 2020-4, Class D 1.75%, 4/15/27	145	135
Carvana Auto Receivables Trust Series 2021-P4, Class B 1.98%, 2/10/28	190	164
Carvana Auto Receivables Trust Series 2022-N1, Class C 3.32%, 12/11/28 (1)	133	128

	Par/Shares	\$ Value
(Amounts in 000s)		
Enterprise Fleet Financing Series 2023-2, Class A2 5.56%, 4/22/30 (1)	360	358
Exeter Automobile Receivables Trust Series 2021-3A, Class D 1.55%, 6/15/27	155	142
Exeter Automobile Receivables Trust Series 2022-2A, Class C 3.85%, 7/17/28	305	294
Exeter Automobile Receivables Trust Series 2022-4A, Class D 5.98%, 12/15/28	140	137
Exeter Automobile Receivables Trust Series 2022-5A, Class C 6.51%, 12/15/27	450	449
Ford Credit Auto Lease Trust Series 2022-A, Class C 4.18%, 10/15/25	465	451
Ford Credit Auto Lease Trust Series 2023-A, Class C 5.54%, 12/15/26	100	98
Ford Credit Auto Owner Trust Series 2020-2, Class C 1.74%, 4/15/33 (1)	145	131
Ford Credit Auto Owner Trust Series 2023-A, Class B 5.07%, 1/15/29	410	403
Ford Credit Floorplan Master Owner Trust Series 2020-1, Class C 1.42%, 9/15/25	220	215
Ford Credit Floorplan Master Owner Trust Series 2023-1, Class C 5.75%, 5/15/28 (1)	115	113
Ford Credit Floorplan Master Owner Trust Series 2023-1, Class D 6.62%, 5/15/28 (1)	135	133
GM Financial Automobile Leasing Trust Series 2022-3, Class C 5.13%, 8/20/26	615	603
GM Financial Automobile Leasing Trust Series 2023-1, Class C 5.76%, 1/20/27	270	267
GM Financial Consumer Automobile Receivables Trust Series 2020-2, Class A3 1.49%, 12/16/24	18	18
GM Financial Consumer Automobile Receivables Trust Series 2020-4, Class C 1.05%, 5/18/26	105	99
GM Financial Consumer Automobile Receivables Trust Series 2023-1, Class B 5.03%, 9/18/28	40	39
Hyundai Auto Receivables Trust Series 2020-B, Class C 1.60%, 12/15/26	175	167
JPMorgan Chase Bank Series 2021-2, Class D 1.138%, 12/26/28 (1)	69	67

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Nissan Auto Receivables Owner Trust Series 2020-A, Class A3 1.38%, 12/16/24	36	36
Santander Bank Series 2021-1A, Class B 1.833%, 12/15/31 (1)	89	87
Santander Bank Auto Credit-Linked Notes Series 2022-B, Class C 5.916%, 8/16/32 (1)	148	147
Santander Consumer Auto Receivables Trust Series 2020-BA, Class C 1.29%, 4/15/26 (1)	115	112
Santander Drive Auto Receivables Trust Series 2020-4, Class C 1.01%, 1/15/26	27	27
Santander Drive Auto Receivables Trust Series 2021-4, Class D 1.67%, 10/15/27	255	235
Santander Drive Auto Receivables Trust Series 2022-1, Class C 2.56%, 4/17/28	415	396
Santander Drive Auto Receivables Trust Series 2022-2, Class C 3.76%, 7/16/29	365	347
Santander Drive Auto Receivables Trust Series 2022-5, Class C 4.74%, 10/16/28	330	320
Santander Retail Auto Lease Trust Series 2021-A, Class C 1.14%, 3/20/26 (1)	430	415
Santander Retail Auto Lease Trust Series 2021-B, Class D 1.41%, 11/20/25 (1)	185	177
Santander Retail Auto Lease Trust Series 2021-C, Class C 1.11%, 3/20/26 (1)	155	148
Santander Retail Auto Lease Trust Series 2022-B, Class B 3.85%, 3/22/27 (1)	75	72
World Omni Auto Receivables Trust Series 2019-C, Class C 2.40%, 6/15/26	460	455
World Omni Auto Receivables Trust Series 2020-A, Class C 1.64%, 8/17/26	295	286
World Omni Auto Receivables Trust Series 2022-A, Class C 2.55%, 9/15/28	155	142
World Omni Select Auto Trust Series 2020-A, Class B 0.84%, 6/15/26	128	126
World Omni Select Auto Trust Series 2020-A, Class C 1.25%, 10/15/26	160	152
		12,610
<b>Other Asset-Backed Securities 5.3%</b>		
Blackbird Capital Aircraft Lease Securitization Series 2016-1A, Class AA, STEP 2.487%, 12/16/41 (1)	70	67

	Par/Shares	\$ Value
(Amounts in 000s)		
BRE Grand Islander Timeshare Issuer Series 2019-A, Class A 3.28%, 9/26/33 (1)	92	86
Cedar Funding XIV Series 2021-14A, Class A, CLO, FRN 3M USD LIBOR + 1.10%, 6.36%, 7/15/33 (1)	290	286
CIFC Funding Series 2021-4A, Class A, CLO, FRN 3M USD LIBOR + 1.05%, 6.31%, 7/15/33 (1)	250	248
Dryden Series 2020-86A, Class A1R, CLO, FRN 3M USD LIBOR + 1.10%, 6.36%, 7/17/34 (1)	250	245
Elara HGV Timeshare Issuer Series 2016-A, Class A 2.73%, 4/25/28 (1)	128	127
Elara HGV Timeshare Issuer Series 2017-A, Class A 2.69%, 3/25/30 (1)	43	42
Elara HGV Timeshare Issuer Series 2019-A, Class A 2.61%, 1/25/34 (1)	221	205
FirstKey Homes Trust Series 2020-SFR1, Class D 2.241%, 8/17/37 (1)	500	453
Hardee's Funding Series 2018-1A, Class A2II 4.959%, 6/20/48 (1)	200	186
Hilton Grand Vacations Trust Series 2017-AA, Class A 2.66%, 12/26/28 (1)	31	31
Hilton Grand Vacations Trust Series 2017-AA, Class B 2.96%, 12/26/28 (1)	11	11
HPEFS Equipment Trust Series 2023-1A, Class C 5.91%, 4/20/28 (1)	100	98
KKR Series 29A, Class A, CLO, FRN 3M USD LIBOR + 1.20%, 6.46%, 1/15/32 (1)	250	248
Madison Park Funding XXIII Series 2017-23A, Class AR, CLO, FRN 3M USD LIBOR + 0.97%, 6.262%, 7/27/31 (1)	280	277
Madison Park Funding XXXIII Series 2019-33A, Class AR, CLO, FRN 3M TSFR + 1.29%, 6.276%, 10/15/32 (1)	485	477
Madison Park Funding XXXV Series 2019-35A, Class A1R, CLO, FRN 3M USD LIBOR + 0.99%, 6.24%, 4/20/32 (1)	455	448
Madison Park Funding XXXVII Series 2019-37A, Class AR, CLO, FRN 3M USD LIBOR + 1.07%, 6.33%, 7/15/33 (1)	465	460

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Magnetite XXV Series 2020-25A, Class A, CLO, FRN 3M USD LIBOR + 1.20%, 6.455%, 1/25/32 (1)	500	496
MMAF Equipment Finance Series 2022-B, Class A3 5.61%, 7/10/28 (1)	155	155
MVW Series 2020-1A, Class B 2.73%, 10/20/37 (1)	93	87
MVW Series 2023-1A, Class A 4.93%, 10/20/40 (1)	319	312
MVW Owner Trust Series 2017-1A, Class B 2.75%, 12/20/34 (1)	10	10
MVW Owner Trust Series 2017-1A, Class C 2.99%, 12/20/34 (1)	17	17
Neuberger Berman Loan Advisers Series 2017-26A, Class BR, CLO, FRN 3M USD LIBOR + 1.40%, 6.662%, 10/18/30 (1)	255	246
Neuberger Berman Loan Advisers Series 2019-32A, Class AR, CLO, FRN 3M USD LIBOR + 0.99%, 6.255%, 1/20/32 (1)	400	394
Neuberger Berman XVII Series 2014-17A, Class AR2, CLO, FRN 3M USD LIBOR + 1.03%, 6.303%, 4/22/29 (1)	438	435
OCP Series 2017-13A, Class A1AR, CLO, FRN 3M USD LIBOR + 0.96%, 6.22%, 7/15/30 (1)	250	247
OCP Series 2017-13A, Class A2R, CLO, FRN 3M USD LIBOR + 1.55%, 6.81%, 7/15/30 (1)	315	307
Octane Receivables Trust Series 2021-2A, Class A 1.21%, 9/20/28 (1)	70	68
Octane Receivables Trust Series 2022-1A, Class B 4.90%, 5/22/28 (1)	180	175
Octane Receivables Trust Series 2022-2A, Class A 5.11%, 2/22/28 (1)	210	207
Octane Receivables Trust Series 2023-1A, Class A 5.87%, 5/21/29 (1)	84	83
Palmer Square Series 2020-3A, Class A1AR, CLO, FRN 3M USD LIBOR + 1.08%, 6.401%, 11/15/31 (1)	480	476
Progress Residential Trust Series 2020-SFR2, Class A 2.078%, 6/17/37 (1)	395	366
Progress Residential Trust Series 2022-SFR6, Class A 4.451%, 7/20/39 (1)	230	218

	Par/Shares	\$ Value
(Amounts in 000s)		
Sierra Timeshare Receivables Funding Series 2019-1A, Class A 3.20%, 1/20/36 (1)	53	51
Symphony Static I Series 2021-1A, Class B, CLO, FRN 3M USD LIBOR + 1.45%, 6.705%, 10/25/29 (1)	350	340
Symphony XXIII Series 2020-23A, Class AR, CLO, FRN 3M USD LIBOR + 1.02%, 6.28%, 1/15/34 (1)	450	443
Symphony XXVI Series 2021-26A, Class AR, CLO, FRN 3M USD LIBOR + 1.08%, 6.33%, 4/20/33 (1)	250	245
		9,373
<b>Student Loan 0.6%</b>		
Navient Private Education Refi Loan Trust Series 2019-D, Class A2A 3.01%, 12/15/59 (1)	88	81
Navient Private Education Refi Loan Trust Series 2019-GA, Class A 2.40%, 10/15/68 (1)	65	60
Navient Private Education Refi Loan Trust Series 2020-DA, Class A 1.69%, 5/15/69 (1)	44	39
Navient Private Education Refi Loan Trust Series 2020-FA, Class A 1.22%, 7/15/69 (1)	120	107
Navient Private Education Refi Loan Trust Series 2020-GA, Class A 1.17%, 9/16/69 (1)	56	49
Nelnet Student Loan Trust Series 2005-4, Class A4, FRN SOFR90A + 0.442%, 5.408%, 3/22/32	261	252
Nelnet Student Loan Trust Series 2020-1A, Class A, FRN 1M USD LIBOR + 0.74%, 5.89%, 3/26/68 (1)	134	131
Nelnet Student Loan Trust Series 2021-CA, Class AFX 1.32%, 4/20/62 (1)	269	239
SMB Private Education Loan Trust Series 2020-PTB, Class A2A 1.60%, 9/15/54 (1)	102	90
		1,048
<b>Total Asset-Backed Securities (Cost \$23,775)</b>		<b>23,031</b>
<b>CORPORATE BONDS 46.7%</b>		
<b>FINANCIAL INSTITUTIONS 19.4%</b>		
<b>Banking 12.3%</b>		
American Express, 2.25%, 3/4/25	445	421
Banco Bilbao Vizcaya Argentaria, 0.875%, 9/18/23	400	396
Banco Santander, 3.496%, 3/24/25	200	192
Banco Santander, VR, 5.77%, 6/30/24 (2)	400	397
Bank of America, VR, 0.81%, 10/24/24 (2)	135	133
Bank of America, VR, 0.976%, 4/22/25 (2)	255	244



## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Bank of America, VR, 1.734%, 7/22/27 (2)	190	170
Bank of America, VR, 1.843%, 2/4/25 (2)	215	209
Bank of America, VR, 3.384%, 4/2/26 (2)	265	254
Bank of America, VR, 3.841%, 4/25/25 (2)	190	186
Bank of America, VR, 5.08%, 1/20/27 (2)	200	197
Bank of Ireland Group, 4.50%, 11/25/23 (1)	870	861
Bank of Montreal, 3.70%, 6/7/25	350	337
Bank of Montreal, 5.30%, 6/5/26	220	219
Bank of Montreal, Series H, 4.25%, 9/14/24	390	383
Bank of New York Mellon, VR, 4.414%, 7/24/26 (2)	225	219
Bank of New York Mellon, VR, 4.947%, 4/26/27 (2)	255	252
Bank of New York Mellon, VR, 5.148%, 5/22/26 (2)	250	250
Banque Federative du Credit Mutuel, 0.65%, 2/27/24 (1)	235	227
Banque Federative du Credit Mutuel, 0.998%, 2/4/25 (1)	280	259
Banque Federative du Credit Mutuel, 4.935%, 1/26/26 (1)	200	196
Barclays, VR, 1.007%, 12/10/24 (2)	245	239
Barclays, VR, 5.304%, 8/9/26 (2)	200	195
Barclays, VR, 7.325%, 11/2/26 (2)	205	209
BPCE, 5.70%, 10/22/23 (1)	1,010	1,003
CaixaBank, VR, 6.208%, 1/18/29 (1)(2)	270	268
Capital One Financial, 3.90%, 1/29/24	145	142
Capital One Financial, 4.25%, 4/30/25	60	58
Capital One Financial, VR, 2.636%, 3/3/26 (2)	265	247
Capital One Financial, VR, 4.985%, 7/24/26 (2)	205	198
Capital One Financial, VR, 6.312%, 6/8/29 (2)	120	119
Citigroup, VR, 0.981%, 5/1/25 (2)	200	191
Citigroup, VR, 3.106%, 4/8/26 (2)	240	229
Citigroup, VR, 4.14%, 5/24/25 (2)	255	250
Credicorp, 2.75%, 6/17/25 (1)	200	189
Danske Bank, 5.375%, 1/12/24 (1)	350	348
Danske Bank, VR, 3.773%, 3/28/25 (1)(2)	200	196
Discover Bank, 4.20%, 8/8/23	250	249
Fifth Third Bank, 2.25%, 2/1/27	250	219
Fifth Third Bank, VR, 5.852%, 10/27/25 (2)	335	327
Goldman Sachs Group, 3.50%, 4/1/25	250	240
Goldman Sachs Group, VR, 0.925%, 10/21/24 (2)	325	319
Goldman Sachs Group, VR, 1.757%, 1/24/25 (2)	265	258
Goldman Sachs Group, VR, 4.482%, 8/23/28 (2)	210	203
HDFC Bank, 5.686%, 3/2/26	250	250
HSBC Holdings, 4.25%, 3/14/24	200	197
HSBC Holdings, VR, 1.162%, 11/22/24 (2)	200	196
HSBC Holdings, VR, 2.099%, 6/4/26 (2)	375	347
JPMorgan Chase, FRN, SOFR + 0.885%, 5.934%, 4/22/27	75	75
JPMorgan Chase, VR, 0.824%, 6/1/25 (2)	225	214
JPMorgan Chase, VR, 2.083%, 4/22/26 (2)	460	430
JPMorgan Chase, VR, 4.08%, 4/26/26 (2)	440	428

	Par/Shares	\$ Value
(Amounts in 000s)		
Mitsubishi UFJ Financial Group, VR, 0.953%, 7/19/25 (2)	400	377
Morgan Stanley, FRN, SOFR + 0.455%, 5.519%, 1/25/24	125	125
Morgan Stanley, FRN, SOFR + 0.466%, 5.555%, 11/10/23	295	295
Morgan Stanley, VR, 1.164%, 10/21/25 (2)	195	182
Morgan Stanley, VR, 2.63%, 2/18/26 (2)	250	237
Morgan Stanley, VR, 3.62%, 4/17/25 (2)	220	215
Morgan Stanley, VR, 5.05%, 1/28/27 (2)	105	104
Morgan Stanley, VR, 6.138%, 10/16/26 (2)	250	252
Morgan Stanley Bank, 4.754%, 4/21/26	250	246
Northern Trust, 3.95%, 10/30/25	155	149
PNC Financial Services Group, VR, 4.758%, 1/26/27 (2)	265	259
PNC Financial Services Group, VR, 5.671%, 10/28/25 (2)	355	352
PNC Financial Services Group, VR, 5.812%, 6/12/26 (2)	100	99
Royal Bank of Canada, 4.95%, 4/25/25	445	438
Santander Holdings USA, VR, 2.49%, 1/6/28 (2)	190	164
Standard Chartered, VR, 1.822%, 11/23/25 (1)(2)	200	187
State Street, VR, 4.857%, 1/26/26 (2)	115	113
State Street, VR, 5.104%, 5/18/26 (2)	180	179
Synchrony Financial, 4.25%, 8/15/24	485	465
Toronto-Dominion Bank, 0.70%, 9/10/24	350	330
Toronto-Dominion Bank, 4.285%, 9/13/24	460	451
Truist Financial, FRN, SOFR + 0.40%, 5.49%, 6/9/25	165	160
U.S. Bancorp, VR, 4.548%, 7/22/28 (2)	505	483
U.S. Bancorp, VR, 5.727%, 10/21/26 (2)	145	145
UBS, 0.70%, 8/9/24 (1)	205	193
UBS Group, VR, 1.494%, 8/10/27 (1)(2)	200	171
UBS Group, VR, 4.488%, 5/12/26 (1)(2)	200	193
UBS Group, VR, 4.49%, 8/5/25 (1)(2)	235	229
Wells Fargo, VR, 2.188%, 4/30/26 (2)	205	192
Wells Fargo, VR, 3.526%, 3/24/28 (2)	170	159
Wells Fargo, VR, 3.908%, 4/25/26 (2)	280	271
Wells Fargo, VR, 4.54%, 8/15/26 (2)	275	269
		21,719
<b>Brokerage Asset Managers</b>		
<b>Exchanges 0.5%</b>		
Charles Schwab, 2.45%, 3/3/27	575	516
Charles Schwab, 3.20%, 3/2/27	135	124
LSEGA Financing, 0.65%, 4/6/24 (1)	320	306
Nasdaq, 5.65%, 6/28/25	45	45
		991
<b>Finance Companies 1.7%</b>		
AerCap Ireland Capital, 1.65%, 10/29/24	635	596
AerCap Ireland Capital, 4.50%, 9/15/23	78	77
AerCap Ireland Capital, 4.875%, 1/16/24	300	298
Avolon Holdings Funding, 2.125%, 2/21/26 (1)	200	177
Avolon Holdings Funding, 2.875%, 2/15/25 (1)	250	232
Avolon Holdings Funding, 3.95%, 7/1/24 (1)	75	73



## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Avolon Holdings Funding, 5.125%, 10/1/23 (1)	325	324
Avolon Holdings Funding, 6.375%, 5/4/28 (1)	90	89
GATX, 3.25%, 9/15/26	342	316
GATX, 4.35%, 2/15/24	360	356
SMBC Aviation Capital Finance, 3.55%, 4/15/24 (1)	235	230
SMBC Aviation Capital Finance, 4.125%, 7/15/23 (1)	200	200
		2,968
<b>Financial Other 0.2%</b>		
LeasePlan, 2.875%, 10/24/24 (1)	400	381
		381
<b>Insurance 3.9%</b>		
American International Group, 2.50%, 6/30/25	220	207
Athene Global Funding, 1.716%, 1/7/25 (1)	435	403
Athene Global Funding, 2.514%, 3/8/24 (1)	535	521
BrightHouse Financial Global Funding, 1.00%, 4/12/24 (1)	200	192
CNO Global Funding, 1.65%, 1/6/25 (1)	240	223
CNO Global Funding, 1.75%, 10/7/26 (1)	355	313
Corebridge Financial, 3.50%, 4/4/25	205	195
Elevance Health, 5.35%, 10/15/25	85	85
Equitable Financial Life Global Funding, 0.80%, 8/12/24 (1)	255	241
Equitable Financial Life Global Funding, 1.10%, 11/12/24 (1)	360	337
Equitable Financial Life Global Funding, 1.40%, 7/7/25 (1)	35	32
First American Financial, 4.60%, 11/15/24	450	439
Health Care Service Corp A Mutual Legal Reserve, 1.50%, 6/1/25 (1)	325	298
Humana, 0.65%, 8/3/23	135	135
Humana, 1.35%, 2/3/27	90	78
Humana, 3.85%, 10/1/24	180	176
Humana, 4.50%, 4/1/25	145	142
Humana, 5.75%, 3/1/28	85	86
Jackson Financial, 1.125%, 11/22/23	270	265
Jackson National Life Global Funding, 1.75%, 1/12/25 (1)	290	269
Marsh & McLennan, 3.75%, 3/14/26	45	44
Metropolitan Life Global Funding I, 4.05%, 8/25/25 (1)	335	322
Northwestern Mutual Global Funding, 4.35%, 9/15/27 (1)	215	209
Principal Life Global Funding II, 0.75%, 4/12/24 (1)	165	159
Trinity Acquisition, 4.625%, 8/15/23	343	340
UnitedHealth Group, 3.70%, 5/15/27	280	270
UnitedHealth Group, 4.25%, 1/15/29	350	340
UnitedHealth Group, 5.15%, 10/15/25	245	246
UnitedHealth Group, 5.25%, 2/15/28	175	178
Willis North America, 3.60%, 5/15/24	90	87
		6,832
<b>Real Estate Investment Trusts 0.8%</b>		
Kimco Realty OP, 2.70%, 3/1/24	465	454

	Par/Shares	\$ Value
(Amounts in 000s)		
Public Storage, FRN, SOFR + 0.47%, 5.519%, 4/23/24	115	115
Realty Income, 3.875%, 7/15/24	450	439
Realty Income, 5.05%, 1/13/26	65	64
WP Carey, 4.00%, 2/1/25	465	450
		1,522
Total Financial Institutions		34,413
<b>INDUSTRIAL 24.4%</b>		
<b>Basic Industry 1.6%</b>		
ArcelorMittal, 3.60%, 7/16/24	100	98
Celanese U.S. Holdings, 5.90%, 7/5/24	440	439
Celanese U.S. Holdings, 6.05%, 3/15/25	545	543
Celulosa Arauco y Constitucion, 4.50%, 8/1/24	200	197
Ecolab, 1.65%, 2/1/27	100	90
Ecolab, 5.25%, 1/15/28	290	294
LYB International Finance III, 1.25%, 10/1/25	177	159
Nucor, 2.00%, 6/1/25	80	75
Nucor, 3.95%, 5/23/25	125	121
Nutrien, 4.90%, 3/27/28	110	108
POSCO, 4.375%, 8/4/25	450	437
Sherwin-Williams, 4.25%, 8/8/25	110	108
Westlake, 0.875%, 8/15/24	205	193
		2,862
<b>Capital Goods 0.9%</b>		
Arcor Flexibles North America, 4.00%, 5/17/25	210	202
Amphenol, 2.05%, 3/1/25	220	208
Amphenol, 4.75%, 3/30/26	95	94
Carrier Global, 2.242%, 2/15/25	64	61
Martin Marietta Materials, 0.65%, 7/15/23	195	195
Parker-Hannifin, 3.65%, 6/15/24	400	392
Regal Rexnord, 6.05%, 2/15/26 (1)	170	170
Republic Services, 2.50%, 8/15/24	220	212
Republic Services, 4.875%, 4/1/29	80	80
		1,614
<b>Communications 4.4%</b>		
American Tower, 2.40%, 3/15/25	170	160
Charter Communications Operating, 4.908%, 7/23/25	955	936
Comcast, 5.25%, 11/7/25	105	106
Cox Communications, 3.15%, 8/15/24 (1)	450	436
Cox Communications, 3.50%, 8/15/27 (1)	100	93
Crown Castle, 1.05%, 7/15/26	255	223
Crown Castle, 2.90%, 3/15/27	220	201
Crown Castle, 3.15%, 7/15/23	345	345
Crown Castle, 5.00%, 1/11/28	85	83
Crown Castle Towers, 4.241%, 7/15/28 (1)	80	74
GTP Acquisition Partners I, 3.482%, 6/16/25 (1)	465	444
KT, 4.00%, 8/8/25 (1)	450	436
Meta Platforms, 4.60%, 5/15/28	185	183
NTT Finance, 4.142%, 7/26/24 (1)	200	196
NTT Finance, 4.239%, 7/25/25 (1)	200	194
Rogers Communications, 2.95%, 3/15/25 (1)	430	408

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Rogers Communications, 3.20%, 3/15/27 (1)	310	287
SBA Tower Trust, 1.631%, 11/15/26 (1)	115	99
SBA Tower Trust, 1.884%, 1/15/26 (1)	85	76
SBA Tower Trust, 2.836%, 1/15/25 (1)	325	306
SBA Tower Trust, 6.599%, 1/15/28 (1)	155	157
SBA Tower Trust, Series 2014-2A, Class C, STEP, 3.869%, 10/15/49 (1)	110	107
T-Mobile USA, 2.25%, 2/15/26	195	179
T-Mobile USA, 3.50%, 4/15/25	265	255
Take-Two Interactive Software, 3.30%, 3/28/24	9	9
Take-Two Interactive Software, 3.55%, 4/14/25	150	145
Take-Two Interactive Software, 5.00%, 3/28/26	265	262
Verizon Communications, 1.45%, 3/20/26	270	244
Verizon Communications, 2.625%, 8/15/26	395	367
Warnermedia Holdings, 3.755%, 3/15/27	700	653
Warnermedia Holdings, 6.412%, 3/15/26	125	125
		7,789
<b>Consumer Cyclical 3.5%</b>		
7-Eleven, 0.80%, 2/10/24 (1)	135	131
Advance Auto Parts, 5.90%, 3/9/26	60	59
Aptiv, 2.396%, 2/18/25	205	194
AutoZone, 3.625%, 4/15/25	120	116
Daimler Truck Finance North America, 1.625%, 12/13/24 (1)	260	245
Daimler Truck Finance North America, 5.15%, 1/16/26 (1)	150	149
Daimler Truck Finance North America, 5.20%, 1/17/25 (1)	150	149
General Motors Financial, 2.90%, 2/26/25	485	460
General Motors Financial, 5.40%, 4/6/26	135	133
Genuine Parts, 1.75%, 2/1/25	105	98
Hyatt Hotels, 1.30%, 10/1/23	140	139
Hyundai Capital America, 0.80%, 1/8/24 (1)	160	156
Hyundai Capital America, 0.875%, 6/14/24 (1)	80	76
Hyundai Capital America, 1.00%, 9/17/24 (1)	110	103
Hyundai Capital America, 5.50%, 3/30/26 (1)	120	119
Hyundai Capital America, 5.60%, 3/30/28 (1)	160	159
Hyundai Capital Services, 2.125%, 4/24/25 (1)	200	187
Lowe's, 3.35%, 4/1/27	80	76
Lowe's, 4.40%, 9/8/25	305	298
Lowe's, 4.80%, 4/1/26	175	173
Marriott International, 3.60%, 4/15/24	425	418
Marriott International, 3.75%, 3/15/25	55	53
Marriott International, 4.90%, 4/15/29	55	54
Marriott International, 5.75%, 5/1/25	55	55
Mercedes-Benz Finance North America, 4.80%, 3/30/26 (1)	190	188
Mercedes-Benz Finance North America, 4.95%, 3/30/25 (1)	150	149
Nissan Motor, 3.043%, 9/15/23 (1)	665	660

	Par/Shares	\$ Value
(Amounts in 000s)		
Nordstrom, 2.30%, 4/8/24	35	34
Ross Stores, 0.875%, 4/15/26	155	137
Ross Stores, 4.60%, 4/15/25	670	657
Starbucks, 4.75%, 2/15/26	215	213
Stellantis Finance U.S., 1.711%, 1/29/27 (1)	200	175
Volkswagen Group of America Finance, 3.95%, 6/6/25 (1)	200	194
		6,207
<b>Consumer Non-Cyclical 7.3%</b>		
AbbVie, 2.60%, 11/21/24	715	686
AbbVie, 2.95%, 11/21/26	510	476
AbbVie, 3.20%, 5/14/26	45	43
Amgen, 5.25%, 3/2/25	95	95
Astrazeneca Finance, 1.20%, 5/28/26	320	289
BAT International Finance, 1.668%, 3/25/26	225	202
BAT International Finance, 4.448%, 3/16/28	460	434
Baxter International, 0.868%, 12/1/23	350	343
Bayer U.S. Finance II, 3.875%, 12/15/23 (1)	250	248
Becton Dickinson & Company, 3.363%, 6/6/24	336	329
Becton Dickinson & Company, 3.734%, 12/15/24	78	76
Becton Dickinson & Company, 4.693%, 2/13/28	375	370
Brunswick, 0.85%, 8/18/24	290	273
Cardinal Health, 3.079%, 6/15/24	180	175
Cardinal Health, 3.50%, 11/15/24	215	208
Coca-Cola Europacific Partners, 0.80%, 5/3/24 (1)	680	652
Constellation Brands, 3.60%, 5/9/24	225	220
CSL Finance, 3.85%, 4/27/27 (1)	90	86
CVS Health, 2.875%, 6/1/26	115	108
CVS Health, 3.00%, 8/15/26	105	98
CVS Health, 5.00%, 2/20/26	255	254
Diageo Capital, 5.20%, 10/24/25	200	200
HCA, 3.125%, 3/15/27 (1)	260	239
HCA, 5.375%, 2/1/25	165	163
Imperial Brands Finance, 3.125%, 7/26/24 (1)	480	463
Imperial Brands Finance, 4.25%, 7/21/25 (1)	200	191
JDE Peet's, 0.80%, 9/24/24 (1)	150	140
Kenvue, 5.35%, 3/22/26 (1)	115	116
Mars, 2.70%, 4/1/25 (1)	175	167
Mars, 4.55%, 4/20/28 (1)	355	349
Mondelez International, 2.625%, 3/17/27	190	175
Mondelez International Holdings Netherlands, 4.25%, 9/15/25 (1)	200	194
PeaceHealth Obligated Group, Series 2020, 1.375%, 11/15/25	50	45
Perrigo Finance Unlimited, 3.90%, 12/15/24	675	651
Pfizer Investment Enterprises, 4.45%, 5/19/26	910	897
Pfizer Investment Enterprises, 4.45%, 5/19/28	275	268
Philip Morris International, 4.875%, 2/13/26	230	228
Philip Morris International, 5.00%, 11/17/25	140	139
Philip Morris International, 5.125%, 11/15/24	270	269

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Rewity, 0.85%, 9/15/24	715	673
Royalty Pharma, 0.75%, 9/2/23	215	213
Shire Acquisitions Investments Ireland, 2.875%, 9/23/23	168	167
Utah Acquisition, 3.95%, 6/15/26	435	413
Viartis, 1.65%, 6/22/25	285	262
Viterra Finance, 4.90%, 4/21/27 (1)	280	269
Zoetis, 5.40%, 11/14/25	260	261
		12,817
<b>Energy 3.0%</b>		
Canadian Natural Resources, 2.05%, 7/15/25	335	312
Cheniere Corpus Christi Holdings, 5.875%, 3/31/25	395	393
DCP Midstream Operating, 5.375%, 7/15/25	485	480
Devon Energy, 8.25%, 8/1/23	130	130
Enbridge, 2.15%, 2/16/24	315	307
Enbridge, 2.50%, 1/15/25	265	252
Enbridge, 2.50%, 2/14/25	150	142
Energy Transfer, 2.90%, 5/15/25	65	62
Energy Transfer, 4.25%, 4/1/24	15	15
Energy Transfer, 4.90%, 2/1/24	175	174
Energy Transfer, 5.875%, 1/15/24	610	609
Energy Transfer, Series 5Y, 4.20%, 9/15/23	85	85
Eni, Series X-R, 4.00%, 9/12/23 (1)	470	467
Gray Oak Pipeline, 2.00%, 9/15/23 (1)	50	49
Gray Oak Pipeline, 2.60%, 10/15/25 (1)	105	96
Ovintiv, 5.65%, 5/15/25	215	213
Pioneer Natural Resources, 5.10%, 3/29/26	165	164
Sabine Pass Liquefaction, 5.625%, 3/1/25	320	318
Sabine Pass Liquefaction, 5.75%, 5/15/24	300	300
Schlumberger Finance Canada, 1.40%, 9/17/25	80	73
TransCanada PipeLines, 6.203%, 3/9/26	415	415
Williams, 4.30%, 3/4/24	75	74
Williams, 5.40%, 3/2/26	160	159
		5,289
<b>Technology 2.3%</b>		
Analog Devices, FRN, SOFR + 0.25%, 5.342%, 10/1/24	70	70
CDW, 5.50%, 12/1/24	75	74
Fidelity National Information Services, 0.60%, 3/1/24	130	125
Fidelity National Information Services, 4.50%, 7/15/25	135	132
Fortinet, 1.00%, 3/15/26	160	143
Intel, 4.875%, 2/10/26	180	179
Microchip Technology, 0.972%, 2/15/24	300	291
Microchip Technology, 0.983%, 9/1/24	220	208
Microchip Technology, 2.67%, 9/1/23	250	249
Micron Technology, 5.375%, 4/15/28	260	258
NXP, 2.70%, 5/1/25	205	194
NXP, 3.875%, 6/18/26	155	148
NXP, 4.40%, 6/1/27	35	34
NXP, 4.875%, 3/1/24	250	248
Oracle, 5.80%, 11/10/25	140	142
Qorvo, 1.75%, 12/15/24 (1)	125	116
Roper Technologies, 2.35%, 9/15/24	90	87

	Par/Shares	\$ Value
(Amounts in 000s)		
Roper Technologies, 3.65%, 9/15/23	75	75
S&P Global, 2.45%, 3/1/27	510	470
Texas Instruments, 4.60%, 2/15/28	55	55
VMware, 0.60%, 8/15/23	165	164
Western Union, 2.85%, 1/10/25	525	500
Workday, 3.50%, 4/1/27	120	113
		4,075
<b>Transportation 1.4%</b>		
American Airlines PTT, Series 2017-2, Class B, 3.70%, 10/15/25	274	257
Canadian Pacific Railway, 1.35%, 12/2/24	315	295
Canadian Pacific Railway, 1.75%, 12/2/26	135	121
ERAC USA Finance, 4.60%, 5/1/28 (1)	345	335
HPHT Finance, 2.875%, 11/5/24	600	578
Penske Truck Leasing, 3.45%, 7/1/24 (1)	172	167
Penske Truck Leasing, 5.75%, 5/24/26 (1)	230	227
Triton Container International, 0.80%, 8/1/23 (1)	325	324
United Airlines PTT, Series 2019-2, Class B, 3.50%, 5/1/28	170	153
		2,457
Total Industrial		43,110
<b>UTILITY 2.9%</b>		
<b>Electric 2.3%</b>		
AES, 3.30%, 7/15/25 (1)	190	179
Alexander Funding Trust, 1.841%, 11/15/23 (1)	225	220
Constellation Energy Generation, 5.60%, 3/1/28	145	146
DTE Energy, STEP, 4.22%, 11/1/24	240	234
Enel Finance International, 1.375%, 7/12/26 (1)	265	233
Enel Finance International, 2.65%, 9/10/24 (1)	405	389
Enel Finance International, 6.80%, 10/14/25 (1)	200	203
NextEra Energy Capital Holdings, 1.875%, 1/15/27	310	276
NextEra Energy Capital Holdings, 4.45%, 6/20/25	230	226
NextEra Energy Capital Holdings, 6.051%, 3/1/25	115	116
NRG Energy, 3.75%, 6/15/24 (1)	155	150
Pacific Gas & Electric, 3.50%, 6/15/25	220	208
Vistra Operations, 3.55%, 7/15/24 (1)	1,150	1,111
Vistra Operations, 5.125%, 5/13/25 (1)	285	277
		3,968
<b>Natural Gas 0.6%</b>		
APA Infrastructure, 4.20%, 3/23/25 (1)	625	605
NiSource, 5.25%, 3/30/28	60	60
Sempra Energy, 3.30%, 4/1/25	175	168
Sempra Energy, 5.40%, 8/1/26	125	125
Southern California Gas, 2.95%, 4/15/27	185	172
		1,130
Total Utility		5,098
<b>Total Corporate Bonds (Cost \$85,582)</b>		
		<b>82,621</b>

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
<b>FOREIGN GOVERNMENT OBLIGATIONS &amp; MUNICIPALITIES 1.8%</b>		
<b>Government Sponsored 0.3%</b>		
Federal Home Loan Banks, 5.00%, 2/28/25	630	628
		628
<b>Owned No Guarantee 1.5%</b>		
Bank Mandiri Persero, 5.50%, 4/4/26	260	260
DAE Funding, 1.55%, 8/1/24 (1)	200	190
Israel Electric, Series 6, 5.00%, 11/12/24	450	445
Korea Housing Finance, 4.625%, 2/24/28 (1)	440	434
Korea Hydro & Nuclear Power, 4.25%, 7/27/27 (1)	490	475
NBN, 1.45%, 5/5/26 (1)	405	364
QNB Finance, 2.625%, 5/12/25	450	428
		2,596
<b>Total Foreign Government Obligations &amp; Municipalities (Cost \$3,292)</b>		<b>3,224</b>
<b>MUNICIPAL SECURITIES 0.1%</b>		
<b>California 0.1%</b>		
Golden State Tobacco Securitization, Series A-1, 1.711%, 6/1/24	200	193
<b>Total Municipal Securities (Cost \$200)</b>		<b>193</b>
<b>NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 11.3%</b>		
<b>Collateralized Mortgage Obligations 6.1%</b>		
Angel Oak Mortgage Trust Series 2020-3, Class A3, CMO, ARM 2.872%, 4/25/65 (1)	25	23
Angel Oak Mortgage Trust Series 2020-5, Class A2, CMO, ARM 1.579%, 5/25/65 (1)	34	31
Angel Oak Mortgage Trust Series 2021-1, Class A1, CMO, ARM 0.909%, 1/25/66 (1)	122	100
Angel Oak Mortgage Trust Series 2021-1, Class A2, CMO, ARM 1.115%, 1/25/66 (1)	35	28
Angel Oak Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.985%, 4/25/66 (1)	104	85
Angel Oak Mortgage Trust Series 2021-3, Class A1, CMO, ARM 1.068%, 5/25/66 (1)	83	68
Angel Oak Mortgage Trust Series 2021-6, Class A2, CMO, ARM 1.581%, 9/25/66 (1)	107	84
Angel Oak Mortgage Trust Series 2021-6, Class A3, CMO, ARM 1.714%, 9/25/66 (1)	100	78

	Par/Shares	\$ Value
(Amounts in 000s)		
Bayview MSR Opportunity Master Fund Trust Series 2021-2, Class A5, CMO, ARM 2.50%, 6/25/51 (1)	195	166
Bayview MSR Opportunity Master Fund Trust Series 2021-5, Class A5, CMO, ARM 2.50%, 11/25/51 (1)	147	125
BINOM Securitization Trust Series 2021-INNV1, Class A2, CMO, ARM 2.37%, 6/25/56 (1)	271	230
BINOM Securitization Trust Series 2021-INNV1, Class A3, CMO, ARM 2.625%, 6/25/56 (1)	85	72
BRAVO Residential Funding Trust Series 2021-NQM3, Class A1, CMO, ARM 1.699%, 4/25/60 (1)	130	114
CIM Trust Series 2020-INNV1, Class A2, CMO, ARM 2.50%, 4/25/50 (1)	78	63
CIM Trust Series 2021-INNV1, Class A8, CMO, ARM 2.50%, 7/1/51 (1)	95	81
Citigroup Mortgage Loan Trust Series 2020-EXP2, Class A3, CMO, ARM 2.50%, 8/25/50 (1)	57	47
COLT Mortgage Loan Trust Series 2021-1, Class A2, CMO, ARM 1.167%, 6/25/66 (1)	105	84
Connecticut Avenue Securities Series 2017-C05, Class 1ED3, CMO, ARM 1M USD LIBOR + 1.20%, 6.35%, 1/25/30	10	10
Connecticut Avenue Securities Trust Series 2022-R01, Class 1M1, CMO, ARM SOFR30A + 1.00%, 6.067%, 12/25/41 (1)	227	224
Connecticut Avenue Securities Trust Series 2022-R03, Class 1M1, CMO, ARM SOFR30A + 2.10%, 7.167%, 3/25/42 (1)	193	193
Connecticut Avenue Securities Trust Series 2022-R04, Class 1M1, CMO, ARM SOFR30A + 2.00%, 7.067%, 3/25/42 (1)	123	124
Connecticut Avenue Securities Trust Series 2022-R06, Class 1M1, CMO, ARM SOFR30A + 2.75%, 7.817%, 5/25/42 (1)	213	217
Connecticut Avenue Securities Trust Series 2022-R07, Class 1M1, CMO, ARM SOFR30A + 2.95%, 8.017%, 6/25/42 (1)	222	228
Connecticut Avenue Securities Trust Series 2022-R08, Class 1M1, CMO, ARM SOFR30A + 2.55%, 7.617%, 7/25/42 (1)	91	92
Deephaven Residential Mortgage Trust Series 2021-1, Class A2, CMO, ARM 0.973%, 5/25/65 (1)	29	26
Deephaven Residential Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.899%, 4/25/66 (1)	52	44
Deephaven Residential Mortgage Trust Series 2021-2, Class A3, CMO, ARM 1.26%, 4/25/66 (1)	52	44

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Eagle		
Series 2021-2, Class M1A, CMO, ARM SOFR30A + 1.55%, 6.617%, 4/25/34 (1)	80	80
Ellington Financial Mortgage Trust		
Series 2019-2, Class A3, CMO, ARM 3.046%, 11/25/59 (1)	20	18
Ellington Financial Mortgage Trust		
Series 2021-1, Class A1, CMO, ARM 0.797%, 2/25/66 (1)	32	26
Ellington Financial Mortgage Trust		
Series 2021-1, Class A3, CMO, ARM 1.106%, 2/25/66 (1)	32	26
Ellington Financial Mortgage Trust		
Series 2021-2, Class A1, CMO, ARM 0.931%, 6/25/66 (1)	216	170
Ellington Financial Mortgage Trust		
Series 2021-2, Class A3, CMO, ARM 1.291%, 6/25/66 (1)	63	49
Flagstar Mortgage Trust		
Series 2020-1INV, Class A11, CMO, ARM 1M USD LIBOR + 0.85%, 5.988%, 3/25/50 (1)	137	127
Flagstar Mortgage Trust		
Series 2021-5INV, Class A5, CMO, ARM 2.50%, 7/25/51 (1)	195	167
Freddie Mac Whole Loan Securities Trust		
Series 2017-SC01, Class M1, CMO, ARM 3.645%, 12/25/46 (1)	59	56
Freddie Mac Whole Loan Securities Trust		
Series 2017-SC02, Class M1, CMO, ARM 3.865%, 5/25/47 (1)	31	29
Galton Funding Mortgage Trust		
Series 2018-1, Class A33, CMO, ARM 3.50%, 11/25/57 (1)	43	38
Galton Funding Mortgage Trust		
Series 2019-1, Class A21, CMO, ARM 4.50%, 2/25/59 (1)	14	14
Galton Funding Mortgage Trust		
Series 2019-1, Class A32, CMO, ARM 4.00%, 2/25/59 (1)	22	20
Galton Funding Mortgage Trust		
Series 2019-H1, Class M1, CMO, ARM 3.339%, 10/25/59 (1)	230	207
Galton Funding Mortgage Trust		
Series 2020-H1, Class M1, CMO, ARM 2.832%, 1/25/60 (1)	380	283
GS Mortgage-Backed Securities Trust		
Series 2014-EB1A, Class 2A1, CMO, ARM 3.952%, 7/25/44 (1)	4	4
GS Mortgage-Backed Securities Trust		
Series 2021-GR2, Class A6, CMO, ARM 2.50%, 2/25/52 (1)	211	180
GS Mortgage-Backed Securities Trust		
Series 2022-GR1, Class A5, CMO, ARM 2.50%, 6/25/52 (1)	432	367
Imperial Fund Mortgage Trust		
Series 2021-NQM2, Class A3, CMO, ARM 1.516%, 9/25/56 (1)	108	83
Imperial Fund Mortgage Trust		
Series 2022-NQM4, Class A1, CMO, STEP 4.767%, 6/25/67 (1)	351	335

	Par/Shares	\$ Value
(Amounts in 000s)		
JPMorgan Mortgage Trust		
Series 2020-INV1, Class A15, CMO, ARM 3.50%, 8/25/50 (1)	99	86
MFA Trust		
Series 2021-INV1, Class A1, CMO, ARM 0.852%, 1/25/56 (1)	53	47
MFA Trust		
Series 2021-NQM2, Class A2, CMO, ARM 1.317%, 11/25/64 (1)	53	44
New Residential Mortgage Loan Trust		
Series 2021-INV1, Class A6, CMO, ARM 2.50%, 6/25/51 (1)	129	111
New Residential Mortgage Loan Trust		
Series 2021-INV2, Class A7, CMO, ARM 2.50%, 9/25/51 (1)	379	324
NLT Trust		
Series 2021-INV2, Class A3, CMO, ARM 1.52%, 8/25/56 (1)	97	76
OBX Trust		
Series 2019-EXP2, Class 2A2, CMO, ARM 1M USD LIBOR + 1.20%, 5.035%, 6/25/59 (1)	21	20
OBX Trust		
Series 2020-EXP1, Class 2A2, CMO, ARM 1M USD LIBOR + 0.95%, 6.10%, 2/25/60 (1)	33	31
OBX Trust		
Series 2020-EXP2, Class A8, CMO, ARM 3.00%, 5/25/60 (1)	101	86
OBX Trust		
Series 2020-EXP2, Class A9, CMO, ARM 3.00%, 5/25/60 (1)	26	22
OBX Trust		
Series 2020-INV1, Class A5, CMO, ARM 3.50%, 12/25/49 (1)	56	50
Oceanview Mortgage Trust		
Series 2022-1, Class A5, CMO, ARM 2.50%, 12/25/51 (1)	201	171
Sequoia Mortgage Trust		
Series 2018-CH2, Class A21, CMO, ARM 4.00%, 6/25/48 (1)	30	27
Sequoia Mortgage Trust		
Series 2018-CH3, Class A19, CMO, ARM 4.50%, 8/25/48 (1)	5	5
Sequoia Mortgage Trust		
Series 2018-CH4, Class A2, CMO, ARM 4.00%, 10/25/48 (1)	2	1
SG Residential Mortgage Trust		
Series 2020-2, Class A1, CMO, ARM 1.381%, 5/25/65 (1)	43	37
SG Residential Mortgage Trust		
Series 2022-1, Class A1, CMO, ARM 3.166%, 3/27/62 (1)	134	118
Starwood Mortgage Residential Trust		
Series 2019-INV1, Class A3, CMO, ARM 2.916%, 9/27/49 (1)	236	222
Starwood Mortgage Residential Trust		
Series 2021-2, Class A1, CMO, ARM 0.943%, 5/25/65 (1)	99	87



## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Starwood Mortgage Residential Trust Series 2021-4, Class A1, CMO, ARM 1.162%, 8/25/56 (1)	259	214
Structured Agency Credit Risk Debt Notes Series 2021-DNA5, Class M2, CMO, ARM SOFR30A + 1.65%, 6.717%, 1/25/34 (1)	80	80
Structured Agency Credit Risk Debt Notes Series 2021-DNA7, Class M2, CMO, ARM SOFR30A + 1.80%, 6.867%, 11/25/41 (1)	90	87
Structured Agency Credit Risk Debt Notes Series 2022-DNA1, Class M1A, CMO, ARM SOFR30A + 1.00%, 6.067%, 1/25/42 (1)	157	154
Structured Agency Credit Risk Debt Notes Series 2022-DNA3, Class M1A, CMO, ARM SOFR30A + 2.00%, 7.067%, 4/25/42 (1)	243	244
Structured Agency Credit Risk Debt Notes Series 2022-DNA4, Class M1A, CMO, ARM SOFR30A + 2.20%, 7.267%, 5/25/42 (1)	282	284
Structured Agency Credit Risk Debt Notes Series 2022-DNA5, Class M1A, CMO, ARM SOFR30A + 2.95%, 8.017%, 6/25/42 (1)	267	272
Structured Agency Credit Risk Debt Notes Series 2022-DNA6, Class M1A, CMO, ARM SOFR30A + 2.15%, 7.217%, 9/25/42 (1)	86	86
Structured Agency Credit Risk Debt Notes Series 2022-HQA1, Class M1A, CMO, ARM SOFR30A + 2.10%, 7.167%, 3/25/42 (1)	293	294
Structured Agency Credit Risk Debt Notes Series 2022-HQA3, Class M1A, CMO, ARM SOFR30A + 2.30%, 7.367%, 8/25/42 (1)	134	135
Toorak Mortgage Series 2021-INV1, Class A2, CMO, ARM 1.409%, 7/25/56 (1)	62	52
Towd Point Mortgage Trust Series 2022-4, Class A1, CMO 3.75%, 9/25/62 (1)	411	376
UWM Mortgage Trust Series 2021-INV2, Class A4, CMO, ARM 2.50%, 9/25/51 (1)	66	57
UWM Mortgage Trust Series 2021-INV5, Class A4, CMO, ARM 2.50%, 1/25/52 (1)	411	350
Verus Securitization Trust Series 2019-4, Class A3, CMO, STEP 3.00%, 11/25/59 (1)	182	173
Verus Securitization Trust Series 2019-INV3, Class A3, CMO, ARM 3.10%, 11/25/59 (1)	159	152
Verus Securitization Trust Series 2020-1, Class A3, CMO, STEP 2.724%, 1/25/60 (1)	234	218
Verus Securitization Trust Series 2020-5, Class A3, CMO, STEP 1.733%, 5/25/65 (1)	29	26
Verus Securitization Trust Series 2021-1, Class A1, CMO, ARM 0.815%, 1/25/66 (1)	38	32
Verus Securitization Trust Series 2021-1, Class A2, CMO, ARM 1.052%, 1/25/66 (1)	51	43

	Par/Shares	\$ Value
(Amounts in 000s)		
Verus Securitization Trust Series 2021-1, Class A3, CMO, ARM 1.155%, 1/25/66 (1)	37	31
Verus Securitization Trust Series 2021-2, Class A1, CMO, ARM 1.031%, 2/25/66 (1)	69	58
Verus Securitization Trust Series 2021-5, Class A3, CMO, ARM 1.373%, 9/25/66 (1)	93	72
Verus Securitization Trust Series 2021-7, Class A1, CMO, ARM 1.829%, 10/25/66 (1)	345	292
Verus Securitization Trust Series 2021-R1, Class A2, CMO, ARM 1.057%, 10/25/63 (1)	23	21
Verus Securitization Trust Series 2021-R2, Class A1, CMO, ARM 0.918%, 2/25/64 (1)	74	63
Verus Securitization Trust Series 2022-1, Class A3, CMO, ARM 3.288%, 1/25/67 (1)	302	257
Wells Fargo Mortgage Backed Securities Trust Series 2021-RR1, Class A3, CMO, ARM 2.50%, 12/25/50 (1)	242	208
		10,856
<b>Commercial Mortgage-Backed Securities 4.9%</b>		
BAMLL Commercial Mortgage Securities Trust Series 2021-JACX, Class C, ARM 1M USD LIBOR + 2.00%, 7.193%, 9/15/38 (1)	190	162
BCP Trust Series 2021-330N, Class A, ARM 1M USD LIBOR + 0.799%, 5.992%, 6/15/38 (1)	120	107
BFLD Series 2019-DPLO, Class B, ARM 1M TSFR + 1.454%, 6.601%, 10/15/34 (1)	510	503
BPR Trust Series 2021-TY, Class B, ARM 1M USD LIBOR + 1.15%, 6.343%, 9/15/38 (1)	200	186
BSREP Commercial Mortgage Trust Series 2021-DC, Class D, ARM 1M USD LIBOR + 1.90%, 7.094%, 8/15/38 (1)	175	148
BX Commercial Mortgage Trust Series 2019-XL, Class A, ARM 1M TSFR + 1.034%, 6.181%, 10/15/36 (1)	99	98
BX Commercial Mortgage Trust Series 2021-SOAR, Class D, ARM 1M USD LIBOR + 1.40%, 6.594%, 6/15/38 (1)	141	135
BX Commercial Mortgage Trust Series 2022-AHP, Class A, ARM 1M TSFR + 0.99%, 6.137%, 1/17/39 (1)	190	185
BX Commercial Mortgage Trust Series 2022-CSMO, Class B, ARM 1M TSFR + 3.141%, 8.288%, 6/15/27 (1)	260	259

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
BX Trust Series 2021-ARIA, Class C, ARM 1M USD LIBOR + 1.646%, 6.839%, 10/15/36 (1)	145	139
Citigroup Commercial Mortgage Trust Series 2013-375P, Class A 3.251%, 5/10/35 (1)	482	447
Citigroup Commercial Mortgage Trust Series 2013-375P, Class B, ARM 3.635%, 5/10/35 (1)	205	186
Citigroup Commercial Mortgage Trust Series 2013-375P, Class C, ARM 3.635%, 5/10/35 (1)	150	131
Cold Storage Trust Series 2020-ICE5, Class B, ARM 1M USD LIBOR + 1.30%, 6.493%, 11/15/37 (1)	256	251
Commercial Mortgage Trust Series 2014-CR19, Class AM 4.08%, 8/10/47	210	202
Commercial Mortgage Trust Series 2014-CR19, Class D, ARM 4.853%, 8/10/47 (1)	250	212
Commercial Mortgage Trust Series 2014-UBS2, Class A5 3.961%, 3/10/47	280	276
Commercial Mortgage Trust Series 2014-UBS2, Class B 4.701%, 3/10/47	440	426
Commercial Mortgage Trust Series 2015-CR22, Class B, ARM 3.926%, 3/10/48	100	90
Commercial Mortgage Trust Series 2017-PANW, Class D, ARM 4.343%, 10/10/29 (1)	100	90
Credit Suisse Mortgage Trust Series 2020-NET, Class A 2.257%, 8/15/37 (1)	112	101
Extended Stay America Trust Series 2021-ESH, Class C, ARM 1M USD LIBOR + 1.70%, 6.894%, 7/15/38 (1)	188	183
Great Wolf Trust Series 2019-WOLF, Class A, ARM 1M TSFR + 1.148%, 6.295%, 12/15/36 (1)	325	321
Great Wolf Trust Series 2019-WOLF, Class C, ARM 1M TSFR + 1.747%, 6.894%, 12/15/36 (1)	390	383
GS Mortgage Securities Trust Series 2021-ROSS, Class B, ARM 1M USD LIBOR + 1.60%, 6.794%, 5/15/26 (1)	160	137
JPMorgan Chase Commercial Mortgage Securities Trust Series 2019-BKWD, Class C, ARM 1M USD LIBOR + 1.85%, 7.043%, 9/15/29 (1)	355	308

	Par/Shares	\$ Value
(Amounts in 000s)		
JPMorgan Chase Commercial Mortgage Securities Trust Series 2020-609M, Class B, ARM 1M USD LIBOR + 1.77%, 6.964%, 10/15/33 (1)	255	223
JPMorgan Chase Commercial Mortgage Securities Trust Series 2020-609M, Class C, ARM 1M USD LIBOR + 2.17%, 7.364%, 10/15/33 (1)	210	177
KIND Trust Series 2021-KIND, Class C, ARM 1M TSFR + 1.864%, 7.011%, 8/15/38 (1)	243	228
KKR Industrial Portfolio Trust Series 2021-KDIP, Class C, ARM 1M TSFR + 1.114%, 6.261%, 12/15/37 (1)	188	181
KKR Industrial Portfolio Trust Series 2021-KDIP, Class D, ARM 1M TSFR + 1.364%, 6.511%, 12/15/37 (1)	75	72
LSTAR Commercial Mortgage Trust Series 2017-5, Class AS 4.021%, 3/10/50 (1)	145	129
Morgan Stanley Capital I Trust Series 2014-150E, Class A 3.912%, 9/9/32 (1)	340	274
Morgan Stanley Capital I Trust Series 2019-MEAD, Class D, ARM 3.283%, 11/10/36 (1)	710	623
Morgan Stanley Capital I Trust Series 2019-NUGS, Class D, ARM 1M USD LIBOR + 1.80%, 6.993%, 12/15/36 (1)	130	69
ONE Mortgage Trust Series 2021-PARK, Class B, ARM 1M TSFR + 1.064%, 6.211%, 3/15/36 (1)	315	292
ONE Mortgage Trust Series 2021-PARK, Class C, ARM 1M TSFR + 1.214%, 6.361%, 3/15/36 (1)	170	155
Wells Fargo Commercial Mortgage Trust Series 2015-NXS2, Class A2 3.02%, 7/15/58	55	53
WFRBS Commercial Mortgage Trust Series 2014-LC14, Class A5 4.045%, 3/15/47	440	434
		8,576
<b>Residential Mortgage 0.3%</b>		
Finance of America HECM Buyout Series 2022-HB2, Class A1A, ARM 4.00%, 8/1/32 (1)	379	364
MetLife Securitization Trust Series 2017-1A, Class A, CMO, ARM 3.00%, 4/25/55 (1)	120	110
Towd Point Mortgage Trust Series 2017-1, Class A1, CMO, ARM 2.75%, 10/25/56 (1)	30	29
Towd Point Mortgage Trust Series 2017-2, Class A1, CMO, ARM 2.75%, 4/25/57 (1)	17	16

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
Towd Point Mortgage Trust Series 2018-1, Class A1, CMO, ARM 3.00%, 1/25/58 (1)	62	60
		579
<b>Total Non-U.S. Government Mortgage-Backed Securities (Cost \$22,193)</b>		<b>20,011</b>
<b>U.S. GOVERNMENT &amp; AGENCY MORTGAGE-BACKED SECURITIES 4.5%</b>		
<b>U.S. Government Agency Obligations 2.9%</b>		
Federal Home Loan Mortgage		
3.50%, 3/1/46	89	83
5.00%, 12/1/23 - 7/1/25	—	—
5.50%, 10/1/38	2	2
6.00%, 9/1/34 - 9/1/35	61	64
7.00%, 3/1/39	54	56
7.50%, 6/1/38	49	51
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.625%, 4.85%, 4/1/37	5	5
12M USD LIBOR + 1.625%, 5.259%, 6/1/38	11	10
12M USD LIBOR + 1.726%, 4.074%, 7/1/35	2	2
12M USD LIBOR + 1.733%, 4.294%, 10/1/36	5	5
12M USD LIBOR + 1.74%, 4.91%, 5/1/38	5	5
12M USD LIBOR + 1.75%, 4.127%, 2/1/35	1	1
12M USD LIBOR + 1.775%, 5.225%, 5/1/37	3	3
12M USD LIBOR + 1.827%, 4.201%, 2/1/37	2	2
12M USD LIBOR + 1.842%, 4.091%, 1/1/37	2	2
12M USD LIBOR + 2.03%, 4.276%, 11/1/36	2	2
12M USD LIBOR + 2.083%, 4.582%, 2/1/38	7	7
1Y CMT + 2.245%, 4.37%, 1/1/36	4	5
1Y CMT + 2.25%, 4.782%, 10/1/36	1	1
Federal Home Loan Mortgage, CMO, 2.00%, 2/15/40	39	37
Federal Home Loan Mortgage, UMBS		
2.50%, 1/1/52 - 4/1/52	312	266
3.00%, 11/1/34	148	139
4.00%, 12/1/49	34	32
4.50%, 9/1/37 - 5/1/50	85	83
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.34%, 3.59%, 12/1/35	2	2
12M USD LIBOR + 1.553%, 3.807%, 7/1/35	1	1
12M USD LIBOR + 1.584%, 3.834%, 12/1/35	5	5
12M USD LIBOR + 1.601%, 4.222%, 7/1/36	5	5
12M USD LIBOR + 1.655%, 3.905%, 8/1/37	1	1
12M USD LIBOR + 1.77%, 4.145%, 12/1/35	1	1
12M USD LIBOR + 1.78%, 4.03%, 1/1/34	5	5
12M USD LIBOR + 1.788%, 4.538%, 5/1/38	2	2
12M USD LIBOR + 1.83%, 5.082%, 4/1/38	12	12
12M USD LIBOR + 1.853%, 4.103%, 8/1/38	6	6
12M USD LIBOR + 1.892%, 4.142%, 12/1/35	2	1
12M USD LIBOR + 1.922%, 5.20%, 5/1/38	6	6
12M USD LIBOR + 2.04%, 4.29%, 12/1/36	1	1

	Par/Shares	\$ Value
(Amounts in 000s)		
Federal National Mortgage Assn., UMBS		
2.00%, 10/1/50	107	88
2.50%, 1/1/52	194	164
3.00%, 1/1/27 - 6/1/52	424	379
3.50%, 3/1/28 - 1/1/52	123	114
4.00%, 11/1/49 - 9/1/52	651	612
4.50%, 12/1/40 - 8/1/52	1,075	1,041
5.00%, 9/1/23 - 10/1/52	265	264
5.50%, 9/1/23 - 5/1/40	199	204
6.00%, 3/1/34 - 4/1/40	373	387
6.50%, 7/1/32 - 12/1/32	45	47
UMBS, TBA (3)		
4.50%, 7/1/38	180	176
5.50%, 7/1/53	235	234
6.00%, 7/1/53	425	429
		5,050
<b>U.S. Government Obligations 1.6%</b>		
Government National Mortgage Assn.		
2.00%, 3/20/52	21	17
3.00%, 9/20/47	684	619
3.50%, 10/20/52	790	729
4.00%, 10/20/50 - 10/20/52	201	191
4.50%, 10/20/52	342	330
5.00%, 12/20/34 - 11/20/47	236	239
5.50%, 3/20/48 - 3/20/49	39	40
Government National Mortgage Assn., TBA (3)		
5.00%, 7/20/53	235	231
5.50%, 7/20/53	365	363
6.50%, 7/20/53	140	142
		2,901
<b>Total U.S. Government &amp; Agency Mortgage-Backed Securities (Cost \$8,328)</b>		<b>7,951</b>
<b>U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 20.7%</b>		
<b>Treasuries 20.7%</b>		
U.S. Treasury Notes, 2.75%, 5/15/25	10,380	9,970
U.S. Treasury Notes, 2.875%, 6/15/25	10,000	9,619
U.S. Treasury Notes, 3.875%, 3/31/25	3,655	3,583
U.S. Treasury Notes, 3.875%, 4/30/25	1,140	1,118
U.S. Treasury Notes, 4.00%, 12/15/25	1,525	1,501
U.S. Treasury Notes, 4.25%, 5/31/25 (4)(5)	6,405	6,325
U.S. Treasury Notes, 4.50%, 11/15/25	2,635	2,621
U.S. Treasury Notes, 4.625%, 6/30/25	1,765	1,757
<b>Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost \$37,402)</b>		<b>36,494</b>



## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

	Par/Shares	\$ Value
(Amounts in 000s)		
<b>SHORT-TERM INVESTMENTS 1.6%</b>		
<b>Money Market Funds 1.6%</b>		
T. Rowe Price Government Reserve Fund, 5.13% (6)(7)	2,898	2,898
<b>Total Short-Term Investments (Cost \$2,898)</b>		<b>2,898</b>
<b>SECURITIES LENDING COLLATERAL 3.2%</b>		
<b>INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH STATE STREET BANK AND TRUST COMPANY 3.2%</b>		
<b>Money Market Funds 3.2%</b>		
T. Rowe Price Government Reserve Fund, 5.13% (6)(7)	5,623	5,623
<b>Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company</b>		<b>5,623</b>
<b>Total Securities Lending Collateral (Cost \$5,623)</b>		<b>5,623</b>
<b>Total Investments in Securities 102.9% of Net Assets (Cost \$189,293)</b>		<b>\$ 182,046</b>

‡ Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.

- (1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to \$58,939 and represents 33.3% of net assets.
- (2) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread are provided if the rate is currently floating.
- (3) See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to \$1,575 and represents 0.9% of net assets.
- (4) See Note 4. All or a portion of this security is on loan at June 30, 2023.
- (5) At June 30, 2023, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
- (6) Seven-day yield
- (7) Affiliated Companies

1M TSFR	One month term SOFR (Secured overnight financing rate)
1M USD LIBOR	One month USD LIBOR (London interbank offered rate)
3M TSFR	Three month term SOFR (Secured overnight financing rate)
3M USD LIBOR	Three month USD LIBOR (London interbank offered rate)
12M USD LIBOR	Twelve month USD LIBOR (London interbank offered rate)
1Y CMT	One year U.S. Treasury note constant maturity
ARM	Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.
CLO	Collateralized Loan Obligation
CMO	Collateralized Mortgage Obligation
FRN	Floating Rate Note
PTT	Pass-Through Trust
SOFR	Secured overnight financing rate
SOFR30A	30-day Average SOFR (Secured overnight financing rate)
SOFR90A	90-day Average SOFR (Secured overnight financing rate)

T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

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- STEP Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
  - TBA To-Be-Announced
  - UMBS Uniform Mortgage-Backed Securities
  - VR Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

(Amounts in 000s)

**SWAPS 0.0%**

Description	Notional Amount	\$ Value	Upfront Payments/ \$ (Receipts)	Unrealized \$ Gain/(Loss)
<b>BILATERAL SWAPS 0.0%</b>				
<b>Credit Default Swaps, Protection Bought 0.0%</b>				
Bank of America, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	417	(5)	(4)	(1)
Barclays Bank, Protection Bought (Relevant Credit: Omnicom Group), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,250	(15)	(12)	(3)
Citibank, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	596	(8)	(6)	(2)
Goldman Sachs, Protection Bought (Relevant Credit: General Mills), Pay 1.00% Quarterly, Receive upon credit default, 12/20/24	1,220	(15)	(11)	(4)
Morgan Stanley, Protection Bought (Relevant Credit: Markit CMBX.NA.AAA-S13, 50 Year Index), Pay 0.50% Monthly, Receive upon credit default, 12/16/72	4,298	65	120	(55)
<b>Total Bilateral Credit Default Swaps, Protection Bought</b>			<b>87</b>	<b>(65)</b>
<b>Total Bilateral Swaps</b>			<b>87</b>	<b>(65)</b>

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

**FUTURES CONTRACTS**

(\$000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Short, 30 U.S. Treasury Notes five year contracts	9/23	(3,213)	\$ 61
Short, 20 U.S. Treasury Notes ten year contracts	9/23	(2,245)	38
Long, 172 U.S. Treasury Notes two year contracts	9/23	34,975	(497)
Short, 18 Ultra U.S. Treasury Notes ten year contracts	9/23	(2,132)	26
<b>Net payments (receipts) of variation margin to date</b>			<b>358</b>
<b>Variation margin receivable (payable) on open futures contracts</b>			<b>\$ (14)</b>

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended June 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 5.13%	\$ —	\$ —	\$ 53 <sup>++</sup>
Totals	\$ — <sup>#</sup>	\$ —	\$ 53 <sup>+</sup>

**Supplementary Investment Schedule**

Affiliate	Value 12/31/22	Purchase Cost	Sales Cost	Value 06/30/23
T. Rowe Price Government Reserve Fund, 5.13%	\$ 1,885	□	□	\$ 8,521
Total				\$ 8,521 <sup>^</sup>

# Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.

+ Investment income comprised \$53 of dividend income and \$0 of interest income.

□ Purchase and sale information not shown for cash management funds.

^ The cost basis of investments in affiliated companies was \$8,521.

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

June 30, 2023 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$189,293)	\$	182,046
Interest receivable		1,152
Receivable for investment securities sold		434
Cash		340
Receivable for shares sold		195
Bilateral swap premiums paid		120
Other assets		32
Total assets		<u>184,319</u>

**Liabilities**

Obligation to return securities lending collateral		5,623
Payable for investment securities purchased		1,584
Investment management and administrative fees payable		112
Unrealized loss on bilateral swaps		65
Bilateral swap premiums received		33
Variation margin payable on futures contracts		14
Payable for shares redeemed		11
Other liabilities		3
Total liabilities		<u>7,445</u>

**NET ASSETS****\$ 176,874****Net Assets Consist of:**

Total distributable earnings (loss)	\$	(12,118)
Paid-in capital applicable to 38,617,247 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		<u>188,992</u>

**NET ASSETS****\$ 176,874****NET ASSET VALUE PER SHARE****Limited-Term Bond Portfolio Class****(Net assets: \$160,348; Shares outstanding: 34,994,553)****\$ 4.58****Limited-Term Bond Portfolio-II Class****(Net assets: \$16,526; Shares outstanding: 3,622,694)****\$ 4.56**

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

(Unaudited)

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 6/30/23
<b>Investment Income (Loss)</b>	
Income	
Interest	\$ 3,060
Dividend	53
Securities lending	1
Total income	3,114
Expenses	
Investment management and administrative expense	618
Rule 12b-1 fees - Limited-Term Bond Portfolio-II Class	21
Waived / paid by Price Associates	(176)
Net expenses	463
Net investment income	2,651
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	(1,111)
Futures	(180)
Swaps	7
Net realized loss	(1,284)
Change in net unrealized gain / loss	
Securities	1,555
Futures	(415)
Swaps	(72)
Change in net unrealized gain / loss	1,068
Net realized and unrealized gain / loss	(216)
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 2,435</b>

The accompanying notes are an integral part of these financial statements.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

(Unaudited)

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 6/30/23	Year Ended 12/31/22
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 2,651	\$ 3,444
Net realized loss	(1,284)	(3,103)
Change in net unrealized gain / loss	1,068	(9,031)
Increase (decrease) in net assets from operations	2,435	(8,690)
Distributions to shareholders		
Net earnings		
Limited-Term Bond Portfolio Class	(2,428)	(3,413)
Limited-Term Bond Portfolio-II Class	(229)	(328)
Decrease in net assets from distributions	(2,657)	(3,741)
Capital share transactions*		
Shares sold		
Limited-Term Bond Portfolio Class	13,717	59,524
Limited-Term Bond Portfolio-II Class	2,181	7,474
Distributions reinvested		
Limited-Term Bond Portfolio Class	2,432	3,428
Limited-Term Bond Portfolio-II Class	229	329
Shares redeemed		
Limited-Term Bond Portfolio Class	(16,635)	(61,847)
Limited-Term Bond Portfolio-II Class	(3,088)	(8,169)
Increase (decrease) in net assets from capital share transactions	(1,164)	739
<b>Net Assets</b>		
Decrease during period	(1,386)	(11,692)
Beginning of period	178,260	189,952
<b>End of period</b>	<b>\$ 176,874</b>	<b>\$ 178,260</b>

\*Share information (000s)

Shares sold		
Limited-Term Bond Portfolio Class	2,970	12,646
Limited-Term Bond Portfolio-II Class	476	1,605
Distributions reinvested		
Limited-Term Bond Portfolio Class	528	735
Limited-Term Bond Portfolio-II Class	50	71
Shares redeemed		
Limited-Term Bond Portfolio Class	(3,605)	(13,157)
Limited-Term Bond Portfolio-II Class	(672)	(1,751)
Increase (decrease) in shares outstanding	(253)	149

The accompanying notes are an integral part of these financial statements.



**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Fixed Income Series, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Limited-Term Bond Portfolio (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks a high level of income consistent with moderate fluctuations in principal value. Shares of the fund currently are offered only to insurance company separate accounts established for the purpose of funding variable annuity contracts and variable life insurance policies. The fund has two classes of shares: the Limited-Term Bond Portfolio (Limited-Term Bond Portfolio Class) and the Limited-Term Bond Portfolio-II (Limited-Term Bond Portfolio-II Class). Limited-Term Bond Portfolio-II Class shares are sold through financial intermediaries, which it compensates for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Paydown gains and losses are recorded as an adjustment to interest income. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared by each class daily and paid monthly. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Class Accounting** Investment income and investment management and administrative expense are allocated to the classes based upon the relative daily net assets of each class's settled shares; realized and unrealized gains and losses are allocated based upon the relative daily net assets of each class's outstanding shares. Limited-Term Bond Portfolio-II Class pays Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**New Accounting Guidance** The FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

**NOTE 2 - VALUATION**

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Futures contracts are valued at closing settlement prices. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on June 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Fixed Income Securities <sup>1</sup>	\$ —	\$ 173,525	\$ —	\$ 173,525
Short-Term Investments	2,898	—	—	2,898
Securities Lending Collateral	5,623	—	—	5,623
Total Securities	8,521	173,525	—	182,046
Swaps	—	65	—	65
Futures Contracts*	125	—	—	125
Total	\$ 8,646	\$ 173,590	\$ —	\$ 182,236
<b>Liabilities</b>				
Swaps	\$ —	\$ 43	\$ —	\$ 43
Futures Contracts*	497	—	—	497
Total	\$ 497	\$ 43	\$ —	\$ 540

<sup>1</sup> Includes Asset-Backed Securities, Corporate Bonds, Foreign Government Obligations & Municipalities, Municipal Securities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities and U.S. Government Agency Obligations (Excluding Mortgage-Backed).

\* The fair value presented includes cumulative gain (loss) on open futures contracts; however, the net value reflected on the accompanying Portfolio of Investments is only the unsettled variation margin receivable (payable) at that date.

### NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended June 30, 2023, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes and may use them to establish both long and short positions within the fund's portfolio. Potential uses include to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust portfolio duration and credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. The following table summarizes the fair value of the fund's derivative instruments held as of June 30, 2023, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

## T. ROWE PRICE LIMITED-TERM BOND PORTFOLIO

(\$000s)	Location on Statement of Assets and Liabilities	Fair Value*
<b>Assets</b>		
Interest rate derivatives	Futures	\$ 125
Credit derivatives	Bilateral Swaps and Premiums	65
Total		\$ 190
<b>Liabilities</b>		
Interest rate derivatives	Futures	\$ 497
Credit derivatives	Bilateral Swaps and Premiums	43
Total		\$ 540

\* The fair value presented includes cumulative gain (loss) on open futures contracts; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended June 30, 2023, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

(\$000s)	Location of Gain (Loss) on Statement of Operations		
	Futures	Swaps	Total
<b>Realized Gain (Loss)</b>			
Interest rate derivatives	\$ (180)	\$ —	\$ (180)
Credit derivatives	—	7	7
Total	\$ (180)	\$ 7	\$ (173)
<b>Change in Unrealized Gain (Loss)</b>			
Interest rate derivatives	\$ (415)	\$ —	\$ (415)
Credit derivatives	—	(72)	(72)
Total	\$ (415)	\$ (72)	\$ (487)

**Counterparty Risk and Collateral** The fund invests in derivatives in various markets, which expose it to differing levels of counterparty risk. Counterparty risk on exchange-traded and centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps, is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Derivatives, such as non-cleared bilateral swaps, forward currency exchange contracts, and OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives) may expose the fund to greater counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions

and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs provide the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount settled. ISDAs typically include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with a counterparty, subject to minimum transfer amounts that typically range from \$100,000 to \$250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies, although other securities may be used depending on the terms outlined in the applicable MNA. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were cleared, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of June 30, 2023, no collateral was pledged by either the fund or counterparties for bilateral derivatives. As of June 30, 2023, securities valued at \$225,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

**Futures Contracts** The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the six months ended June 30, 2023, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 23% and 26% of net assets.

**Swaps** The fund is subject to credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risk. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust portfolio duration and credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the

swap and are recognized as realized gain or loss in the Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the six months ended June 30, 2023, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 2% and 6% of net assets.

#### **NOTE 4 - OTHER INVESTMENT TRANSACTIONS**

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

**Restricted Securities** The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

**Collateralized Loan Obligations** The fund invests in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

**Mortgage-Backed Securities** The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. MBS are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments.

**TBA Purchase, Sale Commitments and Forward Settling Mortgage Obligations** The fund enters into to-be-announced (TBA) purchase or sale commitments (collectively, TBA transactions), pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such securities. With TBA transactions, the particular securities to be received or delivered by the fund are not identified at the trade date; however, the securities must meet specified terms, including rate and mortgage term, and be within industry-accepted "good delivery" standards. The fund may enter into TBA transactions with the intention of taking possession of or relinquishing the underlying securities, may elect to extend the settlement by "rolling" the transaction, and/or may use TBA transactions to gain or reduce interim exposure to underlying securities. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a TBA or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold.



To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements (MSFTA) with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund's risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of June 30, 2023, no collateral was pledged by the fund or counterparties for MSFTA Transactions.

**Securities Lending** The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At June 30, 2023, the value of loaned securities was \$5,491,000; the value of cash collateral and related investments was \$5,623,000.

**Other** Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated \$21,717,000 and \$29,008,000, respectively, for the six months ended June 30, 2023. Purchases and sales of U.S. government securities aggregated \$30,181,000 and \$25,125,000, respectively, for the six months ended June 30, 2023.

#### **NOTE 5 - FEDERAL INCOME TAXES**

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of December 31, 2022, the fund had \$3,257,000 of available capital loss carryforwards.

At June 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was \$189,380,000. Net unrealized loss aggregated \$7,684,000 at period-end, of which \$207,000 related to appreciated investments and \$7,891,000 related to depreciated investments.

#### **NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.70% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does

not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses. Effective July 1, 2018, Price Associates has contractually agreed, at least through April 30, 2024 to waive a portion of its management fee in order to limit the fund's management fee to 0.50% of the fund's average daily net assets. Thereafter, this agreement automatically renews for one-year terms unless terminated or modified by the fund's Board. Fees waived and expenses paid under this agreement are not subject to reimbursement to Price Associates by the fund. The total management fees waived were \$176,000 and allocated ratably in the amounts of \$160,000 and \$16,000 for the Limited-Term Bond Portfolio Class and Limited-Term Bond Portfolio-II Class, respectively, for the six months ended June 30, 2023.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended June 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

#### **NOTE 7 - OTHER MATTERS**

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.



## INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	<b>Votes For</b>	<b>Votes Withheld</b>
Melody Bianchetto	19,894,920	222,940
Mark J. Parrell	19,889,624	222,251
Kellye L. Walker	19,933,770	187,352
Eric L. Veiel	19,892,380	222,251

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

## HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](https://www.troweprice.com).

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS**

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser), as well as the investment subadvisory agreements (Subadvisory Contracts) that the Adviser has entered into with T. Rowe Price International Ltd and T. Rowe Price Hong Kong Limited (Subadvisers) on behalf of the fund. In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract and Subadvisory Contracts. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadvisers and the approval of the Advisory Contract and Subadvisory Contracts. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory Contracts by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract and Subadvisory Contracts, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Adviser and Subadvisers about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

**Services Provided by the Adviser and Subadvisers**

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser and Subadvisers. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Adviser's and Subadvisers' senior management teams and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser and Subadvisers, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

**Investment Performance of the Fund**

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

**Costs, Benefits, Profits, and Economies of Scale**

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. While the Board did not review information regarding profits realized from managing the fund in particular because the fund had either not achieved sufficient portfolio asset size or not recognized sufficient revenues to produce meaningful profit margin percentages, the Board concluded that the Adviser's profits were reasonable in light of the services provided to the T. Rowe Price funds.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)**

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays the Adviser an all-inclusive management fee, which is based on the fund's average daily net assets. The all-inclusive management fee includes investment management services and provides for the Adviser to pay all of the fund's ordinary, recurring operating expenses except for interest, taxes, portfolio transaction fees, and any nonrecurring extraordinary expenses that may arise. However, the fund has a contractual limitation in place whereby the Adviser has agreed to waive a portion of the management fee it is entitled to receive from the fund in order to limit the fund's overall management fee rate to 0.50% of the fund's average daily net assets. Any fees waived under this management fee waiver agreement are not subject to reimbursement to the Adviser by the fund. Under each Subadvisory Contract, the Adviser may pay the Subadviser up to 60% of the advisory fees that the Adviser receives from the fund. The Adviser has generally implemented an all-inclusive management fee structure in situations where a fixed total expense ratio is useful for purposes of providing certainty of fees and expenses for the fund's investors and has historically sought to set the initial all-inclusive management fee rate at levels below the expense ratios of comparable funds to take into account potential future economies of scale. Because the fund serves as an underlying option to variable annuity products, the all-inclusive fee structure is utilized to create certainty for the annuity providers' overall pricing decisions and disclosures. In addition, the assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement), and total expenses (which reflect the fund's all-inclusive management fee rate reduced by the fund's management fee waiver arrangement) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the fifth quintile (Expense Group), the fund's actual management fee rate ranked in the fifth quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the fourth quintile (Expense Group) and third quintile (Expense Universe).

The Adviser provided the Board with additional information with respect to the fund's relative management fees and total expenses ranking in the fourth and fifth quintiles. The Board reviewed and considered the information provided relating to the fund, including other funds in the peer group, and other factors that the Board determined to be relevant.

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)**

proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

**Approval of the Advisory Contract and Subadvisory Contracts**

As noted, the Board approved the continuation of the Advisory Contract and Subadvisory Contracts. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract and Subadvisory Contracts (including the fees to be charged for services thereunder).

# T.RowePrice®

100 East Pratt Street  
Baltimore, MD 21202

*Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*

# **Fidelity® Variable Insurance Products:**

## **VIP Growth Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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 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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

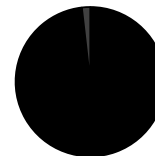
Microsoft Corp.	12.2
NVIDIA Corp.	7.2
Alphabet, Inc. Class A	5.1
Apple, Inc.	4.4
Uber Technologies, Inc.	3.4
Amazon.com, Inc.	3.3
Vertex Pharmaceuticals, Inc.	2.3
UnitedHealth Group, Inc.	2.3
Eli Lilly & Co.	2.0
Netflix, Inc.	1.9
	<hr/>
	44.1

## Market Sectors (% of Fund's net assets)

Information Technology	37.6
Health Care	16.4
Industrials	12.3
Consumer Discretionary	10.5
Communication Services	9.7
Financials	5.9
Energy	4.0
Consumer Staples	1.5
Materials	0.3
Utilities	0.0

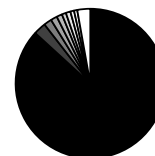
## Asset Allocation (% of Fund's net assets)

- Stocks - 98.2
- Short-Term Investments and Net Other Assets (Liabilities) - 1.8



## Geographic Diversification (% of Fund's net assets)

- United States of America\* - 86.8
- Netherlands - 2.7
- Taiwan - 1.7
- India - 1.4
- China - 1.2
- Australia - 0.9
- France - 1.0
- Brazil - 0.8
- United Kingdom - 0.7
- Other - 2.8



\* Includes Short-Term investments and Net Other Assets (Liabilities).  
Percentages are adjusted for the effect of derivatives, if applicable.



# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 97.9%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 9.7%</b>		
<b>Entertainment - 4.6%</b>		
Netflix, Inc. (a)	345,600	152,233,344
Universal Music Group NV (b)	6,371,121	141,476,603
Warner Music Group Corp. Class A	3,044,075	<u>79,419,917</u>
		<u>373,129,864</u>
<b>Interactive Media &amp; Services - 5.1%</b>		
Alphabet, Inc. Class A (a)	3,437,063	411,416,441
Epic Games, Inc. (a)(c)(d)	5,869	<u>4,131,541</u>
		<u>415,547,982</u>
<b>Media - 0.0%</b>		
Innovid Corp. (a)	432,557	<u>471,487</u>
		<u>789,149,333</u>
<b>CONSUMER DISCRETIONARY - 10.5%</b>		
<b>Automobile Components - 0.0%</b>		
Mobility Global, Inc.	44,426	<u>1,706,847</u>
<b>Automobiles - 0.9%</b>		
BYD Co. Ltd. (H Shares)	1,072,000	34,373,315
Ferrari NV	113,989	<u>37,070,363</u>
		<u>71,443,678</u>
<b>Broadline Retail - 4.2%</b>		
Amazon.com, Inc. (a)	2,085,618	271,881,162
Dollarama, Inc.	69,800	4,727,274
MercadoLibre, Inc. (a)	58,900	<u>69,772,940</u>
		<u>346,381,376</u>
<b>Diversified Consumer Services - 0.1%</b>		
Laureate Education, Inc. Class A	741,184	<u>8,960,915</u>
<b>Hotels, Restaurants &amp; Leisure - 2.3%</b>		
Airbnb, Inc. Class A (a)	455,500	58,376,880
Booking Holdings, Inc. (a)	15,500	41,855,115
Flutter Entertainment PLC (a)	376,600	75,568,556
Kura Sushi U.S.A., Inc. Class A (a)	134,700	<u>12,520,365</u>
		<u>188,320,916</u>
<b>Household Durables - 0.0%</b>		
Blu Investments LLC (a)(c)(d)	14,533,890	<u>4,506</u>
<b>Specialty Retail - 1.8%</b>		
Five Below, Inc. (a)	305,500	60,042,970
TJX Companies, Inc.	987,900	<u>83,764,041</u>
		<u>143,807,011</u>
<b>Textiles, Apparel &amp; Luxury Goods - 1.2%</b>		
Compagnie Financiere Richemont SA Series A	13,580	2,306,808
LVMH Moet Hennessy Louis Vuitton SE	57,358	54,083,564
On Holding AG (a)	20,300	669,900
Samsonite International SA (a) (e)	13,712,700	<u>38,674,154</u>
		<u>95,734,426</u>
		<u>856,359,675</u>
<b>CONSUMER STAPLES - 1.5%</b>		
<b>Beverages - 1.2%</b>		
Boston Beer Co., Inc. Class A (a)	73,900	22,793,716
Monster Beverage Corp.	1,311,294	<u>75,320,727</u>
		<u>98,114,443</u>
<b>Personal Care Products - 0.3%</b>		
Estee Lauder Companies, Inc. Class A	121,700	<u>23,899,446</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER STAPLES – continued</b>		
TOTAL CONSUMER STAPLES		<u>122,013,889</u>
<b>ENERGY - 4.0%</b>		
<b>Energy Equipment &amp; Services - 0.4%</b>		
Baker Hughes Co. Class A	1,209,800	<u>38,241,778</u>
<b>Oil, Gas &amp; Consumable Fuels - 3.6%</b>		
Cheniere Energy, Inc.	752,326	114,624,389
Denbury, Inc. (a)	158,900	13,706,714
New Fortress Energy, Inc.	547,900	14,672,762
Range Resources Corp.	1,409,200	41,430,480
Reliance Industries Ltd.	3,437,252	<u>107,118,401</u>
		<u>291,552,746</u>
		<u>329,794,524</u>
<b>FINANCIALS - 5.9%</b>		
<b>Banks - 0.0%</b>		
HDFC Bank Ltd.	196,906	<u>4,085,420</u>
<b>Capital Markets - 1.8%</b>		
CME Group, Inc.	787,522	<u>145,919,951</u>
<b>Financial Services - 2.6%</b>		
Block, Inc. Class A (a)	690,600	45,973,242
MasterCard, Inc. Class A	371,232	146,005,546
One97 Communications Ltd. (a)	688,100	7,293,356
Rocket Companies, Inc. (a)(b)	1,102,154	<u>9,875,300</u>
		<u>209,147,444</u>
<b>Insurance - 1.5%</b>		
Arthur J. Gallagher & Co.	315,755	69,330,325
BRP Group, Inc. (a)	584,268	14,478,161
Marsh & McLennan Companies, Inc.	194,400	<u>36,562,752</u>
		<u>120,371,238</u>
		<u>479,524,053</u>
<b>HEALTH CARE - 16.4%</b>		
<b>Biotechnology - 6.4%</b>		
Zseventy bio, Inc. (a)	87,100	881,452
Adamas Pharmaceuticals, Inc.:		
rights (a)(d)	1,781,700	445,425
rights (a)(d)	1,781,700	195,987
Affimed NV (a)	594,887	355,861
Alynlym Pharmaceuticals, Inc. (a)	228,000	43,306,320
Arcellx, Inc. (a)	46,857	1,481,618
Beam Therapeutics, Inc. (a)	60,870	1,943,579
Biogen, Inc. (a)	153,600	43,752,960
Cytokinetics, Inc. (a)	176,031	5,742,131
Evelo Biosciences, Inc. (a)(b)	23,345	75,871
Galapagos NV sponsored ADR (a)	453,500	18,439,310
Gamida Cell Ltd. (a)(b)	2,824,068	5,450,451
Gamida Cell Ltd. warrants 4/21/28 (a)	441,000	488,673
Genmab A/S (a)	33,400	12,657,187
Hookipa Pharma, Inc. (a)	1,014,485	892,747
Immunocore Holdings PLC ADR (a)	157,653	9,452,874
Insmad, Inc. (a)(b)	743,216	15,681,858
Legend Biotech Corp. ADR (a)	209,500	14,461,785

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Biotechnology – continued</b>		
Regeneron Pharmaceuticals, Inc. (a)	88,231	63,397,503
Repligen Corp. (a)	137,900	19,507,334
Rubius Therapeutics, Inc. (a) (b)	134,856	2,825
Seagen, Inc. (a)	349,600	67,284,016
Seres Therapeutics, Inc. (a)	405,600	1,942,824
Synlogic, Inc. (a)	1,152,500	495,575
Vertex Pharmaceuticals, Inc. (a)	535,765	188,541,061
Vor Biopharma, Inc. (a)	618,395	1,910,841
XOMA Corp. (a)	339,812	6,419,049
		<u>525,207,117</u>
<b>Health Care Equipment &amp; Supplies - 1.6%</b>		
Boston Scientific Corp. (a)	1,965,300	106,303,077
Insulet Corp. (a)	4,869	1,403,927
Penumbra, Inc. (a)	57,727	19,861,552
		<u>127,568,556</u>
<b>Health Care Providers &amp; Services - 3.2%</b>		
HealthEquity, Inc. (a)	1,152,896	72,793,853
Option Care Health, Inc. (a)	58,800	1,910,412
UnitedHealth Group, Inc.	389,393	187,157,852
		<u>261,862,117</u>
<b>Health Care Technology - 0.2%</b>		
Evolent Health, Inc. (c)	387,300	11,148,431
Simulations Plus, Inc. (b)	111,870	4,847,327
		<u>15,995,758</u>
<b>Life Sciences Tools &amp; Services - 2.2%</b>		
Bio-Techne Corp.	224,400	18,317,772
Bruker Corp.	524,520	38,772,518
Charles River Laboratories International, Inc. (a)	126,965	26,694,391
Codexis, Inc. (a)	525,700	1,471,960
Danaher Corp.	162,450	38,988,000
Sartorius Stedim Biotech	81,300	20,289,020
Thermo Fisher Scientific, Inc.	70,100	36,574,675
		<u>181,108,336</u>
<b>Pharmaceuticals - 2.8%</b>		
Aclaris Therapeutics, Inc. (a)	220,007	2,281,473
AstraZeneca PLC sponsored ADR	642,000	45,947,940
Eli Lilly & Co.	346,646	162,570,041
Nuvation Bio, Inc. (a)	326,843	588,317
Revance Therapeutics, Inc. (a) (b)	608,681	15,405,716
		<u>226,793,487</u>
TOTAL HEALTH CARE		<u>1,338,535,371</u>
<b>INDUSTRIALS - 12.3%</b>		
<b>Aerospace &amp; Defense - 0.4%</b>		
Spirit AeroSystems Holdings, Inc. Class A	1,173,000	34,239,870
The Boeing Co. (a)	2,537	535,713
		<u>34,775,583</u>
<b>Electrical Equipment - 1.4%</b>		
Bloom Energy Corp. Class A (a) (b)	119,000	1,945,650
Eaton Corp. PLC	461,206	92,748,527
Hubbell, Inc. Class B	63,599	21,086,884
		<u>115,781,061</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Ground Transportation - 3.4%</b>		
Uber Technologies, Inc. (a)	6,492,005	280,259,856
<b>Industrial Conglomerates - 1.5%</b>		
General Electric Co.	1,083,500	119,022,475
<b>Machinery - 2.0%</b>		
Energy Recovery, Inc. (a)	250,900	7,012,655
Ingersoll Rand, Inc.	1,232,275	80,541,494
Parker Hannifin Corp.	132,500	51,680,300
Westinghouse Air Brake Tech Co.	199,300	21,857,231
		<u>161,091,680</u>
<b>Passenger Airlines - 0.5%</b>		
Ryanair Holdings PLC sponsored ADR (a)	388,700	42,990,220
<b>Professional Services - 2.2%</b>		
Equifax, Inc.	197,800	46,542,340
KBR, Inc.	1,464,955	95,309,972
TransUnion Holding Co., Inc.	435,900	34,144,047
		<u>175,996,359</u>
<b>Trading Companies &amp; Distributors - 0.9%</b>		
Ferguson PLC	441,849	69,638,496
TOTAL INDUSTRIALS		<u>999,555,730</u>
<b>INFORMATION TECHNOLOGY - 37.5%</b>		
<b>Electronic Equipment, Instruments &amp; Components - 1.2%</b>		
Flex Ltd. (a)	2,096,183	57,938,498
Jabil, Inc.	401,900	43,377,067
		<u>101,315,565</u>
<b>IT Services - 1.9%</b>		
Gartner, Inc. (a)	71,800	25,152,258
MongoDB, Inc. Class A (a)	235,418	96,754,444
Shopify, Inc. Class A (a)	514,800	33,256,080
		<u>155,162,782</u>
<b>Semiconductors &amp; Semiconductor Equipment - 13.3%</b>		
Aixtron AG	789,100	26,770,539
Allegro MicroSystems LLC (a)	298,641	13,480,655
ASML Holding NV (depository receipt)	60,238	43,657,491
BE Semiconductor Industries NV	387,700	42,009,683
eMemory Technology, Inc.	45,000	3,192,411
KLA Corp.	100,500	48,744,510
Marvell Technology, Inc.	320,176	19,140,121
Monolithic Power Systems, Inc.	48,500	26,201,155
NVIDIA Corp.	1,384,086	585,496,060
NXP Semiconductors NV	308,124	63,066,820
Silicon Laboratories, Inc. (a)	12,500	1,971,750
SiTime Corp. (a)	317,200	37,420,084
Taiwan Semiconductor Manufacturing Co. Ltd. sponsored ADR	1,314,300	132,639,156
Universal Display Corp.	284,600	41,019,398
		<u>1,084,809,833</u>
<b>Software - 16.7%</b>		
Confluent, Inc. (a) (b)	1,345,214	47,499,506
HashiCorp, Inc. (a)	580,404	15,194,977
HubSpot, Inc. (a)	115,300	61,349,977
Manhattan Associates, Inc. (a)	271,700	54,307,396

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Software – continued</b>		
Microsoft Corp.	2,916,007	993,017,026
NICE Ltd. sponsored ADR (a)	116,700	24,098,550
Oracle Corp.	1,106,091	131,724,377
ServiceNow, Inc. (a)	48,300	27,143,151
Value A/S (a)	1,565,800	<u>2,634,563</u>
		<u>1,356,969,523</u>
<b>Technology Hardware, Storage &amp; Peripherals - 4.4%</b>		
Apple, Inc.	1,831,988	<u>355,350,712</u>
TOTAL INFORMATION TECHNOLOGY		<u>3,053,608,415</u>
<b>MATERIALS - 0.1%</b>		
<b>Chemicals - 0.1%</b>		
Aspen Aerogels, Inc. (a)(b)	564,802	<u>4,456,288</u>
<b>UTILITIES - 0.0%</b>		
<b>Independent Power and Renewable Electricity Producers - 0.0%</b>		
Brookfield Renewable Partners LP	99,009	<u>2,919,775</u>
<b>TOTAL COMMON STOCKS</b> (Cost \$4,883,924,536)		<u><b>7,975,917,053</b></u>

**Convertible Preferred Stocks – 0.3%**

	Shares	Value (\$)
<b>HEALTH CARE - 0.0%</b>		
<b>Biotechnology - 0.0%</b>		
ElevateBio LLC Series C (a)(c)(d)	198,400	<u>841,216</u>
<b>INFORMATION TECHNOLOGY - 0.1%</b>		
<b>Software - 0.1%</b>		
ASAPP, Inc. Series C (a)(c)(d)	654,971	<u>2,010,761</u>
<b>MATERIALS - 0.2%</b>		
<b>Metals &amp; Mining - 0.2%</b>		
Illuminated Holdings, Inc.:		
Series C2 (a)(c)(d)	137,249	5,024,686
Series C3 (a)(c)(d)	171,560	6,280,812
Series C4 (a)(c)(d)	48,240	1,766,066
Series C5 (a)(c)(d)	96,064	<u>3,516,903</u>
		<u>16,588,467</u>
<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> (Cost \$19,617,827)		<u><b>19,440,444</b></u>

**Legend**

(a) Non-income producing

**Convertible Bonds – 0.0%**

	Principal Amount (f)	Value (\$)
<b>MATERIALS - 0.0%</b>		
<b>Metals &amp; Mining - 0.0%</b>		
Illuminated Holdings, Inc. 0% (c)(d)(g) (Cost \$1,940,200)	1,940,200	<u>1,940,200</u>
<b>Money Market Funds – 1.7%</b>		
	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (h)	100,203,485	100,223,526
Fidelity Securities Lending Cash Central Fund 5.14% (h)(i)	40,104,528	<u>40,108,538</u>
<b>TOTAL MONEY MARKET FUNDS</b> (Cost \$140,332,064)		<u><b>140,332,064</b></u>
<b>TOTAL INVESTMENT IN SECURITIES – 99.9%</b> (Cost \$5,045,814,627)		<u><b>8,137,629,761</b></u>
<b>NET OTHER ASSETS (LIABILITIES) – 0.1%</b>		<u><b>7,800,715</b></u>
<b>NET ASSETS – 100.0%</b>		<u><u><b>8,145,430,476</b></u></u>

(b) Security or a portion of the security is on loan at period end.

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

## Schedule of Investments (Unaudited) - Continued

	Security	Acquisition Date	Acquisition Cost (\$)
(c) Restricted securities (including private placements) — 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 \$36,665,122 or 0.5% of net assets.	Blu Investments LLC	5/21/20	25,138
(d) Level 3 security	ElevateBio LLC Series C	3/09/21	832,288
(e) 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 \$38,674,154 or 0.5% of net assets.	Epic Games, Inc.	3/29/21	5,194,065
(f) Amount is stated in United States dollars unless otherwise noted.	Evolent Health, Inc.	3/28/23	11,231,700
(g) Security is perpetual in nature with no stated maturity date.	Illuminated Holdings, Inc. Series C2	7/07/20	3,431,225
(h) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.	Illuminated Holdings, Inc. Series C3	7/07/20	5,146,800
	Illuminated Holdings, Inc. Series C4	1/08/21	1,736,640
(i) Investment made with cash collateral received from securities on loan.	Illuminated Holdings, Inc. Series C5	6/16/21	4,149,965
	Illuminated Holdings, Inc. 0%	6/14/23	1,940,200

Additional information on each restricted holding is as follows:

Security	Acquisition Date	Acquisition Cost (\$)
ASAPP, Inc. Series C	4/30/21	4,320,909

## Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	78,582,650	863,472,286	841,831,410	1,554,720	—	—	100,223,526	0.3%
Fidelity Securities Lending Cash Central Fund 5.14%	39,142,221	248,801,636	247,835,319	625,409	—	—	40,108,538	0.1%
Total	<u>117,724,871</u>	<u>1,112,273,922</u>	<u>1,089,666,729</u>	<u>2,180,129</u>	<u>—</u>	<u>—</u>	<u>140,332,064</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

## Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	789,149,333	785,017,792	-	4,131,541
Consumer Discretionary	856,359,675	765,591,482	90,763,687	4,506
Consumer Staples	122,013,889	122,013,889	-	-
Energy	329,794,524	222,676,123	107,118,401	-

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

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Investments in Securities: - continued				
Financials	479,524,053	468,145,277	11,378,776	-
Health Care	1,339,376,587	1,313,599,668	24,294,291	1,482,628
Industrials	999,555,730	999,555,730	-	-
Information Technology	3,055,619,176	3,053,608,415	-	2,010,761
Materials	21,044,755	4,456,288	-	16,588,467
Utilities	2,919,775	2,919,775	-	-
Corporate Bonds	1,940,200	-	-	1,940,200
Money Market Funds	140,332,064	140,332,064	-	-
<b>Total Investments in Securities:</b>	<u>8,137,629,761</u>	<u>7,877,916,503</u>	<u>233,555,155</u>	<u>26,158,103</u>

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$39,400,232) — See accompanying schedule:

Unaffiliated issuers (cost \$4,905,482,563)	\$	7,997,297,697
Fidelity Central Funds (cost \$140,332,064)		140,332,064

Total Investment in Securities (cost \$5,045,814,627)

Foreign currency held at value (cost \$1,108)

Receivable for investments sold

Receivable for fund shares sold

Dividends receivable

Distributions receivable from Fidelity Central Funds

Other receivables

### Total assets

### Liabilities

Payable to custodian bank

Payable for investments purchased

Payable for fund shares redeemed

Accrued management fee

Distribution and service plan fees payable

Other affiliated payables

Deferred taxes

Other payables and accrued expenses

Collateral on securities loaned

### Total Liabilities

### Net Assets

Net Assets consist of:

Paid in capital

Total accumulated earnings (loss)

### Net Assets

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share ( $\$4,341,950,179 \div 49,600,845$  shares)

#### Service Class :

**Net Asset Value**, offering price and redemption price per share ( $\$1,113,650,069 \div 12,824,548$  shares)

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share ( $\$1,712,952,715 \div 20,230,911$  shares)

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share ( $\$976,877,513 \div 11,255,069$  shares)

	\$	8,137,629,761
		1,108
		65,053,372
		6,144,526
		1,698,077
		436,000
		30,448
		<u>8,210,993,292</u>

\$	85,641
	3,238,077
	11,165,143
	3,491,389
	439,776
	569,445
	6,363,150
	122,398
	<u>40,087,797</u>
	<u>65,562,816</u>

\$	<u>8,145,430,476</u>
\$	4,780,425,689
	<u>3,365,004,787</u>
\$	<u>8,145,430,476</u>

\$	<u>87.54</u>
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\$	<u>86.84</u>
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\$	<u>84.67</u>
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\$	<u>86.79</u>
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See accompanying notes which are an integral part of the financial statements.

## Statement of Operations

Six months ended  
June 30, 2023  
(Unaudited)

### Investment Income

Dividends		\$	28,405,640
Income from Fidelity Central Funds (including \$625,409 from security lending)			2,180,129
<b>Total Income</b>			<u>30,585,769</u>

### Expenses

Management fee	\$	19,173,963	
Transfer agent fees		2,623,020	
Distribution and service plan fees		2,417,658	
Accounting fees		526,445	
Custodian fees and expenses		25,002	
Independent trustees' fees and expenses		23,601	
Audit		37,717	
Legal		12,062	
Interest		13,209	
Miscellaneous		99,415	
Total expenses before reductions		<u>24,952,092</u>	
Expense reductions		(168,310)	
Total expenses after reductions			<u>24,783,782</u>
<b>Net Investment income (loss)</b>			<u>5,801,987</u>

### Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:			
Investment Securities:			
Unaffiliated issuers		282,783,814	
Foreign currency transactions		(31,255)	
Total net realized gain (loss)			282,752,559
Change in net unrealized appreciation (depreciation) on:			
Investment Securities:			
Unaffiliated issuers (net of increase in deferred foreign taxes of \$309,280)		1,250,041,013	
Assets and liabilities in foreign currencies		6,314	
Total change in net unrealized appreciation (depreciation)			<u>1,250,047,327</u>
<b>Net gain (loss)</b>			<u>1,532,799,886</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	\$		<u>1,538,601,873</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 5,801,987	\$ 12,939,725
Net realized gain (loss)	282,752,559	290,195,869
Change in net unrealized appreciation (depreciation)	1,250,047,327	(2,524,849,915)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>1,538,601,873</u>	<u>(2,221,714,321)</u>
Distributions to shareholders	(46,318,112)	(593,948,127)
Share transactions - net increase (decrease)	(1,452,825)	238,529,974
<b>Total increase (decrease) in net assets</b>	1,490,830,936	(2,577,132,474)
<b>Net Assets</b>		
Beginning of period	6,654,599,540	9,231,732,014
End of period	<u>\$ 8,145,430,476</u>	<u>\$ 6,654,599,540</u>

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



# Financial Highlights

## VIP Growth Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 71.51	\$ 102.43	\$ 103.00	\$ 79.09	\$ 63.12	\$ 74.05
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.09	.20	.37 <sup>C</sup>	.01	.18	.21
Net realized and unrealized gain (loss)	16.43	(24.46)	21.52	32.21	20.42	(.25) <sup>D</sup>
Total from investment operations	16.52	(24.26)	21.89	32.22	20.60	(.04)
Distributions from net investment income	- <sup>E</sup>	(.51)	-	(.07)	(.19)	(.18)
Distributions from net realized gain	(.49)	(6.15)	(22.46)	(8.25)	(4.44)	(10.72)
Total distributions	(.49)	(6.66)	(22.46)	(8.31) <sup>F</sup>	(4.63)	(10.89) <sup>F</sup>
Net asset value, end of period	\$ 87.54	\$ 71.51	\$ 102.43	\$ 103.00	\$ 79.09	\$ 63.12
<b>Total Return</b> <sup>G,H,I</sup>	23.21%	(24.46)%	23.21%	43.89%	34.31%	(.17)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.61% <sup>L</sup>	.61%	.61%	.62%	.63%	.63%
Expenses net of fee waivers, if any	.60% <sup>L</sup>	.60%	.60%	.62%	.62%	.63%
Expenses net of all reductions	.60% <sup>L</sup>	.60%	.60%	.61%	.62%	.62%
Net investment income (loss)	.23% <sup>L</sup>	.25%	.36% <sup>C</sup>	.02%	.25%	.30%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 4,341,950	\$ 3,612,472	\$ 5,103,811	\$ 4,533,075	\$ 3,441,605	\$ 2,869,484
Portfolio turnover rate <sup>M</sup>	62% <sup>L</sup>	36%	45%	53%	47%	34%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.30 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .07%.

<sup>D</sup> Net realized and unrealized gain (loss) per share reflects proceeds received from litigation which amounted to \$.02 per share. Excluding these litigation proceeds, the total return would have been (.20)%.

<sup>E</sup> Amount represents less than \$.005 per share.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Growth Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 70.98	\$ 101.70	\$ 102.42	\$ 78.69	\$ 62.83	\$ 73.76
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.05	.12	.27 <sup>C</sup>	(.07)	.11	.14
Net realized and unrealized gain (loss)	16.30	(24.28)	21.37	32.03	20.31	(.25) <sup>D</sup>
Total from investment operations	16.35	(24.16)	21.64	31.96	20.42	(.11)
Distributions from net investment income	- <sup>E</sup>	(.42)	-	(.05)	(.12)	(.11)
Distributions from net realized gain	(.49)	(6.15)	(22.36)	(8.18)	(4.44)	(10.72)
Total distributions	(.49)	(6.56) <sup>F</sup>	(22.36)	(8.23)	(4.56)	(10.82) <sup>F</sup>
Net asset value, end of period	\$ 86.84	\$ 70.98	\$ 101.70	\$ 102.42	\$ 78.69	\$ 62.83
<b>Total Return</b> <sup>G,H,I</sup>	23.14%	(24.52)%	23.08%	43.77%	34.17%	(.27)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.71% <sup>L</sup>	.71%	.71%	.72%	.73%	.73%
Expenses net of fee waivers, if any	.70% <sup>L</sup>	.70%	.70%	.72%	.72%	.73%
Expenses net of all reductions	.70% <sup>L</sup>	.70%	.70%	.71%	.72%	.72%
Net investment income (loss)	.13% <sup>L</sup>	.15%	.26% <sup>C</sup>	(.08)%	.15%	.20%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,113,650	\$ 878,031	\$ 1,176,735	\$ 1,018,192	\$ 745,767	\$ 600,590
Portfolio turnover rate <sup>M</sup>	62% <sup>L</sup>	36%	45%	53%	47%	34%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.30 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been (.03)%.

<sup>D</sup> Net realized and unrealized gain (loss) per share reflects proceeds received from litigation which amounted to \$.02 per share. Excluding these litigation proceeds, the total return would have been (.30)%.

<sup>E</sup> Amount represents less than \$.005 per share.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Growth Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 69.27	\$ 99.42	\$ 100.58	\$ 77.43	\$ 61.91	\$ 72.86
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	(.01)	- <sup>C</sup>	.11 <sup>D</sup>	(.19)	- <sup>C</sup>	.03
Net realized and unrealized gain (loss)	15.90	(23.72)	20.95	31.46	20.00	(.23) <sup>E</sup>
Total from investment operations	15.89	(23.72)	21.06	31.27	20.00	(.20)
Distributions from net investment income	- <sup>C</sup>	(.28)	-	(.04)	(.04)	(.03)
Distributions from net realized gain	(.49)	(6.15)	(22.22)	(8.08)	(4.44)	(10.72)
Total distributions	(.49)	(6.43)	(22.22)	(8.12)	(4.48)	(10.75)
Net asset value, end of period	\$ 84.67	\$ 69.27	\$ 99.42	\$ 100.58	\$ 77.43	\$ 61.91
<b>Total Return</b> <sup>F,G,H</sup>	23.05%	(24.64)%	22.90%	43.55%	33.98%	(.43)% <sup>E</sup>
<b>Ratios to Average Net Assets</b> <sup>B,I,J</sup>						
Expenses before reductions	.86% <sup>K</sup>	.86%	.85%	.87%	.88%	.88%
Expenses net of fee waivers, if any	.85% <sup>K</sup>	.85%	.85%	.87%	.87%	.88%
Expenses net of all reductions	.85% <sup>K</sup>	.85%	.85%	.86%	.87%	.87%
Net investment income (loss)	(.02)% <sup>K</sup>	-% <sup>L</sup>	.11% <sup>D</sup>	(.23)%	-% <sup>L</sup>	.05%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,712,953	\$ 1,410,220	\$ 1,941,161	\$ 1,587,581	\$ 1,182,162	\$ 971,010
Portfolio turnover rate <sup>M</sup>	62% <sup>K</sup>	36%	45%	53%	47%	34%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Amount represents less than \$.005 per share.

<sup>D</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.29 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been (.18)%.

<sup>E</sup> Net realized and unrealized gain (loss) per share reflects proceeds received from litigation which amounted to \$.02 per share. Excluding these litigation proceeds, the total return would have been (.46)%.

<sup>F</sup> Total returns for periods of less than one year are not annualized.

<sup>G</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>H</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>I</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>K</sup> Annualized.

<sup>L</sup> Amount represents less than .005%.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Growth Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 70.94	\$ 101.65	\$ 102.38	\$ 78.66	\$ 62.81	\$ 73.73
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.06	.14	.29 <sup>C</sup>	(.05)	.12	.15
Net realized and unrealized gain (loss)	16.28	(24.26)	21.37	32.02	20.30	(.23) <sup>D</sup>
Total from investment operations	16.34	(24.12)	21.66	31.97	20.42	(.08)
Distributions from net investment income	- <sup>E</sup>	(.44)	-	(.06)	(.13)	(.12)
Distributions from net realized gain	(.49)	(6.15)	(22.39)	(8.20)	(4.44)	(10.72)
Total distributions	(.49)	(6.59)	(22.39)	(8.25) <sup>F</sup>	(4.57)	(10.84)
Net asset value, end of period	\$ 86.79	\$ 70.94	\$ 101.65	\$ 102.38	\$ 78.66	\$ 62.81
<b>Total Return</b> <sup>G,H,I</sup>	23.14%	(24.50)%	23.12%	43.80%	34.18%	(.24)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.68% <sup>L</sup>	.68%	.68%	.70%	.70%	.71%
Expenses net of fee waivers, if any	.68% <sup>L</sup>	.68%	.68%	.70%	.70%	.71%
Expenses net of all reductions	.68% <sup>L</sup>	.68%	.68%	.69%	.70%	.70%
Net investment income (loss)	.16% <sup>L</sup>	.17%	.28% <sup>C</sup>	(.06)%	.17%	.22%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 976,878	\$ 753,877	\$ 1,010,025	\$ 792,875	\$ 547,920	\$ 457,395
Portfolio turnover rate <sup>M</sup>	62% <sup>L</sup>	36%	45%	53%	47%	34%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.30 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been (.01)%.

<sup>D</sup> Net realized and unrealized gain (loss) per share reflects proceeds received from litigation which amounted to \$.02 per share. Excluding these litigation proceeds, the total return would have been (.27)%.

<sup>E</sup> Amount represents less than \$.005 per share.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Growth Portfolio (the Fund) is a non-diversified 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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party 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

**Notes to Financial Statements (Unaudited) – continued**

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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing services or from brokers who make markets in such securities. Corporate bonds are valued by pricing services who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing services. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in dividends. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in dividends receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or ETFs. Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or ETF. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

**VIP Growth Portfolio**

\$26,733

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. The Fund is subject to a tax imposed on capital gains by certain countries in which it invests. An estimated deferred tax liability for net unrealized appreciation on the applicable securities is included in Deferred taxes on the Statement of Assets & Liabilities.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, certain foreign taxes, passive foreign investment companies (PFIC), partnerships and losses deferred due to wash sales and excise tax regulations.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$3,284,697,230
<b>Gross unrealized depreciation</b>	<u>(200,380,433)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$3,084,316,797</u>
<b>Tax cost</b>	<u>\$5,053,312,964</u>

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

#### 4. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Growth Portfolio</b>	2,242,090,834	2,332,237,480

#### 5. Fees and Other Transactions with Affiliates.

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .30% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .52% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$492,306
<b>Service Class 2</b>	<u>1,925,352</u>
	<u>\$2,417,658</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIOOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIOOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports,

**Notes to Financial Statements (Unaudited) – continued**

excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	Amount	% of Class-Level Average Net Assets <sup>A</sup>
Initial Class	\$1,237,240	.06
Service Class	310,152	.06
Service Class 2	485,189	.06
Investor Class	<u>590,439</u>	.14
	<u>\$2,623,020</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	% of Average Net Assets
VIP Growth Portfolio	.01

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	Amount
VIP Growth Portfolio	\$29,789

**Interfund Lending Program.** Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), the Fund, along with other registered investment companies having management contracts with Fidelity Management & Research Company LLC (FMR), or other affiliated entities of FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding. Activity in this program during the period for which loans were outstanding was as follows:

	Borrower or Lender	Average Loan Balance	Weighted Average Interest Rate	Interest Expense
VIP Growth Portfolio	Borrower	\$ 22,359,000	5.32%	\$13,209

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	Purchases (\$)	Sales (\$)	Realized Gain (Loss) (\$)
VIP Growth Portfolio	69,553,519	186,736,677	26,742,252

**6. Committed Line of Credit.**

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	Amount
VIP Growth Portfolio	\$6,801

**7. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the



obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP Growth Portfolio	\$66,431	\$489	\$-

### 8. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$7,298.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$161,012.

### 9. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Growth Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$24,668,030	\$327,242,195
Service Class	6,215,665	76,304,030
Service Class 2	10,087,981	124,813,908
Investor Class	5,346,436	65,587,994
Total	\$46,318,112	\$593,948,127

### 10. Share Transactions.

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Growth Portfolio</b>				
<b>Initial Class</b>				
Shares sold	2,171,147	3,357,698	\$170,761,248	\$269,447,445
Reinvestment of distributions	324,964	3,960,831	24,668,031	327,242,195
Shares redeemed	(3,409,925)	(6,632,085)	(271,130,504)	(539,302,844)
Net increase (decrease)	(913,814)	686,444	\$(75,701,225)	\$57,386,796
<b>Service Class</b>				
Shares sold	1,073,190	1,422,893	\$83,034,696	\$111,903,088
Reinvestment of distributions	82,512	931,059	6,215,665	76,304,030
Shares redeemed	(701,244)	(1,554,017)	(54,419,867)	(126,719,809)
Net increase (decrease)	454,458	799,935	\$34,830,494	\$61,487,309
<b>Service Class 2</b>				
Shares sold	1,603,661	2,016,536	\$121,762,286	\$158,300,940
Reinvestment of distributions	137,270	1,556,899	10,087,981	124,813,908
Shares redeemed	(1,867,579)	(2,741,205)	(141,748,482)	(219,822,709)
Net increase (decrease)	(126,648)	832,230	\$(9,898,215)	\$63,292,139
<b>Investor Class</b>				
Shares sold	966,758	1,313,073	\$75,792,647	\$104,900,921
Reinvestment of distributions	71,011	801,097	5,346,436	65,587,994
Shares redeemed	(410,164)	(1,422,870)	(31,822,962)	(114,125,185)
Net increase (decrease)	627,605	691,300	\$49,316,121	\$56,363,730

**Notes to Financial Statements (Unaudited) – continued****11. Other.**

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders each were owners of record of more than 10% of the outstanding shares as follows:

<b>Fund</b>	<b>% of shares held</b>	<b>Number of Unaffiliated Shareholders</b>	<b>Unaffiliated Shareholders %</b>
VIP Overseas Portfolio	20%	2	38%

**12. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Growth Portfolio				
Initial Class	.60%			
Actual		\$ 1,000	\$ 1,232.10	\$ 3.32
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.82	\$ 3.01
Service Class	.70%			
Actual		\$ 1,000	\$ 1,231.40	\$ 3.87
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.32	\$ 3.51
Service Class 2	.85%			
Actual		\$ 1,000	\$ 1,230.50	\$ 4.70
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.58	\$ 4.26
Investor Class	.68%			
Actual		\$ 1,000	\$ 1,231.40	\$ 3.76
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.42	\$ 3.41

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Growth Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLI/M). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLI/M requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.

# Notes

# Notes

# Notes





# **Fidelity® Variable Insurance Products:**

## **VIP High Income Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Bond Issuers (% of Fund's net assets)

(with maturities greater than one year)

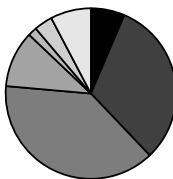
Uniti Group LP / Uniti Group Finance, Inc.	2.0
Occidental Petroleum Corp.	1.9
Mesquite Energy, Inc.	1.8
Ford Motor Credit Co. LLC	1.8
CCO Holdings LLC/CCO Holdings Capital Corp.	1.8
Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	1.8
Community Health Systems, Inc.	1.5
TransDigm, Inc.	1.4
Fidelity Private Credit Central Fund LLC	1.2
DISH Network Corp.	1.2
	<hr/>
	16.4

## Market Sectors (% of Fund's net assets)

Energy	14.5
Technology	7.5
Services	6.7
Healthcare	6.4
Telecommunications	6.1

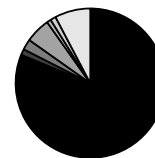
## Quality Diversification (% of Fund's net assets)

BBB - 6.4
BB - 31.5
B - 38.5
CCC,CC,C - 10.7
Not Rated - 1.7
Equities - 3.5
Short-Term Investments and Net Other Assets - 7.7



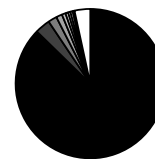
## Asset Allocation (% of Fund's net assets)

Nonconvertible Bonds - 81.2
Convertible Bonds, Preferred Stocks - 1.3
Common Stocks - 2.3
Bank Loan Obligations - 5.4
Preferred Securities - 0.9
Other - 1.2
Short-Term Investments and Net Other Assets (Liabilities) - 7.7



## Geographic Diversification (% of Fund's net assets)

United States of America* - 87.3
Canada - 3.3
United Kingdom - 1.9
Luxembourg - 1.3
Germany - 0.8
Panama - 0.6
France - 0.5
United Arab Emirates - 0.5
Ireland - 0.4
Other - 3.4



\* Includes Short-Term investments and Net Other Assets (Liabilities). Percentages are adjusted for the effect of derivatives, if applicable.

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 date indicated and do not reflect subsequent changes.

# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Corporate Bonds – 82.5%

	Principal Amount (a)	Value (\$)
<b>Convertible Bonds - 1.3%</b>		
<b>Broadcasting - 1.0%</b>		
DISH Network Corp.:		
2.375% 3/15/24	3,658,000	3,241,903
3.375% 8/15/26	8,064,000	<u>4,092,480</u>
		<u>7,334,383</u>
<b>Energy - 0.2%</b>		
Mesquite Energy, Inc. 15% 7/15/23 (b)(c)	649,253	649,253
Mesquite Energy, Inc. 15% 7/15/23 (b)(c)	1,120,884	<u>1,120,884</u>
		<u>1,770,137</u>
<b>Homebuilders/Real Estate - 0.1%</b>		
Redfin Corp. 0.5% 4/1/27	1,046,000	<u>715,782</u>
<b>TOTAL CONVERTIBLE BONDS</b>		<u><b>9,820,302</b></u>
<b>Nonconvertible Bonds - 81.2%</b>		
<b>Aerospace - 2.5%</b>		
ATI, Inc.:		
4.875% 10/1/29	250,000	225,047
5.875% 12/1/27	770,000	745,181
Bombardier, Inc. 7.875% 4/15/27 (d)	2,425,000	2,418,567
BWX Technologies, Inc. 4.125% 6/30/28 (d)	2,000,000	1,824,699
Howmet Aerospace, Inc.:		
5.9% 2/1/27	684,000	689,501
6.875% 5/1/25	684,000	694,986
Kaiser Aluminum Corp.:		
4.5% 6/1/31 (d)	485,000	386,632
4.625% 3/1/28 (d)	1,735,000	1,517,362
Moog, Inc. 4.25% 12/15/27 (d)	110,000	101,792
TransDigm, Inc.:		
4.625% 1/15/29	855,000	760,572
5.5% 11/15/27	3,970,000	3,741,725
6.25% 3/15/26 (d)	3,755,000	3,736,648
6.375% 6/15/26	705,000	695,840
6.75% 8/15/28 (d)	1,100,000	1,104,169
7.5% 3/15/27	425,000	425,604
VistaJet Malta Finance PLC / XO Management Holding, Inc. 9.5% 6/1/28 (d)	275,000	<u>252,491</u>
		<u>19,320,816</u>
<b>Air Transportation - 0.9%</b>		
Air Canada 3.875% 8/15/26 (d)	874,000	810,069
American Airlines, Inc. 7.25% 2/15/28 (d)	365,000	362,826
American Airlines, Inc. / AAdvantage Loyalty IP Ltd. 5.5% 4/20/26 (d)	2,345,000	2,323,167
Mileage Plus Holdings LLC 6.5% 6/20/27 (d)	280,000	280,699
Rand Parent LLC 8.5% 2/15/30 (d)	1,720,000	1,557,207
Spirit Loyalty Cayman Ltd. / Spirit IP Cayman Ltd. 8% 9/20/25 (d)	1,735,000	<u>1,747,954</u>
		<u>7,081,922</u>
<b>Automotive - 0.3%</b>		
Ford Motor Co.:		
6.1% 8/19/32	1,190,000	1,150,002
7.4% 11/1/46	290,000	296,131
Ford Motor Credit Co. LLC 3.625% 6/17/31	980,000	<u>803,264</u>
		<u>2,249,397</u>

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Automotive &amp; Auto Parts - 2.3%</b>		
Adient Global Holdings Ltd. 7% 4/15/28 (d)	205,000	207,233
Allison Transmission, Inc. 4.75% 10/1/27 (d)	167,000	157,371
Dana Financing Luxembourg SARL 5.75% 4/15/25 (d)	83,000	81,807
Dana, Inc.:		
4.25% 9/1/30	167,000	139,033
5.375% 11/15/27	167,000	158,192
Ford Motor Co.:		
3.25% 2/12/32	892,000	701,646
4.346% 12/8/26	167,000	161,400
4.75% 1/15/43	360,000	276,820
5.291% 12/8/46	145,000	119,392
Ford Motor Credit Co. LLC:		
U.S. Secured Overnight Fin. Rate (SOFR) Index + 2.950% 8.0398% 3/6/26 (e)(f)	995,000	997,491
2.3% 2/10/25	3,230,000	3,019,720
2.9% 2/10/29	2,030,000	1,679,691
3.375% 11/13/25	517,000	480,745
3.815% 11/2/27	925,000	826,737
4% 11/13/30	350,000	299,104
4.125% 8/17/27	790,000	721,384
4.389% 1/8/26	705,000	667,214
4.95% 5/28/27	1,410,000	1,330,035
5.125% 6/16/25	355,000	345,248
6.95% 3/6/26	2,845,000	2,860,127
IHO Verwaltungs GmbH 4.75% 9/15/26 pay-in-kind (d)(e)	145,000	133,776
Macquarie AirFinance Holdings 8.375% 5/1/28 (d)	735,000	745,246
Rivian Holdco & Rivian LLC & Rivian Automotive LLC 6 month U.S. LIBOR + 5.620% 10.9311% 10/15/26 (d)(e)(f)	205,000	198,718
ZF North America Capital, Inc.:		
4.75% 4/29/25 (d)	845,000	823,808
6.875% 4/14/28 (d)	370,000	374,693
7.125% 4/14/30 (d)	370,000	<u>376,344</u>
		<u>17,882,975</u>
<b>Banks &amp; Thrifts - 0.4%</b>		
Ally Financial, Inc.:		
5.75% 11/20/25	235,000	226,319
6.7% 2/14/33	1,465,000	1,296,215
Jane Street Group LLC/JSG Finance, Inc. 4.5% 11/15/29 (d)	560,000	481,862
Quicken Loans LLC/Quicken Loans Co-Issuer, Inc. 4% 10/15/33 (d)	295,000	230,761
VistaJet Malta Finance PLC / XO Management Holding, Inc.:		
6.375% 2/1/30 (d)	280,000	225,465
7.875% 5/1/27 (d)	280,000	<u>251,566</u>
		<u>2,712,188</u>
<b>Broadcasting - 1.3%</b>		
Diamond Sports Group LLC/Diamond Sports Finance Co. 5.375% (d)(g)	5,215,000	176,006
DISH Network Corp. 11.75% 11/15/27 (d)	1,770,000	1,727,363
Sinclair Television Group, Inc. 5.5% 3/1/30 (d)	660,000	380,457

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

## Schedule of Investments (Unaudited) - Continued

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Broadcasting – continued</b>		
Sirius XM Radio, Inc.:		
3.125% 9/1/26 (d)	167,000	149,506
4% 7/15/28 (d)	2,920,000	2,537,107
4.125% 7/1/30 (d)	1,360,000	1,110,514
5.5% 7/1/29 (d)	410,000	369,843
TEGNA, Inc.:		
4.625% 3/15/28	1,100,000	970,750
5% 9/15/29	425,000	366,665
Univision Communications, Inc.:		
4.5% 5/1/29 (d)	1,265,000	1,086,834
6.625% 6/1/27 (d)	890,000	860,229
		<u>9,735,274</u>
<b>Building Materials - 0.5%</b>		
Advanced Drain Systems, Inc.:		
5% 9/30/27 (d)	1,207,000	1,142,322
6.375% 6/15/30 (d)	300,000	296,781
Builders FirstSource, Inc. 4.25% 2/1/32 (d)	1,270,000	1,105,089
SRS Distribution, Inc.:		
4.625% 7/1/28 (d)	780,000	696,365
6% 12/1/29 (d)	715,000	617,081
		<u>3,857,638</u>
<b>Cable/Satellite TV - 3.5%</b>		
Block Communications, Inc. 4.875% 3/1/28 (d)	167,000	138,193
CCO Holdings LLC/CCO Holdings Capital Corp.:		
4.25% 2/1/31 (d)	2,925,000	2,366,236
4.25% 1/15/34 (d)	1,370,000	1,035,402
4.5% 8/15/30 (d)	1,750,000	1,457,209
4.5% 5/1/32	2,885,000	2,303,548
4.5% 6/1/33 (d)	2,837,000	2,227,854
4.75% 2/1/32 (d)	1,975,000	1,610,573
5% 2/1/28 (d)	905,000	824,536
5.125% 5/1/27 (d)	2,334,000	2,173,526
CSC Holdings LLC:		
3.375% 2/15/31 (d)	2,500,000	1,692,226
4.125% 12/1/30 (d)	795,000	556,123
4.5% 11/15/31 (d)	345,000	240,540
4.625% 12/1/30 (d)	4,050,000	1,801,995
5.375% 2/1/28 (d)	1,930,000	1,550,834
5.75% 1/15/30 (d)	1,940,000	916,010
DIRECTV Financing LLC / DIRECTV Financing Co-Obligor, Inc. 5.875% 8/15/27 (d)	527,000	477,270
DISH DBS Corp.:		
5.75% 12/1/28 (d)	1,760,000	1,309,059
5.875% 11/15/24	167,000	146,068
Dolya Holdco 18 DAC 5% 7/15/28 (d)	851,000	744,398
Radiate Holdco LLC/Radiate Financial Service Ltd.:		
4.5% 9/15/26 (d)	815,000	649,771
6.5% 9/15/28 (d)	900,000	525,209
Telenet Finance Luxembourg Notes SARL 5.5% 3/1/28 (d)	1,000,000	917,000
Ziggo BV 4.875% 1/15/30 (d)	990,000	821,630
		<u>26,485,210</u>

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Capital Goods - 1.0%</b>		
Mueller Water Products, Inc. 4% 6/15/29 (d)	1,277,000	1,133,067
Regal Rexnord Corp.:		
6.05% 2/15/26 (d)	1,050,000	1,051,333
6.05% 4/15/28 (d)	705,000	699,859
6.3% 2/15/30 (d)	705,000	702,913
Vertical Holdco GmbH 7.625% 7/15/28 (d)	935,000	848,561
Vertical U.S. Newco, Inc. 5.25% 7/15/27 (d)	3,410,000	3,150,406
		<u>7,586,139</u>
<b>Chemicals - 3.6%</b>		
CVR Partners LP 6.125% 6/15/28 (d)	1,029,000	895,028
Element Solutions, Inc. 3.875% 9/1/28 (d)	645,000	562,683
Kobe U.S. Midco 2, Inc. 9.25% 11/1/26 pay-in-kind (d)(e)	135,000	89,100
Kronos Acquisition Holdings, Inc. / KIK Custom Products, Inc.:		
5% 12/31/26 (d)	1,040,000	951,600
7% 12/31/27 (d)	260,000	230,160
LSB Industries, Inc. 6.25% 10/15/28 (d)	620,000	553,630
Methanex Corp.:		
5.125% 10/15/27	2,855,000	2,657,683
5.65% 12/1/44	2,267,000	1,850,179
NOVA Chemicals Corp.:		
4.25% 5/15/29 (d)	1,135,000	926,208
4.875% 6/1/24 (d)	2,000,000	1,953,960
5% 5/1/25 (d)	530,000	507,184
5.25% 6/1/27 (d)	1,245,000	1,107,205
Nufarm Australia Ltd. 5% 1/27/30 (d)	1,480,000	1,310,699
Olin Corp. 5% 2/1/30	690,000	637,629
Olympus Water U.S. Holding Corp.:		
4.25% 10/1/28 (d)	1,180,000	932,845
6.25% 10/1/29 (d)	1,250,000	904,127
9.75% 11/15/28 (d)	1,535,000	1,497,086
SCIH Salt Holdings, Inc.:		
4.875% 5/1/28 (d)	1,955,000	1,745,826
6.625% 5/1/29 (d)	690,000	578,113
SCIL IV LLC / SCIL U.S.A. Holdings LLC 5.375% 11/1/26 (d)	905,000	824,916
The Chemours Co. LLC:		
4.625% 11/15/29 (d)	515,000	435,235
5.375% 5/15/27	2,147,000	2,022,471
5.75% 11/15/28 (d)	1,745,000	1,603,463
Tronox, Inc. 4.625% 3/15/29 (d)	365,000	303,327
W.R. Grace Holding LLC:		
5.625% 8/15/29 (d)	2,490,000	2,040,057
7.375% 3/1/31 (d)	295,000	289,094
		<u>27,409,508</u>
<b>Consumer Products - 0.8%</b>		
Ferrellgas LP/Ferrellgas Finance Corp. 5.375% 4/1/26 (d)	167,000	155,326
Mattel, Inc.:		
3.375% 4/1/26 (d)	2,032,000	1,869,841
3.75% 4/1/29 (d)	2,010,000	1,768,461
5.45% 11/1/41	290,000	240,418
5.875% 12/15/27 (d)	167,000	164,017

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

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Consumer Products – continued</b>		
Newell Brands, Inc.:		
4.7% 4/1/26	350,000	328,773
6% 4/1/46 (h)	290,000	229,430
6.375% 9/15/27	350,000	335,163
6.625% 9/15/29	380,000	364,283
The Scotts Miracle-Gro Co.:		
4% 4/1/31	145,000	113,389
4.375% 2/1/32	220,000	<u>173,224</u>
		<u>5,742,325</u>
<b>Containers - 1.6%</b>		
ARD Finance SA 6.5% 6/30/27 pay-in-kind (d) (e)	1,190,000	964,636
Ardagh Packaging Finance PLC/Ardagh MP Holdings U.S.A., Inc.:		
5.25% 8/15/27 (d)	1,479,000	1,251,763
5.25% 8/15/27 (d)	1,740,000	1,472,662
Ball Corp.:		
2.875% 8/15/30	365,000	302,409
4.875% 3/15/26	1,060,000	1,031,075
6% 6/15/29	440,000	436,700
Berry Global, Inc. 4.875% 7/15/26 (d)	585,000	562,331
BWAY Holding Co. 7.875% 8/15/26 (d)	1,095,000	1,087,892
Graham Packaging Co., Inc. 7.125% 8/15/28 (d)	350,000	298,813
Graphic Packaging International, Inc. 3.75% 2/1/30 (d)	500,000	431,342
LABL, Inc.:		
5.875% 11/1/28 (d)	205,000	186,443
6.75% 7/15/26 (d)	135,000	132,710
9.5% 11/1/28 (d)	135,000	137,347
10.5% 7/15/27 (d)	405,000	388,828
Owens-Brockway Glass Container, Inc. 7.25% 5/15/31 (d)	345,000	349,313
Sealed Air Corp. 5% 4/15/29 (d)	1,265,000	1,177,000
Sealed Air Corp./Sealed Air Cor 6.125% 2/1/28 (d)	435,000	431,793
Trivium Packaging Finance BV:		
5.5% 8/15/26 (d)	1,165,000	1,118,576
8.5% 8/15/27 (d)	655,000	<u>630,514</u>
		<u>12,392,147</u>
<b>Diversified Financial Services - 3.5%</b>		
Aercap Global Aviation Trust 6.5% 6/15/45 (d) (e)	685,000	662,106
Coinbase Global, Inc. 3.375% 10/1/28 (d)	690,000	461,501
Emerald Debt Merger Sub LLC 6.625% 12/15/30 (d)	2,975,000	2,948,969
GGAM Finance Ltd.:		
7.75% 5/15/26 (d)	690,000	692,588
8% 6/15/28 (d)	1,040,000	1,040,530
Hightower Holding LLC 6.75% 4/15/29 (d)	1,110,000	960,062
HTA Group Ltd. 7% 12/18/25 (d)	2,360,000	2,229,752
Icahn Enterprises LP/Icahn Enterprises Finance Corp.:		
4.375% 2/1/29	2,755,000	2,164,604
5.25% 5/15/27	500,000	431,250
6.25% 5/15/26	4,517,000	4,111,007
6.375% 12/15/25	810,000	753,555
Jefferies Finance LLC/JFIN Co-Issuer Corp. 5% 8/15/28 (d)	372,000	304,971

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Diversified Financial Services – continued</b>		
Ladder Capital Finance Holdings LLLP/Ladder Capital Finance Corp. 4.75% 6/15/29 (d)		
	820,000	667,346
LPL Holdings, Inc. 4.375% 5/15/31 (d)	365,000	315,348
MSCI, Inc.:		
3.25% 8/15/33 (d)	925,000	744,957
3.625% 9/1/30 (d)	1,405,000	1,211,656
OneMain Finance Corp.:		
3.5% 1/15/27	1,905,000	1,634,376
3.875% 9/15/28	2,625,000	2,145,938
6.875% 3/15/25	145,000	143,569
7.125% 3/15/26	2,750,000	<u>2,701,922</u>
		<u>26,326,007</u>
<b>Diversified Media - 0.2%</b>		
Advantage Sales & Marketing, Inc. 6.5% 11/15/28 (d)		
	1,755,000	1,484,081
Com Media Corp. 8.875% 12/15/27 (d)	120,000	<u>84,102</u>
		<u>1,568,183</u>
<b>Electric Utilities No Longer Use - 0.1%</b>		
FirstEnergy Corp.:		
1.6% 1/15/26	167,000	151,030
2.05% 3/1/25	167,000	156,282
7.375% 11/15/31	167,000	<u>190,470</u>
		<u>497,782</u>
<b>Energy - 12.2%</b>		
Altus Midstream LP 5.875% 6/15/30 (d)		
	890,000	845,936
Antero Midstream Partners LP/Antero Midstream Finance Corp.:		
5.75% 3/1/27 (d)	532,000	513,080
7.875% 5/15/26 (d)	532,000	539,544
Antero Resources Corp. 7.625% 2/1/29 (d)	167,000	169,441
Apache Corp.:		
4.25% 1/15/30	612,000	545,108
5.1% 9/1/40	655,000	532,188
Atlantica Sustainable Infrastructure PLC 4.125% 6/15/28 (d)		
	1,480,000	1,318,546
California Resources Corp. 7.125% 2/1/26 (d)	495,000	497,475
Calumet Specialty Products Partners LP/Calumet Finance Corp. 9.75% 7/15/28 (d)		
	590,000	580,413
Centennial Resource Production LLC:		
5.875% 7/1/29 (d)	1,010,000	949,400
7.75% 2/15/26 (d)	540,000	542,297
CGG SA 8.75% 4/1/27 (d)	855,000	715,399
Cheniere Energy Partners LP:		
3.25% 1/31/32	1,410,000	1,159,936
4% 3/1/31	730,000	642,757
Cheniere Energy, Inc. 4.625% 10/15/28	167,000	155,942
Citgo Petroleum Corp. 6.375% 6/15/26 (d)	1,535,000	1,477,438
CNX Resources Corp.:		
7.25% 3/14/27 (d)	268,000	265,210
7.375% 1/15/31 (d)	385,000	374,582
Comstock Resources, Inc.:		
5.875% 1/15/30 (d)	880,000	763,990
6.75% 3/1/29 (d)	1,180,000	1,079,637

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

## Schedule of Investments (Unaudited) - Continued

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Energy – continued</b>		
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp.:		
5.625% 5/1/27 (d)	4,198,000	3,979,704
5.75% 4/1/25	2,497,000	2,453,319
7.375% 2/1/31 (d)	725,000	714,597
CrownRock LP/CrownRock Finance, Inc.:		
5% 5/1/29 (d)	920,000	861,350
5.625% 10/15/25 (d)	130,000	128,076
CVR Energy, Inc.:		
5.25% 2/15/25 (d)	2,321,000	2,237,769
5.75% 2/15/28 (d)	1,334,000	1,173,920
Delek Logistics Partners LP 7.125% 6/1/28 (d)	2,255,000	2,089,253
DT Midstream, Inc.:		
4.125% 6/15/29 (d)	935,000	820,533
4.375% 6/15/31 (d)	365,000	314,357
Endeavor Energy Resources LP/EER Finance, Inc.:		
5.75% 1/30/28 (d)	600,000	586,908
EnLink Midstream LLC:		
5.625% 1/15/28 (d)	395,000	382,235
6.5% 9/1/30 (d)	660,000	659,196
EnLink Midstream Partners LP 4.85% 7/15/26	650,000	627,250
EQM Midstream Partners LP:		
4% 8/1/24	670,000	655,420
4.75% 1/15/31 (d)	300,000	262,795
6% 7/1/25 (d)	85,000	84,061
6.5% 7/1/27 (d)	415,000	409,303
6.5% 7/15/48	150,000	135,653
Global Partners LP/GLP Finance Corp. 6.875% 1/15/29	1,220,000	1,133,075
Harvest Midstream I LP 7.5% 9/1/28 (d)	645,000	639,479
Hess Midstream Partners LP:		
4.25% 2/15/30 (d)	635,000	554,038
5.125% 6/15/28 (d)	2,465,000	2,306,971
5.5% 10/15/30 (d)	365,000	337,623
5.625% 2/15/26 (d)	1,710,000	1,682,213
Holly Energy Partners LP/Holly Energy Finance Corp.:		
5% 2/1/28 (d)	1,350,000	1,245,320
Howard Midstream Energy Partners LLC 8.875% 7/15/28 (d)		
	745,000	748,725
Jonah Energy Parent LLC 12% 11/5/25 (b)(c)	1,295,305	1,308,258
MEG Energy Corp. 7.125% 2/1/27 (d)	167,000	169,686
Mesquite Energy, Inc. 7.25% (c)(d)(g)	5,722,000	1
New Fortress Energy, Inc. 6.5% 9/30/26 (d)	3,695,000	3,305,903
NGL Energy Operating LLC/NGL Energy Finance Corp.:		
7.5% 2/1/26 (d)	1,030,000	1,014,418
Northern Oil & Gas, Inc.:		
8.125% 3/1/28 (d)	1,085,000	1,063,300
8.75% 6/15/31 (d)	345,000	338,963
Occidental Petroleum Corp.:		
4.2% 3/15/48	360,000	266,670
4.4% 4/15/46	1,100,000	849,494
4.4% 8/15/49	510,000	374,590
4.5% 7/15/44	900,000	686,250
5.5% 12/1/25	1,310,000	1,293,324

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Energy – continued</b>		
Occidental Petroleum Corp. – continued		
5.55% 3/15/26	377,000	372,193
5.875% 9/1/25	2,955,000	2,934,896
6.125% 1/1/31	1,090,000	1,106,786
6.45% 9/15/36	840,000	862,092
6.625% 9/1/30	1,284,000	1,334,204
7.5% 5/1/31	1,440,000	1,572,250
7.875% 9/15/31	375,000	418,051
7.95% 6/15/39	185,000	209,600
8.5% 7/15/27	1,100,000	1,188,231
8.875% 7/15/30	1,270,000	1,459,713
Range Resources Corp.:		
4.875% 5/15/25	167,000	163,670
8.25% 1/15/29	167,000	173,880
Rockies Express Pipeline LLC:		
4.8% 5/15/30 (d)	250,000	218,495
4.95% 7/15/29 (d)	1,010,000	924,150
6.875% 4/15/40 (d)	385,000	347,466
SM Energy Co. 5.625% 6/1/25	690,000	674,261
Southwestern Energy Co. 4.75% 2/1/32	925,000	815,236
Suburban Propane Partners LP/Suburban Energy Finance Corp. 5.875% 3/1/27		
	302,000	291,785
Sunnova Energy Corp. 5.875% 9/1/26 (d)	550,000	502,699
Sunoco LP/Sunoco Finance Corp.:		
4.5% 5/15/29	620,000	550,058
5.875% 3/15/28	500,000	480,813
Superior Plus LP / Superior General Partner, Inc. 4.5% 3/15/29 (d)		
	670,000	587,335
Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.:		
5.5% 1/15/28 (d)	2,252,000	2,058,289
6% 3/1/27 (d)	2,995,000	2,810,535
6% 12/31/30 (d)	3,930,000	3,462,330
6% 9/1/31 (d)	2,100,000	1,806,910
7.5% 10/1/25 (d)	2,794,000	2,788,649
Targa Resources Partners LP/Targa Resources Partners Finance Corp. 4.875% 2/1/31		
	730,000	674,622
Teine Energy Ltd. 6.875% 4/15/29 (d)	167,000	152,461
Transocean Poseidon Ltd. 6.875% 2/1/27 (d)	483,438	478,603
Transocean, Inc.:		
7.5% 1/15/26 (d)	525,000	498,750
8% 2/1/27 (d)	1,275,000	1,155,813
8.75% 2/15/30 (d)	940,000	954,100
Valaris Ltd. 8.375% 4/30/30 (d)	950,000	953,192
Venture Global Calcasieu Pass LLC:		
3.875% 8/15/29 (d)	2,305,000	2,013,626
4.125% 8/15/31 (d)	1,085,000	933,063
6.25% 1/15/30 (d)	935,000	927,461
Western Gas Partners LP:		
3.35% 2/1/25	1,427,000	1,364,041
3.95% 6/1/25	365,000	350,606
5.3% 3/1/48	365,000	304,200
5.5% 8/15/48	220,000	183,978

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



**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Energy – continued</b>		
Western Gas Partners LP: – continued		
5.5% 2/1/50	725,000	<u>593,826</u>
		<u>93,215,238</u>
<b>Environmental - 1.0%</b>		
Clean Harbors, Inc. 6.375% 2/1/31 (d)	340,000	342,128
Covanta Holding Corp. 4.875% 12/1/29 (d)	985,000	852,025
Darling Ingredients, Inc. 6% 6/15/30 (d)	510,000	498,094
GFL Environmental, Inc.:		
3.75% 8/1/25 (d)	705,000	670,715
5.125% 12/15/26 (d)	705,000	680,175
Madison IAQ LLC:		
4.125% 6/30/28 (d)	1,515,000	1,333,647
5.875% 6/30/29 (d)	1,535,000	1,243,210
Stericycle, Inc.:		
3.875% 1/15/29 (d)	1,970,000	1,749,163
5.375% 7/15/24 (d)	325,000	<u>320,800</u>
		<u>7,689,957</u>
<b>Food &amp; Drug Retail - 0.9%</b>		
Albertsons Companies LLC/Safeway, Inc./New Albertson's, Inc./Albertson's LLC:		
3.25% 3/15/26 (d)	195,000	180,096
3.5% 3/15/29 (d)	1,662,000	1,438,694
4.875% 2/15/30 (d)	1,200,000	1,107,864
BellRing Brands, Inc. 7% 3/15/30 (d)	290,000	291,813
Emergent BioSolutions, Inc. 3.875% 8/15/28 (d)	2,490,000	1,448,196
Murphy Oil U.S.A., Inc. 3.75% 2/15/31 (d)	460,000	385,572
Parkland Corp. 4.625% 5/1/30 (d)	2,140,000	1,855,498
SEG Holding LLC/SEG Finance Corp. 5.625% 10/15/28 (d)		
	242,000	<u>228,784</u>
		<u>6,936,517</u>
<b>Food/Beverage/Tobacco - 2.0%</b>		
C&S Group Enterprises LLC 5% 12/15/28 (d)	1,190,000	916,300
Chobani LLC/Finance Corp., Inc. 4.625% 11/15/28 (d)	290,000	263,900
Lamb Weston Holdings, Inc.:		
4.125% 1/31/30 (d)	2,730,000	2,439,840
4.375% 1/31/32 (d)	365,000	326,046
Performance Food Group, Inc.:		
4.25% 8/1/29 (d)	1,650,000	1,469,012
5.5% 10/15/27 (d)	125,000	120,442
6.875% 5/1/25 (d)	167,000	167,140
Pilgrim's Pride Corp.:		
3.5% 3/1/32	365,000	288,569
4.25% 4/15/31	457,000	391,900
5.875% 9/30/27 (d)	167,000	164,996
Post Holdings, Inc.:		
4.625% 4/15/30 (d)	1,125,000	985,904
5.75% 3/1/27 (d)	334,000	326,025
Primo Water Holdings, Inc. 4.375% 4/30/29 (d)	1,815,000	1,555,183
TreeHouse Foods, Inc. 4% 9/1/28	480,000	410,266
Triton Water Holdings, Inc. 6.25% 4/1/29 (d)	4,100,000	3,518,702
U.S. Foods, Inc.:		
4.625% 6/1/30 (d)	475,000	425,714
4.75% 2/15/29 (d)	1,285,000	1,176,481

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

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Food/Beverage/Tobacco – continued</b>		
United Natural Foods, Inc. 6.75% 10/15/28 (d)		
	145,000	<u>120,188</u>
		<u>15,066,608</u>
<b>Gaming - 2.0%</b>		
Affinity Gaming LLC 6.875% 12/15/27 (d)		
	2,425,000	2,133,993
Caesars Entertainment, Inc.:		
6.25% 7/1/25 (d)	1,210,000	1,204,397
7% 2/15/30 (d)	875,000	878,710
8.125% 7/1/27 (d)	1,700,000	1,739,897
Caesars Resort Collection LLC 5.75% 7/1/25 (d)	1,485,000	1,502,559
Carnival Corp. 10.5% 6/1/30 (d)	1,230,000	1,304,879
Fertitta Entertainment LLC / Fertitta Entertainment Finance Co., Inc.:		
4.625% 1/15/29 (d)	1,847,000	1,620,743
6.75% 1/15/30 (d)	1,365,000	1,161,666
Golden Entertainment, Inc. 7.625% 4/15/26 (d)	945,000	949,035
Jacobs Entertainment, Inc. 6.75% 2/15/29 (d)	555,000	496,753
Las Vegas Sands Corp.:		
2.9% 6/25/25	167,000	156,917
3.5% 8/18/26	167,000	155,548
Station Casinos LLC 4.5% 2/15/28 (d)	750,000	673,178
Transocean, Inc. 7.25% 11/1/25 (d)	345,000	331,200
VICI Properties LP / VICI Note Co. 4.125% 8/15/30 (d)		
	730,000	642,714
Wynn Resorts Finance LLC / Wynn Resorts Capital Corp. 7.125% 2/15/31 (d)		
	365,000	<u>362,789</u>
		<u>15,314,978</u>
<b>Healthcare - 6.0%</b>		
1375209 BC Ltd. 9% 1/30/28 (d)		
	755,000	756,888
180 Medical, Inc. 3.875% 10/15/29 (d)	650,000	566,874
Amgen, Inc. 5.6% 3/2/43	805,000	807,436
AMN Healthcare 4% 4/15/29 (d)	420,000	366,265
Avantor Funding, Inc.:		
3.875% 11/1/29 (d)	830,000	726,689
4.625% 7/15/28 (d)	548,000	507,954
Cano Health, Inc. 6.25% 10/1/28 (d)	335,000	209,375
Catalent Pharma Solutions 3.5% 4/1/30 (d)	830,000	672,300
Centene Corp.:		
2.5% 3/1/31	985,000	785,508
3% 10/15/30	950,000	791,632
Charles River Laboratories International, Inc.:		
3.75% 3/15/29 (d)	660,000	580,822
4% 3/15/31 (d)	822,000	713,954
4.25% 5/1/28 (d)	290,000	265,516
Community Health Systems, Inc.:		
4.75% 2/15/31 (d)	2,405,000	1,817,660
5.25% 5/15/30 (d)	4,605,000	3,627,484
5.625% 3/15/27 (d)	3,150,000	2,775,899
6% 1/15/29 (d)	930,000	782,363
6.125% 4/1/30 (d)	1,365,000	813,158
6.875% 4/15/29 (d)	920,000	574,558
8% 3/15/26 (d)	745,000	725,702
8% 12/15/27 (d)	167,000	161,664
CTR Partnership LP/CareTrust Capital Corp. 3.875% 6/30/28 (d)		
	1,200,000	1,032,000

## Schedule of Investments (Unaudited) - Continued

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Healthcare – continued</b>		
DaVita HealthCare Partners, Inc.:		
3.75% 2/15/31 (d)	510,000	407,761
4.625% 6/1/30 (d)	2,795,000	2,399,446
Embecta Corp. 5% 2/15/30 (d)	620,000	514,774
Grifols Escrow Issuer SA 4.75% 10/15/28 (d)	935,000	811,468
HCA Holdings, Inc. 5.5% 6/15/47	725,000	682,870
HealthEquity, Inc. 4.5% 10/1/29 (d)	1,275,000	1,123,698
Hologic, Inc. 3.25% 2/15/29 (d)	500,000	437,452
Humana, Inc. 5.875% 3/1/33	730,000	758,618
IQVIA, Inc. 6.5% 5/15/30 (d)	690,000	696,813
Jazz Securities DAC 4.375% 1/15/29 (d)	1,250,000	1,115,237
ModivCare Escrow Issuer, Inc. 5% 10/1/29 (d)	450,000	333,000
Molina Healthcare, Inc.:		
3.875% 11/15/30 (d)	855,000	734,581
3.875% 5/15/32 (d)	390,000	326,956
Mozart Borrower LP 3.875% 4/1/29 (d)	365,000	317,208
Option Care Health, Inc. 4.375% 10/31/29 (d)	205,000	180,432
Organon & Co. / Organon Foreign Debt Co-Issuer BV:		
4.125% 4/30/28 (d)	2,265,000	2,010,257
5.125% 4/30/31 (d)	730,000	602,268
Owens & Minor, Inc. 4.5% 3/31/29 (d)	585,000	485,778
Pediatric Medical Group, Inc. 5.375% 2/15/30 (d)	1,670,000	1,536,400
RP Escrow Issuer LLC 5.25% 12/15/25 (d)	995,000	734,012
Teleflex, Inc. 4.25% 6/1/28 (d)	535,000	488,853
Tenet Healthcare Corp.:		
4.25% 6/1/29	1,545,000	1,395,795
4.375% 1/15/30	1,660,000	1,497,976
4.625% 6/15/28	750,000	700,490
6.125% 10/1/28	1,240,000	1,193,748
6.125% 6/15/30	1,640,000	1,615,892
6.25% 2/1/27	1,195,000	1,182,773
6.75% 5/15/31 (d)	240,000	240,585
Teva Pharmaceutical Finance Netherlands III BV:		
3.15% 10/1/26	820,000	733,520
7.875% 9/15/29	210,000	216,426
8.125% 9/15/31	210,000	220,074
		<u>45,756,862</u>
<b>Homebuilders/Real Estate - 3.9%</b>		
Ashton Woods U.S.A. LLC/Ashton Woods Finance Co.		
4.625% 8/1/29 (d)	565,000	481,510
Howard Hughes Corp.:		
4.125% 2/1/29 (d)	555,000	459,118
4.375% 2/1/31 (d)	455,000	363,108
Kennedy-Wilson, Inc. 4.75% 2/1/30	975,000	735,311
MPT Operating Partnership LP/MPT Finance Corp.:		
3.5% 3/15/31	2,877,000	1,982,321
4.625% 8/1/29	1,780,000	1,345,609
5% 10/15/27	5,847,000	4,919,197
5.25% 8/1/26	682,000	606,340
Railworks Holdings LP 8.25% 11/15/28 (d)	1,160,000	1,078,270
Realogy Group LLC/Realogy Co-Issuer Corp. 5.75% 1/15/29 (d)	400,000	300,000
Realogy Group LLC/Realogy Co-Issuer Corp. 5.25% 4/15/30 (d)	315,000	223,866

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

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Homebuilders/Real Estate – continued</b>		
Taylor Morrison Communities, Inc./Monarch Communities, Inc.:		
5.125% 8/1/30 (d)	352,000	325,002
5.625% 3/1/24 (d)	402,000	398,985
5.875% 6/15/27 (d)	167,000	164,026
TopBuild Corp. 4.125% 2/15/32 (d)	800,000	681,531
TRI Pointe Group, Inc./TRI Pointe Holdings, Inc. 5.875% 6/15/24	15,000	14,888
TRI Pointe Homes, Inc. 5.7% 6/15/28	140,000	135,240
Unifi Group LP / Unifi Group Finance, Inc.:		
4.75% 4/15/28 (d)	5,020,000	4,166,104
6.5% 2/15/29 (d)	13,955,000	9,875,652
10.5% 2/15/28 (d)	1,455,000	1,443,453
		<u>29,699,531</u>
<b>Hotels - 0.7%</b>		
Hilton Domestic Operating Co., Inc.:		
3.625% 2/15/32 (d)	2,820,000	2,351,137
3.75% 5/1/29 (d)	295,000	261,846
4% 5/1/31 (d)	1,615,000	1,402,597
Wyndham Hotels & Resorts, Inc. 4.375% 8/15/28 (d)	1,060,000	967,992
		<u>4,983,572</u>
<b>Insurance - 1.6%</b>		
Acrisure LLC / Acrisure Finance, Inc.:		
4.25% 2/15/29 (d)	290,000	250,327
7% 11/15/25 (d)	145,000	140,372
Alliant Holdings Intermediate LLC:		
4.25% 10/15/27 (d)	1,775,000	1,592,872
5.875% 11/1/29 (d)	840,000	730,733
6.75% 10/15/27 (d)	4,250,000	3,995,000
6.75% 4/15/28 (d)	365,000	361,985
AmWINS Group, Inc. 4.875% 6/30/29 (d)	2,230,000	2,013,652
AssuredPartners, Inc. 5.625% 1/15/29 (d)	795,000	688,103
HUB International Ltd.:		
7% 5/1/26 (d)	480,000	478,730
7.25% 6/15/30 (d)	2,210,000	2,282,046
		<u>12,533,820</u>
<b>Leisure - 2.3%</b>		
Carnival Corp.:		
5.75% 3/1/27 (d)	2,095,000	1,928,745
6% 5/1/29 (d)	1,310,000	1,169,570
6.65% 1/15/28	175,000	159,675
7.625% 3/1/26 (d)	2,880,000	2,820,668
10.5% 2/1/26 (d)	167,000	175,558
MajorDrive Holdings IV LLC 6.375% 6/1/29 (d)	965,000	766,229
NCL Corp. Ltd.:		
5.875% 3/15/26 (d)	525,000	491,171
7.75% 2/15/29 (d)	1,120,000	1,063,932
NCL Finance Ltd. 6.125% 3/15/28 (d)	370,000	333,007
Royal Caribbean Cruises Ltd.:		
4.25% 7/1/26 (d)	2,390,000	2,193,819
5.375% 7/15/27 (d)	875,000	818,172
5.5% 8/31/26 (d)	2,375,000	2,251,766
5.5% 4/1/28 (d)	1,850,000	1,725,749

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Leisure – continued</b>		
Royal Caribbean Cruises Ltd.: – continued		
7.25% 1/15/30 (d)	365,000	369,688
Viking Cruises Ltd. 9.125% 7/15/31 (d)	760,000	767,600
Viking Ocean Cruises Ship VII Ltd. 5.625% 2/15/29 (d)	370,000	338,550
Voc Escrow Ltd. 5% 2/15/28 (d)	510,000	<u>467,925</u>
		<u>17,841,824</u>
<b>Metals/Mining - 1.1%</b>		
Cleveland-Cliffs, Inc. 4.875% 3/1/31 (d)	145,000	127,435
Constellium NV 5.875% 2/15/26 (d)	334,000	327,226
Eldorado Gold Corp. 6.25% 9/1/29 (d)	350,000	314,013
ERO Copper Corp. 6.5% 2/15/30 (d)	2,015,000	1,733,384
First Quantum Minerals Ltd.:		
6.875% 10/15/27 (d)	2,238,000	2,170,569
8.625% 6/1/31 (d)	260,000	266,469
FMG Resources Pty Ltd.:		
4.375% 4/1/31 (d)	365,000	311,643
4.5% 9/15/27 (d)	422,000	392,987
Howmet Aerospace, Inc. 5.95% 2/1/37	290,000	295,233
HudBay Minerals, Inc. 4.5% 4/1/26 (d)	500,000	465,570
Mineral Resources Ltd. 8.5% 5/1/30 (d)	790,000	792,708
Novelis Corp.:		
3.25% 11/15/26 (d)	205,000	185,559
3.875% 8/15/31 (d)	340,000	279,688
PMHC II, Inc. 9% 2/15/30 (d)	1,185,000	<u>908,006</u>
		<u>8,570,490</u>
<b>Paper - 0.9%</b>		
Ardagh Metal Packaging Finance U.S.A. LLC/Ardagh Metal Packaging Finance PLC:		
4% 9/1/29 (d)	680,000	538,541
6% 6/15/27 (d)	1,155,000	1,134,680
Clydesdale Acquisition Holdings, Inc.:		
6.625% 4/15/29 (d)	1,995,000	1,902,629
8.75% 4/15/30 (d)	1,445,000	1,275,536
Glaffelter Corp. 4.75% 11/15/29 (d)	810,000	529,964
Mercer International, Inc. 5.125% 2/1/29	475,000	369,652
SPA Holdings 3 OY 4.875% 2/4/28 (d)	1,270,000	<u>1,051,746</u>
		<u>6,802,748</u>
<b>Publishing/Printing - 0.1%</b>		
News Corp. 5.125% 2/15/32 (d)	940,000	<u>857,624</u>
<b>Railroad - 0.1%</b>		
First Student Bidco, Inc./First Transit Parent, Inc. 4% 7/31/29 (d)	680,000	<u>576,205</u>
<b>Restaurants - 0.6%</b>		
1011778 BC Unlimited Liability Co./New Red Finance, Inc.:		
3.875% 1/15/28 (d)	580,000	530,221
4% 10/15/30 (d)	1,425,000	1,219,561
5.75% 4/15/25 (d)	297,000	296,552
Garden SpinCo Corp. 8.625% 7/20/30 (d)	335,000	360,042
Yum! Brands, Inc.:		
3.625% 3/15/31	365,000	315,300
4.625% 1/31/32	1,985,000	1,793,041
4.75% 1/15/30 (d)	167,000	156,380

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

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Restaurants – continued</b>		
Yum! Brands, Inc.: – continued		
5.375% 4/1/32	290,000	<u>275,634</u>
		<u>4,946,731</u>
<b>Services - 5.1%</b>		
ADT Corp. 4.125% 8/1/29 (d)	895,000	773,056
AECOM 5.125% 3/15/27	487,000	471,207
Allied Universal Holdco LLC / Allied Universal Finance Corp.:		
6% 6/1/29 (d)	1,265,000	933,450
9.75% 7/15/27 (d)	915,000	808,817
APX Group, Inc.:		
5.75% 7/15/29 (d)	690,000	598,853
6.75% 2/15/27 (d)	837,000	820,243
Aramark Services, Inc. 6.375% 5/1/25 (d)	1,615,000	1,613,510
ASGN, Inc. 4.625% 5/15/28 (d)	635,000	574,472
Booz Allen Hamilton, Inc. 3.875% 9/1/28 (d)	2,678,000	2,422,145
Brand Energy & Infrastructure Services, Inc. 8.5% 7/15/25 (d)	5,130,000	4,961,609
CoreCivic, Inc.:		
4.75% 10/15/27	1,240,000	1,062,020
8.25% 4/15/26	1,870,000	1,887,017
CoreLogic, Inc. 4.5% 5/1/28 (d)	955,000	769,969
Fair Isaac Corp.:		
4% 6/15/28 (d)	1,322,000	1,212,811
5.25% 5/15/26 (d)	167,000	162,942
Gartner, Inc.:		
3.625% 6/15/29 (d)	200,000	176,065
3.75% 10/1/30 (d)	287,000	249,953
GEMS MENASA Cayman Ltd. 7.125% 7/31/26 (d)	3,535,000	3,422,658
Iron Mountain, Inc. 4.5% 2/15/31 (d)	365,000	313,618
Korn Ferry 4.625% 12/15/27 (d)	337,000	316,658
Legends Hospitality Holding Co. LLC/Legends Hospitality Co-Issuer, Inc. 5% 2/1/26 (d)	965,000	868,500
Life Time, Inc. 8% 4/15/26 (d)	1,030,000	1,017,002
Neptune BidCo U.S., Inc. 9.29% 4/15/29 (d)	1,410,000	1,294,397
PowerTeam Services LLC 9.033% 12/4/25 (d)	490,000	428,750
Prime Securities Services Borrower LLC/Prime Finance, Inc. 5.75% 4/15/26 (d)	705,000	692,047
Service Corp. International:		
4% 5/15/31	582,000	495,852
4.625% 12/15/27	167,000	158,233
5.125% 6/1/29	365,000	343,910
Sotheby's 7.375% 10/15/27 (d)	810,000	728,508
The GEO Group, Inc.:		
9.5% 12/31/28 (d)	1,315,000	1,282,099
10.5% 6/30/28	220,000	220,549
TriNet Group, Inc. 3.5% 3/1/29 (d)	1,930,000	1,678,118
Uber Technologies, Inc. 4.5% 8/15/29 (d)	4,462,000	4,106,816
United Rentals North America, Inc. 6% 12/15/29 (d)	365,000	364,112
WASH Multifamily Acquisition, Inc. 5.75% 4/15/26 (d)	2,028,000	<u>1,893,286</u>
		<u>39,123,252</u>

## Schedule of Investments (Unaudited) - Continued

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Steel - 0.3%</b>		
Commercial Metals Co.:		
3.875% 2/15/31	440,000	376,974
4.125% 1/15/30	940,000	836,507
Roller Bearing Co. of America, Inc. 4.375% 10/15/29 (d)	912,000	<u>817,068</u>
		<u>2,030,549</u>
<b>Super Retail - 2.0%</b>		
Bath & Body Works, Inc. 6.694% 1/15/27	375,000	376,993
Carvana Co.:		
4.875% 9/1/29 (d)	2,340,000	1,327,093
5.5% 4/15/27 (d)	1,245,000	833,302
5.875% 10/1/28 (d)	610,000	353,802
10.25% 5/1/30 (d)	170,000	133,913
EG Global Finance PLC:		
6.75% 2/7/25 (d)	2,170,000	2,107,613
8.5% 10/30/25 (d)	3,690,000	3,580,284
Hanesbrands, Inc. 4.875% 5/15/26 (d)	167,000	155,901
LBM Acquisition LLC 6.25% 1/15/29 (d)	1,295,000	1,071,289
Levi Strauss & Co. 3.5% 3/1/31 (d)	410,000	339,275
Michaels Companies, Inc.:		
5.25% 5/1/28 (d)	810,000	654,431
7.875% 5/1/29 (d)	620,000	417,750
Nordstrom, Inc.:		
4.25% 8/1/31	950,000	740,525
4.375% 4/1/30	635,000	524,831
Sally Holdings LLC 5.625% 12/1/25	775,000	764,344
The William Carter Co. 5.625% 3/15/27 (d)	167,000	162,045
Under Armour, Inc. 3.25% 6/15/26	334,000	306,912
Wolverine World Wide, Inc. 4% 8/15/29 (d)	1,855,000	<u>1,477,044</u>
		<u>15,327,347</u>
<b>Technology - 6.6%</b>		
Acuris Finance U.S. 5% 5/1/28 (d)	3,345,000	2,588,983
Athenahealth Group, Inc. 6.5% 2/15/30 (d)	450,000	378,738
Black Knight InfoServ LLC 3.625% 9/1/28 (d)	2,525,000	2,259,875
Block, Inc.:		
2.75% 6/1/26	532,000	484,382
3.5% 6/1/31	1,652,000	1,368,223
Broadcom, Inc.:		
2.45% 2/15/31 (d)	1,325,000	1,077,624
2.6% 2/15/33 (d)	1,015,000	793,216
Clarivate Science Holdings Corp.:		
3.875% 7/1/28 (d)	400,000	354,578
4.875% 7/1/29 (d)	405,000	359,278
Cloud Software Group, Inc.:		
6.5% 3/31/29 (d)	825,000	734,564
9% 9/30/29 (d)	3,160,000	2,760,053
Coherent Corp. 5% 12/15/29 (d)	1,990,000	1,796,194
CommScope, Inc.:		
4.75% 9/1/29 (d)	825,000	650,431
6% 3/1/26 (d)	1,015,000	945,953
Elastic NV 4.125% 7/15/29 (d)	1,195,000	1,030,896
Entegris Escrow Corp.:		
4.75% 4/15/29 (d)	1,705,000	1,582,796

## Corporate Bonds – continued

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Technology – continued</b>		
Entegris Escrow Corp.: – continued		
5.95% 6/15/30 (d)	2,980,000	2,856,724
Entegris, Inc. 3.625% 5/1/29 (d)	630,000	542,921
Gartner, Inc. 4.5% 7/1/28 (d)	1,470,000	1,373,290
Gen Digital, Inc.:		
5% 4/15/25 (d)	685,000	670,859
7.125% 9/30/30 (d)	340,000	340,569
Go Daddy Operating Co. LLC / GD Finance Co., Inc.:		
3.5% 3/1/29 (d)	1,232,000	1,055,630
5.25% 12/1/27 (d)	322,000	305,900
GraftTech Global Enterprises, Inc. 9.875% 12/15/28 (d)	675,000	669,938
ION Trading Technologies Ltd. 5.75% 5/15/28 (d)	2,823,000	2,436,842
Match Group Holdings II LLC:		
3.625% 10/1/31 (d)	220,000	180,827
4.125% 8/1/30 (d)	847,000	725,456
5% 12/15/27 (d)	167,000	154,878
MicroStrategy, Inc. 6.125% 6/15/28 (d)	1,910,000	1,712,496
ON Semiconductor Corp. 3.875% 9/1/28 (d)	1,282,000	1,166,748
Open Text Corp. 3.875% 12/1/29 (d)	1,020,000	852,580
Open Text Holdings, Inc.:		
4.125% 2/15/30 (d)	1,465,000	1,240,568
4.125% 12/1/31 (d)	1,110,000	909,886
Rackspace Hosting, Inc.:		
3.5% 2/15/28 (d)	1,695,000	762,797
5.375% 12/1/28 (d)	6,912,000	2,145,745
Roblox Corp. 3.875% 5/1/30 (d)	1,955,000	1,648,124
Seagate HDD Cayman:		
5.75% 12/1/34	755,000	669,648
8.25% 12/15/29 (d)	345,000	360,342
8.5% 7/15/31 (d)	415,000	435,206
Sensata Technologies BV:		
4% 4/15/29 (d)	760,000	676,643
5% 10/1/25 (d)	145,000	141,959
Sensata Technologies, Inc. 3.75% 2/15/31 (d)	365,000	312,254
SS&C Technologies, Inc. 5.5% 9/30/27 (d)	270,000	258,479
TTM Technologies, Inc. 4% 3/1/29 (d)	3,020,000	2,566,911
Uber Technologies, Inc.:		
7.5% 5/15/25 (d)	1,835,000	1,856,946
8% 11/1/26 (d)	2,220,000	<u>2,262,429</u>
		<u>50,459,379</u>
<b>Telecommunications - 5.9%</b>		
Alice Financing SA:		
5% 1/15/28 (d)	685,000	547,427
5.75% 8/15/29 (d)	4,565,000	3,536,595
Alice France Holding SA 6% 2/15/28 (d)	1,740,000	839,550
Alice France SA:		
5.125% 1/15/29 (d)	2,490,000	1,774,970
5.5% 1/15/28 (d)	1,615,000	1,219,775
5.5% 10/15/29 (d)	15,000	10,727
C&W Senior Financing Designated Activity Co. 6.875% 9/15/27 (d)	4,885,000	4,237,738

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

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Telecommunications – continued</b>		
Cablevision Lightpath LLC:		
3.875% 9/15/27 (d)	455,000	381,063
5.625% 9/15/28 (d)	360,000	266,689
Consolidated Communications, Inc. 5% 10/1/28 (d)	535,000	401,625
Frontier Communications Holdings LLC:		
5% 5/1/28 (d)	1,360,000	1,173,422
5.875% 10/15/27 (d)	940,000	862,695
5.875% 11/1/29	1,430,000	1,043,900
8.75% 5/15/30 (d)	955,000	933,392
IHS Netherlands Holdco BV 8% 9/18/27 (d)	415,000	376,725
Intelsat Jackson Holdings SA 6.5% 3/15/30 (d)	1,895,000	1,725,126
LCPR Senior Secured Financing DAC 5.125% 7/15/29 (d)	675,000	567,193
Level 3 Financing, Inc.:		
3.625% 1/15/29 (d)	340,000	203,916
4.25% 7/1/28 (d)	2,325,000	1,496,988
10.5% 5/15/30 (d)	2,370,000	2,404,680
Millicom International Cellular SA:		
4.5% 4/27/31 (d)	2,275,000	1,741,513
5.125% 1/15/28 (d)	261,000	227,569
Sable International Finance Ltd. 5.75% 9/7/27 (d)	464,000	426,546
SBA Communications Corp.:		
3.125% 2/1/29	372,000	315,328
3.875% 2/15/27	167,000	153,841
Sprint Corp.:		
7.125% 6/15/24	2,860,000	2,885,577
7.625% 2/15/25	1,237,000	1,263,553
7.625% 3/1/26	2,602,000	2,702,890
7.875% 9/15/23	730,000	731,763
Telecom Italia Capital SA:		
6% 9/30/34	1,185,000	950,361
7.2% 7/18/36	845,000	726,338
7.721% 6/4/38	235,000	207,789
Uniti Group, Inc. 6% 1/15/30 (d)	4,060,000	2,750,650
Virgin Media Secured Finance PLC 4.5% 8/15/30 (d)	690,000	578,441
VMED O2 UK Financing I PLC 4.25% 1/31/31 (d)	415,000	335,621
Windstream Escrow LLC 7.75% 8/15/28 (d)	3,980,000	3,303,025
Zayo Group Holdings, Inc.:		
4% 3/1/27 (d)	1,600,000	1,130,007
6.125% 3/1/28 (d)	1,020,000	637,366
		<u>45,072,374</u>
<b>Textiles/Apparel - 0.2%</b>		
Crocs, Inc.:		
4.125% 8/15/31 (d)	477,000	385,178
4.25% 3/15/29 (d)	167,000	141,983
Foot Locker, Inc. 4% 10/1/29 (d)	440,000	331,342
Kontoor Brands, Inc. 4.125% 11/15/29 (d)	335,000	279,738
Victoria's Secret & Co. 4.625% 7/15/29 (d)	505,000	369,098
		<u>1,507,339</u>
<b>Transportation Ex Air/Rail - 0.6%</b>		
Golar LNG Ltd. 7% 10/20/25 (d)	1,025,000	992,907
Great Lakes Dredge & Dock Corp. 5.25% 6/1/29 (d)	595,000	496,962
Seaspan Corp. 5.5% 8/1/29 (d)	2,790,000	2,185,742

**Corporate Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>Nonconvertible Bonds – continued</b>		
<b>Transportation Ex Air/Rail – continued</b>		
XPO, Inc.:		
6.25% 6/1/28 (d)	205,000	201,562
7.125% 6/1/31 (d)	345,000	347,679
		<u>4,224,852</u>
<b>Utilities - 2.6%</b>		
Clearway Energy Operating LLC:		
3.75% 2/15/31 (d)	1,525,000	1,265,522
3.75% 1/15/32 (d)	170,000	138,364
4.75% 3/15/28 (d)	585,000	539,733
DPL, Inc.:		
4.125% 7/1/25	896,000	853,440
4.35% 4/15/29	120,000	105,046
EnLink Midstream Partners LP 4.15% 6/1/25	335,000	324,984
FirstEnergy Corp. 3.4% 3/1/50	1,460,000	1,006,174
Global Partners LP/GLP Finance Corp. 7% 8/1/27	1,132,000	1,098,415
NRG Energy, Inc.:		
3.375% 2/15/29 (d)	1,535,000	1,255,442
3.625% 2/15/31 (d)	525,000	409,839
5.25% 6/15/29 (d)	1,405,000	1,256,393
6.625% 1/15/27	334,000	331,555
PG&E Corp.:		
5% 7/1/28	2,715,000	2,491,297
5.25% 7/1/30	4,230,000	3,791,320
Pike Corp. 5.5% 9/1/28 (d)	2,615,000	2,346,476
Vistra Operations Co. LLC:		
5% 7/31/27 (d)	167,000	156,315
5.5% 9/1/26 (d)	817,000	786,154
5.625% 2/15/27 (d)	1,455,000	1,394,584
		<u>19,551,053</u>
TOTAL NONCONVERTIBLE BONDS		<u>618,936,361</u>
<b>TOTAL CORPORATE BONDS</b>		<b><u>628,756,663</u></b>
(Cost \$704,934,522)		

**Common Stocks – 2.3%**

	Shares	Value (\$)
<b>Automotive &amp; Auto Parts - 0.1%</b>		
Aptiv PLC (i)	7,500	765,675
<b>Capital Goods - 0.1%</b>		
Regal Rexnord Corp.	6,000	923,400
<b>Energy - 1.8%</b>		
California Resources Corp. warrants 10/27/24 (i)	1,768	20,968
Mesquite Energy, Inc. (c) (i)	82,533	12,336,160
New Fortress Energy, Inc.	43,900	1,175,642
TOTAL ENERGY		<u>13,532,770</u>
<b>Healthcare - 0.2%</b>		
Centene Corp. (i)	16,800	1,133,160
<b>Technology - 0.1%</b>		
Coherent Corp. (i)	21,200	1,080,776

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>Telecommunications - 0.0%</b>		
CUI Acquisition Corp. Class E (c) (i)	1	0
GTT Communications, Inc. (c)	23,507	<u>290,321</u>
TOTAL TELECOMMUNICATIONS		<u>290,321</u>
<b>TOTAL COMMON STOCKS</b> (Cost \$8,210,967)		<u><b>17,726,102</b></u>

## Bank Loan Obligations – 5.4%

	Principal Amount (a)	Value (\$)
<b>Broadcasting - 0.1%</b>		
Diamond Sports Group LLC:		
1LN, term loan CME Term SOFR 1 Month Index + 8.000% 15.2534% 8/24/26 (e) (f) (j)	1,131,410	863,413
2LN, term loan CME Term SOFR 1 Month Index + 3.250% 8.0255% 8/24/26 (e) (f) (j)	2,551,051	<u>81,481</u>
TOTAL BROADCASTING		<u>944,894</u>
<b>Building Materials - 0.2%</b>		
Acproducts Holdings, Inc. Tranche B 1LN, term loan 1 month U.S. LIBOR + 4.250% 9.7535% 5/17/28 (e) (f) (j)	1,337,490	<u>1,121,151</u>
<b>Chemicals - 0.3%</b>		
Consolidated Energy Finance SA Tranche B 1LN, term loan 3 month U.S. LIBOR + 3.500% 9.0379% 5/7/25 (c) (e) (f) (j)	1,484,818	1,440,274
Discovery Purchaser Corp. 1LN, term loan CME Term SOFR 3 Month Index + 4.370% 9.6169% 10/4/29 (e) (f) (j)	1,223,850	<u>1,168,397</u>
TOTAL CHEMICALS		<u>2,608,671</u>
<b>Consumer Products - 0.1%</b>		
Mattress Firm, Inc. Tranche B 1LN, term loan 6 month U.S. LIBOR + 4.250% 9.95% 9/24/28 (e) (f) (j)	1,037,262	<u>1,013,062</u>
<b>Energy - 0.3%</b>		
EG America LLC Tranche B 1LN, term loan 3 month U.S. LIBOR + 4.000% 9.1645% 2/6/25 (e) (f) (j)	1,377,314	1,352,067
EG Finco Ltd. Tranche B, term loan 3 month U.S. LIBOR + 4.000% 9.1645% 2/6/25 (e) (f) (j)	927,964	910,954
Mesquite Energy, Inc.:		
1LN, term loan 3 month U.S. LIBOR + 8.000% 0% (c) (f) (g) (j)	1,525,908	0
term loan 3 month U.S. LIBOR + 0.000% 0% (c) (f) (g) (j)	658,000	<u>0</u>
TOTAL ENERGY		<u>2,263,021</u>
<b>Healthcare - 0.2%</b>		
Cano Health, Inc. Tranche B 1LN, term loan CME Term SOFR 1 Month Index + 4.000% 9.2534% 11/23/27 (e) (f) (j)	1,476,271	1,236,377
Da Vinci Purchaser Corp. Tranche B 1LN, term loan 1 month U.S. LIBOR + 4.000% 9.217% 1/8/27 (e) (f) (j)	73,671	72,197
Gainwell Acquisition Corp. Tranche B 1LN, term loan 3 month U.S. LIBOR + 4.000% 9.3419% 10/1/27 (e) (f) (j)	532,270	523,621

## Bank Loan Obligations – continued

	Principal Amount (a)	Value (\$)
<b>Healthcare – continued</b>		
TOTAL HEALTHCARE		<u>1,832,195</u>
<b>Homebuilders/Real Estate - 0.1%</b>		
Breakwater Energy Tranche B 1LN, term loan 11% 9/1/26 (c) (e) (j)	339,071	<u>322,117</u>
<b>Insurance - 0.0%</b>		
Alliant Holdings Intermediate LLC Tranche B5 1LN, term loan CME Term SOFR 1 Month Index + 3.500% 8.647% 11/6/27 (e) (f) (j)	129,192	<u>128,277</u>
<b>Leisure - 0.6%</b>		
City Football Group Ltd. Tranche B 1LN, term loan 1 month U.S. LIBOR + 3.000% 8.2727% 7/21/28 (e) (f) (j)	3,374,612	3,307,120
ClubCorp Holdings, Inc. Tranche B 1LN, term loan 3 month U.S. LIBOR + 2.750% 8.2879% 9/18/24 (e) (f) (j)	1,535,926	<u>1,470,096</u>
TOTAL LEISURE		<u>4,777,216</u>
<b>Paper - 0.0%</b>		
Clydesdale Acquisition Holdings, Inc. 1LN, term loan CME Term SOFR 1 Month Index + 4.170% 9.3775% 4/13/29 (e) (f) (j)	207,801	<u>204,233</u>
<b>Services - 1.6%</b>		
ABG Intermediate Holdings 2 LLC:		
Tranche B 2LN, term loan CME Term SOFR 1 Month Index + 6.000% 11.2025% 12/20/29 (e) (f) (j)	75,000	69,375
Tranche B1 LN, term loan CME Term SOFR 1 Month Index + 3.500% 8.7025% 12/21/28 (e) (f) (j)	341,550	339,586
Tranche B2 1LN, term loan CME Term SOFR 1 Month Index + 4.000% 9.2025% 12/21/28 (e) (f) (j)	361,481	360,036
Tranche DD 1LN, term loan CME Term SOFR 1 Month Index + 4.000% 12/21/28 (f) (j) (k)	118,519	118,044
Ascend Learning LLC:		
2LN, term loan 1 month U.S. LIBOR + 5.750% 10.9525% 12/10/29 (e) (f) (j)	130,000	109,958
Tranche B 1LN, term loan 1 month U.S. LIBOR + 3.500% 8.7025% 12/10/28 (e) (f) (j)	1,285,425	1,205,690
Brand Energy & Infrastructure Services, Inc. Tranche B, term loan 3 month U.S. LIBOR + 4.250% 9.42% 6/21/24 (e) (f) (j)	3,355,037	3,308,201
CoreLogic, Inc. Tranche B 1LN, term loan 1 month U.S. LIBOR + 3.500% 8.75% 6/2/28 (e) (f) (j)	1,557,076	1,403,704
Finastra U.S.A., Inc.:		
Tranche 2LN, term loan 3 month U.S. LIBOR + 7.250% 12.981% 6/13/25 (e) (f) (j)	345,000	310,976
Tranche B 1LN, term loan 3 month U.S. LIBOR + 3.500% 9.231% 6/13/24 (e) (f) (j)	812,726	779,794
Neptune BidCo U.S., Inc. Tranche B 1LN, term loan CME Term SOFR 1 Month Index + 5.000% 10.0044% 4/11/29 (e) (f) (j)	2,320,000	2,036,960
Spin Holdco, Inc. Tranche B 1LN, term loan 3 month U.S. LIBOR + 4.000% 9.2303% 3/4/28 (e) (f) (j)	2,035,676	<u>1,737,592</u>
TOTAL SERVICES		<u>11,779,916</u>
<b>Super Retail - 0.6%</b>		
Bass Pro Group LLC Tranche B 1LN, term loan 1 month U.S. LIBOR + 3.750% 8.943% 3/5/28 (e) (f) (j)	1,545,339	1,531,817

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

**Bank Loan Obligations – continued**

	Principal Amount (a)	Value (\$)
<b>Super Retail – continued</b>		
LBM Acquisition LLC Tranche B 1LN, term loan 1 month U.S. LIBOR + 3.750% 8.9525% 12/18/27 (e) (f) (i)	3,171,517	<u>3,039,709</u>
<b>TOTAL SUPER RETAIL</b>		<u>4,571,526</u>
<b>Technology - 0.8%</b>		
Athenahealth Group, Inc.:		
Tranche B 1LN, term loan CME Term SOFR 1 Month Index + 3.500% 8.5892% 2/15/29 (e) (f) (i)	1,180,274	1,134,538
Tranche DD 1LN, term loan CME Term SOFR 1 Month Index + 3.500% 2/15/29 (f) (i) (k)	144,994	139,375
Sophia LP Tranche B 1LN, term loan 3 month U.S. LIBOR + 3.500% 9.0379% 10/7/27 (e) (f) (i)	417,873	412,913
Ultimate Software Group, Inc.:		
1LN, term loan 1 month U.S. LIBOR + 3.250% 8.2706% 5/3/26 (e) (f) (i)	1,524,011	1,494,003
2LN, term loan CME Term SOFR 3 Month Index + 5.250% 10.2706% 5/3/27 (e) (f) (i)	2,110,000	2,040,665
Versend Holding Corp. Tranche B 1LN, term loan 1 month U.S. LIBOR + 4.000% 9.217% 8/27/25 (e) (f) (i)	460,060	<u>459,388</u>
<b>TOTAL TECHNOLOGY</b>		<u>5,680,882</u>
<b>Telecommunications - 0.2%</b>		
GTT Communications, Inc. 1LN, term loan CME Term SOFR 3 Month Index + 9.000% 14.3419% 6/30/28 (e) (f) (i)	922,239	513,383
Gtt Remainco LLC 1LN, term loan CME Term SOFR 1 Month Index + 7.000% 12.2025% 12/30/27 (e) (f) (i)	1,169,069	<u>970,327</u>
<b>TOTAL TELECOMMUNICATIONS</b>		<u>1,483,710</u>
<b>Utilities - 0.3%</b>		
PG&E Corp. Tranche B 1LN, term loan 1 month U.S. LIBOR + 3.000% 8.217% 6/23/25 (e) (f) (i)	2,138,560	<u>2,133,599</u>
<b>TOTAL BANK LOAN OBLIGATIONS</b> (Cost \$44,959,364)		<u><b>40,864,470</b></u>

**Preferred Securities – 0.9%**

	Principal Amount (a)	Value (\$)
<b>Air Transportation - 0.1%</b>		
AerCap Holdings NV 5.875% 10/10/79 (e)	760,000	<u>726,779</u>
<b>Banks &amp; Thrifts - 0.7%</b>		
Ally Financial, Inc.:		
4.7% (e) (l)	1,120,000	796,323
4.7% (e) (l)	1,110,000	722,613
Bank of America Corp. 5.875% (e) (l)	1,360,000	1,269,549
JPMorgan Chase & Co.:		
4.6% (e) (l)	980,000	932,530
6.1% (e) (l)	1,360,000	1,377,497
Wells Fargo & Co. 5.9% (e) (l)	745,000	<u>736,678</u>
<b>TOTAL BANKS &amp; THRIFTS</b>		<u>5,835,190</u>
<b>Diversified Financial Services - 0.1%</b>		
Charles Schwab Corp. 4% (e) (l)	870,000	<u>637,719</u>

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

**Preferred Securities – continued**

	Principal Amount (a)	Value (\$)
<b>TOTAL PREFERRED SECURITIES</b> (Cost \$6,886,385)		<u><b>7,199,688</b></u>
<b>Other – 1.2%</b>		
	Shares	Value (\$)
<b>Other - 1.2%</b>		
Fidelity Private Credit Central Fund LLC (b) (m) (Cost \$9,430,927)	948,292	<u><b>9,482,915</b></u>
<b>Money Market Funds – 6.6%</b>		
	Shares	Value (\$)
<b>Money Market Funds - 6.6%</b>		
Fidelity Cash Central Fund 5.14% (n) (Cost \$50,406,367)	50,396,288	<u><b>50,406,367</b></u>
<b>TOTAL INVESTMENT IN SECURITIES – 98.9%</b> (Cost \$824,828,532)		<u><b>754,436,205</b></u>
<b>NET OTHER ASSETS (LIABILITIES) – 1.1%</b>		<u><b>8,114,338</b></u>
<b>NET ASSETS – 100.0%</b>		<u><u><b>762,550,543</b></u></u>

## Schedule of Investments (Unaudited) - Continued

### Legend

- (a) Amount is stated in United States dollars unless otherwise noted.
- (b) Restricted securities (including private placements) — 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 \$12,561,310 or 1.6% of net assets.
- (c) Level 3 security
- (d) 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 \$473,404,812 or 62.1% of net assets.
- (e) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.
- (f) Coupon is indexed to a floating interest rate which may be multiplied by a specified factor and/or subject to caps or floors.
- (g) Non-income producing — Security is in default.
- (h) Security initially issued at one coupon which converts to a higher coupon at a specified date. The rate shown is the rate at period end.
- (i) Non-income producing
- (j) Remaining maturities of bank loan obligations may be less than the stated maturities shown as a result of contractual or optional prepayments by the borrower. Such prepayments cannot be predicted with certainty.
- (k) Position or a portion of the position represents an unfunded loan commitment. At period end, the total principal amount and market value of unfunded commitments totaled \$263,512 and \$257,420, respectively.

- (l) Security is perpetual in nature with no stated maturity date.
- (m) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments.
- (n) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

Additional information on each restricted holding is as follows:

Security	Acquisition Date	Acquisition Cost (\$)
Fidelity Private Credit Central Fund LLC	12/09/21 – 6/06/22	9,430,927
Jonah Energy Parent LLC 12% 11/5/25	5/05/23	1,269,399
Mesquite Energy, Inc. 15% 7/15/23	7/10/20 – 1/18/22	649,253
Mesquite Energy, Inc. 15% 7/15/23	11/05/20 – 1/18/22	1,120,884

### Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	46,606,159	155,815,005	152,014,797	740,749	—	—	50,406,367	0.1%
Fidelity Private Credit Central Fund LLC	7,033,396	2,356,371	—	492,366	12,341	80,807	9,482,915	1.5%
Fidelity Securities Lending Cash Central Fund 5.14%	—	11,222,107	11,222,107	86	—	—	—	0.0%
Total	<u>53,639,555</u>	<u>169,393,483</u>	<u>163,236,904</u>	<u>1,233,201</u>	<u>12,341</u>	<u>80,807</u>	<u>59,889,282</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

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



Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	-	-	-	-
Consumer Discretionary	765,675	765,675	-	-
Energy	13,532,770	1,196,610	-	12,336,160
Health Care	1,133,160	1,133,160	-	-
Industrials	923,400	923,400	-	-
Information Technology	1,371,097	1,080,776	-	290,321
Corporate Bonds	628,756,663	-	625,678,267	3,078,396
Bank Loan Obligations	40,864,470	-	39,102,079	1,762,391
Preferred Securities	7,199,688	-	7,199,688	-
Other	9,482,915	-	9,482,915	-
Money Market Funds	50,406,367	50,406,367	-	-
<b>Total Investments in Securities:</b>	<b>754,436,205</b>	<b>55,505,988</b>	<b>681,462,949</b>	<b>17,467,268</b>

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

#### Investments in Securities:

##### Energy

Beginning Balance	\$	8,212,552
Net Realized Gain (Loss) on Investment Securities		1,827,890
Net Unrealized Gain (Loss) on Investment Securities		4,928,133
Cost of Purchases		—
Proceeds of Sales		(2,632,415)
Amortization/Accretion		—
Transfers into Level 3		—
Transfers out of Level 3		—
Ending Balance	\$	12,336,160
The change in unrealized gain (loss) for the period attributable to Level 3 securities held at June 30, 2023	\$	7,418,871

##### Corporate Bonds

Beginning Balance	\$	11,280,376
Net Realized Gain (Loss) on Investment Securities		—
Net Unrealized Gain (Loss) on Investment Securities		(9,472,755)
Cost of Purchases		1,269,399
Proceeds of Sales		—
Amortization/Accretion		1,376
Transfers into Level 3		—
Transfers out of Level 3		—
Ending Balance	\$	3,078,396
The change in unrealized gain (loss) for the period attributable to Level 3 securities held at June 30, 2023	\$	(9,472,755)

##### Other Investments in Securities

Beginning Balance	\$	2,903,158
Net Realized Gain (Loss) on Investment Securities		150
Net Unrealized Gain (Loss) on Investment Securities		(34,251)
Cost of Purchases		377,787
Proceeds of Sales		(8,505)
Amortization/Accretion		5,705
Transfers into Level 3		—
Transfers out of Level 3		(1,191,332)
Ending Balance	\$	2,052,712

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

**Schedule of Investments (Unaudited) - Continued**

The change in unrealized gain (loss) for the period attributable to Level 3 securities held at June 30, 2023 \$ (34,251)

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. Cost of purchases and proceeds of sales may include securities received and/or delivered through in-kind transactions, corporate actions or exchanges. Transfers into Level 3 were attributable to a lack of observable market data resulting from decreases in market activity, decreases in liquidity, security restructurings or corporate actions. Transfers out of Level 3 were attributable to observable market data becoming available for those securities. 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. Realized and unrealized gains (losses) disclosed in the reconciliation are included in Net Gain (Loss) on the Fund's Statement of Operations.

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value — See accompanying schedule:		
Unaffiliated issuers (cost \$764,991,238)	\$	694,546,923
Fidelity Central Funds (cost \$59,837,294)		59,889,282
		<hr/>
Total Investment in Securities (cost \$824,828,532)		\$ 754,436,205
Cash		409,923
Receivable for investments sold		2,285,601
Receivable for fund shares sold		1,596,173
Dividends receivable		2,100
Interest receivable		11,397,614
Distributions receivable from Fidelity Central Funds		161,210
		<hr/>
<b>Total assets</b>		<b>770,288,826</b>

### Liabilities

Payable for investments purchased	\$	7,013,896
Payable for fund shares redeemed		240,274
Accrued management fee		336,813
Distribution and service plan fees payable		29,257
Other affiliated payables		75,358
Other payables and accrued expenses		42,685
		<hr/>
<b>Total Liabilities</b>		<b>7,738,283</b>

Commitments and contingent liabilities (see Commitments note)

**Net Assets** \$ 762,550,543

Net Assets consist of:

Paid in capital	\$	953,114,505
Total accumulated earnings (loss)		(190,563,962)

**Net Assets** \$ 762,550,543

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share (\$236,391,195 ÷ 51,450,524 shares) \$ 4.59

#### Service Class :

**Net Asset Value**, offering price and redemption price per share (\$62,954,725 ÷ 13,824,679 shares) \$ 4.55

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share (\$123,220,664 ÷ 28,119,643 shares) \$ 4.38

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share (\$339,983,959 ÷ 74,536,952 shares) \$ 4.56

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

**Statement of Operations**

Six months ended  
June 30, 2023  
(Unaudited)

**Investment Income**

Dividends		\$	1,024,942
Interest			22,104,772
Income from Fidelity Central Funds (including \$86 from security lending)			1,233,201
<b>Total Income</b>			<u>24,362,915</u>

**Expenses**

Management fee	\$	2,061,666	
Transfer agent fees		313,716	
Distribution and service plan fees		179,833	
Accounting fees		141,746	
Custodian fees and expenses		7,349	
Independent trustees' fees and expenses		2,540	
Audit		43,018	
Legal		69,795	
Interest		2,404	
Miscellaneous		2,225	
Total expenses before reductions		<u>2,824,292</u>	
Expense reductions		<u>(20,876)</u>	
Total expenses after reductions			<u>2,803,416</u>
<b>Net Investment income (loss)</b>			<u>21,559,499</u>

**Realized and Unrealized Gain (Loss)**

Net realized gain (loss) on:			
Investment Securities:			
Unaffiliated issuers		(35,596,796)	
Fidelity Central Funds		12,341	
Total net realized gain (loss)			<u>(35,584,455)</u>
Change in net unrealized appreciation (depreciation) on:			
Investment Securities:			
Unaffiliated issuers		43,707,917	
Fidelity Central Funds		80,807	
Total change in net unrealized appreciation (depreciation)			<u>43,788,724</u>
<b>Net gain (loss)</b>			<u>8,204,269</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	\$		<u>29,763,768</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 21,559,499	\$ 41,888,073
Net realized gain (loss)	(35,584,455)	(25,101,677)
Change in net unrealized appreciation (depreciation)	43,788,724	(125,003,877)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>29,763,768</u>	<u>(108,217,481)</u>
Distributions to shareholders	(498,942)	(40,140,205)
Share transactions - net increase (decrease)	(10,254,957)	(83,467,685)
<b>Total increase (decrease) in net assets</b>	19,009,869	(231,825,371)
<b>Net Assets</b>		
Beginning of period	743,540,674	975,366,045
End of period	<u>\$ 762,550,543</u>	<u>\$ 743,540,674</u>

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

# Financial Highlights

## VIP High Income Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 4.41	\$ 5.25	\$ 5.31	\$ 5.43	\$ 4.97	\$ 5.46
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.132	.251	.245	.266	.286	.288
Net realized and unrealized gain (loss)	.051	(.842)	(.016)	(.121)	.457	(.473)
Total from investment operations	.183	(.591)	.229	.145	.743	(.185)
Distributions from net investment income	(.003)	(.249)	(.289)	(.265)	(.283)	(.305)
Total distributions	(.003)	(.249)	(.289)	(.265)	(.283)	(.305)
Net asset value, end of period	\$ 4.59	\$ 4.41	\$ 5.25	\$ 5.31	\$ 5.43	\$ 4.97
<b>Total Return</b> <sup>C,D,E</sup>	4.15%	(11.37)%	4.41%	2.75%	15.11%	(3.46)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.70% <sup>H</sup>	.72%	.67%	.67%	.67%	.67%
Expenses net of fee waivers, if any	.69% <sup>H</sup>	.71%	.66%	.67%	.67%	.67%
Expenses net of all reductions	.69% <sup>H</sup>	.71%	.66%	.67%	.67%	.67%
Net investment income (loss)	5.86% <sup>H</sup>	5.22%	4.57%	5.14%	5.31%	5.33%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 236,391	\$ 235,522	\$ 312,771	\$ 313,973	\$ 327,442	\$ 299,239
Portfolio turnover rate <sup>I</sup>	64% <sup>H</sup>	32%	66%	72%	30%	69%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report. For additional expense information related to investments in Fidelity Private Credit Central Fund LLC, please refer to the Investment in Fidelity Private Credit Central Fund LLC note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP High Income Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 4.37	\$ 5.21	\$ 5.26	\$ 5.38	\$ 4.93	\$ 5.42
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.128	.244	.238	.259	.279	.280
Net realized and unrealized gain (loss)	.055	(.840)	(.007)	(.120)	.449	(.471)
Total from investment operations	.183	(.596)	.231	.139	.728	(.191)
Distributions from net investment income	(.003)	(.244)	(.281)	(.259)	(.278)	(.299)
Total distributions	(.003)	(.244)	(.281)	(.259)	(.278)	(.299)
Net asset value, end of period	\$ 4.55	\$ 4.37	\$ 5.21	\$ 5.26	\$ 5.38	\$ 4.93
<b>Total Return</b> <sup>C,D,E</sup>	4.19%	(11.56)%	4.50%	2.65%	14.92%	(3.60)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.80% <sup>H</sup>	.81%	.77%	.77%	.77%	.77%
Expenses net of fee waivers, if any	.79% <sup>H</sup>	.81%	.76%	.77%	.77%	.77%
Expenses net of all reductions	.79% <sup>H</sup>	.81%	.76%	.77%	.77%	.77%
Net investment income (loss)	5.76% <sup>H</sup>	5.12%	4.47%	5.04%	5.21%	5.23%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 62,955	\$ 43,707	\$ 53,927	\$ 53,326	\$ 66,123	\$ 58,231
Portfolio turnover rate <sup>I</sup>	64% <sup>H</sup>	32%	66%	72%	30%	69%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report. For additional expense information related to investments in Fidelity Private Credit Central Fund LLC, please refer to the Investment in Fidelity Private Credit Central Fund LLC note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP High Income Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 4.21	\$ 5.03	\$ 5.09	\$ 5.22	\$ 4.79	\$ 5.27
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.120	.228	.222	.244	.262	.264
Net realized and unrealized gain (loss)	.052	(.809)	(.009)	(.121)	.438	(.451)
Total from investment operations	.172	(.581)	.213	.123	.700	(.187)
Distributions from net investment income	(.002)	(.239)	(.273)	(.253)	(.270)	(.293)
Total distributions	(.002)	(.239)	(.273)	(.253)	(.270)	(.293)
Net asset value, end of period	\$ 4.38	\$ 4.21	\$ 5.03	\$ 5.09	\$ 5.22	\$ 4.79
<b>Total Return</b> <sup>C,D,E</sup>	4.09%	(11.67)%	4.29%	2.42%	14.77%	(3.63)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.95% <sup>H</sup>	.96%	.92%	.92%	.92%	.92%
Expenses net of fee waivers, if any	.95% <sup>H</sup>	.96%	.91%	.92%	.92%	.92%
Expenses net of all reductions	.94% <sup>H</sup>	.96%	.91%	.92%	.92%	.92%
Net investment income (loss)	5.61% <sup>H</sup>	4.97%	4.32%	4.89%	5.06%	5.08%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 123,221	\$ 127,406	\$ 166,773	\$ 170,257	\$ 187,747	\$ 139,564
Portfolio turnover rate <sup>I</sup>	64% <sup>H</sup>	32%	66%	72%	30%	69%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report. For additional expense information related to investments in Fidelity Private Credit Central Fund LLC, please refer to the Investment in Fidelity Private Credit Central Fund LLC note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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



## VIP High Income Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 4.38	\$ 5.22	\$ 5.27	\$ 5.39	\$ 4.94	\$ 5.43
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.130	.248	.242	.263	.283	.284
Net realized and unrealized gain (loss)	.053	(.840)	(.004)	(.119)	.448	(.470)
Total from investment operations	.183	(.592)	.238	.144	.731	(.186)
Distributions from net investment income	(.003)	(.248)	(.288)	(.264)	(.281)	(.304)
Total distributions	(.003)	(.248)	(.288)	(.264)	(.281)	(.304)
Net asset value, end of period	\$ 4.56	\$ 4.38	\$ 5.22	\$ 5.27	\$ 5.39	\$ 4.94
<b>Total Return</b> <sup>C,D,E</sup>	4.18%	(11.46)%	4.63%	2.74%	14.94%	(3.50)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.73% <sup>H</sup>	.75%	.70%	.71%	.70%	.71%
Expenses net of fee waivers, if any	.73% <sup>H</sup>	.75%	.70%	.71%	.70%	.71%
Expenses net of all reductions	.72% <sup>H</sup>	.75%	.70%	.71%	.70%	.71%
Net investment income (loss)	5.83% <sup>H</sup>	5.19%	4.53%	5.11%	5.28%	5.30%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 339,984	\$ 336,906	\$ 441,896	\$ 431,557	\$ 462,593	\$ 391,173
Portfolio turnover rate <sup>I</sup>	64% <sup>H</sup>	32%	66%	72%	30%	69%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report. For additional expense information related to investments in Fidelity Private Credit Central Fund LLC, please refer to the Investment in Fidelity Private Credit Central Fund LLC note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Investment in Fidelity Private Credit Central Fund LLC.

The Fund invests in Fidelity Private Credit Central Fund LLC (formerly Fidelity Direct Lending Fund, LP), which is a limited liability company available only to certain investment companies managed by the investment adviser and its affiliates. On June 1, 2023, Fidelity Private Credit Central Fund elected to be regulated as a business development company (BDC). Fidelity Private Credit Central Fund LLC's units are not registered under the Securities Act of 1933 and are subject to substantial restrictions on transfer. The Fund has no redemption rights under Fidelity Private Credit Central Fund LLC's limited liability company agreement. There will be no trading market for the units.

Based on its investment objective, Fidelity Private Credit Central Fund LLC may invest or participate in various investments or strategies that are similar to those in which the Fund may invest or participate. These strategies are consistent with the investment objectives of the Fund and may involve certain economic risks which may cause a decline in value of Fidelity Private Credit Central Fund LLC and thus a decline in the value of the Fund. Fidelity Private Credit Central Fund LLC intends to invest primarily in directly originated loans to private companies but also with liquid credit investments, like broadly syndicated loans, and other select private credit investments.

The Schedule of Investments lists Fidelity Private Credit Central Fund LLC as an investment as of period end, but does not include the underlying holdings of Fidelity Private Credit Central Fund LLC. Fidelity Private Credit Central Fund LLC represented less than 5% of the Fund's net assets at period end. The Fund indirectly bears its proportionate share of the expenses of Fidelity Private Credit Central Fund LLC. The annualized expense ratio for Fidelity Private Credit Central Fund LLC for the sixth month period ended June 30, 2023 was 8.51%.

## 4. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the

Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing services or from brokers who make markets in such securities. Corporate bonds, bank loan obligations and preferred securities are valued by pricing services who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing services. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances. The Fund invests a significant portion of its assets in below investment 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.

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 a third party 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 equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy. Securities, including private placements or other restricted securities, for which observable inputs are not available are valued using alternate valuation approaches, including the market approach, the income approach and cost approach, and are categorized as Level 3 in the hierarchy. The market approach considers factors including the price of recent investments in the same or a similar security or financial metrics of comparable securities. The income approach considers factors including expected future cash flows, security specific risks and corresponding discount rates. The cost approach considers factors including the value of the security's underlying assets and liabilities.

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

Fidelity Private Credit Central Fund LLC is valued at its net asset value (NAV) each month end and is categorized as Level 2 in the hierarchy.

The following provides information on Level 3 securities held by the Fund that were valued at period end based on unobservable inputs. These amounts exclude valuations provided by a broker and valuations using NAV as a practical expedient.

Asset Type	Fair Value	Valuation Technique(s)	Unobservable Input	Amount or Range/Weighted Average	Impact to Valuation from an Increase in Input <sup>a</sup>
Equities	\$12,626,481	Recovery value Market approach	Recovery value	\$0.00	Increase
			Transaction price	\$613.00	Increase
			Discount rate	5.0%	Decrease
			Parity price	\$12.35	Increase
Corporate Bonds	\$3,078,396	Market comparable	Enterprise value/EBITDA multiple (EV/EBITDA)	5.4	Increase
			Enterprise Value/Proved Reserves multiple	0.7	Increase
			Enterprise value/PV-10 multiple (EV/PV-10)	0.3	Increase
			Daily production multiple (\$/Million cubic feet per day)	\$3,665.00	Increase
			Recovery value	\$0.00	Increase
			Market approach	\$100.00	Increase
Bank Loan Obligations	\$1,762,391	Discounted cash flow Recovery value Market approach	Yield	18.5%	Decrease
			Recovery value	\$0.00	Increase
			Transaction price	\$95.00	Increase

**Notes to Financial Statements (Unaudited) – continued**

Indicative market price	Evaluated bid	\$97.00	Increase
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<sup>A</sup> Represents the directional change in the fair value of the Level 3 investments that could have resulted from an increase in the corresponding input as of period end. A decrease to the unobservable input would have had the opposite effect. Significant changes in these inputs may have resulted in a significantly higher or lower fair value measurement at period end.

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, 2023, as well as a roll forward of Level 3 investments, is included at the end of the Fund's Schedule of Investments.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. Paid in Kind (PIK) income is recorded at the fair market value of the securities received. Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivables when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). 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 under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

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

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$17,976,007
<b>Gross unrealized depreciation</b>	<u>(84,376,170)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$(66,400,163)</u>
<b>Tax cost</b>	<u>\$820,836,368</u>

Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited. The capital loss carryforward information presented below, including any applicable limitation, is estimated as of prior fiscal period end and is subject to adjustment.

<b>Short-term</b>	\$(48,034,496)
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Long-term	(61,599,252)
<b>Total capital loss carryforward</b>	<u>\$(109,633,748)</u>

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

**Loans and Other Direct Debt Instruments.** Direct debt instruments are interests in amounts owed to lenders by corporate or other borrowers. These instruments may be in the form of loans, trade claims or other receivables and may include standby financing commitments such as revolving credit facilities that obligate a fund to supply additional cash to the borrower on demand. Loans may be acquired through assignment, participation, or may be made directly to a borrower. Such instruments are presented in the Bank Loan Obligations section in the Schedule of Investments. Certain funds may also invest in unfunded loan commitments, which are contractual obligations for future funding. Information regarding unfunded commitments is included at the end of the Schedule of Investments, if applicable.

**Commitments.** A commitment is an agreement to acquire an investment at a future date (subject to conditions) in connection with a potential public or non-public offering. The amount of commitments outstanding at period end are presented in the table below. These commitments are not included in the net assets of the Fund at period end.

	<b>Investment to be Acquired</b>	<b>Commitment Amount</b>
<b>VIP High Income Portfolio</b>	Fidelity Private Credit Central Fund LLC	\$2,398,010

**New Accounting Pronouncement.** In June 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-03 Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in this ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. They also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. They also require additional disclosures for equity securities subject to contractual sale restrictions. ASU 2022-03 will be effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2023, and allows for early adoption. ASU 2022-03 will only be applicable to an equity security in which the contractual arrangement that restricts its sale is executed or modified on or after the adoption date. Management is currently evaluating the potential impact of ASU 2022-03 to the financial statements.

## 5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP High Income Portfolio</b>	233,293,088	223,871,787

## 6. Fees and Other Transactions with Affiliates.

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 an annualized group fee rate that averaged .10% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .55% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$25,195
<b>Service Class 2</b>	154,638
	<u>\$179,833</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

Amount	% of Class-Level Average Net Assets <sup>A</sup>
--------	--

**Notes to Financial Statements (Unaudited) – continued**

Initial Class	\$80,885	.07
Service Class	17,133	.07
Service Class 2	42,061	.07
Investor Class	<u>173,637</u>	.10
	<u>\$313,716</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP High Income Portfolio</b>	.04

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	<b>Amount</b>
<b>VIP High Income Portfolio</b>	\$ 165

**Interfund Lending Program.** Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), the Fund, along with other registered investment companies having management contracts with Fidelity Management & Research Company LLC (FMR), or other affiliated entities of FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding. Activity in this program during the period for which loans were outstanding was as follows:

	<b>Borrower or Lender</b>	<b>Average Loan Balance</b>	<b>Weighted Average Interest Rate</b>	<b>Interest Expense</b>
<b>VIP High Income Portfolio</b>	Borrower	\$ 2,569,000	4.81%	\$ 2,404

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. During the period, there were no interfund trades.

**7. Committed Line of Credit.**

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	<b>Amount</b>
<b>VIP High Income Portfolio</b>	\$743

**8. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	<b>Total Security Lending Fees Paid to NFS</b>	<b>Security Lending Income From Securities Loaned to NFS</b>	<b>Value of Securities Loaned to NFS at Period End</b>
<b>VIP High Income Portfolio</b>	\$9	\$ -	\$ -

**9. Expense Reductions.**

The investment adviser has contractually agreed to waive the Fund's management fee with respect to the portion of the Fund's assets invested in Fidelity Private Credit Central Fund LLC until April 30, 2024. During the period, this waiver reduced the Fund's management fee by \$3,081.

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$5,671.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$12,124.

## 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP High Income Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$159,425	\$12,725,157
Service Class	43,940	2,297,407
Service Class 2	60,636	6,951,637
Investor Class	<u>234,941</u>	<u>18,166,004</u>
Total	<u>\$498,942</u>	<u>\$40,140,205</u>

## 11. Share Transactions.

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP High Income Portfolio</b>				
<b>Initial Class</b>				
Shares sold	2,048,345	8,972,527	\$9,233,882	\$43,454,864
Reinvestment of distributions	34,582	2,812,389	159,425	12,725,094
Shares redeemed	<u>(4,044,709)</u>	<u>(17,891,419)</u>	<u>(18,290,116)</u>	<u>(86,649,158)</u>
Net increase (decrease)	<u>(1,961,782)</u>	<u>(6,106,503)</u>	<u>\$(8,896,809)</u>	<u>\$(30,469,200)</u>
<b>Service Class</b>				
Shares sold	9,379,468	9,351,371	\$42,630,115	\$44,866,682
Reinvestment of distributions	9,615	512,294	43,940	2,297,407
Shares redeemed	<u>(5,560,999)</u>	<u>(10,213,228)</u>	<u>(24,736,444)</u>	<u>(47,686,210)</u>
Net increase (decrease)	<u>3,828,084</u>	<u>(349,563)</u>	<u>\$17,937,611</u>	<u>\$(522,121)</u>
<b>Service Class 2</b>				
Shares sold	4,279,292	14,698,776	\$18,609,474	\$67,799,017
Reinvestment of distributions	13,781	1,607,586	60,636	6,951,637
Shares redeemed	<u>(6,436,656)</u>	<u>(19,191,491)</u>	<u>(27,634,654)</u>	<u>(88,751,788)</u>
Net increase (decrease)	<u>(2,143,583)</u>	<u>(2,885,129)</u>	<u>\$(8,964,544)</u>	<u>\$(14,001,134)</u>
<b>Investor Class</b>				
Shares sold	6,725,419	15,127,519	\$30,343,086	\$72,075,364
Reinvestment of distributions	51,297	4,041,803	234,941	18,165,818
Shares redeemed	<u>(9,186,690)</u>	<u>(26,866,685)</u>	<u>(40,909,242)</u>	<u>(128,716,412)</u>
Net increase (decrease)	<u>(2,409,974)</u>	<u>(7,697,363)</u>	<u>\$(10,331,215)</u>	<u>\$(38,475,230)</u>

## 12. Other.

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders were owners of record of more than 10% of the outstanding shares as follows:

**Notes to Financial Statements (Unaudited) – continued**

<b>Fund</b>	<b>Affiliated %</b>	<b>Number of Unaffiliated Shareholders</b>	<b>Unaffiliated Shareholders %</b>
VIP High Income Portfolio	53%	1	14%

**13. Litigation.**

The Fund and other entities managed by FMR or its affiliates are involved with proceedings arising out of disputes in the United States Bankruptcy Court for the Southern District of Texas ("Bankruptcy Court"), relating to the In re Sanchez Energy Corporation chapter 11 bankruptcy case (Case No. 19-34508). A Bankruptcy Court-appointed representative of unsecured creditors asserted that eight million shares of Mesquite Energy, Inc. (formerly known as Sanchez Energy Corporation) (the "Company"), held in escrow pursuant to the terms of the Company's confirmed chapter 11 plan, should be awarded to the unsecured creditors instead of the Company's current equity holders, including the Fund, which were providers of debtor-in-possession financing to the Company during its chapter 11 case and holders of secured notes issued by the Company in 2018. The unsecured creditors also asserted that certain additional equity issued by the Company in 2020 in connection with two post-bankruptcy financings, also held by the Fund, is invalid. Subsequent to period-end, the Bankruptcy Court issued an opinion awarding a portion of the eight million shares to the unsecured creditors, diluting the value of the Fund's holdings in Mesquite. The Fund will appeal this decision. At this time, Management cannot determine any additional loss or dilution that may be realized. The Fund is also incurring legal costs in defending the disputes.

**14. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.



## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP High Income Portfolio Initial Class	.69%			
Actual		\$ 1,000	\$ 1,041.50	\$ 3.49
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.37	\$ 3.46
Service Class	.79%			
Actual		\$ 1,000	\$ 1,041.90	\$ 4.00
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.88	\$ 3.96
Service Class 2	.95%			
Actual		\$ 1,000	\$ 1,040.90	\$ 4.81
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.08	\$ 4.76
Investor Class	.73%			
Actual		\$ 1,000	\$ 1,041.80	\$ 3.70
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.17	\$ 3.66

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP High Income Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLLIM). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLLIM requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.

# Notes



# **Fidelity® Variable Insurance Products:**

## **VIP Overseas Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

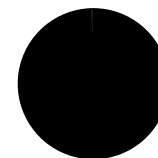
ASML Holding NV (Netherlands) (Netherlands, Semiconductors & Semiconductor Equipment)	3.4
LVMH Moët Hennessy Louis Vuitton SE (France, Textiles, Apparel & Luxury Goods)	3.3
AstraZeneca PLC (United Kingdom) (United Kingdom, Pharmaceuticals)	2.5
Novo Nordisk A/S Series B (Denmark, Pharmaceuticals)	2.5
Compagnie Financiere Richemont SA Series A (Switzerland, Textiles, Apparel & Luxury Goods)	2.0
Diageo PLC (United Kingdom, Beverages)	1.9
DSV A/S (Denmark, Air Freight & Logistics)	1.9
Compass Group PLC (United Kingdom, Hotels, Restaurants & Leisure)	1.9
AIA Group Ltd. (Hong Kong, Insurance)	1.8
RELX PLC (London Stock Exchange) (United Kingdom, Professional Services)	1.7
	<u>22.9</u>

## Market Sectors (% of Fund's net assets)

Industrials	21.9
Financials	20.8
Information Technology	13.7
Health Care	13.7
Consumer Discretionary	11.9
Consumer Staples	7.7
Materials	6.1
Energy	1.6
Real Estate	1.1
Communication Services	0.6

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

Stocks - 99.4  
 Short-Term Investments and Net Other Assets (Liabilities) - 0.6



## Geographic Diversification (% of Fund's net assets)

France - 16.4  
 United Kingdom - 15.3  
 United States of America\* - 12.3  
 Japan - 11.7  
 Germany - 7.3  
 Netherlands - 7.3  
 Switzerland - 5.9  
 Denmark - 5.0  
 Sweden - 3.8  
 Other - 15.0



\* Includes Short-Term investments and Net Other Assets (Liabilities). Percentages are adjusted for the effect of derivatives, if applicable.



# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.4%

	Shares	Value (\$)
<b>Australia - 0.7%</b>		
Flutter Entertainment PLC (a)	66,090	<u>13,261,619</u>
<b>Bailiwick of Jersey - 0.3%</b>		
JTC PLC (b)	601,600	<u>5,413,167</u>
<b>Belgium - 1.2%</b>		
Azelis Group NV	231,800	5,281,391
KBC Group NV	217,871	<u>15,196,394</u>
TOTAL BELGIUM		<u>20,477,785</u>
<b>Canada - 1.6%</b>		
Constellation Software, Inc.	13,295	27,546,016
Lumine Group, Inc.	40,190	<u>551,238</u>
TOTAL CANADA		<u>28,097,254</u>
<b>China - 0.5%</b>		
Chervon Holdings Ltd.	137,100	542,381
Wuliangye Yibin Co. Ltd. (A Shares)	358,500	<u>8,106,399</u>
TOTAL CHINA		<u>8,648,780</u>
<b>Denmark - 5.0%</b>		
Carlsberg A/S Series B	67,600	10,803,517
DSV A/S	160,572	33,721,650
Novo Nordisk A/S Series B	264,800	<u>42,775,751</u>
TOTAL DENMARK		<u>87,300,918</u>
<b>Finland - 1.0%</b>		
Nordea Bank ABP	1,601,803	<u>17,420,992</u>
<b>France - 16.4%</b>		
Air Liquide SA	143,820	25,791,971
ALLEN	110,181	17,349,118
Antin Infrastructure Partners SA	40,800	662,472
Capgemini SA	133,665	25,308,472
Edenred SA	442,242	29,601,118
EssilorLuxottica SA	133,005	25,050,311
L'Oreal SA	54,900	25,609,537
LVMH Moët Hennessy Louis Vuitton SE	61,330	57,828,811
Pernod Ricard SA	119,942	26,490,256
Safran SA	174,200	27,298,834
TotalEnergies SE	497,312	<u>28,548,013</u>
TOTAL FRANCE		<u>289,538,913</u>
<b>Germany - 7.3%</b>		
Allianz SE	95,286	22,194,369
Deutsche Borse AG	119,539	22,068,636
Hannover Reuck SE	103,525	21,955,035
Infineon Technologies AG	581,800	23,959,835
Merck KGaA	117,200	19,381,523
Siemens Healthineers AG (b)	328,700	<u>18,601,012</u>
TOTAL GERMANY		<u>128,160,410</u>
<b>Hong Kong - 2.1%</b>		
AIA Group Ltd.	3,166,400	32,159,540
Technic Industries Co. Ltd.	432,500	<u>4,699,767</u>
TOTAL HONG KONG		<u>36,859,307</u>
<b>India - 1.7%</b>		
HCL Technologies Ltd.	469,200	6,819,460
HDFC Bank Ltd.	1,105,991	<u>22,947,184</u>
TOTAL INDIA		<u>29,766,644</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>Ireland - 0.8%</b>		
Kingspan Group PLC (Ireland)	208,700	<u>13,868,966</u>
<b>Italy - 2.7%</b>		
FincoBank SpA	1,045,599	14,050,893
GVS SpA (a) (b)	109,736	662,783
Industrie de Nora SpA	79,500	1,668,210
Recordati SpA	378,719	18,080,045
UniCredit SpA	540,900	<u>12,577,859</u>
TOTAL ITALY		<u>47,039,790</u>
<b>Japan - 11.7%</b>		
Bandai Namco Holdings, Inc.	222,600	5,154,819
BayCurrent Consulting, Inc.	148,600	5,528,153
Capcom Co. Ltd.	265,200	10,466,849
FUJIFILM Holdings Corp.	187,200	11,153,968
Hoya Corp.	190,211	22,761,838
Iriso Electronics Co. Ltd.	97,729	2,820,897
Misumi Group, Inc.	339,360	6,747,454
NOF Corp.	183,411	7,833,688
Persol Holdings Co. Ltd.	503,503	9,034,057
Relo Group, Inc.	391,074	5,298,518
Shin-Etsu Chemical Co. Ltd.	600,300	20,060,799
SMC Corp.	34,385	19,109,874
Sony Group Corp.	315,633	28,492,257
Suzuki Motor Corp.	315,876	11,454,549
TIS, Inc.	232,074	5,775,514
Tokio Marine Holdings, Inc.	811,300	18,703,360
Tokyo Electron Ltd.	108,796	<u>15,669,723</u>
TOTAL JAPAN		<u>206,066,317</u>
<b>Luxembourg - 0.4%</b>		
Eurofins Scientific SA	104,491	<u>6,631,437</u>
<b>Netherlands - 7.3%</b>		
ASM International NV (Netherlands)	41,700	17,671,106
ASML Holding NV (Netherlands)	81,939	59,432,690
IMCD NV	136,526	19,620,293
Topicus.Com, Inc. (a)	23,814	1,953,117
Walters Kluwer NV	231,917	<u>29,431,789</u>
TOTAL NETHERLANDS		<u>128,108,995</u>
<b>Spain - 1.4%</b>		
Amadeus IT Holding SA Class A	333,707	<u>25,380,633</u>
<b>Sweden - 3.8%</b>		
Addlife AB	541,224	6,107,077
AddTech AB (B Shares)	752,251	16,376,709
Atlas Copco AB (A Shares)	1,562,476	22,557,283
Indutrade AB	878,756	19,790,719
Kry International AB (a) (c) (d)	587	34,845
Nordnet AB	111,939	<u>1,497,661</u>
TOTAL SWEDEN		<u>66,364,294</u>
<b>Switzerland - 5.9%</b>		
Compagnie Financiere Richemont SA Series A	212,440	36,086,760
Julius Baer Group Ltd.	286,485	18,079,362
Partners Group Holding AG	14,910	14,019,615
Sika AG	96,564	27,655,990
Sonova Holding AG	31,904	8,490,624

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

**Schedule of Investments (Unaudited) - Continued****Common Stocks – continued**

	Shares	Value (\$)
<b>Switzerland – continued</b>		
TOTAL SWITZERLAND		<u>104,332,351</u>
<b>Taiwan - 0.6%</b>		
Taiwan Semiconductor Manufacturing Co. Ltd.	574,600	<u>10,612,222</u>
<b>United Kingdom - 15.3%</b>		
3i Group PLC	669,300	16,562,464
Ashtead Group PLC	235,800	16,302,929
AstraZeneca PLC (United Kingdom)	302,900	43,422,011
BAE Systems PLC	1,350,500	15,924,081
Beazley PLC	1,028,501	7,693,496
Compass Group PLC	1,193,639	33,425,653
Diageo PLC	793,922	34,131,503
Diploma PLC	305,335	11,571,220
Hiscox Ltd.	600,245	8,316,815
London Stock Exchange Group PLC	184,100	19,594,389
RELX PLC (London Stock Exchange)	904,948	30,189,723
Rentokil Initial PLC	2,764,989	21,618,646
Sage Group PLC	408,177	4,794,023
Volusion Group PLC	1,405,597	<u>6,751,279</u>
TOTAL UNITED KINGDOM		<u>270,298,232</u>
<b>United States of America - 11.7%</b>		
CBRE Group, Inc. (a)	172,100	13,890,191
CDW Corp.	54,400	9,982,400
Equifax, Inc.	36,000	8,470,800
Experian PLC	570,900	21,911,715
Ferguson PLC	109,300	17,226,445
ICON PLC (a)	69,500	17,388,900
Linde PLC	70,368	26,815,837
Marsh & McLennan Companies, Inc.	143,876	27,060,198
Nestle SA (Reg. S)	244,195	29,374,609
S&P Global, Inc.	54,721	21,937,102
Thermo Fisher Scientific, Inc.	23,900	<u>12,469,825</u>
TOTAL UNITED STATES OF AMERICA		<u>206,528,022</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$1,258,212,448)		<u><b>1,750,177,048</b></u>

**Nonconvertible Preferred Stocks – 0.0%**

	Shares	Value (\$)
<b>Sweden - 0.0%</b>		
Kry International AB Series E (a) (c) (d) (Cost \$1,550,731)	3,392	<u><b>201,353</b></u>

**Money Market Funds – 0.4%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (e) (Cost \$5,943,072)	5,941,883	<u><b>5,943,072</b></u>

**TOTAL INVESTMENT IN SECURITIES – 99.8%**

(Cost \$1,265,706,251) **1,756,321,473**

**NET OTHER ASSETS (LIABILITIES) – 0.2%****3,895,959****NET ASSETS – 100.0%****1,760,217,432**

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

## Legend

- (a) Non-income producing
- (b) 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 \$24,676,962 or 1.4% of net assets.
- (c) Restricted securities (including private placements) — 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 \$236,198 or 0.0% of net assets.
- (d) Level 3 security
- (e) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

Additional information on each restricted holding is as follows:

Security	Acquisition Date	Acquisition Cost (\$)
Kry International AB	5/14/21	254,938
Kry International AB Series E	5/14/21	1,550,731

## Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	20,313,080	121,762,688	136,132,696	362,004	—	—	5,943,072	0.0%
Fidelity Securities Lending Cash Central Fund 5.14%	13,289,712	57,751,866	71,041,578	67,844	—	—	—	0.0%
Total	<u>33,602,792</u>	<u>179,514,554</u>	<u>207,174,274</u>	<u>429,848</u>	<u>—</u>	<u>—</u>	<u>5,943,072</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

## Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	10,466,849	10,466,849	-	-
Consumer Discretionary	211,627,482	39,184,633	172,442,849	-
Consumer Staples	134,515,821	37,293,773	97,222,048	-
Energy	28,548,013	-	28,548,013	-
Financials	369,712,121	201,387,422	168,324,699	-
Health Care	241,160,354	132,200,754	108,959,600	-
Industrials	385,364,770	226,754,614	158,610,156	-
Information Technology	241,635,997	88,443,429	152,956,370	236,198
Materials	108,158,285	34,649,525	73,508,760	-

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

**Schedule of Investments (Unaudited) - Continued**

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Investments in Securities: - continued				
Real Estate	19,188,709	19,188,709	-	-
Money Market Funds	<u>5,943,072</u>	<u>5,943,072</u>	-	-
<b>Total Investments in Securities:</b>	<u><u>1,756,321,473</u></u>	<u><u>795,512,780</u></u>	<u><u>960,572,495</u></u>	<u><u>236,198</u></u>

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value — See accompanying schedule:

Unaffiliated issuers (cost \$1,259,763,179)	\$ 1,750,378,401
Fidelity Central Funds (cost \$5,943,072)	5,943,072

Total Investment in Securities (cost \$1,265,706,251)

Foreign currency held at value (cost \$400,356)

Receivable for investments sold

Receivable for fund shares sold

Dividends receivable

Reclaims receivable

Distributions receivable from Fidelity Central Funds

Other receivables

### Total assets

### Liabilities

Payable for investments purchased

Payable for fund shares redeemed

Accrued management fee

Distribution and service plan fees payable

Other affiliated payables

Deferred taxes

Other payables and accrued expenses

### Total Liabilities

### Net Assets

Net Assets consist of:

Paid in capital

Total accumulated earnings (loss)

### Net Assets

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share ( $\$881,961,706 \div 35,386,301$  shares) \$ 24.92

#### Service Class :

**Net Asset Value**, offering price and redemption price per share ( $\$137,496,428 \div 5,549,274$  shares) \$ 24.78

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share ( $\$328,405,041 \div 13,353,547$  shares) \$ 24.59

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share ( $\$412,354,257 \div 16,621,492$  shares) \$ 24.81

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

## Financial Statements (Unaudited) - Continued

## Statement of Operations

Six months ended  
June 30, 2023  
(Unaudited)**Investment Income**

Dividends		\$	24,875,693
Income from Fidelity Central Funds (including \$67,844 from security lending)			429,848
Income before foreign taxes withheld		\$	25,305,541
Less foreign taxes withheld			(2,867,331)
<b>Total Income</b>			<u>22,438,210</u>

**Expenses**

Management fee	\$	5,599,089	
Transfer agent fees		696,637	
Distribution and service plan fees		475,866	
Accounting fees		366,433	
Custodian fees and expenses		48,554	
Independent trustees' fees and expenses		5,588	
Audit		57,609	
Legal		3,110	
Interest		9,344	
Miscellaneous		4,594	
Total expenses before reductions		<u>7,266,824</u>	
Expense reductions		(38,542)	
Total expenses after reductions			<u>7,228,282</u>

**Net Investment income (loss)**15,209,928**Realized and Unrealized Gain (Loss)**

Net realized gain (loss) on:			
Investment Securities:			
Unaffiliated issuers (net of foreign taxes of \$12,242)		34,916,268	
Foreign currency transactions		(219,416)	
Total net realized gain (loss)			<u>34,696,852</u>
Change in net unrealized appreciation (depreciation) on:			
Investment Securities:			
Unaffiliated issuers (net of increase in deferred foreign taxes of \$229,962)		184,167,472	
Assets and liabilities in foreign currencies		125,584	
Total change in net unrealized appreciation (depreciation)			<u>184,293,056</u>
<b>Net gain (loss)</b>			<u>218,989,908</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	\$		<u><u>234,199,836</u></u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 15,209,928	\$ 17,404,913
Net realized gain (loss)	34,696,852	(43,067,351)
Change in net unrealized appreciation (depreciation)	184,293,056	(500,493,944)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>234,199,836</u>	<u>(526,156,382)</u>
Distributions to shareholders	-	(32,358,063)
Share transactions - net increase (decrease)	<u>(77,195,513)</u>	<u>49,313,373</u>
<b>Total increase (decrease) in net assets</b>	157,004,323	(509,201,072)
<b>Net Assets</b>		
Beginning of period	1,603,213,109	2,112,414,181
End of period	<u>\$ 1,760,217,432</u>	<u>\$ 1,603,213,109</u>

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

# Financial Highlights

## VIP Overseas Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 21.70	\$ 29.28	\$ 26.52	\$ 23.13	\$ 19.13	\$ 22.87
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.22	.25	.15	.13	.40	.36
Net realized and unrealized gain (loss)	3.00	(7.37)	4.91	3.46	4.74	(3.75)
Total from investment operations	3.22	(7.12)	5.06	3.59	5.14	(3.39)
Distributions from net investment income	-	(.25)	(.14) <sup>C</sup>	(.10)	(.38)	(.35)
Distributions from net realized gain	-	(.21)	(2.16) <sup>C</sup>	(.10)	(.77)	-
Total distributions	-	(.46)	(2.30)	(.20)	(1.14) <sup>D</sup>	(.35)
Net asset value, end of period	\$ 24.92	\$ 21.70	\$ 29.28	\$ 26.52	\$ 23.13	\$ 19.13
<b>Total Return</b> <sup>E,F,G</sup>	14.84%	(24.48)%	19.70%	15.61%	27.77%	(14.81)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.77% <sup>J</sup>	.77%	.77%	.79%	.79%	.79%
Expenses net of fee waivers, if any	.77% <sup>J</sup>	.77%	.77%	.79%	.79%	.79%
Expenses net of all reductions	.77% <sup>J</sup>	.77%	.77%	.77%	.78%	.78%
Net investment income (loss)	1.84% <sup>J</sup>	1.10%	.51%	.59%	1.87%	1.59%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 881,962	\$ 798,673	\$ 1,034,416	\$ 872,019	\$ 826,554	\$ 662,011
Portfolio turnover rate <sup>K</sup>	31% <sup>J</sup>	33%	26%	47%	38%	40%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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



## VIP Overseas Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 21.58	\$ 29.13	\$ 26.40	\$ 23.03	\$ 19.05	\$ 22.77
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.21	.23	.12	.11	.37	.33
Net realized and unrealized gain (loss)	2.99	(7.35)	4.88	3.44	4.73	(3.72)
Total from investment operations	3.20	(7.12)	5.00	3.55	5.10	(3.39)
Distributions from net investment income	-	(.23)	(.11) <sup>C</sup>	(.08)	(.36)	(.33)
Distributions from net realized gain	-	(.21)	(2.16) <sup>C</sup>	(.10)	(.77)	-
Total distributions	-	(.43) <sup>D</sup>	(2.27)	(.18)	(1.12) <sup>D</sup>	(.33)
Net asset value, end of period	\$ 24.78	\$ 21.58	\$ 29.13	\$ 26.40	\$ 23.03	\$ 19.05
<b>Total Return</b> <sup>E,F,G</sup>	14.83%	(24.58)%	19.57%	15.49%	27.67%	(14.88)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.87% <sup>J</sup>	.87%	.87%	.89%	.89%	.89%
Expenses net of fee waivers, if any	.87% <sup>J</sup>	.87%	.87%	.89%	.89%	.89%
Expenses net of all reductions	.87% <sup>J</sup>	.87%	.87%	.87%	.88%	.88%
Net investment income (loss)	1.74% <sup>J</sup>	1.00%	.41%	.49%	1.77%	1.49%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 137,496	\$ 125,827	\$ 168,369	\$ 151,886	\$ 134,648	\$ 114,094
Portfolio turnover rate <sup>K</sup>	31% <sup>J</sup>	33%	26%	47%	38%	40%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Overseas Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 21.44	\$ 28.94	\$ 26.25	\$ 22.90	\$ 18.95	\$ 22.66
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.19	.19	.07	.08	.34	.30
Net realized and unrealized gain (loss)	2.96	(7.29)	4.86	3.42	4.71	(3.71)
Total from investment operations	3.15	(7.10)	4.93	3.50	5.05	(3.41)
Distributions from net investment income	-	(.19)	(.08) <sup>C</sup>	(.05)	(.33)	(.30)
Distributions from net realized gain	-	(.21)	(2.16) <sup>C</sup>	(1.0)	(.77)	-
Total distributions	-	(.40)	(2.24)	(1.15)	(1.10)	(.30)
Net asset value, end of period	\$ 24.59	\$ 21.44	\$ 28.94	\$ 26.25	\$ 22.90	\$ 18.95
<b>Total Return</b> <sup>D,E,F</sup>	14.69%	(24.68)%	19.39%	15.33%	27.50%	(15.06)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	1.02% <sup>I</sup>	1.02%	1.02%	1.04%	1.04%	1.04%
Expenses net of fee waivers, if any	1.02% <sup>I</sup>	1.02%	1.02%	1.04%	1.04%	1.04%
Expenses net of all reductions	1.02% <sup>I</sup>	1.02%	1.02%	1.02%	1.03%	1.03%
Net investment income (loss)	1.59% <sup>I</sup>	.85%	.26%	.34%	1.62%	1.34%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 328,405	\$ 306,315	\$ 398,271	\$ 352,459	\$ 331,113	\$ 291,392
Portfolio turnover rate <sup>J</sup>	31% <sup>I</sup>	33%	26%	47%	38%	40%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Overseas Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 21.61	\$ 29.16	\$ 26.42	\$ 23.05	\$ 19.06	\$ 22.79
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.21	.23	.12	.11	.38	.34
Net realized and unrealized gain (loss)	2.99	(7.34)	4.90	3.44	4.74	(3.74)
Total from investment operations	3.20	(7.11)	5.02	3.55	5.12	(3.40)
Distributions from net investment income	-	(.23)	(.12) <sup>C</sup>	(.08)	(.36)	(.33)
Distributions from net realized gain	-	(.21)	(2.16) <sup>C</sup>	(.10)	(.77)	-
Total distributions	-	(.44)	(2.28)	(.18)	(1.13)	(.33)
Net asset value, end of period	\$ 24.81	\$ 21.61	\$ 29.16	\$ 26.42	\$ 23.05	\$ 19.06
<b>Total Return</b> <sup>D,E,F</sup>	14.81%	(24.54)%	19.63%	15.49%	27.74%	(14.90)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.85% <sup>I</sup>	.84%	.85%	.87%	.87%	.87%
Expenses net of fee waivers, if any	.84% <sup>I</sup>	.84%	.84%	.86%	.87%	.87%
Expenses net of all reductions	.84% <sup>I</sup>	.84%	.84%	.85%	.86%	.86%
Net investment income (loss)	1.76% <sup>I</sup>	1.02%	.43%	.51%	1.79%	1.51%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 412,354	\$ 372,398	\$ 511,358	\$ 419,888	\$ 421,140	\$ 340,705
Portfolio turnover rate <sup>J</sup>	31% <sup>I</sup>	33%	26%	47%	38%	40%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Overseas 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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party 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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be 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 (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in foreign taxes withheld. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in reclaims receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or ETFs. Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or ETF. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

## VIP Overseas Portfolio

\$10,084

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal

**Notes to Financial Statements (Unaudited) – continued**

tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. The Fund is subject to a tax imposed on capital gains by certain countries in which it invests. An estimated deferred tax liability for net unrealized appreciation on the applicable securities is included in Deferred taxes on the Statement of Assets & Liabilities.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, certain foreign taxes, capital loss carryforwards and losses deferred due to wash sales and excise tax regulations.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$519,500,054
<b>Gross unrealized depreciation</b>	<u>(33,079,521)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$486,420,533</u>
<b>Tax cost</b>	<u>\$1,269,900,940</u>

Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited. The capital loss carryforward information presented below, including any applicable limitation, is estimated as of prior fiscal period end and is subject to adjustment.

Short-term	\$(36,980,524)
Long-term	-
<b>Total capital loss carryforward</b>	<u>\$(36,980,524)</u>

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

**4. Purchases and Sales of Investments.**

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Overseas Portfolio</b>	258,137,802	304,048,907

**5. Fees and Other Transactions with Affiliates.**

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .424% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .65% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$67,882
<b>Service Class 2</b>	407,984
	<u>\$475,866</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets<sup>A</sup></b>
<b>Initial Class</b>	\$270,738	.06
<b>Service Class</b>	42,766	.06
<b>Service Class 2</b>	102,812	.06
<b>Investor Class</b>	<u>280,321</u>	.14
	<u>\$696,637</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP Overseas Portfolio</b>	.04

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	<b>Amount</b>
<b>VIP Overseas Portfolio</b>	\$108

**Interfund Lending Program.** Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), the Fund, along with other registered investment companies having management contracts with Fidelity Management & Research Company LLC (FMR), or other affiliated entities of FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding. Activity in this program during the period for which loans were outstanding was as follows:

	<b>Borrower or Lender</b>	<b>Average Loan Balance</b>	<b>Weighted Average Interest Rate</b>	<b>Interest Expense</b>
<b>VIP Overseas Portfolio</b>	Borrower	\$ 8,294,125	5.07%	\$ 9,344

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>	<b>Realized Gain (Loss) (\$)</b>
<b>VIP Overseas Portfolio</b>	7,102,382	4,644,582	(103,570)

## 6. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	<b>Amount</b>
<b>VIP Overseas Portfolio</b>	\$1,618

**Notes to Financial Statements (Unaudited) – continued****7. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP Overseas Portfolio	\$7,172	\$ -	\$ -

**8. Expense Reductions.**

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$38,542.

**9. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Overseas Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$-	\$16,648,031
Service Class	-	2,512,372
Service Class 2	-	5,481,619
Investor Class	-	<u>7,716,041</u>
Total	\$-	<u>\$32,358,063</u>

**10. Share Transactions.**

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Overseas Portfolio</b>				
<b>Initial Class</b>				
Shares sold	2,959,619	15,978,609	\$70,517,440	\$369,361,688
Reinvestment of distributions	-	687,470	-	16,648,031
Shares redeemed	<u>(4,378,809)</u>	<u>(15,186,615)</u>	<u>(104,356,595)</u>	<u>(345,432,431)</u>
Net increase (decrease)	<u>(1,419,190)</u>	<u>1,479,464</u>	<u>\$(33,839,155)</u>	<u>\$40,577,288</u>
<b>Service Class</b>				
Shares sold	176,849	646,505	\$4,184,844	\$14,653,527
Reinvestment of distributions	-	103,833	-	2,512,372
Shares redeemed	<u>(457,455)</u>	<u>(700,870)</u>	<u>(10,957,171)</u>	<u>(15,950,114)</u>
Net increase (decrease)	<u>(280,606)</u>	<u>49,468</u>	<u>\$(6,772,327)</u>	<u>\$1,215,785</u>



**Service Class 2**

Shares sold	922,234	2,262,090	\$21,806,428	\$50,339,427
Reinvestment of distributions	-	226,690	-	5,481,619
Shares redeemed	<u>(1,856,394)</u>	<u>(1,964,135)</u>	<u>(43,598,816)</u>	<u>(45,187,038)</u>
Net increase (decrease)	<u>(934,160)</u>	<u>524,645</u>	<u>\$(21,792,388)</u>	<u>\$10,634,008</u>

**Investor Class**

Shares sold	939,036	3,140,368	\$22,336,608	\$72,621,907
Reinvestment of distributions	-	318,283	-	7,716,041
Shares redeemed	<u>(1,552,103)</u>	<u>(3,761,171)</u>	<u>(37,128,251)</u>	<u>(83,451,656)</u>
Net increase (decrease)	<u>(613,067)</u>	<u>(302,520)</u>	<u>\$(14,791,643)</u>	<u>\$(3,113,708)</u>

**11. Other.**

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders were owners of record of more than 10% of the outstanding shares as follows:

<b>Fund</b>	<b>% of shares held</b>	<b>Number of Unaffiliated Shareholders</b>	<b>Unaffiliated Shareholders %</b>
VIP Overseas Portfolio	29%	1	15%

Mutual funds managed by the investment adviser or its affiliates, in aggregate, were the owners of record of more than 20% of the total outstanding shares.

<b>Fund</b>	<b>% of shares held</b>
VIP Overseas Portfolio	38%

**12. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Overseas Portfolio				
Initial Class	.77%			
Actual		\$ 1,000	\$ 1,148.40	\$ 4.10
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.98	\$ 3.86
Service Class	.87%			
Actual		\$ 1,000	\$ 1,148.30	\$ 4.63
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.48	\$ 4.36
Service Class 2	1.02%			
Actual		\$ 1,000	\$ 1,146.90	\$ 5.43
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,019.74	\$ 5.11
Investor Class	.84%			
Actual		\$ 1,000	\$ 1,148.10	\$ 4.47
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.63	\$ 4.21

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Overseas Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLLIM). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLLIM requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.



# **Fidelity® Variable Insurance Products:**

## **VIP Contrafund<sup>SM</sup> Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

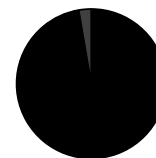
Microsoft Corp.	8.8
Apple, Inc.	6.1
Alphabet, Inc. Class C	5.9
Meta Platforms, Inc. Class A	5.8
Berkshire Hathaway, Inc. Class B	4.2
NVIDIA Corp.	4.0
UnitedHealth Group, Inc.	3.7
Amazon.com, Inc.	3.3
Eli Lilly & Co.	3.0
Costco Wholesale Corp.	1.6
	<hr/>
	46.4

## Market Sectors (% of Fund's net assets)

Information Technology	30.7
Health Care	15.7
Communication Services	14.1
Financials	12.3
Consumer Discretionary	8.7
Industrials	5.3
Energy	4.2
Consumer Staples	3.6
Materials	2.1
Utilities	0.6
Real Estate	0.0

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

Stocks - 97.3  
 Short-Term Investments and Net Other Assets (Liabilities) - 2.7





# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 96.8%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 14.0%</b>		
<b>Entertainment - 1.9%</b>		
Activision Blizzard, Inc.	489,100	41,231,130
Liberty Media Corp. Liberty Formula One Series C (a)	403,827	30,400,097
Nefflix, Inc. (a)	617,099	271,825,939
The Walt Disney Co. (a)	18,858	1,683,642
Universal Music Group NV	745,561	<u>16,555,868</u>
		<u>361,696,676</u>
<b>Interactive Media &amp; Services - 11.8%</b>		
Alphabet, Inc.:		
Class A (a)	200	23,940
Class C (a)	9,508,682	1,150,265,262
Bumble, Inc. (a)	194,500	3,263,710
Epic Games, Inc. (a)(b)(c)	18,849	13,268,942
Meta Platforms, Inc. Class A (a)	3,912,122	<u>1,122,700,772</u>
		<u>2,289,522,626</u>
<b>Media - 0.3%</b>		
Comcast Corp. Class A	1,277,300	<u>53,071,815</u>
<b>Wireless Telecommunication Services - 0.0%</b>		
T-Mobile U.S., Inc. (a)	82,000	<u>11,389,800</u>
		<u>2,715,680,917</u>
<b>CONSUMER DISCRETIONARY - 8.7%</b>		
<b>Automobiles - 0.2%</b>		
BYD Co. Ltd. (H Shares)	141,000	4,521,117
General Motors Co.	48,000	1,850,880
Harley-Davidson, Inc.	41,500	1,461,215
Hyundai Motor Co. Ltd.	128,600	20,229,280
Rad Power Bikes, Inc. (a)(b)(c)	401,674	895,733
Rivian Automotive, Inc. (a)	11,312	188,458
Tesla, Inc. (a)	13,600	3,560,072
Toyota Motor Corp.	841,200	<u>13,519,841</u>
		<u>46,226,596</u>
<b>Broadline Retail - 3.5%</b>		
Amazon.com, Inc. (a)	4,914,640	640,672,470
Coupang, Inc. Class A (a)	999,395	17,389,473
Dollarama, Inc.	66,000	4,469,915
MercadoLibre, Inc. (a)	6,300	<u>7,462,980</u>
		<u>669,994,838</u>
<b>Distributors - 0.1%</b>		
Genuine Parts Co.	95,000	<u>16,076,850</u>
<b>Hotels, Restaurants &amp; Leisure - 1.2%</b>		
Airbnb, Inc. Class A (a)	399,012	51,137,378
Booking Holdings, Inc. (a)	3,200	8,641,056
Cava Group, Inc.	42,900	1,756,755
Chipotle Mexican Grill, Inc. (a)	8,585	18,363,315
Churchill Downs, Inc.	19,600	2,727,732
Deliveroo PLC Class A (a)(d)	347,500	505,317
Evolution AB (d)	12,500	1,582,934
Hilton Worldwide Holdings, Inc.	219,600	31,962,780
Hyatt Hotels Corp. Class A	12,900	1,478,082
Las Vegas Sands Corp. (a)	35,500	2,059,000
Marriott International, Inc. Class A	5,900	1,083,771
McDonald's Corp.	344,000	102,653,040
Restaurant Brands International, Inc.	57,600	4,465,821

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Hotels, Restaurants &amp; Leisure – continued</b>		
Starbucks Corp.	11,400	<u>1,129,284</u>
		<u>229,546,265</u>
<b>Household Durables - 0.4%</b>		
D.R. Horton, Inc.	54,700	6,656,443
Lennar Corp. Class A	237,778	29,795,961
NVR, Inc. (a)	3,145	19,972,700
PulteGroup, Inc.	255,000	<u>19,808,400</u>
		<u>76,233,504</u>
<b>Leisure Products - 0.0%</b>		
Bandai Namco Holdings, Inc.	34,800	<u>805,875</u>
<b>Specialty Retail - 3.1%</b>		
Academy Sports & Outdoors, Inc.	445,053	24,055,115
AutoZone, Inc. (a)	37,018	92,299,200
Dick's Sporting Goods, Inc.	296,129	39,145,293
Fanatics, Inc. Class A (a)(b)(c)	232,280	17,839,104
Fast Retailing Co. Ltd.	14,000	3,590,647
Lowe's Companies, Inc.	305,300	68,906,210
O'Reilly Automotive, Inc. (a)	124,700	119,125,910
The Home Depot, Inc.	473,360	147,044,550
TJX Companies, Inc.	193,954	16,445,360
Tractor Supply Co. (e)	21,500	4,753,650
Ultra Beauty, Inc. (a)	64,295	30,256,906
Wayfair LLC Class A (a)	12,900	838,629
Williams-Sonoma, Inc.	238,304	<u>29,821,363</u>
		<u>594,121,937</u>
<b>Textiles, Apparel &amp; Luxury Goods - 0.2%</b>		
Deckers Outdoor Corp. (a)	13,559	7,154,542
Dr. Martens Ltd.	89,576	139,130
NIKE, Inc. Class B	149,830	16,536,737
On Holding AG (a)	521,935	17,223,855
Ralph Lauren Corp. (e)	9,300	1,146,690
Tapestry, Inc.	75,000	<u>3,210,000</u>
		<u>45,410,954</u>
		<u>1,678,416,819</u>
<b>CONSUMER STAPLES - 3.6%</b>		
<b>Beverages - 0.6%</b>		
Anheuser-Busch InBev SA NV	89,400	5,066,964
Constellation Brands, Inc. Class A (sub. vtg.)	14,300	3,519,659
Diageo PLC	290,036	12,468,939
PepsiCo, Inc.	261,670	48,466,517
The Coca-Cola Co.	780,500	<u>47,001,710</u>
		<u>116,523,789</u>
<b>Consumer Staples Distribution &amp; Retail - 1.9%</b>		
Alimentation Couche-Tard, Inc. Class A (multi-vtg.)	169,400	8,686,425
Casey's General Stores, Inc.	30,692	7,485,165
Costco Wholesale Corp.	557,001	299,878,198
Dollar General Corp.	247,400	42,003,572
Walmart, Inc.	48,200	<u>7,576,076</u>
		<u>365,629,436</u>
<b>Food Products - 0.3%</b>		
Lamb Weston Holdings, Inc.	332,200	38,186,390

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER STAPLES – continued</b>		
<b>Food Products – continued</b>		
Mondelez International, Inc.	237,900	<u>17,352,426</u>
		<u>55,538,816</u>
<b>Household Products - 0.6%</b>		
Procter & Gamble Co.	755,000	<u>114,563,700</u>
<b>Personal Care Products - 0.2%</b>		
Estee Lauder Companies, Inc. Class A	173,000	33,973,740
Kenvue, Inc.	160,700	4,245,694
L'Oreal SA (a)	19,100	8,909,693
L'Oreal SA	1,400	653,067
Olaplex Holdings, Inc. (a)	513,604	<u>1,910,607</u>
		<u>49,692,801</u>
TOTAL CONSUMER STAPLES		<u>701,948,542</u>
<b>ENERGY - 4.1%</b>		
<b>Oil, Gas &amp; Consumable Fuels - 4.1%</b>		
Antero Resources Corp. (a)	13,200	303,996
Birchcliff Energy Ltd. (e)	174,434	1,032,317
Canadian Natural Resources Ltd.	538,900	30,297,997
Cheniere Energy, Inc.	220,000	33,519,200
Chevron Corp.	591,000	92,993,850
ConocoPhillips Co.	1,064,600	110,303,206
Diamondback Energy, Inc.	15,200	1,996,672
EOG Resources, Inc.	230,000	26,321,200
Exxon Mobil Corp.	2,262,000	242,599,500
Hess Corp.	342,413	46,551,047
Marathon Petroleum Corp.	410,700	47,887,620
Occidental Petroleum Corp.	753,762	44,321,206
PDC Energy, Inc.	576,000	40,976,640
Pioneer Natural Resources Co.	46,700	9,675,306
PrairieSky Royalty Ltd.	62,700	1,096,156
Reliance Industries Ltd.	91,881	2,863,376
Suncor Energy, Inc.	76,400	2,241,105
Tourmaline Oil Corp.	54,412	2,563,802
Valero Energy Corp.	550,033	<u>64,518,871</u>
		<u>802,063,067</u>
<b>FINANCIALS - 12.3%</b>		
<b>Banks - 2.4%</b>		
AIB Group PLC	347,100	1,458,209
Banco Santander SA (Spain)	1,399,600	5,181,512
Bank of America Corp.	3,093,447	88,750,994
Bank of Ireland Group PLC	519,000	4,948,616
East West Bancorp, Inc.	85,700	4,524,103
First Citizens Bancshares, Inc.	2,500	3,208,625
JPMorgan Chase & Co.	1,738,539	252,853,112
Nu Holdings Ltd. (a)	1,157,000	9,128,730
Royal Bank of Canada	622,900	59,489,948
Starling Bank Ltd. Series D (a)(b)(c)	2,643,467	9,803,033
Wells Fargo & Co.	610,100	<u>26,039,068</u>
		<u>465,385,950</u>
<b>Capital Markets - 1.9%</b>		
Ameriprise Financial, Inc.	151,000	50,156,160
BlackRock, Inc. Class A	800	552,912

## Common Stocks – continued

	Shares	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Capital Markets – continued</b>		
Brookfield Asset Management Ltd. Class A	6,417	209,452
Brookfield Corp. (Canada) Class A	41,900	1,410,636
Goldman Sachs Group, Inc.	3,600	1,161,144
Morgan Stanley	1,326,400	113,274,560
MSCI, Inc.	254,828	119,588,232
S&P Global, Inc.	142,400	57,086,736
State Street Corp.	357,500	26,161,850
T. Rowe Price Group, Inc.	39,300	<u>4,402,386</u>
		<u>374,004,068</u>
<b>Consumer Finance - 0.2%</b>		
American Express Co.	168,600	<u>29,370,120</u>
<b>Financial Services - 6.0%</b>		
Adyen BV (a)(d)	4,062	7,034,034
Berkshire Hathaway, Inc. Class B (a)	2,380,188	811,644,108
MasterCard, Inc. Class A	323,300	127,153,890
PayPal Holdings, Inc. (a)	50,000	3,336,500
Visa, Inc. Class A	937,200	<u>222,566,256</u>
		<u>1,171,734,788</u>
<b>Insurance - 1.8%</b>		
American International Group, Inc.	518,911	29,858,139
Aon PLC	8,000	2,761,600
Arthur J. Gallagher & Co.	455,300	99,970,221
Brookfield Asset Management Reinsurance Partners Ltd.	2,671	90,367
Chubb Ltd.	250,800	48,294,048
Fairfax Financial Holdings Ltd. (sub. vtg.)	10,100	7,565,298
Hartford Financial Services Group, Inc.	58,612	4,221,236
Intact Financial Corp.	127,900	19,747,625
Marsh & McLennan Companies, Inc.	78,800	14,820,704
Progressive Corp.	550,500	72,869,685
The Travelers Companies, Inc.	232,900	<u>40,445,414</u>
		<u>340,644,337</u>
TOTAL FINANCIALS		<u>2,381,139,263</u>
<b>HEALTH CARE - 15.7%</b>		
<b>Biotechnology - 3.4%</b>		
Amylin Pharmaceuticals, Inc. (a)	61,103	11,605,904
Argenx SE ADR (a)	38,702	15,083,330
Arrowhead Pharmaceuticals, Inc. (a)	32,400	1,155,384
Biogen, Inc. (a)	3,400	968,490
Biohaven Ltd.	4,312	103,143
Exact Sciences Corp. (a)	26,800	2,516,520
Galapagos NV sponsored ADR (a)	149,784	6,090,217
Gilead Sciences, Inc.	502,000	38,689,140
Intellia Therapeutics, Inc. (a)	12,052	491,481
Krystal Biotech, Inc. (a)	9,600	1,127,040
Legend Biotech Corp. ADR (a)	142,500	9,836,775
Moderna, Inc. (a)	444,362	53,989,983
Moonlake Immunotherapeutics (a)	44,200	2,254,200
Nuvalent, Inc. Class A (a)	47,300	1,994,641
Regeneron Pharmaceuticals, Inc. (a)	402,741	289,385,518
Roivant Sciences Ltd. (a)	248,700	2,506,896
Sarepta Therapeutics, Inc. (a)	10,500	1,202,460
Seagen, Inc. (a)	5,800	1,116,268

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Biotechnology – continued</b>		
United Therapeutics Corp. (a)	102,844	22,702,813
Vertex Pharmaceuticals, Inc. (a)	577,700	203,298,407
Zai Lab Ltd. (a)	445,770	<u>1,226,478</u>
		<u>667,345,088</u>
<b>Health Care Equipment &amp; Supplies - 1.4%</b>		
Align Technology, Inc. (a)	3,200	1,131,648
Baxter International, Inc.	720,000	32,803,200
Boston Scientific Corp. (a)	574,800	31,090,932
DexCom, Inc. (a)	25,900	3,328,409
Edwards Lifesciences Corp. (a)	428,928	40,460,778
GE Healthcare Holding LLC	65,925	5,355,747
Inspire Medical Systems, Inc. (a)	4,000	1,298,560
Intuitive Surgical, Inc. (a)	319,118	109,119,209
Lantheus Holdings, Inc. (a)	12,300	1,032,216
Penumbra, Inc. (a)	3,600	1,238,616
ResMed, Inc.	119,786	26,173,241
Shockwave Medical, Inc. (a)	8,300	2,368,903
Straumann Holding AG	25,753	4,176,357
Stryker Corp.	34,400	10,495,096
Surgical Science Sweden AB (a)	52,700	<u>1,178,565</u>
		<u>271,251,477</u>
<b>Health Care Providers &amp; Services - 4.3%</b>		
agilon health, Inc. (a)	129,800	2,250,732
AmerisourceBergen Corp.	15,500	2,982,665
Cardinal Health, Inc.	140,700	13,305,999
Elevance Health, Inc.	37,400	16,616,446
HCA Holdings, Inc.	41,267	12,523,709
Henry Schein, Inc. (a)	12,700	1,029,970
McKesson Corp.	141,000	60,250,710
P3 Health Partners, Inc. Class A (a)	124,871	373,364
UnitedHealth Group, Inc.	1,513,740	<u>727,563,994</u>
		<u>836,897,589</u>
<b>Health Care Technology - 0.0%</b>		
Doximity, Inc. (a)(e)	64,100	2,180,682
Schrodinger, Inc. (a)(e)	61,600	<u>3,075,072</u>
		<u>5,255,754</u>
<b>Life Sciences Tools &amp; Services - 1.7%</b>		
Danaher Corp.	592,397	142,175,280
Mettler-Toledo International, Inc. (a)	27,074	35,511,341
Thermo Fisher Scientific, Inc.	255,468	133,290,429
Veterinary Emergency Group LLC Class A (a)(b)(c)(f)	147,133	<u>7,934,883</u>
		<u>318,911,933</u>
<b>Pharmaceuticals - 4.9%</b>		
AstraZeneca PLC sponsored ADR	127,600	9,132,332
Bristol-Myers Squibb Co.	430,000	27,498,500
DICE Therapeutics, Inc. (a)	87,500	4,065,250
Eli Lilly & Co.	1,258,553	590,236,186
Intra-Cellular Therapies, Inc. (a)	77,130	4,883,872
Johnson & Johnson	212,900	35,239,208
Merck & Co., Inc.	1,862,900	214,960,031
Novo Nordisk A/S Series B	22,000	3,553,877
Nuvation Bio, Inc. (a)	256,585	461,853
Royalty Pharma PLC	831,869	25,571,653
Structure Therapeutics, Inc. ADR	71,600	2,976,412

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Pharmaceuticals – continued</b>		
Ventyx Biosciences, Inc. (a)	29,800	977,440
Verona Pharma PLC ADR (a)	26,400	558,096
Zoetis, Inc. Class A	186,000	<u>32,031,060</u>
		<u>952,145,770</u>
<b>TOTAL HEALTH CARE</b>		
		<u>3,051,807,611</u>
<b>INDUSTRIALS - 5.1%</b>		
<b>Aerospace &amp; Defense - 0.8%</b>		
Lockheed Martin Corp.	126,800	58,376,184
Northrop Grumman Corp.	142,800	65,088,240
Space Exploration Technologies Corp. Class A (a)(b)(c)	175,917	14,249,277
TransDigm Group, Inc.	14,400	<u>12,876,048</u>
		<u>150,589,749</u>
<b>Air Freight &amp; Logistics - 0.3%</b>		
United Parcel Service, Inc. Class B	317,500	56,911,875
Zipline International, Inc. (a)(b)(c)	50,479	<u>2,029,256</u>
		<u>58,941,131</u>
<b>Building Products - 0.4%</b>		
Carrier Global Corp. (e)	933,000	46,379,430
Toto Ltd.	415,900	12,575,323
Trane Technologies PLC	97,620	<u>18,670,801</u>
		<u>77,625,554</u>
<b>Commercial Services &amp; Supplies - 0.2%</b>		
Cintas Corp.	17,025	8,462,787
Clean Harbors, Inc. (a)	77,590	12,758,124
Clean TeQ Water Pty Ltd. (a)	3,117	498
Copart, Inc. (a)	160,700	14,657,447
GFL Environmental, Inc.	34,200	1,327,985
Republic Services, Inc.	23,200	3,553,544
Waste Connections, Inc. (United States)	7,700	<u>1,100,561</u>
		<u>41,860,946</u>
<b>Construction &amp; Engineering - 0.1%</b>		
Larsen & Toubro Ltd.	40,600	1,227,362
Quanta Services, Inc.	78,733	<u>15,467,098</u>
		<u>16,694,460</u>
<b>Electrical Equipment - 0.4%</b>		
AMETEK, Inc.	86,900	14,067,372
Eaton Corp. PLC	174,200	35,031,620
Hubbell, Inc. Class B	73,357	24,322,247
nVent Electric PLC	84,100	4,345,447
Prysman SpA	28,300	<u>1,182,123</u>
		<u>78,948,809</u>
<b>Ground Transportation - 0.6%</b>		
Canadian Pacific Kansas City Ltd.	504,300	40,732,289
J.B. Hunt Transport Services, Inc.	43,841	7,936,536
Old Dominion Freight Lines, Inc.	155,320	57,429,570
Uber Technologies, Inc. (a)	182,100	7,861,257
Vamos Locacao de Caminhoes Maquinas e Equipamentos SA	24,400	<u>61,711</u>
		<u>114,021,363</u>
<b>Industrial Conglomerates - 0.5%</b>		
General Electric Co.	922,677	<u>101,356,068</u>
<b>Machinery - 1.3%</b>		
Caterpillar, Inc.	88,800	21,849,240

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Machinery – continued</b>		
Crane Nxt Co.	9,200	519,248
Deere & Co.	118,600	48,055,534
Fortive Corp.	77,000	5,757,290
Indutrade AB	46,600	1,049,492
Otis Worldwide Corp.	386,700	34,420,167
PACCAR, Inc.	735,195	61,499,062
Parker Hannifin Corp.	189,500	73,912,580
		<u>247,062,613</u>
<b>Passenger Airlines - 0.1%</b>		
Copa Holdings SA Class A	20,400	2,255,832
Ryanair Holdings PLC sponsored ADR (a)	90,200	9,976,120
		<u>12,231,952</u>
<b>Professional Services - 0.0%</b>		
Thomson Reuters Corp.	14,665	1,979,983
Verisk Analytics, Inc.	36,300	8,204,889
		<u>10,184,872</u>
<b>Trading Companies &amp; Distributors - 0.4%</b>		
United Rentals, Inc.	24,600	10,956,102
W.W. Grainger, Inc.	87,632	69,105,719
		<u>80,061,821</u>
<b>TOTAL INDUSTRIALS</b>		<u>989,579,338</u>
<b>INFORMATION TECHNOLOGY - 30.6%</b>		
<b>Communications Equipment - 0.6%</b>		
Arista Networks, Inc. (a)	266,174	43,136,158
Cisco Systems, Inc.	1,211,100	62,662,314
Motorola Solutions, Inc.	11,900	3,490,032
		<u>109,288,504</u>
<b>Electronic Equipment, Instruments &amp; Components - 1.4%</b>		
Amphenol Corp. Class A	2,797,131	237,616,278
CDW Corp.	114,316	20,976,986
Jabil, Inc.	63,800	6,885,934
		<u>265,479,198</u>
<b>IT Services - 0.8%</b>		
Accenture PLC Class A	441,397	136,206,286
Cloudflare, Inc. (a)	1,000	65,370
Gartner, Inc. (a)	14,691	5,146,404
MongoDB, Inc. Class A (a)	14,700	6,041,553
Okta, Inc. (a)	53,700	3,724,095
Shopify, Inc. Class A (a)	95,500	6,172,266
X Holdings Corp. Class A (c)	55,300	2,141,216
		<u>159,497,190</u>
<b>Semiconductors &amp; Semiconductor Equipment - 9.2%</b>		
Advanced Micro Devices, Inc. (a)	899,273	102,436,187
Advantest Corp.	23,900	3,218,948
Allegro MicroSystems LLC (a)	82,200	3,710,508
Analog Devices, Inc.	703,339	137,017,471
Applied Materials, Inc.	32,400	4,683,096
ASML Holding NV (depository receipt)	97,900	70,953,025
Broadcom, Inc.	198,400	172,098,112
First Solar, Inc. (a)	63,000	11,975,670
KLA Corp.	215,000	104,279,300
Lam Research Corp.	133,200	85,628,952

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

## Common Stocks – continued

	Shares	Value (\$)
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Semiconductors &amp; Semiconductor Equipment – continued</b>		
Lattice Semiconductor Corp. (a)	290,981	27,954,545
Microchip Technology, Inc.	13,900	1,245,301
Monolithic Power Systems, Inc.	92,450	49,944,264
NVIDIA Corp.	1,816,640	768,475,053
NXP Semiconductors NV	42,600	8,719,368
ON Semiconductor Corp. (a)	1,357,696	128,410,888
Qualcomm, Inc.	483,717	57,581,672
Synaptics, Inc. (a)	20,156	1,720,919
Taiwan Semiconductor Manufacturing Co. Ltd. sponsored ADR	353,600	35,685,312
Texas Instruments, Inc.	63,600	11,449,272
		<u>1,787,187,863</u>
<b>Software - 12.5%</b>		
Adobe, Inc. (a)	217,200	106,208,628
ANSYS, Inc. (a)	3,200	1,056,864
Autodesk, Inc. (a)	103,200	21,115,752
Cadence Design Systems, Inc. (a)	627,121	147,072,417
Check Point Software Technologies Ltd. (a)	44,000	5,527,280
Clear Secure, Inc. (e)	189,247	4,384,853
Dynatrace, Inc. (a)	160,800	8,276,376
Fortinet, Inc. (a)	1,771,028	133,872,007
HubSpot, Inc. (a)	7,600	4,043,884
Intuit, Inc.	7,532	3,451,087
Microsoft Corp.	5,040,300	1,716,423,762
Palo Alto Networks, Inc. (a)	47,400	12,111,174
Roper Technologies, Inc.	86,500	41,589,200
Salesforce, Inc. (a)	788,538	166,586,538
Samsara, Inc. (a)	9,400	260,474
ServiceNow, Inc. (a)	32,502	18,265,149
Stripe, Inc. Class B (a)(b)(c)	74,500	1,499,685
Synopsys, Inc. (a)	103,200	44,934,312
Tanium, Inc. Class B (a)(b)(c)	350,002	2,765,016
		<u>2,439,444,458</u>
<b>Technology Hardware, Storage &amp; Peripherals - 6.1%</b>		
Apple, Inc.	6,120,700	1,187,232,179
Dell Technologies, Inc.	24,627	1,332,567
Samsung Electronics Co. Ltd.	20,950	1,153,646
		<u>1,189,718,392</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u>5,950,615,605</u>
<b>MATERIALS - 2.1%</b>		
<b>Chemicals - 0.1%</b>		
Air Products & Chemicals, Inc.	31,600	9,465,148
Corteva, Inc.	37,300	2,137,290
Linde PLC	9,200	3,505,936
Sherwin-Williams Co.	14,335	3,806,229
Westlake Corp.	76,956	9,193,933
		<u>28,108,536</u>
<b>Construction Materials - 0.0%</b>		
Vulcan Materials Co.	16,100	3,629,584
<b>Metals &amp; Mining - 2.0%</b>		
Agnico Eagle Mines Ltd. (Canada)	19,100	953,738

**Common Stocks – continued**

	Shares	Value (\$)
<b>MATERIALS – continued</b>		
<b>Metals &amp; Mining – continued</b>		
B2Gold Corp.	1,582,473	5,638,251
Barrick Gold Corp. (Canada)	109,309	1,849,115
Cleveland-Cliffs, Inc. (a)	288,100	4,828,556
Franco-Nevada Corp.	776,455	110,664,253
Freeport-McMoRan, Inc.	1,211,872	48,474,880
Glencore PLC	695,000	3,940,571
Ivanhoe Electric, Inc.	70,900	924,536
Ivanhoe Mines Ltd. (a)	1,893,900	17,298,502
Lundin Gold, Inc.	4,600	55,037
Newcrest Mining Ltd.	63,403	1,131,009
Novagold Resources, Inc. (a)	62,678	248,394
Nucor Corp.	523,187	85,792,204
Orla Mining Ltd. (a)	1,224,700	5,140,088
POSCO sponsored ADR (e)	5,502	406,873
Steel Dynamics, Inc.	753,731	82,103,918
Wheaton Precious Metals Corp.	304,336	13,161,283
		<u>382,611,208</u>
<b>TOTAL MATERIALS</b>		<u>414,349,328</u>
<b>REAL ESTATE - 0.0%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 0.0%</b>		
Equity Commonwealth	138,400	2,803,984
VICI Properties, Inc.	18,800	590,884
		<u>3,394,868</u>
<b>UTILITIES - 0.6%</b>		
<b>Electric Utilities - 0.6%</b>		
Constellation Energy Corp.	237,556	21,748,252
NextEra Energy, Inc.	1,100,000	81,620,000
PG&E Corp. (a)	722,100	12,477,888
		<u>115,846,140</u>
<b>TOTAL COMMON STOCKS</b>		<u>18,804,841,498</u>
(Cost \$9,449,251,430)		

**Preferred Stocks – 0.5%**

	Shares	Value (\$)
<b>Convertible Preferred Stocks - 0.4%</b>		
<b>COMMUNICATION SERVICES - 0.1%</b>		
<b>Interactive Media &amp; Services – 0.1%</b>		
ByteDance Ltd. Series E1 (a)(b)(c)	60,761	13,722,264
Reddit, Inc.:		
Series E(a)(b)(c)	27,000	933,930
Series F(a)(b)(c)	85,531	2,958,517
		<u>17,614,711</u>
<b>CONSUMER DISCRETIONARY - 0.0%</b>		
<b>Automobiles – 0.0%</b>		
Rad Power Bikes, Inc.:		
Series A(a)(b)(c)	52,367	116,778
Series C(a)(b)(c)	206,059	459,512
Series D(a)(b)(c)	277,030	617,777

**Preferred Stocks – continued**

	Shares	Value (\$)
<b>Convertible Preferred Stocks – continued</b>		
<b>CONSUMER DISCRETIONARY - continued</b>		
<b>Automobiles – continued</b>		
		<u>1,194,067</u>
<b>Hotels, Restaurants &amp; Leisure – 0.0%</b>		
Discord, Inc. Series I (a)(b)(c)	2,500	768,575
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u>1,962,642</u>
<b>CONSUMER STAPLES - 0.0%</b>		
<b>Consumer Staples Distribution &amp; Retail – 0.0%</b>		
GoBrands, Inc.:		
Series G(a)(b)(c)	5,376	487,119
Series H(a)(b)(c)	6,820	617,960
		<u>1,105,079</u>
<b>Food Products – 0.0%</b>		
Bowery Farming, Inc. Series C1 (a)(b)(c)	22,172	190,679
<b>TOTAL CONSUMER STAPLES</b>		<u>1,295,758</u>
<b>FINANCIALS - 0.0%</b>		
<b>Financial Services – 0.0%</b>		
Circle Internet Financial Ltd. Series F (a)(b)(c)	65,587	1,577,367
<b>HEALTH CARE - 0.0%</b>		
<b>Biotechnology – 0.0%</b>		
ElevateBio LLC Series C (a)(b)(c)	515,200	2,184,448
<b>Health Care Providers &amp; Services – 0.0%</b>		
Lyra Health, Inc.:		
Series E(a)(b)(c)	229,170	3,831,722
Series F(a)(b)(c)	6,800	113,696
Somatus, Inc. Series E (a)(b)(c)	1,539	1,559,407
		<u>5,504,825</u>
<b>TOTAL HEALTH CARE</b>		<u>7,689,273</u>
<b>INDUSTRIALS - 0.2%</b>		
<b>Aerospace &amp; Defense – 0.2%</b>		
Relativity Space, Inc. Series E (a)(b)(c)	208,655	3,670,241
Space Exploration Technologies Corp. Series N (a)(b)(c)	39,568	32,050,080
		<u>35,720,321</u>
<b>Air Freight &amp; Logistics – 0.0%</b>		
Zipline International, Inc.:		
Series E(a)(b)(c)	132,331	5,319,706
Series F(c)	90,550	3,640,110
		<u>8,959,816</u>
<b>Construction &amp; Engineering – 0.0%</b>		
Beta Technologies, Inc. Series B, 6.00% (a)(b)(c)	26,772	2,902,353
<b>TOTAL INDUSTRIALS</b>		<u>47,582,490</u>

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

**Schedule of Investments (Unaudited) - Continued**

<b>Preferred Stocks – continued</b>		
	Shares	Value (\$)
Convertible Preferred Stocks – continued		
<b>INFORMATION TECHNOLOGY - 0.1%</b>		
<b>Software – 0.1%</b>		
Moloco, Inc. Series A (b)(c)	44,901	2,694,060
Nuro, Inc.:		
Series C(a)(b)(c)	305,791	1,941,773
Series D(a)(b)(c)	63,961	406,152
Stripe, Inc.:		
Series H(a)(b)(c)	30,400	611,952
Series I(b)(c)	203,647	4,099,414
Tenstorrent, Inc. Series C1 (a)(b)(c)	32,500	<u>1,916,850</u>
		<u>11,670,201</u>
<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>		<b><u>89,392,442</u></b>
<b>Nonconvertible Preferred Stocks - 0.1%</b>		
<b>ENERGY - 0.1%</b>		
<b>Oil, Gas &amp; Consumable Fuels – 0.1%</b>		
Petroleo Brasileiro SA - Petrobras sponsored ADR	865,800	<u>11,974,014</u>
<b>FINANCIALS - 0.0%</b>		
<b>Financial Services – 0.0%</b>		
Circle Internet Financial Ltd. Series E (a)(b)(c)	103,462	<u>2,488,261</u>
<b>TOTAL NONCONVERTIBLE PREFERRED STOCKS</b>		<b><u>14,462,275</u></b>
<b>TOTAL PREFERRED STOCKS</b>		<b><u>103,854,717</u></b>
(Cost \$86,761,848)		
<b>Preferred Securities – 0.0%</b>		
	Principal Amount (g)	Value (\$)
<b>INFORMATION TECHNOLOGY - 0.0%</b>		
<b>Software - 0.0%</b>		
Tenstorrent, Inc. 0% (b)(c)(h)	1,810,000	<u>1,795,520</u>
(Cost \$1,810,000)		
<b>Money Market Funds – 3.0%</b>		
	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (i)	567,703,424	567,816,964
Fidelity Securities Lending Cash Central Fund 5.14% (i)(j)	10,528,997	<u>10,530,050</u>
<b>TOTAL MONEY MARKET FUNDS</b>		<b><u>578,347,014</u></b>
(Cost \$578,342,106)		
<b>TOTAL INVESTMENT IN SECURITIES – 100.3%</b>		<b><u>19,488,838,749</u></b>
(Cost \$10,116,165,384)		
<b>NET OTHER ASSETS (LIABILITIES) – (0.3)%</b>		<b><u>(51,161,818)</u></b>
<b>NET ASSETS – 100.0%</b>		<b><u>19,437,676,931</u></b>

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

Legend	Security	Acquisition Date	Acquisition Cost (\$)
(a) Non-income producing	Lyra Health, Inc. Series F	6/04/21	106,790
(b) Restricted securities (including private placements) — 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 \$160,321,042 or 0.8% of net assets.	Moloco, Inc. Series A	6/26/23	2,694,060
(c) Level 3 security	Nuro, Inc. Series C	10/30/20	3,991,979
(d) 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 \$9,122,285 or 0.0% of net assets.	Nuro, Inc. Series D	10/29/21	1,333,313
(e) Security or a portion of the security is on loan at period end.	Rad Power Bikes, Inc.	1/21/21	1,937,611
(f) Investment is owned by a wholly-owned subsidiary (Subsidiary) that is treated as a corporation for U.S. tax purposes.	Rad Power Bikes, Inc. Series A	1/21/21	252,610
(g) Amount is stated in United States dollars unless otherwise noted.	Rad Power Bikes, Inc. Series C	1/21/21	993,996
(h) Security is perpetual in nature with no stated maturity date.	Rad Power Bikes, Inc. Series D	9/17/21	2,655,000
(i) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.	Reddit, Inc. Series E	5/18/21	1,146,803
	Reddit, Inc. Series F	8/11/21	5,285,337
(j) Investment made with cash collateral received from securities on loan.	Relativity Space, Inc. Series E	5/27/21	4,764,658
	Somatus, Inc. Series E	1/31/22	1,342,985
Additional information on each restricted holding is as follows:	Space Exploration Technologies Corp. Class A	2/16/21 – 5/24/22	10,018,108
	Space Exploration Technologies Corp. Series N	8/04/20	10,683,360
	Starling Bank Ltd. Series D	6/18/21 – 4/05/22	5,186,912
	Stripe, Inc. Class B	5/18/21	2,989,564
	Stripe, Inc. Series H	3/15/21	1,219,800
	Stripe, Inc. Series I	3/20/23 – 5/12/23	4,100,257
	Tanium, Inc. Class B	9/18/20	3,988,343
	Tenstorrent, Inc. Series C1	4/23/21	1,932,265
	Tenstorrent, Inc. 0%	4/23/21	1,810,000
	Veterinary Emergency Group LLC Class A	9/16/21 – 12/16/22	5,409,747
	Zipline International, Inc.	10/12/21	1,817,244
	Zipline International, Inc. Series E	12/21/20	4,317,881
	Lyra Health, Inc. Series E	1/14/21	2,098,418

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

## Schedule of Investments (Unaudited) - Continued

### Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	685,462,015	2,152,718,537	2,270,363,587	11,738,769	—	(1)	567,816,964	1.4%
Fidelity Securities Lending Cash Central Fund 5.14%	7,160,500	277,063,701	273,694,151	28,821	—	—	10,530,050	0.0%
Total	<u>692,622,515</u>	<u>2,429,782,238</u>	<u>2,544,057,738</u>	<u>11,767,590</u>	<u>—</u>	<u>(1)</u>	<u>578,347,014</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	2,733,295,628	2,702,411,975	-	30,883,653
Consumer Discretionary	1,680,379,461	1,617,015,222	42,666,760	20,697,479
Consumer Staples	703,244,300	674,849,879	27,098,663	1,295,758
Energy	814,037,081	811,173,705	2,863,376	-
Financials	2,385,204,891	2,359,120,684	12,215,546	13,868,661
Health Care	3,059,496,884	3,039,092,373	4,780,355	15,624,156
Industrials	1,037,161,828	959,497,622	13,803,183	63,861,023
Information Technology	5,962,285,806	5,939,837,094	4,372,594	18,076,118
Materials	414,349,328	409,277,748	5,071,580	-
Real Estate	3,394,868	3,394,868	-	-
Utilities	115,846,140	115,846,140	-	-
Preferred Securities	1,795,520	-	-	1,795,520
Money Market Funds	578,347,014	578,347,014	-	-
<b>Total Investments in Securities:</b>	<u>19,488,838,749</u>	<u>19,209,864,324</u>	<u>112,872,057</u>	<u>166,102,368</u>

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



# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$10,407,799) — See accompanying schedule:

Unaffiliated issuers (cost \$9,537,823,278) \$ 18,910,491,735  
Fidelity Central Funds (cost \$578,342,106) 578,347,014

Total Investment in Securities (cost \$10,116,165,384)

Foreign currency held at value (cost \$10,614,413)

Receivable for investments sold

Receivable for fund shares sold

Dividends receivable

Distributions receivable from Fidelity Central Funds

Other receivables

### Total assets

\$ 19,488,838,749  
10,614,409  
26,772,786  
2,151,733  
8,562,176  
2,243,797  
798,778  
19,539,982,428

### Liabilities

Payable for investments purchased

Payable for fund shares redeemed

Accrued management fee

Distribution and service plan fees payable

Other affiliated payables

Other payables and accrued expenses

Collateral on securities loaned

### Total Liabilities

\$ 61,933,868  
17,564,967  
8,331,643  
1,667,706  
1,259,890  
1,021,298  
10,526,125

102,305,497

### Net Assets

\$ 19,437,676,931

Net Assets consist of:

Paid in capital

Total accumulated earnings (loss)

### Net Assets

\$ 9,796,312,973  
9,641,363,958  
19,437,676,931

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share (\$8,242,102,548 ÷ 181,514,594 shares)

\$ 45.41

#### Service Class :

**Net Asset Value**, offering price and redemption price per share (\$1,540,614,580 ÷ 34,171,337 shares)

\$ 45.08

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share (\$7,535,146,777 ÷ 172,308,891 shares)

\$ 43.73

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share (\$2,119,813,026 ÷ 47,099,478 shares)

\$ 45.01

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

## Financial Statements (Unaudited) - Continued

## Statement of Operations

	Six months ended June 30, 2023 (Unaudited)
<b>Investment Income</b>	
Dividends	\$ 97,949,752
Interest	260
Income from Fidelity Central Funds (including \$28,821 from security lending)	11,767,590
<b>Total Income</b>	<u>109,717,602</u>
<b>Expenses</b>	
Management fee	\$ 47,411,445
Transfer agent fees	6,422,533
Distribution and service plan fees	9,438,934
Accounting fees	746,894
Custodian fees and expenses	91,878
Independent trustees' fees and expenses	60,086
Audit	47,034
Legal	32,688
Miscellaneous	51,380
Total expenses before reductions	<u>64,302,872</u>
Expense reductions	<u>(403,743)</u>
Total expenses after reductions	<u>63,899,129</u>
<b>Net Investment income (loss)</b>	<u>45,818,473</u>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment Securities:	
Unaffiliated issuers (net of foreign taxes of \$154,757)	264,858,084
Foreign currency transactions	<u>(36,197)</u>
Total net realized gain (loss)	264,821,887
Change in net unrealized appreciation (depreciation) on:	
Investment Securities:	
Unaffiliated issuers (net of decrease in deferred foreign taxes of \$158,940)	3,135,241,741
Fidelity Central Funds	(1)
Unfunded commitments	491,561
Assets and liabilities in foreign currencies	<u>4,891</u>
Total change in net unrealized appreciation (depreciation)	<u>3,135,738,192</u>
<b>Net gain (loss)</b>	<u>3,400,560,079</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ 3,446,378,552</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 45,818,473	\$ 75,139,230
Net realized gain (loss)	264,821,887	925,407,677
Change in net unrealized appreciation (depreciation)	3,135,738,192	(7,479,141,889)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>3,446,378,552</u>	<u>(6,478,594,982)</u>
Distributions to shareholders	(170,228,692)	(993,733,960)
Share transactions - net increase (decrease)	(709,094,561)	(551,713,564)
<b>Total increase (decrease) in net assets</b>	2,567,055,299	(8,024,042,506)
<b>Net Assets</b>		
Beginning of period	16,870,621,632	24,894,664,138
End of period	<u>\$ 19,437,676,931</u>	<u>\$ 16,870,621,632</u>

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

# Financial Highlights

## VIP Contrafund<sup>SM</sup> Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.88	\$ 54.35	\$ 48.17	\$ 37.17	\$ 32.13	\$ 37.94
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.13	.22	.04	.07	.16	.23
Net realized and unrealized gain (loss)	7.78	(14.37)	12.88	11.24	9.15	(2.50)
Total from investment operations	7.91	(14.15)	12.92	11.31	9.31	(2.27)
Distributions from net investment income	-	(.22)	(.02) <sup>C</sup>	(.10)	(.16)	(.26)
Distributions from net realized gain	(.38)	(2.09)	(6.72) <sup>C</sup>	(.21)	(4.11)	(3.28)
Total distributions	(.38)	(2.32) <sup>D</sup>	(6.74)	(.31)	(4.27)	(3.54)
Net asset value, end of period	\$ 45.41	\$ 37.88	\$ 54.35	\$ 48.17	\$ 37.17	\$ 32.13
<b>Total Return<sup>E,F,G</sup></b>	21.01%	(26.31)%	27.83%	30.57%	31.58%	(6.38)%
<b>Ratios to Average Net Assets<sup>B,H,I</sup></b>						
Expenses before reductions	.60% <sup>J</sup>	.60%	.60%	.61%	.61%	.62%
Expenses net of fee waivers, if any	.59% <sup>J</sup>	.60%	.60%	.61%	.61%	.62%
Expenses net of all reductions	.59% <sup>J</sup>	.60%	.60%	.61%	.61%	.61%
Net investment income (loss)	.62% <sup>J</sup>	.50%	.08%	.17%	.48%	.64%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 8,242,103	\$ 7,255,740	\$ 10,409,645	\$ 8,916,447	\$ 6,919,369	\$ 6,240,295
Portfolio turnover rate <sup>K</sup>	35% <sup>J</sup>	38%	34%	39%	37%	111%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

VIP Contrafund<sup>SM</sup> Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.63	\$ 54.00	\$ 47.89	\$ 36.96	\$ 31.97	\$ 37.77
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.11	.17	(.01)	.03	.13	.19
Net realized and unrealized gain (loss)	7.72	(14.27)	12.80	11.17	9.10	(2.48)
Total from investment operations	7.83	(14.10)	12.79	11.20	9.23	(2.29)
Distributions from net investment income	-	(.18)	(.01) <sup>C</sup>	(.06)	(.13)	(.22)
Distributions from net realized gain	(.38)	(2.09)	(6.67) <sup>C</sup>	(.21)	(4.11)	(3.28)
Total distributions	(.38)	(2.27)	(6.68)	(.27)	(4.24)	(3.51) <sup>D</sup>
Net asset value, end of period	\$ 45.08	\$ 37.63	\$ 54.00	\$ 47.89	\$ 36.96	\$ 31.97
<b>Total Return</b> <sup>E,F,G</sup>	20.94%	(26.38)%	27.71%	30.43%	31.45%	(6.49)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.70% <sup>J</sup>	.70%	.70%	.71%	.71%	.72%
Expenses net of fee waivers, if any	.69% <sup>J</sup>	.70%	.70%	.71%	.71%	.72%
Expenses net of all reductions	.69% <sup>J</sup>	.70%	.70%	.71%	.71%	.71%
Net investment income (loss)	.52% <sup>J</sup>	.40%	(.02)%	.07%	.38%	.54%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,540,615	\$ 1,326,910	\$ 2,001,479	\$ 1,734,783	\$ 1,493,164	\$ 1,324,859
Portfolio turnover rate <sup>K</sup>	35% <sup>J</sup>	38%	34%	39%	37%	111%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other off-set arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

VIP Contrafund<sup>SM</sup> Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 36.54	\$ 52.51	\$ 46.73	\$ 36.10	\$ 31.31	\$ 37.05
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.07	.11	(.08)	(.03)	.08	.14
Net realized and unrealized gain (loss)	7.50	(13.87)	12.46	10.90	8.89	(2.44)
Total from investment operations	7.57	(13.76)	12.38	10.87	8.97	(2.30)
Distributions from net investment income	-	(.11)	- <sup>C,D</sup>	(.03)	(.07)	(.16)
Distributions from net realized gain	(.38)	(2.09)	(6.60) <sup>D</sup>	(.21)	(4.11)	(3.28)
Total distributions	(.38)	(2.21) <sup>E</sup>	(6.60)	(.24)	(4.18)	(3.44)
Net asset value, end of period	\$ 43.73	\$ 36.54	\$ 52.51	\$ 46.73	\$ 36.10	\$ 31.31
<b>Total Return<sup>F,G,H</sup></b>	20.85%	(26.49)%	27.51%	30.23%	31.27%	(6.64)%
<b>Ratios to Average Net Assets<sup>B,I,J</sup></b>						
Expenses before reductions	.85% <sup>K</sup>	.85%	.85%	.86%	.86%	.87%
Expenses net of fee waivers, if any	.84% <sup>K</sup>	.85%	.85%	.86%	.86%	.87%
Expenses net of all reductions	.84% <sup>K</sup>	.85%	.85%	.86%	.86%	.86%
Net investment income (loss)	.37% <sup>K</sup>	.25%	(.17)%	(.08)%	.23%	.39%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 7,535,147	\$ 6,472,771	\$ 9,861,435	\$ 8,379,335	\$ 8,038,646	\$ 6,979,731
Portfolio turnover rate <sup>L</sup>	35% <sup>K</sup>	38%	34%	39%	37%	111%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Amount represents less than \$.005 per share.

<sup>D</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>E</sup> Total distributions per share do not sum due to rounding.

<sup>F</sup> Total returns for periods of less than one year are not annualized.

<sup>G</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>H</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>I</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>K</sup> Annualized.

<sup>L</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

VIP Contrafund<sup>SM</sup> Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 37.56	\$ 53.92	\$ 47.83	\$ 36.91	\$ 31.93	\$ 37.74
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.11	.18	-. <sup>C</sup>	.04	.14	.20
Net realized and unrealized gain (loss)	7.72	(14.26)	12.78	11.16	9.08	(2.49)
Total from investment operations	7.83	(14.08)	12.78	11.20	9.22	(2.29)
Distributions from net investment income	-	(.19)	(.01) <sup>D</sup>	(.07)	(.14)	(.23)
Distributions from net realized gain	(.38)	(2.09)	(6.68) <sup>D</sup>	(.21)	(4.11)	(3.28)
Total distributions	(.38)	(2.28)	(6.69)	(.28)	(4.24) <sup>E</sup>	(3.52) <sup>E</sup>
Net asset value, end of period	\$ 45.01	\$ 37.56	\$ 53.92	\$ 47.83	\$ 36.91	\$ 31.93
<b>Total Return</b> <sup>F,G,H</sup>	20.98%	(26.38)%	27.74%	30.48%	31.49%	(6.49)%
<b>Ratios to Average Net Assets</b> <sup>B,I,J</sup>						
Expenses before reductions	.68% <sup>K</sup>	.68%	.67%	.69%	.69%	.70%
Expenses net of fee waivers, if any	.67% <sup>K</sup>	.67%	.67%	.69%	.69%	.69%
Expenses net of all reductions	.67% <sup>K</sup>	.67%	.67%	.68%	.69%	.69%
Net investment income (loss)	.54% <sup>K</sup>	.43%	.01%	.09%	.40%	.56%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 2,119,813	\$ 1,815,201	\$ 2,622,106	\$ 2,101,100	\$ 1,716,187	\$ 1,402,867
Portfolio turnover rate <sup>L</sup>	35% <sup>K</sup>	38%	34%	39%	37%	111%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Amount represents less than \$.005 per share.

<sup>D</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>E</sup> Total distributions per share do not sum due to rounding.

<sup>F</sup> Total returns for periods of less than one year are not annualized.

<sup>G</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>H</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>I</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>K</sup> Annualized.

<sup>L</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Contrafund Portfolio (the Fund) is a fund of Variable Insurance Products Fund II (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, Service Class 2 shares and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party



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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, Exchange-Traded Funds (ETFs) and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing services or from brokers who make markets in such securities. Preferred securities are valued by pricing services who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing services. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in dividends. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in dividends receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

**Notes to Financial Statements (Unaudited) – continued**

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. The Fund is subject to a tax imposed on capital gains by certain countries in which it invests. An estimated deferred tax liability for net unrealized appreciation on the applicable securities is included in Other payables and accrued expenses on the Statement of Assets & Liabilities.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, certain foreign taxes, passive foreign investment companies (PFIC), deferred Trustee compensation and losses deferred due to wash sales and excise tax regulations.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$9,477,893,568
<b>Gross unrealized depreciation</b>	<u>(133,492,034)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$9,344,401,534</u>
<b>Tax cost</b>	<u>\$10,144,437,215</u>

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

**Consolidated Subsidiary.** The Funds included in the table below hold certain investments through a wholly-owned subsidiary ("Subsidiary"), which may be subject to federal and state taxes upon disposition.

As of period end, investments in Subsidiaries were as follows:

	<b>\$ Amount</b>	<b>% of Net Assets</b>
<b>VIP Contrafund Portfolio</b>	7,934,883	.04

The financial statements have been consolidated to include the Subsidiary accounts where applicable. Accordingly, all inter-company transactions and balances have been eliminated.

At period end, any estimated tax liability for these investments is presented as "Deferred taxes" in the Statement of Assets and Liabilities and included in "Change in net unrealized appreciation (depreciation) on investment securities" in the Statement of Operations. The tax liability incurred may differ materially depending on conditions when these investments are disposed. Any cash held by a Subsidiary is restricted as to its use and is presented as "Restricted cash" in the Statement of Assets and Liabilities, if applicable.

**4. Purchases and Sales of Investments.**

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Contrafund Portfolio</b>	3,033,847,724	3,696,537,558

**5. Fees and Other Transactions with Affiliates.**

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .30% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting

period, the total annualized management fee rate was .52% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

Service Class	\$713,712
Service Class 2	<u>8,725,222</u>
	<u>\$9,438,934</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	Amount	% of Class-Level Average Net Assets <sup>A</sup>
Initial Class	\$2,429,948	.06
Service Class	449,638	.06
Service Class 2	2,198,756	.06
Investor Class	<u>1,344,191</u>	.14
	<u>\$6,422,533</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	% of Average Net Assets
VIP Contrafund Portfolio	.01

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	Amount
VIP Contrafund Portfolio	\$36,161

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	Purchases (\$)	Sales (\$)	Realized Gain (Loss) (\$)
VIP Contrafund Portfolio	101,236,861	181,583,748	18,040,609

## 6. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	Amount
VIP Contrafund Portfolio	\$17,159

## 7. Security Lending.

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities

**Notes to Financial Statements (Unaudited) – continued**

is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
<b>VIP Contrafund Portfolio</b>	\$3,040	\$-	\$-

**8. Expense Reductions.**

During the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$403,743.

**9. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Contrafund Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$71,948,292	\$427,834,614
Service Class	13,326,343	78,033,095
Service Class 2	67,015,734	381,182,952
Investor Class	17,938,323	106,683,299
Total	<u>\$170,228,692</u>	<u>\$993,733,960</u>

**10. Share Transactions.**

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Contrafund Portfolio</b>				
<b>Initial Class</b>				
Shares sold	1,911,232	8,378,273	\$78,020,279	\$363,798,629
Reinvestment of distributions	1,792,434	10,481,286	71,948,292	427,834,614
Shares redeemed	<u>(13,748,966)</u>	<u>(18,832,607)</u>	<u>(567,098,727)</u>	<u>(811,370,836)</u>
Net increase (decrease)	<u>(10,045,300)</u>	<u>26,952</u>	<u>\$(417,130,156)</u>	<u>\$(19,737,593)</u>
<b>Service Class</b>				
Shares sold	698,775	1,591,965	\$28,370,800	\$69,369,182
Reinvestment of distributions	334,245	1,919,691	13,326,343	78,033,095
Shares redeemed	<u>(2,124,293)</u>	<u>(5,310,438)</u>	<u>(87,532,086)</u>	<u>(225,918,720)</u>
Net increase (decrease)	<u>(1,091,273)</u>	<u>(1,798,782)</u>	<u>\$(45,834,943)</u>	<u>\$(78,516,443)</u>
<b>Service Class 2</b>				
Shares sold	8,381,321	11,049,242	\$330,786,229	\$459,094,624
Reinvestment of distributions	1,732,120	9,646,091	67,015,734	381,182,952
Shares redeemed	<u>(14,962,727)</u>	<u>(31,323,576)</u>	<u>(594,986,110)</u>	<u>(1,277,383,639)</u>
Net increase (decrease)	<u>(4,849,286)</u>	<u>(10,628,243)</u>	<u>\$(197,184,147)</u>	<u>\$(437,106,063)</u>
<b>Investor Class</b>				
Shares sold	548,710	1,027,613	\$22,821,218	\$45,322,045
Reinvestment of distributions	450,712	2,633,470	17,938,323	106,683,299
Shares redeemed	<u>(2,227,279)</u>	<u>(3,966,429)</u>	<u>(89,704,856)</u>	<u>(168,358,809)</u>
Net increase (decrease)	<u>(1,227,857)</u>	<u>(305,346)</u>	<u>\$(48,945,315)</u>	<u>\$(16,353,465)</u>

**11. Other.**

A fund's organizational documents provide former and current trustees and officers with a limited indemnification against liabilities arising in connection with the performance of their duties to

the fund. In the normal course of business, a fund may also enter into contracts that provide general indemnifications. A fund's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against a fund. The risk of material loss from such claims is considered remote.

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders each were owners of record of more than 10% of the outstanding shares as follows:

<b>Fund</b>	<b>Affiliated %</b>	<b>Number of Unaffiliated Shareholders</b>	<b>Unaffiliated Shareholders %</b>
VIP Contrafund Portfolio	16%	2	23%

## **12. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Contrafund <sup>SM</sup> Portfolio				
Initial Class	.59%			
Actual		\$ 1,000	\$ 1,210.10	\$ 3.23
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.87	\$ 2.96
Service Class	.69%			
Actual		\$ 1,000	\$ 1,209.40	\$ 3.78
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.37	\$ 3.46
Service Class 2	.84%			
Actual		\$ 1,000	\$ 1,208.50	\$ 4.60
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.63	\$ 4.21
Investor Class	.67%			
Actual		\$ 1,000	\$ 1,209.80	\$ 3.67
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.47	\$ 3.36

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Contrafund Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLI/M). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLI/M requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.





# **Fidelity® Variable Insurance Products:**

## **VIP Index 500 Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

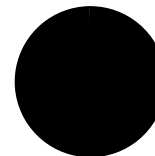
# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

Apple, Inc.	7.7
Microsoft Corp.	6.8
Amazon.com, Inc.	3.1
NVIDIA Corp.	2.8
Alphabet, Inc. Class A	1.9
Tesla, Inc.	1.9
Meta Platforms, Inc. Class A	1.7
Alphabet, Inc. Class C	1.7
Berkshire Hathaway, Inc. Class B	1.6
UnitedHealth Group, Inc.	1.2
	<hr/>
	30.4

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

Stocks - 99.5  
 Short-Term Investments and Net Other Assets (Liabilities) - 0.5



Futures - 0.5%

## Market Sectors (% of Fund's net assets)

Information Technology	28.1
Health Care	13.4
Financials	12.4
Consumer Discretionary	10.6
Industrials	8.5
Communication Services	8.3
Consumer Staples	6.6
Energy	4.1
Utilities	2.6
Materials	2.5
Real Estate	2.4

# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.5%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 8.3%</b>		
<b>Diversified Telecommunication Services - 0.7%</b>		
AT&T, Inc.	2,397,553	38,240,970
Verizon Communications, Inc.	1,409,885	<u>52,433,623</u>
		<u>90,674,593</u>
<b>Entertainment - 1.4%</b>		
Activision Blizzard, Inc.	239,921	20,225,340
Electronic Arts, Inc.	87,367	11,331,500
Live Nation Entertainment, Inc. (a)	48,264	4,397,333
Nefflix, Inc. (a)	149,086	65,670,892
Take-Two Interactive Software, Inc. (a)	53,174	7,825,086
The Walt Disney Co. (a)	612,818	54,712,391
Warner Bros Discovery, Inc. (a)	743,460	<u>9,322,988</u>
		<u>173,485,530</u>
<b>Interactive Media &amp; Services - 5.3%</b>		
Alphabet, Inc.:		
Class A (a)	1,992,388	238,488,844
Class C (a)	1,713,926	207,333,628
Match Group, Inc. (a)	93,292	3,904,270
Meta Platforms, Inc. Class A (a)	741,892	<u>212,908,166</u>
		<u>662,634,908</u>
<b>Media - 0.7%</b>		
Charter Communications, Inc. Class A (a)	34,843	12,800,273
Comcast Corp. Class A	1,394,919	57,958,884
Fox Corp.:		
Class A	90,602	3,080,468
Class B	45,409	1,448,093
Interpublic Group of Companies, Inc. (b)	129,449	4,994,142
News Corp.:		
Class A	128,000	2,496,000
Class B	39,509	779,117
Omnicom Group, Inc.	66,905	6,366,011
Paramount Global Class B (b)	170,022	<u>2,705,050</u>
		<u>92,628,038</u>
<b>Wireless Telecommunication Services - 0.2%</b>		
T-Mobile U.S., Inc. (a)	193,156	<u>26,829,368</u>
		<u>1,046,252,437</u>
<b>CONSUMER DISCRETIONARY - 10.6%</b>		
<b>Automobile Components - 0.1%</b>		
Aptiv PLC (a)	90,725	9,262,115
BorgWarner, Inc. (b)	78,601	<u>3,844,375</u>
		<u>13,106,490</u>
<b>Automobiles - 2.2%</b>		
Ford Motor Co. (b)	1,317,973	19,940,931
General Motors Co.	466,199	17,976,633
Tesla, Inc. (a)	903,514	<u>236,512,860</u>
		<u>274,430,424</u>
<b>Broadline Retail - 3.2%</b>		
Amazon.com, Inc. (a)	2,993,687	390,257,037
eBay, Inc.	179,332	8,014,347
Etsy, Inc. (a)	41,368	<u>3,500,146</u>
		<u>401,771,530</u>
<b>Distributors - 0.1%</b>		
Genuine Parts Co.	47,117	7,973,610

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Distributors – continued</b>		
LKQ Corp.	85,167	4,962,681
Pool Corp.	13,103	<u>4,908,908</u>
		<u>17,845,199</u>
<b>Hotels, Restaurants &amp; Leisure - 2.1%</b>		
Booking Holdings, Inc. (a)	12,386	33,446,287
Caesars Entertainment, Inc. (a)	72,171	3,678,556
Carnival Corp. (a)(b)	336,849	6,342,867
Chipotle Mexican Grill, Inc. (a)	9,255	19,796,445
Darden Restaurants, Inc. (b)	40,554	6,775,762
Domino's Pizza, Inc.	11,853	3,994,342
Expedia, Inc. (a)	47,823	5,231,358
Hilton Worldwide Holdings, Inc.	88,745	12,916,835
Las Vegas Sands Corp. (a)	110,216	6,392,528
Marriott International, Inc. Class A	86,474	15,884,409
McDonald's Corp.	244,850	73,065,689
MGM Resorts International	101,261	4,447,383
Norwegian Cruise Line Holdings Ltd. (a)(b)	142,251	3,096,804
Royal Caribbean Cruises Ltd. (a)	73,759	7,651,759
Starbucks Corp.	384,466	38,085,202
Wynn Resorts Ltd.	34,729	3,667,730
Yum! Brands, Inc.	93,929	<u>13,013,863</u>
		<u>257,487,819</u>
<b>Household Durables - 0.4%</b>		
D.R. Horton, Inc.	104,083	12,665,860
Garmin Ltd.	51,336	5,353,831
Lennar Corp. Class A	85,098	10,663,630
Mohawk Industries, Inc. (a)	17,767	1,832,844
Newell Brands, Inc.	126,225	1,098,158
NVR, Inc. (a)	1,023	6,496,684
PulteGroup, Inc.	74,850	5,814,348
Whirlpool Corp.	18,361	<u>2,731,933</u>
		<u>46,657,288</u>
<b>Leisure Products - 0.0%</b>		
Hasbro, Inc.	43,692	<u>2,829,931</u>
<b>Specialty Retail - 2.1%</b>		
Advance Auto Parts, Inc.	19,996	1,405,719
AutoZone, Inc. (a)	6,170	15,384,031
Bath & Body Works, Inc.	76,780	2,879,250
Best Buy Co., Inc.	65,262	5,348,221
CarMax, Inc. (a)(b)	53,055	4,440,704
Lowe's Companies, Inc.	199,998	45,139,549
O'Reilly Automotive, Inc. (a)	20,416	19,503,405
Ross Stores, Inc.	114,709	12,862,320
The Home Depot, Inc.	339,617	105,498,625
TJX Companies, Inc.	386,166	32,743,015
Tractor Supply Co.	36,743	8,123,877
Ulta Beauty, Inc. (a)	16,798	<u>7,905,055</u>
		<u>261,233,771</u>
<b>Textiles, Apparel &amp; Luxury Goods - 0.4%</b>		
NIKE, Inc. Class B	413,204	45,605,325
Ralph Lauren Corp. (b)	13,802	1,701,787
Tapestry, Inc.	77,732	3,326,930
VF Corp.	110,752	<u>2,114,256</u>
		<u>52,748,298</u>

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

## Schedule of Investments (Unaudited) - Continued

Common Stocks – continued		
	Shares	Value (\$)
CONSUMER DISCRETIONARY – continued		
TOTAL CONSUMER DISCRETIONARY		<u>1,328,110,750</u>
CONSUMER STAPLES - 6.6%		
Beverages - 1.7%		
Brown-Forman Corp. Class B (non-vtg.)	61,388	4,099,491
Constellation Brands, Inc. Class A (sub. vtg.)	54,076	13,309,726
Keurig Dr. Pepper, Inc.	282,458	8,832,462
Molson Coors Beverage Co. Class B	62,939	4,143,904
Monster Beverage Corp.	256,252	14,719,115
PepsiCo, Inc.	462,034	85,577,937
The Coca-Cola Co.	1,305,292	<u>78,604,684</u>
		<u>209,287,319</u>
Consumer Staples Distribution & Retail - 1.8%		
Costco Wholesale Corp.	148,730	80,073,257
Dollar General Corp.	73,480	12,475,434
Dollar Tree, Inc. (a)	69,731	10,006,399
Kroger Co.	219,009	10,293,423
Sysco Corp.	169,969	12,611,700
Target Corp.	154,790	20,416,801
Walgreens Boots Alliance, Inc.	240,159	6,842,130
Walmart, Inc.	470,394	<u>73,936,529</u>
		<u>226,655,673</u>
Food Products - 1.0%		
Archer Daniels Midland Co.	182,649	13,800,958
Bunge Ltd.	50,502	4,764,864
Campbell Soup Co.	67,400	3,080,854
Conagra Brands, Inc.	159,915	5,392,334
General Mills, Inc.	196,970	15,107,599
Hormel Foods Corp. (b)	97,213	3,909,907
Kellogg Co.	86,193	5,809,408
Lamb Weston Holdings, Inc.	48,860	5,616,457
McCormick & Co., Inc. (non-vtg.)	84,119	7,337,700
Mondelez International, Inc.	456,707	33,312,209
The Hershey Co.	49,391	12,332,933
The J.M. Smucker Co.	35,773	5,282,599
The Kraft Heinz Co.	267,492	9,495,966
Tyson Foods, Inc. Class A	95,831	<u>4,891,214</u>
		<u>130,135,002</u>
Household Products - 1.4%		
Church & Dwight Co., Inc.	81,916	8,210,441
Colgate-Palmolive Co.	278,208	21,433,144
Kimberly-Clark Corp.	113,144	15,620,661
Procter & Gamble Co.	790,456	119,943,793
The Clorox Co.	41,459	<u>6,593,639</u>
		<u>171,801,678</u>
Personal Care Products - 0.1%		
Estee Lauder Companies, Inc. Class A	77,762	<u>15,270,902</u>
Tobacco - 0.6%		
Altria Group, Inc.	598,631	27,117,984
Philip Morris International, Inc.	520,555	<u>50,816,579</u>
		<u>77,934,563</u>
TOTAL CONSUMER STAPLES		<u>831,085,137</u>

Common Stocks – continued		
	Shares	Value (\$)
ENERGY - 4.1%		
Energy Equipment & Services - 0.4%		
Baker Hughes Co. Class A	339,558	10,733,428
Halliburton Co.	302,414	9,976,638
Schlumberger Ltd.	478,052	<u>23,481,914</u>
		<u>44,191,980</u>
Oil, Gas & Consumable Fuels - 3.7%		
APA Corp.	103,496	3,536,458
Chevron Corp.	584,444	91,962,263
ConocoPhillips Co.	405,821	42,047,114
Coterra Energy, Inc.	254,030	6,426,959
Devon Energy Corp.	215,212	10,403,348
Diamondback Energy, Inc.	60,734	7,978,018
EOG Resources, Inc.	196,146	22,446,948
EQT Corp.	121,284	4,988,411
Exxon Mobil Corp.	1,355,906	145,420,919
Hess Corp. (b)	92,680	12,599,846
Kinder Morgan, Inc.	661,445	11,390,083
Marathon Oil Corp.	207,126	4,768,041
Marathon Petroleum Corp.	142,293	16,591,364
Occidental Petroleum Corp. (b)	240,962	14,168,566
ONEOK, Inc. (b)	150,063	9,261,888
Phillips 66 Co.	153,890	14,678,028
Pioneer Natural Resources Co.	78,389	16,240,633
Targa Resources Corp.	75,801	5,768,456
The Williams Companies, Inc.	408,545	13,330,823
Valero Energy Corp.	121,243	<u>14,221,804</u>
		<u>468,229,970</u>
TOTAL ENERGY		<u>512,421,950</u>
FINANCIALS - 12.4%		
Banks - 3.0%		
Bank of America Corp.	2,325,180	66,709,414
Citigroup, Inc.	652,883	30,058,733
Citizens Financial Group, Inc.	162,312	4,233,097
Comerica, Inc.	44,176	1,871,295
Fifth Third Bancorp	228,296	5,983,638
Huntington Bancshares, Inc.	484,131	5,218,932
JPMorgan Chase & Co.	980,050	142,538,472
KeyCorp	313,663	2,898,246
M&T Bank Corp.	55,628	6,884,521
PNC Financial Services Group, Inc.	133,850	16,858,408
Regions Financial Corp.	314,681	5,607,615
Truist Financial Corp.	446,688	13,556,981
U.S. Bancorp	467,831	15,457,136
Wells Fargo & Co.	1,258,387	53,707,957
Zions Bancorp NA	49,640	<u>1,333,330</u>
		<u>372,917,775</u>
Capital Markets - 2.6%		
Ameriprise Financial, Inc.	34,939	11,605,338
Bank of New York Mellon Corp.	240,836	10,722,019
BlackRock, Inc. Class A	50,227	34,713,889
Choe Global Markets, Inc.	35,405	4,886,244
Charles Schwab Corp.	498,388	28,248,632
CME Group, Inc.	120,638	<u>22,353,015</u>

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Capital Markets – continued</b>		
FactSet Research Systems, Inc.	12,851	5,148,753
Franklin Resources, Inc. (b)	95,579	2,552,915
Goldman Sachs Group, Inc.	111,494	35,961,275
Intercontinental Exchange, Inc.	187,764	21,232,353
Invesco Ltd.	153,656	2,582,957
MarketAxess Holdings, Inc.	12,639	3,304,087
Moody's Corp.	52,926	18,403,429
Morgan Stanley	436,886	37,310,064
MSCI, Inc.	26,851	12,600,906
NASDAQ, Inc.	113,506	5,658,274
Northern Trust Corp.	69,922	5,184,017
Raymond James Financial, Inc.	63,962	6,637,337
S&P Global, Inc.	110,002	44,098,702
State Street Corp.	112,103	8,203,698
T. Rowe Price Group, Inc. (b)	75,317	<u>8,437,010</u>
		<u>329,844,914</u>
<b>Consumer Finance - 0.5%</b>		
American Express Co.	199,413	34,737,745
Capital One Financial Corp.	128,044	14,004,172
Discover Financial Services	85,163	9,951,297
Synchrony Financial	143,720	<u>4,874,982</u>
		<u>63,568,196</u>
<b>Financial Services - 4.2%</b>		
Berkshire Hathaway, Inc. Class B (a)	598,064	203,939,824
Fidelity National Information Services, Inc.	198,681	10,867,851
Fiserv, Inc. (a)	207,028	26,116,582
FleetCor Technologies, Inc. (a)(b)	24,762	6,217,243
Global Payments, Inc.	87,852	8,655,179
Jack Henry & Associates, Inc. (b)	24,438	4,089,211
MasterCard, Inc. Class A	280,625	110,369,813
PayPal Holdings, Inc. (a)	374,179	24,968,965
Visa, Inc. Class A (b)	542,705	<u>128,881,583</u>
		<u>524,106,251</u>
<b>Insurance - 2.1%</b>		
AFLAC, Inc.	184,401	12,871,190
Allstate Corp.	88,153	9,612,203
American International Group, Inc.	242,725	13,966,397
Aon PLC	68,498	23,645,510
Arch Capital Group Ltd. (a)	124,899	9,348,690
Arthur J. Gallagher & Co.	71,835	15,772,811
Assurant, Inc.	17,824	2,240,833
Brown & Brown, Inc.	78,950	5,434,918
Chubb Ltd.	138,900	26,746,584
Cincinnati Financial Corp.	52,728	5,131,489
Everest Re Group Ltd.	14,385	4,917,656
Globe Life, Inc.	29,797	3,266,347
Hartford Financial Services Group, Inc.	104,041	7,493,033
Lincoln National Corp.	51,797	1,334,291
Loews Corp.	63,420	3,765,880
Marsh & McLennan Companies, Inc.	165,914	31,205,105
MetLife, Inc.	215,741	12,195,839
Principal Financial Group, Inc. (b)	75,721	5,742,681
Progressive Corp.	196,314	25,986,084
Prudential Financial, Inc.	122,411	10,799,098

**Common Stocks – continued**

	Shares	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Insurance – continued</b>		
The Travelers Companies, Inc.	77,462	13,452,051
W.R. Berkley Corp.	67,333	4,010,353
Willis Towers Watson PLC (b)	35,687	<u>8,404,289</u>
		<u>257,343,332</u>
TOTAL FINANCIALS		<u>1,547,780,468</u>
<b>HEALTH CARE - 13.4%</b>		
<b>Biotechnology - 1.9%</b>		
AbbVie, Inc.	591,690	79,718,394
Amgen, Inc.	179,197	39,785,318
Biogen, Inc. (a)	48,542	13,827,189
Gilead Sciences, Inc.	418,325	32,240,308
Incyte Corp. (a)	62,128	3,867,468
Moderna, Inc. (a)	109,948	13,358,682
Regeneron Pharmaceuticals, Inc. (a)	36,184	25,999,651
Vertex Pharmaceuticals, Inc. (a)	86,375	<u>30,396,226</u>
		<u>239,193,236</u>
<b>Health Care Equipment &amp; Supplies - 2.9%</b>		
Abbott Laboratories	583,191	63,579,483
Align Technology, Inc. (a)	23,865	8,439,619
Baxter International, Inc.	169,647	7,729,117
Becton, Dickinson & Co.	95,249	25,146,688
Boston Scientific Corp. (a)	482,160	26,080,034
Dentsply Sirona, Inc.	71,257	2,851,705
DexCom, Inc. (a)	130,002	16,706,557
Edwards Lifesciences Corp. (a)	203,307	19,177,949
GE Healthcare Holding LLC	131,137	10,653,570
Hologic, Inc. (a)	82,560	6,684,883
IDEXX Laboratories, Inc. (a)	27,838	13,981,079
Insulet Corp. (a)	23,374	6,739,659
Intuitive Surgical, Inc. (a)	117,513	40,182,395
Medtronic PLC	446,184	39,308,810
ResMed, Inc.	49,276	10,766,806
STERIS PLC	33,297	7,491,159
Stryker Corp.	113,303	34,567,612
Teleflex, Inc. (b)	15,752	3,812,457
The Cooper Companies, Inc.	16,586	6,359,570
Zimmer Biomet Holdings, Inc.	69,947	<u>10,184,283</u>
		<u>360,443,435</u>
<b>Health Care Providers &amp; Services - 2.9%</b>		
AmerisourceBergen Corp.	54,319	10,452,605
Cardinal Health, Inc.	85,384	8,074,765
Centene Corp. (a)	184,038	12,413,363
Cigna Group	99,226	27,842,816
CVS Health Corp.	429,981	29,724,587
DaVita HealthCare Partners, Inc. (a)	18,554	1,864,120
Elevance Health, Inc.	79,501	35,321,499
HCA Holdings, Inc.	69,193	20,998,692
Henry Schein, Inc. (a)	43,931	3,562,804
Humana, Inc.	41,903	18,736,088
Laboratory Corp. of America Holdings	29,713	7,170,638
McKesson Corp.	45,476	19,432,350
Molina Healthcare, Inc. (a)	19,555	5,890,748

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

## Schedule of Investments (Unaudited) - Continued

Common Stocks – continued		
	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Health Care Providers &amp; Services – continued</b>		
Quest Diagnostics, Inc.	37,562	5,279,715
UnitedHealth Group, Inc.	312,240	150,075,034
Universal Health Services, Inc. Class B	21,104	<u>3,329,578</u>
		<u>360,169,402</u>
<b>Life Sciences Tools &amp; Services - 1.6%</b>		
Agilent Technologies, Inc.	99,171	11,925,313
Bio-Rad Laboratories, Inc. Class A (a)	7,159	2,714,120
Bio-Techne Corp.	52,799	4,309,982
Charles River Laboratories International, Inc. (a) (b)	17,165	3,608,941
Danaher Corp.	222,723	53,453,520
Illumina, Inc. (a)	53,023	9,941,282
IQVIA Holdings, Inc. (a)	62,228	13,986,988
Mettler-Toledo International, Inc. (a)	7,385	9,686,461
Revvity, Inc.	42,069	4,997,377
Thermo Fisher Scientific, Inc.	129,360	67,493,580
Waters Corp. (a)	19,798	5,276,959
West Pharmaceutical Services, Inc.	24,899	<u>9,523,121</u>
		<u>196,917,644</u>
<b>Pharmaceuticals - 4.1%</b>		
Bristol-Myers Squibb Co.	704,569	45,057,188
Catalent, Inc. (a)	60,300	2,614,608
Eli Lilly & Co.	264,238	123,922,337
Johnson & Johnson	871,542	144,257,632
Merck & Co., Inc.	850,987	98,195,390
Organon & Co.	85,364	1,776,425
Pfizer, Inc.	1,893,279	69,445,474
Viatris, Inc.	402,129	4,013,247
Zoetis, Inc. Class A	154,981	<u>26,689,278</u>
		<u>515,971,579</u>
TOTAL HEALTH CARE		<u>1,672,695,296</u>
<b>INDUSTRIALS - 8.5%</b>		
<b>Aerospace &amp; Defense - 1.6%</b>		
Axon Enterprise, Inc. (a)	23,540	4,593,125
General Dynamics Corp.	75,443	16,231,561
Howmet Aerospace, Inc.	123,293	6,110,401
Huntington Ingalls Industries, Inc.	13,393	3,048,247
L3Harris Technologies, Inc.	63,536	12,438,443
Lockheed Martin Corp.	75,591	34,800,585
Northrop Grumman Corp.	47,873	21,820,513
Raytheon Technologies Corp.	490,024	48,002,751
Textron, Inc.	67,634	4,574,087
The Boeing Co. (a)	189,653	40,047,127
TransDigm Group, Inc.	17,500	<u>15,647,975</u>
		<u>207,314,815</u>
<b>Air Freight &amp; Logistics - 0.6%</b>		
C.H. Robinson Worldwide, Inc.	39,049	3,684,273
Expeditors International of Washington, Inc.	51,242	6,206,943
FedEx Corp.	77,553	19,225,389
United Parcel Service, Inc. Class B	243,071	<u>43,570,477</u>
		<u>72,687,082</u>
<b>Building Products - 0.4%</b>		
A.O. Smith Corp.	41,754	3,038,856

Common Stocks – continued		
	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Building Products – continued</b>		
Allegion PLC	29,498	3,540,350
Carrier Global Corp. (b)	279,958	13,916,712
Johnson Controls International PLC	230,115	15,680,036
Masco Corp.	75,577	4,336,608
Trane Technologies PLC	76,475	<u>14,626,609</u>
		<u>55,139,171</u>
<b>Commercial Services &amp; Supplies - 0.5%</b>		
Cintas Corp.	28,991	14,410,846
Copart, Inc. (a)	143,849	13,120,467
Republic Services, Inc.	68,942	10,559,846
Rollins, Inc.	77,754	3,330,204
Waste Management, Inc.	124,152	<u>21,530,440</u>
		<u>62,951,803</u>
<b>Construction &amp; Engineering - 0.1%</b>		
Quanta Services, Inc.	48,687	<u>9,564,561</u>
<b>Electrical Equipment - 0.6%</b>		
AMETEK, Inc.	77,294	12,512,353
Eaton Corp. PLC	133,679	26,882,847
Emerson Electric Co.	191,665	17,324,599
Generac Holdings, Inc. (a)	20,858	3,110,554
Rockwell Automation, Inc.	38,526	<u>12,692,391</u>
		<u>72,522,744</u>
<b>Ground Transportation - 0.8%</b>		
CSX Corp.	681,841	23,250,778
J.B. Hunt Transport Services, Inc.	27,790	5,030,824
Norfolk Southern Corp.	76,345	17,311,992
Old Dominion Freight Lines, Inc.	30,156	11,150,181
Union Pacific Corp.	204,476	<u>41,839,879</u>
		<u>98,583,654</u>
<b>Industrial Conglomerates - 0.8%</b>		
3M Co.	185,015	18,518,151
General Electric Co.	365,206	40,117,879
Honeywell International, Inc.	223,166	<u>46,306,945</u>
		<u>104,942,975</u>
<b>Machinery - 1.8%</b>		
Caterpillar, Inc.	172,836	42,526,298
Cummins, Inc.	47,477	11,639,461
Deere & Co.	90,434	36,642,952
Dover Corp.	46,904	6,925,376
Fortive Corp.	118,573	8,865,703
IDEX Corp. (b)	25,346	5,455,980
Illinois Tool Works, Inc. (b)	92,749	23,202,090
Ingersoll Rand, Inc.	135,594	8,862,424
Nordson Corp.	18,051	4,479,897
Otis Worldwide Corp. (b)	138,611	12,337,765
PACCAR, Inc.	175,261	14,660,583
Parker Hannifin Corp. (b)	43,028	16,782,641
Pentair PLC	55,320	3,573,672
Snap-On, Inc.	17,747	5,114,508
Stanley Black & Decker, Inc. (b)	51,361	4,813,039
Westinghouse Air Brake Tech Co.	60,324	6,615,733
Xylem, Inc.	80,245	<u>9,037,192</u>
		<u>221,535,314</u>

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



**Common Stocks – continued**

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Passenger Airlines - 0.2%</b>		
Alaska Air Group, Inc. (a)	42,989	2,286,155
American Airlines Group, Inc. (a)	218,912	3,927,281
Delta Air Lines, Inc.	215,511	10,245,393
Southwest Airlines Co.	199,538	7,225,271
United Airlines Holdings, Inc. (a)	109,977	<u>6,034,438</u>
		<u>29,718,538</u>
<b>Professional Services - 0.8%</b>		
Automatic Data Processing, Inc.	138,551	30,452,124
Broadridge Financial Solutions, Inc.	39,569	6,553,813
Ceridian HCM Holding, Inc. (a)	51,995	3,482,105
CoStar Group, Inc. (a)	137,014	12,194,246
Equifax, Inc. (b)	41,132	9,678,360
Jacobs Solutions, Inc.	42,541	5,057,699
Leidos Holdings, Inc.	46,001	4,070,168
Paychex, Inc.	107,606	12,037,883
Paycom Software, Inc.	16,304	5,237,497
Robert Half International, Inc.	36,073	2,713,411
Verisk Analytics, Inc.	48,560	<u>10,976,017</u>
		<u>102,453,323</u>
<b>Trading Companies &amp; Distributors - 0.3%</b>		
Fastenal Co.	191,499	11,296,526
United Rentals, Inc.	23,050	10,265,779
W.W. Grainger, Inc.	14,973	<u>11,807,558</u>
		<u>33,369,863</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>1,070,783,843</b></u>
<b>INFORMATION TECHNOLOGY - 28.1%</b>		
<b>Communications Equipment - 0.9%</b>		
Arista Networks, Inc. (a)	83,746	13,571,877
Cisco Systems, Inc.	1,373,622	71,071,202
F5, Inc. (a)	20,278	2,965,860
Juniper Networks, Inc.	107,848	3,378,878
Motorola Solutions, Inc.	56,248	<u>16,496,413</u>
		<u>107,484,230</u>
<b>Electronic Equipment, Instruments &amp; Components - 0.6%</b>		
Amphenol Corp. Class A	199,655	16,960,692
CDW Corp.	45,204	8,294,934
Corning, Inc.	256,599	8,991,229
Keysight Technologies, Inc. (a)	59,719	9,999,947
TE Connectivity Ltd.	105,682	14,812,389
Teledyne Technologies, Inc. (a)	15,778	6,486,494
Trimble, Inc. (a)	83,086	4,398,573
Zebra Technologies Corp. Class A (a)	17,248	<u>5,102,476</u>
		<u>75,046,734</u>
<b>IT Services - 1.1%</b>		
Accenture PLC Class A	211,797	65,356,318
Akamai Technologies, Inc. (a)	51,041	4,587,055
Cognizant Technology Solutions Corp. Class A	170,191	11,110,068
DXC Technology Co. (a)	76,424	2,042,049
EPAM Systems, Inc. (a)	19,420	4,364,645
Gartner, Inc. (a)	26,508	9,286,017
IBM Corp.	304,530	40,749,159

**Common Stocks – continued**

	Shares	Value (\$)
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>IT Services – continued</b>		
VeriSign, Inc. (a)	30,371	<u>6,862,935</u>
		<u>144,358,246</u>
<b>Semiconductors &amp; Semiconductor Equipment - 7.3%</b>		
Advanced Micro Devices, Inc. (a)	540,068	61,519,146
Analog Devices, Inc.	169,646	33,048,737
Applied Materials, Inc.	283,426	40,966,394
Broadcom, Inc.	139,824	121,287,532
Enphase Energy, Inc. (a)	45,960	7,697,381
First Solar, Inc. (a)	33,318	6,333,419
Intel Corp.	1,398,829	46,776,842
KLA Corp.	46,012	22,316,740
Lam Research Corp.	45,054	28,963,414
Microchip Technology, Inc.	183,712	16,458,758
Micron Technology, Inc.	367,026	23,163,011
Monolithic Power Systems, Inc.	15,109	8,162,335
NVIDIA Corp.	829,415	350,859,133
NXP Semiconductors NV	87,109	17,829,470
ON Semiconductor Corp. (a)	144,837	13,698,683
Qorvo, Inc. (a)	33,542	3,422,290
Qualcomm, Inc.	373,601	44,473,463
Skyworks Solutions, Inc.	53,373	5,907,857
SolarEdge Technologies, Inc. (a)	18,896	5,083,969
Teradyne, Inc.	51,991	5,788,158
Texas Instruments, Inc.	304,398	<u>54,797,728</u>
		<u>918,554,460</u>
<b>Software - 10.3%</b>		
Adobe, Inc. (a)	153,834	75,223,288
ANSYS, Inc. (a)	29,063	9,598,637
Autodesk, Inc. (a)	71,820	14,695,090
Cadence Design Systems, Inc. (a)	91,450	21,446,854
Fair Isaac Corp. (a)	8,382	6,782,798
Fortinet, Inc. (a)	218,563	16,521,177
Gen Digital, Inc.	191,001	3,543,069
Intuit, Inc.	94,090	43,111,097
Microsoft Corp.	2,493,643	849,185,187
Oracle Corp.	516,096	61,461,873
Palo Alto Networks, Inc. (a)	101,485	25,930,432
PTC, Inc. (a)	35,720	5,082,956
Roper Technologies, Inc.	35,747	17,187,158
Salesforce, Inc. (a)	328,335	69,364,052
ServiceNow, Inc. (a)	68,328	38,398,286
Synopsys, Inc. (a)	51,077	22,239,437
Tyler Technologies, Inc. (a)	14,060	<u>5,855,568</u>
		<u>1,285,626,959</u>
<b>Technology Hardware, Storage &amp; Peripherals - 7.9%</b>		
Apple, Inc.	4,958,446	961,789,778
Hewlett Packard Enterprise Co.	434,586	7,301,045
HP, Inc.	290,733	8,928,410
NetApp, Inc.	71,735	5,480,554
Seagate Technology Holdings PLC	64,587	3,995,998
Western Digital Corp. (a)	107,296	<u>4,069,737</u>
		<u>991,565,522</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u><b>3,522,636,151</b></u>

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>MATERIALS - 2.5%</b>		
<b>Chemicals - 1.7%</b>		
Air Products & Chemicals, Inc.	74,494	22,313,188
Albemarle Corp. (b)	39,351	8,778,815
Celanese Corp. Class A	33,567	3,887,059
CF Industries Holdings, Inc.	65,370	4,537,985
Corteva, Inc.	238,407	13,660,721
Dow, Inc.	237,220	12,634,337
DuPont de Nemours, Inc.	153,943	10,997,688
Eastman Chemical Co.	39,961	3,345,535
Ecolab, Inc.	83,075	15,509,272
FMC Corp.	41,934	4,375,394
International Flavors & Fragrances, Inc.	85,552	6,809,084
Linde PLC	164,197	62,572,193
LyondellBasell Industries NV Class A	85,044	7,809,591
PPG Industries, Inc.	78,954	11,708,878
Sherwin-Williams Co.	78,705	20,897,752
The Mosaic Co.	111,379	<u>3,898,265</u>
		<u>213,735,757</u>
<b>Construction Materials - 0.2%</b>		
Martin Marietta Materials, Inc.	20,790	9,598,535
Vulcan Materials Co.	44,617	<u>10,058,456</u>
		<u>19,656,991</u>
<b>Containers &amp; Packaging - 0.2%</b>		
Arcor PLC	493,487	4,925,000
Avery Dennison Corp.	27,050	4,647,190
Ball Corp. (b)	105,493	6,140,748
International Paper Co. (b)	116,396	3,702,557
Packaging Corp. of America	30,161	3,986,078
Sealed Air Corp.	48,496	1,939,840
WestRock Co.	85,899	<u>2,497,084</u>
		<u>27,838,497</u>
<b>Metals &amp; Mining - 0.4%</b>		
Freeport-McMoRan, Inc.	480,690	19,227,600
Newmont Corp.	266,526	11,369,999
Nucor Corp. (b)	84,254	13,815,971
Steel Dynamics, Inc.	53,856	<u>5,866,534</u>
		<u>50,280,104</u>
TOTAL MATERIALS		<u>311,511,349</u>
<b>REAL ESTATE - 2.4%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 2.3%</b>		
Alexandria Real Estate Equities, Inc.	52,823	5,994,882
American Tower Corp.	156,297	30,312,240
AvalonBay Communities, Inc.	47,621	9,013,227
Boston Properties, Inc.	47,795	2,752,514
Camden Property Trust (SBI)	35,799	3,897,437
Crown Castle International Corp.	145,440	16,571,434
Digital Realty Trust, Inc.	97,709	11,126,124
Equinix, Inc.	31,365	24,588,278
Equity Residential (SBI)	114,361	7,544,395
Essex Property Trust, Inc.	21,523	5,042,839
Extra Space Storage, Inc.	45,291	6,741,565
Federal Realty Investment Trust (SBI)	24,640	2,384,413
Healthpeak Properties, Inc.	183,538	3,689,114

## Common Stocks – continued

	Shares	Value (\$)
<b>REAL ESTATE – continued</b>		
<b>Equity Real Estate Investment Trusts (REITs) – continued</b>		
Host Hotels & Resorts, Inc.	238,522	4,014,325
Invitation Homes, Inc.	194,949	6,706,246
Iron Mountain, Inc.	97,798	5,556,882
Kimco Realty Corp.	207,870	4,099,196
Mid-America Apartment Communities, Inc.	39,122	5,941,067
Prologis (REIT), Inc.	309,702	37,978,756
Public Storage	53,066	15,488,904
Realty Income Corp.	225,764	13,498,430
Regency Centers Corp.	51,568	3,185,355
SBA Communications Corp. Class A	36,333	8,420,536
Simon Property Group, Inc.	109,663	12,663,883
UDR, Inc.	103,771	4,458,002
Ventas, Inc.	134,164	6,341,932
VICI Properties, Inc.	336,774	10,584,807
Welltower, Inc.	166,689	13,483,473
Weyerhaeuser Co.	245,706	<u>8,233,608</u>
		<u>290,313,864</u>
<b>Real Estate Management &amp; Development - 0.1%</b>		
CBRE Group, Inc. (a)	104,243	<u>8,413,453</u>
TOTAL REAL ESTATE		<u>298,727,317</u>
<b>UTILITIES - 2.6%</b>		
<b>Electric Utilities - 1.7%</b>		
Alliant Energy Corp.	84,299	4,424,012
American Electric Power Co., Inc.	172,647	14,536,877
Constellation Energy Corp. (b)	108,799	9,960,548
Duke Energy Corp.	258,454	23,193,662
Edison International	128,443	8,920,366
Entergy Corp.	70,913	6,904,799
Energy, Inc.	77,024	4,499,742
Eversource Energy	116,991	8,297,002
Exelon Corp.	333,553	13,588,949
FirstEnergy Corp.	182,510	7,095,989
NextEra Energy, Inc.	678,599	50,352,046
NRG Energy, Inc.	77,165	2,885,199
PG&E Corp. (a)	542,151	9,368,369
Pinnacle West Capital Corp. (b)	38,002	3,095,643
PPL Corp.	247,191	6,540,674
Southern Co.	365,692	25,689,863
Xcel Energy, Inc.	184,574	<u>11,474,966</u>
		<u>210,828,706</u>
<b>Gas Utilities - 0.1%</b>		
Atmos Energy Corp.	48,452	<u>5,636,906</u>
<b>Independent Power and Renewable Electricity Producers - 0.0%</b>		
The AES Corp.	224,483	<u>4,653,533</u>
<b>Multi-Utilities - 0.7%</b>		
Ameren Corp.	88,072	7,192,840
CenterPoint Energy, Inc.	211,627	6,168,927
CMS Energy Corp.	97,814	5,746,573
Consolidated Edison, Inc.	116,218	10,506,107
Dominion Energy, Inc.	280,350	14,519,327
DTE Energy Co.	69,123	7,604,912

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>UTILITIES – continued</b>		
<b>Multi-Utilities – continued</b>		
NiSource, Inc.	138,511	3,788,276
Public Service Enterprise Group, Inc.	167,340	10,477,157
Sempra Energy	105,525	15,363,385
WEC Energy Group, Inc.	105,788	<u>9,334,733</u>
		<u>90,702,237</u>
<b>Water Utilities - 0.1%</b>		
American Water Works Co., Inc.	65,276	<u>9,318,149</u>
TOTAL UTILITIES		<u>321,139,531</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$4,143,589,188)		<b><u>12,463,144,229</u></b>

**U.S. Treasury Obligations – 0.0%**

	Principal Amount (c)	Value (\$)
U.S. Treasury Bills, yield at date of purchase 5.18%		
9/7/23 (d)		
(Cost \$4,951,555)	5,000,000	<u>4,952,929</u>

**Money Market Funds – 1.2%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (e)	55,369,790	55,380,864
Fidelity Securities Lending Cash Central Fund 5.14% (e) (f)	95,819,229	<u>95,828,811</u>
<b>TOTAL MONEY MARKET FUNDS</b>		
(Cost \$151,207,358)		<b><u>151,209,675</u></b>

**TOTAL INVESTMENT IN SECURITIES – 100.7%**

(Cost \$4,299,748,101)		<b>12,619,306,833</b>
<b>NET OTHER ASSETS (LIABILITIES) – (0.7)%</b>		
		<b><u>(91,533,465)</u></b>
<b>NET ASSETS – 100.0%</b>		
		<b><u>12,527,773,368</u></b>

**Futures Contracts**

	Number of contracts	Expiration Date	Notional Amount (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
<b>Purchased</b>					
<b>Equity Index Contracts</b>					
CME E-mini S&P 500 Index Contracts (United States)	304	Sep 2023	68,221,400	2,109,258	<u>2,109,258</u>

The notional amount of futures purchased as a percentage of Net Assets is 0.5%

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

## Schedule of Investments (Unaudited) - Continued

### Legend

- (a) Non-income producing
- (b) Security or a portion of the security is on loan at period end.
- (c) Amount is stated in United States dollars unless otherwise noted.
- (d) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$3,486,862.
- (e) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.
- (f) Investment made with cash collateral received from securities on loan.

### Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	95,552,594	1,018,749,095	1,058,920,825	2,141,867	—	—	55,380,864	0.1%
Fidelity Securities Lending Cash Central Fund 5.14%	285,873,734	890,943,298	1,080,988,221	130,971	—	—	95,828,811	0.3%
Total	<u>381,426,328</u>	<u>1,909,692,393</u>	<u>2,139,909,046</u>	<u>2,272,838</u>	<u>—</u>	<u>—</u>	<u>151,209,675</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

#### Valuation Inputs at Reporting Date:

Description	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	1,046,252,437	1,046,252,437	-	-
Consumer Discretionary	1,328,110,750	1,328,110,750	-	-
Consumer Staples	831,085,137	831,085,137	-	-
Energy	512,421,950	512,421,950	-	-
Financials	1,547,780,468	1,547,780,468	-	-
Health Care	1,672,695,296	1,672,695,296	-	-
Industrials	1,070,783,843	1,070,783,843	-	-
Information Technology	3,522,636,151	3,522,636,151	-	-
Materials	311,511,349	311,511,349	-	-
Real Estate	298,727,317	298,727,317	-	-
Utilities	321,139,531	321,139,531	-	-
U.S. Government and Government Agency Obligations	4,952,929	-	4,952,929	-
Money Market Funds	<u>151,209,675</u>	<u>151,209,675</u>	-	-
<b>Total Investments in Securities:</b>	<u>12,619,306,833</u>	<u>12,614,353,904</u>	<u>4,952,929</u>	-
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	<u>2,109,258</u>	<u>2,109,258</u>	-	-
<b>Total Assets</b>	<u>2,109,258</u>	<u>2,109,258</u>	-	-

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

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Derivative Instruments: - continued				
<b>Total Derivative Instruments:</b>	<u>2,109,258</u>	<u>2,109,258</u>	<u>-</u>	<u>-</u>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of June 30, 2023. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type	Value	
	Asset (\$)	Liability (\$)
<b>Equity Risk</b>		
Futures Contracts <sup>(a)</sup>	2,109,258	0
<b>Total Equity Risk</b>	<u>2,109,258</u>	<u>0</u>
<b>Total Value of Derivatives</b>	<u>2,109,258</u>	<u>0</u>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in Total accumulated earnings (loss).

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$94,893,573) — See accompanying schedule:

Unaffiliated issuers (cost \$4,148,540,743)	\$ 12,468,097,158
Fidelity Central Funds (cost \$151,207,358)	151,209,675

Total Investment in Securities (cost \$4,299,748,101)		\$ 12,619,306,833
Segregated cash with brokers for derivative instruments		17,081
Receivable for investments sold		18,113
Receivable for fund shares sold		1,992,158
Dividends receivable		8,018,999
Distributions receivable from Fidelity Central Funds		236,825
Receivable for daily variation margin on futures contracts		800,136
Other receivables		40,909
<b>Total assets</b>		<u>12,630,431,054</u>

### Liabilities

Payable for fund shares redeemed	\$ 5,341,904
Accrued management fee	458,375
Distribution and service plan fees payable	464,095
Other affiliated payables	560,237
Other payables and accrued expenses	25,205
Collateral on securities loaned	95,807,870

### Total Liabilities

102,657,686

<b>Net Assets</b>	\$ <u><u>12,527,773,368</u></u>
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Net Assets consist of:

Paid in capital	\$ 4,171,485,577
Total accumulated earnings (loss)	<u>8,356,287,791</u>

<b>Net Assets</b>	\$ <u><u>12,527,773,368</u></u>
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### Net Asset Value and Maximum Offering Price

#### Initial Class :

<b>Net Asset Value</b> , offering price and redemption price per share (\$10,144,356,794 ÷ 23,448,940 shares)	\$ <u>432.61</u>
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#### Service Class :

<b>Net Asset Value</b> , offering price and redemption price per share (\$169,370,344 ÷ 393,324 shares)	\$ <u>430.61</u>
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#### Service Class 2 :

<b>Net Asset Value</b> , offering price and redemption price per share (\$2,214,046,230 ÷ 5,193,668 shares)	\$ <u>426.30</u>
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See accompanying notes which are an integral part of the financial statements.

## Statement of Operations

	<b>Six months ended June 30, 2023 (Unaudited)</b>	
<b>Investment Income</b>		
Dividends	\$	96,221,771
Interest		123,506
Income from Fidelity Central Funds (including \$130,971 from security lending)		2,272,838
<b>Total Income</b>		<u>98,618,115</u>
<b>Expenses</b>		
Management fee	\$	2,578,696
Transfer agent fees		3,151,740
Distribution and service plan fees		2,487,730
Independent trustees' fees and expenses		36,315
Interest		22,365
Total expenses before reductions		<u>8,276,846</u>
Expense reductions		<u>(2,309)</u>
Total expenses after reductions		<u>8,274,537</u>
<b>Net Investment income (loss)</b>		<u>90,343,578</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment Securities:		
Unaffiliated issuers	(37,028,778)	
Futures contracts	3,489,016	
Total net realized gain (loss)		<u>(33,539,762)</u>
Change in net unrealized appreciation (depreciation) on:		
Investment Securities:		
Unaffiliated issuers	1,726,108,265	
Futures contracts	4,955,130	
Total change in net unrealized appreciation (depreciation)		<u>1,731,063,395</u>
<b>Net gain (loss)</b>		<u>1,697,523,633</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$</b>	<u><u>1,787,867,211</u></u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 90,343,578	\$ 160,366,847
Net realized gain (loss)	(33,539,762)	107,904,822
Change in net unrealized appreciation (depreciation)	1,731,063,395	(2,644,695,198)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>1,787,867,211</u>	<u>(2,376,423,529)</u>
Distributions to shareholders	(138,061,902)	(242,503,341)
Share transactions - net increase (decrease)	656,233,130	(193,625,460)
<b>Total increase (decrease) in net assets</b>	2,306,038,439	(2,812,552,330)
<b>Net Assets</b>		
Beginning of period	10,221,734,929	13,034,287,259
End of period	<u>\$ 12,527,773,368</u>	<u>\$ 10,221,734,929</u>

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



# Financial Highlights

## VIP Index 500 Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 374.78	\$ 468.27	\$ 371.59	\$ 320.35	\$ 252.46	\$ 271.18
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	3.22	6.03	5.42	5.43	5.54	5.09
Net realized and unrealized gain (loss)	59.47	(90.47)	99.69	52.57	72.46	(17.22)
Total from investment operations	62.69	(84.44)	105.11	58.00	78.00	(12.13)
Distributions from net investment income	(1.10)	(5.95)	(5.38)	(5.72)	(5.82)	(5.28) <sup>C</sup>
Distributions from net realized gain	(3.77)	(3.09)	(3.04)	(1.04)	(4.29)	(1.31) <sup>C</sup>
Total distributions	(4.86) <sup>D</sup>	(9.05) <sup>D</sup>	(8.43) <sup>D</sup>	(6.76)	(10.11)	(6.59)
Net asset value, end of period	\$ 432.61	\$ 374.78	\$ 468.27	\$ 371.59	\$ 320.35	\$ 252.46
<b>Total Return</b> <sup>E,F,G</sup>	16.85%	(18.21)%	28.58%	18.24%	31.35%	(4.49)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.10% <sup>J</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of fee waivers, if any	.10% <sup>J</sup>	.10%	.10%	.10%	.10%	.10%
Expenses net of all reductions	.10% <sup>J</sup>	.10%	.10%	.10%	.10%	.10%
Net investment income (loss)	1.62% <sup>J</sup>	1.50%	1.28%	1.70%	1.90%	1.82%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 10,144,357	\$ 8,488,600	\$ 10,323,307	\$ 7,930,738	\$ 7,294,879	\$ 5,719,086
Portfolio turnover rate <sup>K</sup>	4% <sup>J</sup>	7%	2%	8%	7%	5%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Index 500 Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 373.19	\$ 466.34	\$ 370.12	\$ 319.14	\$ 251.57	\$ 270.23
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	3.01	5.60	4.97	5.09	5.23	4.79
Net realized and unrealized gain (loss)	59.21	(90.11)	99.27	52.34	72.18	(17.13)
Total from investment operations	62.22	(84.51)	104.24	57.43	77.41	(12.34)
Distributions from net investment income	(1.03)	(5.55)	(4.98)	(5.41)	(5.55)	(5.01) <sup>C</sup>
Distributions from net realized gain	(3.77)	(3.09)	(3.04)	(1.04)	(4.29)	(1.31) <sup>C</sup>
Total distributions	(4.80)	(8.64)	(8.02)	(6.45)	(9.84)	(6.32)
Net asset value, end of period	\$ 430.61	\$ 373.19	\$ 466.34	\$ 370.12	\$ 319.14	\$ 251.57
<b>Total Return</b> <sup>D,E,F</sup>	16.79%	(18.30)%	28.45%	18.13%	31.22%	(4.59)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Expenses net of fee waivers, if any	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Expenses net of all reductions	.20% <sup>I</sup>	.20%	.20%	.20%	.20%	.20%
Net investment income (loss)	1.52% <sup>I</sup>	1.40%	1.18%	1.60%	1.80%	1.72%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 169,370	\$ 145,264	\$ 175,058	\$ 138,695	\$ 117,666	\$ 89,704
Portfolio turnover rate <sup>J</sup>	4% <sup>I</sup>	7%	2%	8%	7%	5%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Index 500 Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 369.70	\$ 461.95	\$ 366.73	\$ 316.37	\$ 249.51	\$ 267.78
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	2.69	4.98	4.30	4.61	4.77	4.34
Net realized and unrealized gain (loss)	58.64	(89.29)	98.34	51.78	71.54	(16.96)
Total from investment operations	61.33	(84.31)	102.64	56.39	76.31	(12.62)
Distributions from net investment income	(.96)	(4.84)	(4.38)	(4.99)	(5.16)	(4.34) <sup>C</sup>
Distributions from net realized gain	(3.77)	(3.09)	(3.04)	(1.04)	(4.29)	(1.31) <sup>C</sup>
Total distributions	(4.73)	(7.94) <sup>D</sup>	(7.42)	(6.03)	(9.45)	(5.65)
Net asset value, end of period	\$ 426.30	\$ 369.70	\$ 461.95	\$ 366.73	\$ 316.37	\$ 249.51
<b>Total Return</b> <sup>E,F,G</sup>	16.71%	(18.42)%	28.26%	17.95%	31.02%	(4.73)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.35% <sup>J</sup>	.35%	.35%	.35%	.35%	.35%
Expenses net of fee waivers, if any	.35% <sup>J</sup>	.35%	.35%	.35%	.35%	.35%
Expenses net of all reductions	.35% <sup>J</sup>	.35%	.35%	.35%	.35%	.35%
Net investment income (loss)	1.37% <sup>J</sup>	1.25%	1.03%	1.45%	1.65%	1.57%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 2,214,046	\$ 1,587,871	\$ 2,535,922	\$ 2,016,568	\$ 1,862,974	\$ 1,016,922
Portfolio turnover rate <sup>K</sup>	4% <sup>J</sup>	7%	2%	8%	7%	5%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Index 500 Portfolio (the Fund) is a fund of Variable Insurance Products Fund II (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, and Service Class 2 shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party 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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing services or from brokers who make markets in such securities. U.S. government and government agency obligations are valued by pricing services who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing services. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

## VIP Index 500 Portfolio

\$9,535

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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.

**Notes to Financial Statements (Unaudited) – continued**

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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to futures contracts, deferred Trustee compensation and losses deferred due to wash sales.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$8,504,771,329
<b>Gross unrealized depreciation</b>	<u>(216,659,302)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$8,288,112,027</u>
<b>Tax cost</b>	<u>\$4,333,304,064</u>

**4. Derivative Instruments.**

**Risk Exposures and the Use of Derivative Instruments.** The Fund's investment objectives allow for various types of derivative instruments, including futures contracts. Derivatives are investments whose value is primarily derived from underlying assets, indices or reference rates and may be transacted on an exchange or over-the-counter (OTC). Derivatives may involve a future commitment to buy or sell a specified asset based on specified terms, to exchange future cash flows at periodic intervals based on a notional principal amount, or for one party to make one or more payments upon the occurrence of specified events in exchange for periodic payments from the other party.

Derivatives were used to increase returns and to manage exposure to certain risks as defined below. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the objectives may not be achieved.

Derivatives were used to increase or decrease exposure to the following risk(s):

Equity Risk	Equity risk relates to the fluctuations in the value of financial instruments as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.
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Funds are also exposed to additional risks from investing in derivatives, such as liquidity risk and counterparty credit risk. Liquidity risk is the risk that a fund will be unable to close out the derivative in the open market in a timely manner. Counterparty credit risk is the risk that the counterparty will not be able to fulfill its obligation to a fund. Counterparty credit risk related to exchange-traded contracts may be mitigated by the protection provided by the exchange on which they trade.

Investing in derivatives may involve greater risks than investing in the underlying assets directly and, to varying degrees, may involve risk of loss in excess of any initial investment and collateral received and amounts recognized in the Statement of Assets and Liabilities. In addition, there may be the risk that the change in value of the derivative contract does not correspond to the change in value of the underlying instrument.

**Futures Contracts.** A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. Futures contracts were used to manage exposure to the stock market.

Upon entering into a futures contract, a fund is required to deposit either cash or securities (initial margin) with a clearing broker in an amount equal to a certain percentage of the face value of the contract. Futures contracts are marked-to-market daily and subsequent daily payments are made or received by a fund depending on the daily fluctuations in the value of the futures contracts and are recorded as unrealized appreciation or (depreciation). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Statement of Assets and Liabilities. Realized gain or (loss) is recorded upon the expiration or closing of a futures contract. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on futures contracts during the period is presented in the Statement of Operations.

Any open futures contracts at period end are presented in the Schedule of Investments under the caption "Futures Contracts". The notional amount at value reflects each contract's exposure to the underlying instrument or index at period end, and is representative of volume of activity during the period unless an average notional amount is presented. Any securities deposited to meet initial margin requirements are identified in the Schedule of Investments. Any cash deposited to meet initial margin requirements is presented as segregated cash with brokers for derivative instruments in the Statement of Assets and Liabilities.

## 5. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities, U.S. government securities and in-kind transactions, as applicable, are noted in the table below.

	Purchases (\$)	Sales (\$)
VIP Index 500 Portfolio	874,343,549	220,343,686

## 6. Fees and Other Transactions with Affiliates.

**Management Fee and Expense Contract.** Fidelity Management & Research Company LLC (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is based on an annual rate of .045% of the Fund's average net assets. Under the management contract, the investment adviser pays all other fund-level expenses, except the compensation of the independent Trustees and certain other expenses such as interest expense. In addition, under an expense contract, the investment adviser pays class-level expenses as necessary so that total expenses do not exceed an annual rate of .10% of each class' average net assets, excluding the distribution and service fee for each applicable class, with certain exceptions.

**Sub-Adviser.** Geode Capital Management, LLC (Geode), serves as sub-adviser for the Fund. Geode provides discretionary investment advisory services to the Fund and is paid by the investment adviser for providing these services.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

Service Class	\$78,335
Service Class 2	<u>2,409,395</u>
	<u>\$2,487,730</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the transfer, dividend disbursing, and shareholder servicing agent for each class. FIIOC receives asset-based fees based on each class's average net assets for transfer agent services, typesetting, and printing and mailing of shareholder reports, excluding mailing of proxy statements, equal to an annual rate of .06% of average net assets. Under the expense contract, each class pays a portion of the transfer agent fees equal to an annual rate of .055% of class-level average net assets. For the period, transfer agent fees for each class were as follows:

Initial Class	\$2,578,589
Service Class	43,084
Service Class 2	<u>530,067</u>
	<u>\$3,151,740</u>

**Interfund Lending Program.** Pursuant to an Exemptive Order issued by the Securities and Exchange Commission (the SEC), the Fund, along with other registered investment companies having management contracts with Fidelity Management & Research Company LLC (FMR), or other affiliated entities of FMR, may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from, or lend money to, other participating affiliated funds. At period end, there were no interfund loans outstanding. Activity in this program during the period for which loans were outstanding was as follows:

	Borrower or Lender	Average Loan Balance	Weighted Average Interest Rate	Interest Expense
VIP Index 500 Portfolio	Borrower	\$16,070,500	5.01%	\$22,365

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. During the period, there were no interfund trades.

## 7. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 commitment fees on the pro-rata portion of the line of credit are borne by the investment adviser. During the period, there were no borrowings on this line of credit.

**Notes to Financial Statements (Unaudited) – continued****8. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP Index 500 Portfolio	\$13,985	\$1	\$-

**9. Expense Reductions.**

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$2,309.

**10. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Index 500 Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$114,011,004	\$201,021,568
Service Class	1,891,492	3,291,479
Service Class 2	22,159,406	38,190,294
Total	<u>\$138,061,902</u>	<u>\$242,503,341</u>

**11. Share Transactions.**

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Index 500 Portfolio</b>				
<b>Initial Class</b>				
Shares sold	2,028,609	2,471,993	\$782,517,448	\$1,010,854,784
Reinvestment of distributions	288,635	484,287	114,011,004	201,021,568
Shares redeemed	<u>(1,518,062)</u>	<u>(2,352,021)</u>	<u>(601,177,038)</u>	<u>(943,454,135)</u>
Net increase (decrease)	<u>799,182</u>	<u>604,259</u>	<u>\$295,351,414</u>	<u>\$268,422,217</u>
<b>Service Class</b>				
Shares sold	22,238	28,832	\$8,837,028	\$11,612,954
Reinvestment of distributions	4,809	7,953	1,891,492	3,291,479
Shares redeemed	<u>(22,970)</u>	<u>(22,927)</u>	<u>(9,153,405)</u>	<u>(9,238,962)</u>
Net increase (decrease)	<u>4,077</u>	<u>13,858</u>	<u>\$1,575,115</u>	<u>\$5,665,471</u>
<b>Service Class 2</b>				
Shares sold	1,586,304	1,015,212	\$620,461,091	\$431,339,636



Reinvestment of distributions	56,876	92,303	22,159,406	38,190,294
Shares redeemed	<u>(744,559)</u>	<u>(2,302,130)</u>	<u>(283,313,896)</u>	<u>(937,243,078)</u>
Net increase (decrease)	<u>898,621</u>	<u>(1,194,615)</u>	<u>\$359,306,601</u>	<u>\$(467,713,148)</u>

## 12. Other.

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %
VIP Index 500 Portfolio	41%

## 13. Risk and Uncertainties.

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Index 500 Portfolio Initial Class	.10%			
Actual		\$ 1,000	\$ 1,168.50	\$ .54
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,024.30	\$ .50
Service Class	.20%			
Actual		\$ 1,000	\$ 1,167.90	\$ 1.08
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,023.80	\$ 1.00
Service Class 2	.35%			
Actual		\$ 1,000	\$ 1,167.10	\$ 1.88
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,023.06	\$ 1.76

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Index 500 Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR) and the sub-advisory agreement with Geode Capital Management, LLC for the fund (together, the Advisory Contracts), for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLLIM). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLLIM requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.



# **Fidelity® Variable Insurance Products:**

## **VIP Mid Cap Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

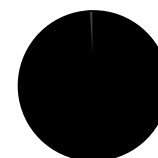
Jabil, Inc.	2.0
Deckers Outdoor Corp.	1.9
ITT, Inc.	1.4
KBR, Inc.	1.4
Flex Ltd.	1.3
Primerica, Inc.	1.3
Churchill Downs, Inc.	1.3
Builders FirstSource, Inc.	1.2
Regal Rexnord Corp.	1.2
Dynatrace, Inc.	1.2
	<hr/>
	14.2

## Market Sectors (% of Fund's net assets)

Industrials	22.4
Financials	13.2
Information Technology	12.7
Consumer Discretionary	12.6
Health Care	8.5
Real Estate	7.4
Materials	7.2
Consumer Staples	4.5
Energy	4.4
Utilities	3.7
Communication Services	2.5

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

Stocks - 99.1  
 Short-Term Investments and Net Other Assets (Liabilities) - 0.9





# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.1%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 2.5%</b>		
<b>Entertainment - 1.1%</b>		
Endeavor Group Holdings, Inc. (a)	694,200	16,605,264
Live Nation Entertainment, Inc. (a)	192,294	17,519,906
Spotify Technology SA (a) (b)	142,200	22,830,210
World Wrestling Entertainment, Inc. Class A (b)	199,300	<u>21,618,071</u>
		<u>78,573,451</u>
<b>Interactive Media &amp; Services - 0.9%</b>		
Bumble, Inc. (a)	1,507,200	25,290,816
IAC, Inc. (a)	530,975	<u>33,345,230</u>
		<u>58,636,046</u>
<b>Media - 0.5%</b>		
Interpublic Group of Companies, Inc. (b)	891,942	<u>34,411,122</u>
TOTAL COMMUNICATION SERVICES		<u>171,620,619</u>
<b>CONSUMER DISCRETIONARY - 12.6%</b>		
<b>Automobile Components - 0.5%</b>		
Autoliv, Inc.	427,100	<u>36,320,584</u>
<b>Distributors - 0.3%</b>		
Pool Corp.	47,000	<u>17,608,080</u>
<b>Diversified Consumer Services - 0.5%</b>		
European Wax Center, Inc. (a) (b)	628,300	11,705,229
Grand Canyon Education, Inc. (a)	210,300	<u>21,705,063</u>
		<u>33,410,292</u>
<b>Hotels, Restaurants &amp; Leisure - 4.1%</b>		
Amadeus IT Holding SA Class A	554,300	42,158,195
ARAMARK Holdings Corp. (b)	1,248,458	53,746,117
Bowlero Corp. Class A (a) (b) (c)	1,602,377	18,651,668
Caesars Entertainment, Inc. (a)	338,906	17,274,039
Churchill Downs, Inc.	632,704	88,053,416
Jubilant Foodworks Ltd.	750,700	4,597,716
Light & Wonder, Inc. Class A (a)	428,100	29,436,156
Noodles & Co. (a)	1,686,160	5,699,221
Red Rock Resorts, Inc.	320,700	15,002,346
Xponential Fitness, Inc. (a) (b)	219,777	<u>3,791,153</u>
		<u>278,410,027</u>
<b>Household Durables - 2.0%</b>		
KB Home	371,618	19,216,367
NVR, Inc. (a)	7,258	46,092,800
Taylor Morrison Home Corp. (a)	1,306,712	63,728,344
Vizio Holding Corp. (a)	933,000	<u>6,297,750</u>
		<u>135,335,261</u>
<b>Leisure Products - 0.3%</b>		
YETI Holdings, Inc. (a) (b)	612,820	<u>23,801,929</u>
<b>Specialty Retail - 3.0%</b>		
Academy Sports & Outdoors, Inc.	318,330	17,205,737
America's Car Mart, Inc. (a)	116,649	11,639,237
Dick's Sporting Goods, Inc. (b)	432,136	57,124,058
Five Below, Inc. (a)	224,746	44,171,579
Floor & Decor Holdings, Inc. Class A (a) (b)	169,600	17,631,616
Revolve Group, Inc. (a) (b)	354,481	5,813,488
Williams-Sonoma, Inc. (b)	413,923	<u>51,798,324</u>
		<u>205,384,039</u>
<b>Textiles, Apparel &amp; Luxury Goods - 1.9%</b>		
Deckers Outdoor Corp. (a)	242,239	<u>127,819,831</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER DISCRETIONARY – continued</b>		
TOTAL CONSUMER DISCRETIONARY		<u>858,090,043</u>
<b>CONSUMER STAPLES - 4.5%</b>		
<b>Beverages - 0.5%</b>		
Boston Beer Co., Inc. Class A (a)	99,800	<u>30,782,312</u>
<b>Consumer Staples Distribution &amp; Retail - 3.4%</b>		
BJ's Wholesale Club Holdings, Inc. (a) (b)	1,118,799	70,495,525
Performance Food Group Co. (a)	1,064,000	64,095,360
Sprouts Farmers Market LLC (a) (b)	805,700	29,593,361
U.S. Foods Holding Corp. (a)	1,585,540	<u>69,763,760</u>
		<u>233,948,006</u>
<b>Food Products - 0.5%</b>		
Nomad Foods Ltd. (a)	1,330,001	23,301,618
Westrock Coffee Holdings (b)	1,043,826	<u>11,346,389</u>
		<u>34,648,007</u>
<b>Personal Care Products - 0.1%</b>		
Olaplex Holdings, Inc. (a)	2,118,400	<u>7,880,448</u>
TOTAL CONSUMER STAPLES		<u>307,258,773</u>
<b>ENERGY - 4.4%</b>		
<b>Energy Equipment &amp; Services - 2.6%</b>		
Baker Hughes Co. Class A	1,222,548	38,644,742
Nextier Oilfield Solutions, Inc. (a)	3,392,300	30,327,162
NOV, Inc.	1,098,900	17,626,356
TechnipFMC PLC (a)	3,787,900	62,954,898
Valaris Ltd. (a)	409,761	<u>25,786,260</u>
		<u>175,339,418</u>
<b>Oil, Gas &amp; Consumable Fuels - 1.8%</b>		
Antero Resources Corp. (a)	933,025	21,487,566
Cheniere Energy, Inc.	108,870	16,587,433
Hess Corp.	110,388	15,007,249
Magnolia Oil & Gas Corp. Class A	747,031	15,612,948
New Fortress Energy, Inc. (b)	875,462	23,444,872
Ovintiv, Inc.	348,900	13,282,623
Range Resources Corp.	718,368	<u>21,120,019</u>
		<u>126,542,710</u>
TOTAL ENERGY		<u>301,882,128</u>
<b>FINANCIALS - 13.2%</b>		
<b>Banks - 3.6%</b>		
Associated Banc-Corp.	1,235,600	20,053,788
Bancorp, Inc., Delaware (a)	1,831,222	59,789,398
Cadence Bank	771,200	15,146,368
East West Bancorp, Inc.	1,036,217	54,701,895
Popular, Inc.	625,327	37,844,790
Signature Bank	299,630	62,922
Wintrust Financial Corp.	805,141	<u>58,469,339</u>
		<u>246,068,500</u>
<b>Capital Markets - 2.2%</b>		
Ameriprise Financial, Inc.	122,327	40,632,136
Northern Trust Corp.	451,055	33,441,218
Raymond James Financial, Inc. (b)	405,697	42,099,178

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

## Schedule of Investments (Unaudited) - Continued

Common Stocks – continued		
	Shares	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Capital Markets – continued</b>		
TMX Group Ltd.	1,354,500	<u>30,479,445</u>
		<u>146,651,977</u>
<b>Financial Services - 1.9%</b>		
Equitable Holdings, Inc.	625,444	16,987,059
Essent Group Ltd.	642,304	30,059,827
Euronet Worldwide, Inc. (a)	458,422	53,804,990
Shift4 Payments, Inc. (a) (b)	427,800	<u>29,051,898</u>
		<u>129,903,774</u>
<b>Insurance - 5.5%</b>		
American Financial Group, Inc.	215,313	25,568,419
Arch Capital Group Ltd. (a)	653,900	48,944,415
Assurant, Inc.	208,627	26,228,586
Hartford Financial Services Group, Inc.	694,522	50,019,474
Old Republic International Corp.	1,726,310	43,451,223
Primerica, Inc.	455,347	90,049,423
Reinsurance Group of America, Inc.	465,978	64,626,489
Selective Insurance Group, Inc.	307,600	<u>29,514,220</u>
		<u>378,402,249</u>
<b>TOTAL FINANCIALS</b>		<u><b>901,026,500</b></u>
<b>HEALTH CARE - 8.5%</b>		
<b>Biotechnology - 1.5%</b>		
Argenx SE ADR (a)	35,652	13,894,654
Arrowhead Pharmaceuticals, Inc. (a)	237,083	8,454,380
Blueprint Medicines Corp. (a)	159,900	10,105,680
Legend Biotech Corp. ADR (a)	213,500	14,737,905
Repligen Corp. (a)	76,500	10,821,690
United Therapeutics Corp. (a)	211,400	<u>46,666,550</u>
		<u>104,680,859</u>
<b>Health Care Equipment &amp; Supplies - 3.3%</b>		
Boston Scientific Corp. (a)	728,243	39,390,664
Envista Holdings Corp. (a)	507,866	17,186,185
Hologic, Inc. (a)	252,072	20,410,270
Masimo Corp. (a)	261,800	43,079,190
ResMed, Inc.	83,585	18,263,323
The Cooper Companies, Inc.	76,439	29,309,006
Zimmer Biomet Holdings, Inc.	373,832	<u>54,429,939</u>
		<u>222,068,577</u>
<b>Health Care Providers &amp; Services - 2.1%</b>		
agilon health, Inc. (a)	1,065,200	18,470,568
Encompass Health Corp.	517,000	35,006,070
Guardant Health, Inc. (a)	166,000	5,942,800
Molina Healthcare, Inc. (a)	121,468	36,591,020
Option Care Health, Inc. (a)	1,489,320	<u>48,388,007</u>
		<u>144,398,465</u>
<b>Health Care Technology - 0.2%</b>		
Evolent Health, Inc. (d)	573,000	<u>16,493,805</u>
<b>Life Sciences Tools &amp; Services - 0.8%</b>		
Bio-Rad Laboratories, Inc. Class A (a)	42,300	16,036,776
ICON PLC (a)	75,354	18,853,571
Thermo Fisher Scientific, Inc.	32,661	<u>17,040,877</u>
		<u>51,931,224</u>

Common Stocks – continued		
	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Pharmaceuticals - 0.6%</b>		
UCB SA	468,200	<u>41,485,067</u>
<b>TOTAL HEALTH CARE</b>		<u><b>581,057,997</b></u>
<b>INDUSTRIALS - 22.4%</b>		
<b>Aerospace &amp; Defense - 1.5%</b>		
AerSale Corp. (a)	1,062,000	15,611,400
Axon Enterprise, Inc. (a) (b)	85,754	16,732,320
Howmet Aerospace, Inc.	1,070,552	53,056,557
Spirit AeroSystems Holdings, Inc. Class A	617,300	<u>18,018,987</u>
		<u>103,419,264</u>
<b>Air Freight &amp; Logistics - 0.8%</b>		
GXO Logistics, Inc. (a) (b)	837,232	<u>52,594,914</u>
<b>Building Products - 1.4%</b>		
Builders FirstSource, Inc. (a) (b)	627,971	85,404,056
Trex Co., Inc. (a)	196,800	<u>12,902,208</u>
		<u>98,306,264</u>
<b>Commercial Services &amp; Supplies - 0.5%</b>		
Driven Brands Holdings, Inc. (a)	1,148,821	<u>31,087,096</u>
<b>Construction &amp; Engineering - 2.1%</b>		
Quanta Services, Inc.	337,569	66,315,430
Willscot Mobile Mini Holdings (a)	1,558,619	<u>74,486,402</u>
		<u>140,801,832</u>
<b>Electrical Equipment - 4.8%</b>		
Acuity Brands, Inc.	200,523	32,701,291
AMETEK, Inc.	402,626	65,177,097
Array Technologies, Inc. (a)	1,112,300	25,137,980
Generac Holdings, Inc. (a)	259,290	38,667,918
nVent Electric PLC	621,900	32,133,573
Regal Rexnord Corp.	533,664	82,130,890
Sunrun, Inc. (a) (b)	1,311,746	23,427,784
Vertiv Holdings Co.	1,206,600	<u>29,887,482</u>
		<u>329,264,015</u>
<b>Ground Transportation - 0.9%</b>		
J.B. Hunt Transport Services, Inc.	146,000	26,430,380
RXO, Inc.	870,300	19,729,701
U-Haul Holding Co. (b)	223,100	<u>12,341,892</u>
		<u>58,501,973</u>
<b>Machinery - 5.7%</b>		
Chart Industries, Inc. (a) (b)	316,400	50,557,556
Crane Co. (b)	649,736	57,904,472
Crane NXT Co. (b)	547,536	30,902,932
Fortive Corp.	761,814	56,960,833
Hillenbrand, Inc.	361,600	18,542,848
IDEX Corp.	193,294	41,608,466
Ingersoll Rand, Inc.	561,000	36,666,960
ITT, Inc. (b)	1,055,609	<u>98,393,315</u>
		<u>391,537,382</u>
<b>Marine Transportation - 0.3%</b>		
Clarkson PLC	481,675	<u>18,107,127</u>
<b>Professional Services - 3.8%</b>		
ASGN, Inc. (a)	387,106	29,276,827
FTI Consulting, Inc. (a) (b)	287,700	54,720,540
KBR, Inc.	1,423,039	<u>92,582,917</u>

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Professional Services – continued</b>		
Maximus, Inc.	652,900	55,176,579
WNS Holdings Ltd. sponsored ADR (a)	413,403	<u>30,476,069</u>
		<u>262,232,932</u>
<b>Trading Companies &amp; Distributors - 0.6%</b>		
Applied Industrial Technologies, Inc.	3,266	473,015
NOW, Inc. (a)	1,922,800	19,920,208
RS GROUP PLC	2,373,799	<u>22,917,938</u>
		<u>43,311,161</u>
TOTAL INDUSTRIALS		<u>1,529,163,960</u>
<b>INFORMATION TECHNOLOGY - 12.7%</b>		
<b>Communications Equipment - 0.8%</b>		
Digi International, Inc. (a)	1,379,301	<u>54,330,666</u>
<b>Electronic Equipment, Instruments &amp; Components - 4.3%</b>		
CDW Corp.	181,176	33,245,796
Flex Ltd. (a)	3,307,300	91,413,772
IPG Photonics Corp. (a)	222,800	30,260,696
Jabil, Inc. (b)	1,275,175	<u>137,629,636</u>
		<u>292,549,900</u>
<b>IT Services - 0.4%</b>		
Endava PLC ADR (a)	149,000	7,716,710
Wix.com Ltd. (a)	249,800	<u>19,544,352</u>
		<u>27,261,062</u>
<b>Semiconductors &amp; Semiconductor Equipment - 5.1%</b>		
Allegro Microsystems LLC (a)	418,700	18,900,118
Axcelis Technologies, Inc. (a)	89,400	16,389,702
Lattice Semiconductor Corp. (a)	586,600	56,354,662
Marvell Technology, Inc.	303,978	18,171,805
MKS Instruments, Inc. (b)	451,271	48,782,395
Nova Ltd. (a)	208,600	24,468,780
ON Semiconductor Corp. (a)	760,214	71,901,040
Skyworks Solutions, Inc.	184,700	20,444,443
SolarEdge Technologies, Inc. (a)	66,643	17,930,299
Teradyne, Inc.	509,545	<u>56,727,645</u>
		<u>350,070,889</u>
<b>Software - 1.6%</b>		
Dynatrace, Inc. (a)	1,511,749	77,809,721
PowerSchool Holdings, Inc. (a)	834,800	15,978,072
Zoom Video Communications, Inc. Class A (a)	235,500	<u>15,985,740</u>
		<u>109,773,533</u>
<b>Technology Hardware, Storage &amp; Peripherals - 0.5%</b>		
Corsair Gaming, Inc. (a)	707,800	12,556,372
Super Micro Computer, Inc. (a)	73,100	<u>18,220,175</u>
		<u>30,776,547</u>
TOTAL INFORMATION TECHNOLOGY		<u>864,762,597</u>
<b>MATERIALS - 7.2%</b>		
<b>Chemicals - 2.1%</b>		
Axalta Coating Systems Ltd. (a)	1,242,300	40,759,863
Cabot Corp.	167,000	11,170,630
Celanese Corp. Class A	324,237	37,546,645

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>MATERIALS – continued</b>		
<b>Chemicals – continued</b>		
Element Solutions, Inc.	2,726,105	<u>52,341,216</u>
		<u>141,818,354</u>
<b>Construction Materials - 0.9%</b>		
Martin Marietta Materials, Inc.	133,937	<u>61,837,374</u>
<b>Containers &amp; Packaging - 1.1%</b>		
Aptargroup, Inc.	297,300	34,445,178
Avery Dennison Corp.	241,783	<u>41,538,319</u>
		<u>75,983,497</u>
<b>Metals &amp; Mining - 3.1%</b>		
Commercial Metals Co.	556,100	29,284,226
First Quantum Minerals Ltd.	2,634,000	62,313,312
Reliance Steel & Aluminum Co.	274,227	74,477,311
Wheaton Precious Metals Corp.	961,700	<u>41,589,578</u>
		<u>207,664,427</u>
TOTAL MATERIALS		<u>487,303,652</u>
<b>REAL ESTATE - 7.4%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 6.9%</b>		
Alexandria Real Estate Equities, Inc.	147,783	16,771,893
CubeSmart	1,188,300	53,069,478
EastGroup Properties, Inc.	396,300	68,797,680
Equity Lifestyle Properties, Inc.	282,900	18,923,181
Essex Property Trust, Inc.	96,500	22,609,950
Invitation Homes, Inc.	1,387,472	47,729,037
Lamar Advertising Co. Class A	633,381	62,863,064
Mid-America Apartment Communities, Inc.	100,105	15,201,945
NNN (REIT), Inc.	537,811	23,012,933
Ryman Hospitality Properties, Inc.	585,700	54,423,244
Sun Communities, Inc.	133,600	17,429,456
Terreno Realty Corp.	274,300	16,485,430
Ventas, Inc.	1,078,237	<u>50,968,263</u>
		<u>468,285,554</u>
<b>Real Estate Management &amp; Development - 0.5%</b>		
CBRE Group, Inc. (a)	323,928	26,144,229
Zillow Group, Inc. Class C (a)	161,600	<u>8,122,016</u>
		<u>34,266,245</u>
TOTAL REAL ESTATE		<u>502,551,799</u>
<b>UTILITIES - 3.7%</b>		
<b>Electric Utilities - 2.3%</b>		
Constellation Energy Corp.	565,300	51,753,215
OGE Energy Corp. (b)	1,739,800	62,476,218
PG&E Corp. (a)	2,521,000	<u>43,562,880</u>
		<u>157,792,313</u>
<b>Independent Power and Renewable Electricity Producers - 1.0%</b>		
Cleanway Energy, Inc. Class C	1,205,854	34,439,190
NextEra Energy Partners LP	290,723	17,047,997
The AES Corp.	803,038	<u>16,646,978</u>
		<u>68,134,165</u>
<b>Multi-Utilities - 0.4%</b>		
NorthWestern Energy Corp.	503,600	<u>28,584,336</u>
TOTAL UTILITIES		<u>254,510,814</u>

## Schedule of Investments (Unaudited) - Continued

**Common Stocks – continued**

	Shares	Value (\$)
<b>TOTAL COMMON STOCKS</b>		<b><u>6,759,228,882</u></b>
(Cost \$5,069,121,890)		

**Money Market Funds – 6.2%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (e)	54,552,610	54,563,521
Fidelity Securities Lending Cash Central Fund 5.14% (e) (f)	370,144,838	<u>370,181,853</u>

<b>TOTAL MONEY MARKET FUNDS</b>		<b><u>424,745,374</u></b>
(Cost \$424,745,374)		

<b>TOTAL INVESTMENT IN SECURITIES – 105.3%</b>		<b><u>7,183,974,256</u></b>
(Cost \$5,493,867,264)		

<b>NET OTHER ASSETS (LIABILITIES) – (5.3)%</b>		<b><u>(362,275,870)</u></b>
<b>NET ASSETS – 100.0%</b>		<b><u><u>6,821,698,386</u></u></b>

**Legend**

- (a) Non-income producing
- (b) Security or a portion of the security is on loan at period end.
- (c) Affiliated company
- (d) Restricted securities (including private placements) – 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 \$16,493,805 or 0.2% of net assets.
- (e) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

(f) Investment made with cash collateral received from securities on loan.

Additional information on each restricted holding is as follows:

Security	Acquisition Date	Acquisition Cost (\$)
Evolent Health, Inc.	3/28/23	16,617,000

**Affiliated Central Funds**

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	101,362,444	542,746,777	589,545,700	1,774,168	—	—	54,563,521	0.1%
Fidelity Securities Lending Cash Central Fund 5.14%	208,510,362	1,116,510,139	954,838,648	962,720	—	—	370,181,853	1.3%
Total	<u>309,872,806</u>	<u>1,659,256,916</u>	<u>1,544,384,348</u>	<u>2,736,888</u>	<u>—</u>	<u>—</u>	<u>424,745,374</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

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

## Other Affiliated Issuers

An affiliated company is a company in which the Fund has ownership of at least 5% of the voting securities. Fiscal year to date transactions with companies which are or were affiliates are presented in the table below. Certain corporate actions, such as mergers, are excluded from the amounts in this table if applicable. A dash in the Value end of period (\$) column means either the issuer is no longer held at period end, or the issuer is held at period end but is no longer an affiliate.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)
Bowlero Corp. Class A	11,981,024	13,781,735	2,902,750	—	(1,191,385)	(3,016,956)	18,651,668
Noodles & Co.	16,771,730	—	4,722,182	—	(6,454,131)	103,804	—
Total	<u>28,752,754</u>	<u>13,781,735</u>	<u>7,624,932</u>	<u>—</u>	<u>(7,645,516)</u>	<u>(2,913,152)</u>	<u>18,651,668</u>

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

## Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	171,620,619	171,620,619	-	-
Consumer Discretionary	858,090,043	853,492,327	4,597,716	-
Consumer Staples	307,258,773	307,258,773	-	-
Energy	301,882,128	301,882,128	-	-
Financials	901,026,500	901,026,500	-	-
Health Care	581,057,997	564,564,192	16,493,805	-
Industrials	1,529,163,960	1,529,163,960	-	-
Information Technology	864,762,597	864,762,597	-	-
Materials	487,303,652	487,303,652	-	-
Real Estate	502,551,799	502,551,799	-	-
Utilities	254,510,814	254,510,814	-	-
Money Market Funds	424,745,374	424,745,374	-	-
<b>Total Investments in Securities:</b>	<u>7,183,974,256</u>	<u>7,162,882,735</u>	<u>21,091,521</u>	<u>-</u>

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$365,535,879) — See accompanying schedule:

Unaffiliated issuers (cost \$5,047,493,680)	\$	6,740,577,214
Fidelity Central Funds (cost \$424,745,374)		424,745,374
Other affiliated issuers (cost \$21,628,210)		18,651,668

Total Investment in Securities (cost \$5,493,867,264)		\$	7,183,974,256
Foreign currency held at value (cost \$47,356)			47,109
Receivable for investments sold			36,279,214
Receivable for fund shares sold			5,498,536
Dividends receivable			6,018,406
Distributions receivable from Fidelity Central Funds			351,115
Other receivables			122,516
<b>Total assets</b>			<u>7,232,291,152</u>

### Liabilities

Payable for investments purchased	\$	30,746,770
Payable for fund shares redeemed		5,330,056
Accrued management fee		2,905,042
Distribution and service plan fees payable		863,888
Other affiliated payables		476,204
Other payables and accrued expenses		104,522
Collateral on securities loaned		370,166,284

### Total Liabilities

410,592,766

**Net Assets** \$ 6,821,698,386

Net Assets consist of:

Paid in capital	\$	4,957,789,506
Total accumulated earnings (loss)		<u>1,863,908,880</u>

**Net Assets** \$ 6,821,698,386

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share (\$1,508,665,577 ÷ 42,738,733 shares) \$ 35.30

#### Service Class :

**Net Asset Value**, offering price and redemption price per share (\$630,958,780 ÷ 18,140,227 shares) \$ 34.78

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share (\$4,030,138,943 ÷ 119,893,958 shares) \$ 33.61

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share (\$651,935,086 ÷ 18,645,282 shares) \$ 34.97

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

## Statement of Operations

Six months ended  
June 30, 2023  
(Unaudited)

### Investment Income

Dividends		\$	39,753,610
Income from Fidelity Central Funds (including \$962,720 from security lending)			2,736,888
<b>Total Income</b>			<u>42,490,498</u>

### Expenses

Management fee	\$	17,444,342	
Transfer agent fees		2,342,608	
Distribution and service plan fees		5,178,535	
Accounting fees		512,932	
Custodian fees and expenses		33,911	
Independent trustees' fees and expenses		21,979	
Audit		33,055	
Legal		13,246	
Miscellaneous		18,640	
Total expenses before reductions		<u>25,599,248</u>	
Expense reductions		<u>(157,618)</u>	
Total expenses after reductions			<u>25,441,630</u>

### Net Investment income (loss)

17,048,868

### Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:			
Investment Securities:			
Unaffiliated issuers		170,739,825	
Affiliated issuers		(7,645,516)	
Foreign currency transactions		<u>74,423</u>	
Total net realized gain (loss)			<u>163,168,732</u>
Change in net unrealized appreciation (depreciation) on:			
Investment Securities:			
Unaffiliated issuers		330,494,587	
Affiliated issuers		(2,913,152)	
Assets and liabilities in foreign currencies		<u>(616)</u>	
Total change in net unrealized appreciation (depreciation)			<u>327,580,819</u>
<b>Net gain (loss)</b>			<u>490,749,551</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	\$		<u><u>507,798,419</u></u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 17,048,868	\$ 29,380,299
Net realized gain (loss)	163,168,732	318,370,136
Change in net unrealized appreciation (depreciation)	327,580,819	(1,557,891,401)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>507,798,419</u>	<u>(1,210,140,966)</u>
Distributions to shareholders	(16,134,136)	(483,587,759)
Share transactions - net increase (decrease)	(123,333,030)	(99,655,685)
<b>Total increase (decrease) in net assets</b>	368,331,253	(1,793,384,410)
<b>Net Assets</b>		
Beginning of period	6,453,367,133	8,246,751,543
End of period	<u>\$ 6,821,698,386</u>	<u>\$ 6,453,367,133</u>

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



# Financial Highlights

## VIP Mid Cap Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 32.72	\$ 41.17	\$ 38.72	\$ 32.95	\$ 30.19	\$ 38.94
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.11	.21	.23	.15	.27	.23
Net realized and unrealized gain (loss)	2.55	(6.16)	9.57	5.83	6.39	(5.47)
Total from investment operations	2.66	(5.95)	9.80	5.98	6.66	(5.24)
Distributions from net investment income	-	(.17) <sup>C</sup>	(.28)	(.21)	(.28)	(.24)
Distributions from net realized gain	(.08)	(2.33) <sup>C</sup>	(7.07)	-	(3.63)	(3.27)
Total distributions	(.08)	(2.50)	(7.35)	(.21)	(3.90) <sup>D</sup>	(3.51)
Net asset value, end of period	\$ 35.30	\$ 32.72	\$ 41.17	\$ 38.72	\$ 32.95	\$ 30.19
<b>Total Return</b> <sup>E,F,G</sup>	8.12%	(14.74)%	25.60%	18.19%	23.45%	(14.54)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.61% <sup>J</sup>	.61%	.61%	.62%	.62%	.62%
Expenses net of fee waivers, if any	.60% <sup>J</sup>	.60%	.60%	.62%	.62%	.62%
Expenses net of all reductions	.60% <sup>J</sup>	.60%	.60%	.62%	.61%	.62%
Net investment income (loss)	.68% <sup>J</sup>	.60%	.52%	.48%	.88%	.62%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,508,666	\$ 1,455,364	\$ 1,810,651	\$ 1,579,450	\$ 843,080	\$ 1,141,305
Portfolio turnover rate <sup>K</sup>	41% <sup>L</sup>	31%	37% <sup>L</sup>	44%	34%	47%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other off-set arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>L</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

## Financial Highlights - Continued

## VIP Mid Cap Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 32.25	\$ 40.63	\$ 38.28	\$ 32.59	\$ 29.90	\$ 38.60
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.10	.17	.18	.12	.24	.19
Net realized and unrealized gain (loss)	2.51	(6.09)	9.47	5.74	6.33	(5.42)
Total from investment operations	2.61	(5.92)	9.65	5.86	6.57	(5.23)
Distributions from net investment income	-	(.13) <sup>C</sup>	(.23)	(.17)	(.25)	(.20)
Distributions from net realized gain	(.08)	(2.33) <sup>C</sup>	(7.07)	-	(3.63)	(3.27)
Total distributions	(.08)	(2.46)	(7.30)	(.17)	(3.88)	(3.47)
Net asset value, end of period	\$ 34.78	\$ 32.25	\$ 40.63	\$ 38.28	\$ 32.59	\$ 29.90
<b>Total Return</b> <sup>D,E,F</sup>	8.09%	(14.85)%	25.51%	18.04%	23.35%	(14.64)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.71% <sup>I</sup>	.71%	.71%	.72%	.72%	.72%
Expenses net of fee waivers, if any	.70% <sup>I</sup>	.70%	.70%	.72%	.72%	.72%
Expenses net of all reductions	.70% <sup>I</sup>	.70%	.70%	.72%	.71%	.72%
Net investment income (loss)	.58% <sup>I</sup>	.50%	.42%	.38%	.78%	.52%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 630,959	\$ 586,964	\$ 726,039	\$ 642,654	\$ 564,678	\$ 504,156
Portfolio turnover rate <sup>J</sup>	41% <sup>I</sup>	31%	37% <sup>K</sup>	44%	34%	47%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>K</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

## VIP Mid Cap Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 31.20	\$ 39.39	\$ 37.29	\$ 31.75	\$ 29.22	\$ 37.79
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.07	.12	.11	.07	.19	.13
Net realized and unrealized gain (loss)	2.42	(5.90)	9.22	5.59	6.18	(5.28)
Total from investment operations	2.49	(5.78)	9.33	5.66	6.37	(5.15)
Distributions from net investment income	-	(.08) <sup>C</sup>	(.16)	(.12)	(.21)	(.15)
Distributions from net realized gain	(.08)	(2.33) <sup>C</sup>	(7.07)	-	(3.63)	(3.27)
Total distributions	(.08)	(2.41)	(7.23)	(.12)	(3.84)	(3.42)
Net asset value, end of period	\$ 33.61	\$ 31.20	\$ 39.39	\$ 37.29	\$ 31.75	\$ 29.22
<b>Total Return</b> <sup>D,E,F</sup>	7.97%	(14.97)%	25.31%	17.87%	23.17%	(14.77)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.86% <sup>I</sup>	.86%	.86%	.87%	.87%	.87%
Expenses net of fee waivers, if any	.85% <sup>I</sup>	.85%	.85%	.87%	.87%	.87%
Expenses net of all reductions	.85% <sup>I</sup>	.85%	.85%	.87%	.86%	.87%
Net investment income (loss)	.43% <sup>I</sup>	.35%	.27%	.23%	.63%	.37%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 4,030,139	\$ 3,776,819	\$ 4,970,428	\$ 4,807,908	\$ 5,282,468	\$ 4,526,446
Portfolio turnover rate <sup>J</sup>	41% <sup>I</sup>	31%	37% <sup>K</sup>	44%	34%	47%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>K</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

## Financial Highlights - Continued

## VIP Mid Cap Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 32.42	\$ 40.83	\$ 38.44	\$ 32.72	\$ 30.01	\$ 38.72
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.10	.18	.20	.12	.25	.20
Net realized and unrealized gain (loss)	2.53	(6.12)	9.51	5.78	6.34	(5.43)
Total from investment operations	2.63	(5.94)	9.71	5.90	6.59	(5.23)
Distributions from net investment income	-	(.14) <sup>C</sup>	(.24)	(.18)	(.26)	(.21)
Distributions from net realized gain	(.08)	(2.33) <sup>C</sup>	(7.07)	-	(3.63)	(3.27)
Total distributions	(.08)	(2.47)	(7.32) <sup>D</sup>	(.18)	(3.88) <sup>D</sup>	(3.48)
Net asset value, end of period	\$ 34.97	\$ 32.42	\$ 40.83	\$ 38.44	\$ 32.72	\$ 30.01
<b>Total Return</b> <sup>E,F,G</sup>	8.11%	(14.83)%	25.54%	18.08%	23.35%	(14.60)%
<b>Ratios to Average Net Assets</b> <sup>B,H,I</sup>						
Expenses before reductions	.68% <sup>J</sup>	.68%	.68%	.70%	.70%	.70%
Expenses net of fee waivers, if any	.68% <sup>J</sup>	.68%	.68%	.70%	.70%	.70%
Expenses net of all reductions	.68% <sup>J</sup>	.68%	.68%	.69%	.69%	.70%
Net investment income (loss)	.60% <sup>J</sup>	.52%	.44%	.41%	.80%	.54%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 651,935	\$ 634,220	\$ 739,633	\$ 593,584	\$ 583,760	\$ 530,794
Portfolio turnover rate <sup>K</sup>	41% <sup>L</sup>	31%	37% <sup>L</sup>	44%	34%	47%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>L</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Mid Cap Portfolio (the Fund) is a fund of Variable Insurance Products Fund III (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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party 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 foreign equity

## Notes to Financial Statements (Unaudited) – continued

securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be 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 (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in dividends. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in dividends receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

### VIP Mid Cap Portfolio

\$64,214

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, passive foreign investment companies (PFIC), partnerships, losses deferred due to wash sales and excise tax regulations.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$2,018,681,647
<b>Gross unrealized depreciation</b>	<u>(332,984,075)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$1,685,697,572</u>
<b>Tax cost</b>	<u>\$5,498,276,684</u>

The Fund elected to defer to its next fiscal year approximately \$2,350,503 of capital losses recognized during the period November 1, 2022 to December 31, 2022.

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

#### 4. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Mid Cap Portfolio</b>	1,363,055,578	1,449,109,896

#### 5. Fees and Other Transactions with Affiliates.

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .30% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .53% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$304,135
<b>Service Class 2</b>	<u>4,874,400</u>
	<u>\$5,178,535</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets<sup>A</sup></b>
<b>Initial Class</b>	\$465,308	.06
<b>Service Class</b>	191,605	.06
<b>Service Class 2</b>	1,228,349	.06
<b>Investor Class</b>	<u>457,346</u>	.14
	<u>\$2,342,608</u>	

<sup>A</sup> Annualized

**Notes to Financial Statements (Unaudited) – continued**

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP Mid Cap Portfolio</b>	.02

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	<b>Amount</b>
<b>VIP Mid Cap Portfolio</b>	\$37,104

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>	<b>Realized Gain (Loss) (\$)</b>
<b>VIP Mid Cap Portfolio</b>	50,739,954	94,570,574	18,161,234

**6. Committed Line of Credit.**

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	<b>Amount</b>
<b>VIP Mid Cap Portfolio</b>	\$6,564

**7. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	<b>Total Security Lending Fees Paid to NFS</b>	<b>Security Lending Income From Securities Loaned to NFS</b>	<b>Value of Securities Loaned to NFS at Period End</b>
<b>VIP Mid Cap Portfolio</b>	\$102,211	\$-	\$-

**8. Expense Reductions.**

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$5,473.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$152,145.

**9. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:



VIP Mid Cap Portfolio	Six months ended	Year ended
	June 30, 2023	December 31, 2022
<b>Distributions to shareholders</b>		
Initial Class	\$ 3,475,732	\$107,333,067
Service Class	1,440,921	43,228,209
Service Class 2	9,669,572	287,207,276
Investor Class	<u>1,547,911</u>	<u>45,819,207</u>
Total	<u>\$16,134,136</u>	<u>\$483,587,759</u>

## 10. Share Transactions.

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

VIP Mid Cap Portfolio	Shares	Shares	Dollars	Dollars
	Six months ended	Year ended	Six months ended	Year ended
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Initial Class</b>				
Shares sold	727,168	1,959,807	\$24,567,103	\$68,533,102
Reinvestment of distributions	96,871	3,075,073	3,475,732	107,333,067
Shares redeemed	<u>(2,568,232)</u>	<u>(4,527,612)</u>	<u>(87,393,264)</u>	<u>(158,853,983)</u>
Net increase (decrease)	<u>(1,744,193)</u>	<u>507,268</u>	<u>\$(59,350,429)</u>	<u>\$17,012,186</u>
<b>Service Class</b>				
Shares sold	598,658	1,591,303	\$19,800,817	\$56,040,722
Reinvestment of distributions	40,739	1,255,402	1,440,921	43,228,209
Shares redeemed	<u>(696,821)</u>	<u>(2,517,964)</u>	<u>(23,326,509)</u>	<u>(87,089,991)</u>
Net increase (decrease)	<u>(57,424)</u>	<u>328,741</u>	<u>\$(2,084,771)</u>	<u>\$12,178,940</u>
<b>Service Class 2</b>				
Shares sold	9,401,682	6,492,926	\$305,451,230	\$219,838,257
Reinvestment of distributions	282,736	8,605,525	9,669,572	287,207,276
Shares redeemed	<u>(10,852,276)</u>	<u>(20,223,486)</u>	<u>(346,163,917)</u>	<u>(684,617,429)</u>
Net increase (decrease)	<u>(1,167,858)</u>	<u>(5,125,035)</u>	<u>\$(31,043,115)</u>	<u>\$(177,571,896)</u>
<b>Investor Class</b>				
Shares sold	439,479	1,426,971	\$14,922,467	\$48,048,062
Reinvestment of distributions	43,542	1,325,820	1,547,911	45,819,207
Shares redeemed	<u>(1,400,212)</u>	<u>(1,305,948)</u>	<u>(47,325,093)</u>	<u>(45,142,184)</u>
Net increase (decrease)	<u>(917,191)</u>	<u>1,446,843</u>	<u>\$(30,854,715)</u>	<u>\$48,725,085</u>

## 11. Other.

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP Mid Cap Portfolio	13%	1	13%

## 12. Risk and Uncertainties.

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Mid Cap Portfolio Initial Class	.60%			
Actual		\$ 1,000	\$ 1,081.20	\$ 3.10
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.82	\$ 3.01
Service Class	.70%			
Actual		\$ 1,000	\$ 1,080.90	\$ 3.61
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.32	\$ 3.51
Service Class 2	.85%			
Actual		\$ 1,000	\$ 1,079.70	\$ 4.38
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.58	\$ 4.26
Investor Class	.68%			
Actual		\$ 1,000	\$ 1,081.10	\$ 3.51
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.42	\$ 3.41

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Mid Cap Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLI/M). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLI/M requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.



# **Fidelity® Variable Insurance Products:**

## **VIP Disciplined Small Cap Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

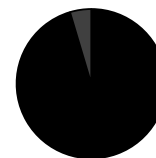
# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

Super Micro Computer, Inc.	1.0
SPS Commerce, Inc.	0.7
Atkore, Inc.	0.7
Murphy Oil Corp.	0.7
Belden, Inc.	0.7
Lantheus Holdings, Inc.	0.7
Option Care Health, Inc.	0.7
Installed Building Products, Inc.	0.7
EnerSys	0.7
ExlService Holdings, Inc.	0.7
	<hr/>
	7.3

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

Stocks - 95.4  
 Short-Term Investments and Net Other Assets (Liabilities) - 4.6



Futures - 4.2%

## Market Sectors (% of Fund's net assets)

Industrials	17.1
Information Technology	15.0
Health Care	14.5
Financials	13.4
Consumer Discretionary	11.7
Energy	6.6
Real Estate	4.9
Materials	4.6
Communication Services	3.3
Consumer Staples	2.6
Utilities	1.7



# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 95.4%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 3.3%</b>		
<b>Diversified Telecommunication Services - 1.0%</b>		
Bandwidth, Inc. (a)	55,490	759,103
Cogent Communications Group, Inc.	28,106	1,891,253
Ooma, Inc. (a)	47,585	<u>712,347</u>
		<u>3,362,703</u>
<b>Entertainment - 0.5%</b>		
Lions Gate Entertainment Corp.:		
Class A (a)	90,188	796,360
Class B (a)	103,296	862,522
Madison Square Garden Entertainment Corp.	5,308	<u>178,455</u>
		<u>1,837,337</u>
<b>Interactive Media &amp; Services - 1.3%</b>		
Eventbrite, Inc. (a)(b)	55,210	527,256
TrueCar, Inc. (a)	118,439	267,672
Vimeo, Inc. (a)	219,163	902,952
Yelp, Inc. (a)	57,450	2,091,755
Zedge, Inc. (a)	11,195	25,077
Ziff Davis, Inc. (a)	5,300	<u>371,318</u>
		<u>4,186,030</u>
<b>Media - 0.3%</b>		
Quotient Technology, Inc. (a)	171,621	659,025
TechTarget, Inc. (a)	5,141	160,039
TEGNA, Inc.	12,775	<u>207,466</u>
		<u>1,026,530</u>
<b>Wireless Telecommunication Services - 0.2%</b>		
Telephone & Data Systems, Inc.	71,255	<u>586,429</u>
		<u>10,999,029</u>
<b>CONSUMER DISCRETIONARY - 11.7%</b>		
<b>Automobile Components - 0.7%</b>		
Cooper-Standard Holding, Inc. (a)	3,896	55,557
Luminar Technologies, Inc. (a)(b)	11,300	77,744
Modine Manufacturing Co. (a)	27,430	905,739
Standard Motor Products, Inc.	3,300	123,816
The Goodyear Tire & Rubber Co. (a)	55,482	758,994
Visteon Corp. (a)	2,790	<u>400,672</u>
		<u>2,322,522</u>
<b>Automobiles - 0.5%</b>		
Winnebago Industries, Inc. (b)	25,416	<u>1,694,993</u>
<b>Broadline Retail - 0.6%</b>		
ContextLogic, Inc. (a)(b)	140,660	925,543
Dillard's, Inc. Class A (b)	2,947	<u>961,547</u>
		<u>1,887,090</u>
<b>Diversified Consumer Services - 0.9%</b>		
2U, Inc. (a)	108,690	438,021
Duolingo, Inc. (a)	11,298	1,614,936
Frontdoor, Inc. (a)	27,141	<u>865,798</u>
		<u>2,918,755</u>
<b>Hotels, Restaurants &amp; Leisure - 1.6%</b>		
Bloomin' Brands, Inc.	27,961	751,871
Carrols Restaurant Group, Inc. (a)	12,020	60,581
Denny's Corp. (a)	19,690	242,581
Dine Brands Global, Inc.	3,560	206,587
Everi Holdings, Inc. (a)	23,778	343,830

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER DISCRETIONARY – continued</b>		
<b>Hotels, Restaurants &amp; Leisure – continued</b>		
International Game Technology PLC	52,906	1,687,172
Texas Roadhouse, Inc. Class A	4,399	493,920
Wingstop, Inc.	8,758	<u>1,753,001</u>
		<u>5,539,543</u>
<b>Household Durables - 3.3%</b>		
Cavco Industries, Inc. (a)	2,948	869,660
Ethan Allen Interiors, Inc.	3,225	91,203
Flexsteel Industries, Inc.	9,996	197,021
Green Brick Partners, Inc. (a)	22,111	1,255,905
Helen of Troy Ltd. (a)	2,160	233,323
Installed Building Products, Inc.	15,871	2,224,479
KB Home	27,256	1,409,408
M.D.C. Holdings, Inc.	15,579	728,630
M/1 Homes, Inc. (a)	24,108	2,101,977
Meritage Homes Corp. (b)	3,777	537,354
Skyline Champion Corp. (a)	8,298	543,104
Taylor Morrison Home Corp. (a)	13,408	653,908
TRI Pointe Homes, Inc. (a)	11,300	<u>371,318</u>
		<u>11,217,290</u>
<b>Leisure Products - 0.1%</b>		
Johnson Outdoors, Inc. Class A (b)	2,341	143,854
Nautilus, Inc. (a)	55,684	67,934
Sturm, Ruger & Co., Inc.	1,400	<u>74,144</u>
		<u>285,932</u>
<b>Specialty Retail - 3.4%</b>		
Abercrombie & Fitch Co. Class A (a)	14,445	544,288
Asbury Automotive Group, Inc. (a)	4,785	1,150,410
CarParts.com, Inc. (a)	117,672	500,106
Group 1 Automotive, Inc.	6,144	1,585,766
Monro, Inc. (b)	3,109	126,319
Murphy U.S.A., Inc.	6,089	1,894,349
National Vision Holdings, Inc. (a)	64,263	1,560,948
Sally Beauty Holdings, Inc. (a)	32,349	399,510
Sonic Automotive, Inc. Class A (sub. vtg.) (b)	20,324	968,845
Stitch Fix, Inc. (a)(b)	55,803	214,842
The Buckle, Inc.	6,541	226,319
The Container Store Group, Inc. (a)	40,087	125,873
The ODP Corp. (a)	31,942	1,495,524
Urban Outfitters, Inc. (a)	11,692	387,356
Winmark Corp.	300	<u>99,741</u>
		<u>11,280,196</u>
<b>Textiles, Apparel &amp; Luxury Goods - 0.6%</b>		
Crocs, Inc. (a)	14,296	1,607,442
Lakeland Industries, Inc. (b)	12,915	185,847
Rocky Brands, Inc.	4,032	84,672
Wolverine World Wide, Inc.	12,639	<u>185,667</u>
		<u>2,063,628</u>
		<u>39,209,949</u>
<b>CONSUMER STAPLES - 2.6%</b>		
<b>Beverages - 1.0%</b>		
Coca-Cola Bottling Co. Consolidated	2,986	1,899,156

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER STAPLES – continued</b>		
<b>Beverages – continued</b>		
Primo Water Corp.	110,718	<u>1,388,404</u>
		<u>3,287,560</u>
<b>Consumer Staples Distribution &amp; Retail - 0.3%</b>		
Ingles Markets, Inc. Class A	8,221	679,466
Natural Grocers by Vitamin Cottage, Inc.	12,027	147,451
PriceSmart, Inc.	1,211	89,687
Weis Markets, Inc. (b)	1,307	<u>83,922</u>
		<u>1,000,526</u>
<b>Food Products - 0.9%</b>		
B&G Foods, Inc. Class A (b)	10,552	146,884
Cal-Maine Foods, Inc.	13,942	627,390
Hostess Brands, Inc. Class A (a)	59,230	1,499,704
Sovos Brands, Inc. (a)	33,127	<u>647,964</u>
		<u>2,921,942</u>
<b>Household Products - 0.1%</b>		
Energizer Holdings, Inc.	11,200	<u>376,096</u>
<b>Personal Care Products - 0.2%</b>		
elf Beauty, Inc. (a)	4,845	553,444
Herbalife Ltd. (a)	6,014	79,625
MediFast, Inc.	2,735	<u>252,058</u>
		<u>885,127</u>
<b>Tobacco - 0.1%</b>		
Turning Point Brands, Inc.	10,909	<u>261,925</u>
TOTAL CONSUMER STAPLES		<u>8,733,176</u>
<b>ENERGY - 6.6%</b>		
<b>Energy Equipment &amp; Services - 1.7%</b>		
Archrock, Inc.	14,043	143,941
Bristow Group, Inc. (a)	9,249	265,724
Championx Corp.	3,288	102,060
Helix Energy Solutions Group, Inc. (a)	89,470	660,289
Nabors Industries Ltd. (a)	10,422	969,559
Nabors Industries Ltd. warrants 6/11/26 (a)	5,910	67,965
Oceanenergy International, Inc. (a)	6,645	124,262
Oil States International, Inc. (a)	27,980	209,011
Tidewater, Inc. (a)	26,527	1,470,657
U.S. Silica Holdings, Inc. (a)	34,012	412,566
Weatherford International PLC (a)	17,404	<u>1,155,974</u>
		<u>5,582,008</u>
<b>Oil, Gas &amp; Consumable Fuels - 4.9%</b>		
Ardmore Shipping Corp.	22,445	277,196
Callon Petroleum Co. (a)	25,919	908,979
Civitas Resources, Inc.	21,523	1,493,051
CONSOL Energy, Inc.	12,738	863,764
CVR Energy, Inc. (b)	23,040	690,278
Delek U.S. Holdings, Inc.	72,849	1,744,734
DHT Holdings, Inc.	14,057	119,906
Dorian LPG Ltd.	22,856	586,256
Earthstone Energy, Inc. (a) (b)	26,352	376,570
Frontline PLC (NY Shares)	11,407	165,744
International Seaways, Inc.	6,493	248,292
Kosmos Energy Ltd. (a)	102,904	616,395
Magnolia Oil & Gas Corp. Class A	36,936	771,962

## Common Stocks – continued

	Shares	Value (\$)
<b>ENERGY – continued</b>		
<b>Oil, Gas &amp; Consumable Fuels – continued</b>		
Matador Resources Co.	13,542	708,517
Murphy Oil Corp.	61,942	2,372,379
Par Pacific Holdings, Inc. (a)	16,244	432,253
PBF Energy, Inc. Class A	13,401	548,637
Permian Resource Corp. Class A (b)	49,661	544,285
Scorpio Tankers, Inc.	9,757	460,823
SM Energy Co.	65,558	2,073,600
Teekay Tankers Ltd.	2,061	78,792
Vitesse Energy, Inc.	12,038	269,651
World Kinect Corp.	4,706	<u>97,320</u>
		<u>16,449,384</u>
TOTAL ENERGY		<u>22,031,392</u>
<b>FINANCIALS - 13.4%</b>		
<b>Banks - 6.5%</b>		
1st Source Corp.	8,032	336,782
Atlantic Union Bankshares Corp.	31,722	823,186
Axos Financial, Inc. (a)	19,698	776,889
BancFirst Corp.	20,873	1,920,316
Bancorp, Inc., Delaware (a)	7,362	240,369
Bank of Hawaii Corp.	9,725	400,962
Banner Corp.	12,893	563,037
Berkshire Hills Bancorp, Inc.	25,317	524,821
Cadence Bank	18,999	373,140
Capital City Bank Group, Inc.	1,334	40,874
Cathay General Bancorp	5,789	186,348
Central Pacific Financial Corp.	11,803	185,425
Community Trust Bancorp, Inc.	4,717	167,784
Financial Institutions, Inc.	10,123	159,336
First Bancorp, Puerto Rico	92,643	1,132,097
First Busey Corp.	30,346	609,955
First Commonwealth Financial Corp.	91,688	1,159,853
First Financial Bankshares, Inc.	43,182	1,230,255
Fulton Financial Corp.	76,487	911,725
Great Southern Bancorp, Inc.	15,726	797,780
Heartland Financial U.S.A., Inc.	5,296	147,600
Lakeland Financial Corp.	20,396	989,614
Mercantile Bank Corp.	1,897	52,395
Midland States Bancorp, Inc.	6,148	122,407
NBT Bancorp, Inc.	20,551	654,549
Northwest Bancshares, Inc.	32,526	344,776
OFG Bancorp	7,900	206,032
Park National Corp.	686	70,192
Peapack-Gladstone Financial Corp.	7,441	201,502
Preferred Bank, Los Angeles	10,740	590,593
Provident Financial Services, Inc.	24,852	406,082
Renasant Corp.	36,699	958,945
S&T Bancorp, Inc.	1,886	51,280
Sierra Bancorp	9,632	163,455
Simmons First National Corp. Class A	16,143	278,467
Stellar Bancorp, Inc.	15,017	343,739
Tompkins Financial Corp.	2,784	155,069
Triumph Bancorp, Inc. (a)	15,219	924,098

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Banks – continued</b>		
Trustmark Corp.	2,078	43,887
UMB Financial Corp.	11,515	701,264
Univest Corp. of Pennsylvania	8,356	151,076
Veritex Holdings, Inc.	5,824	104,424
Washington Federal, Inc.	41,731	1,106,706
WesBanco, Inc.	3,019	77,317
Westamerica Bancorp.	12,945	495,794
		<u>21,882,197</u>
<b>Capital Markets - 2.6%</b>		
Assetmark Financial Holdings, Inc. (a)	34,767	1,031,189
BGC Partners, Inc. Class A	54,656	242,126
Federated Hermes, Inc.	41,205	1,477,199
Focus Financial Partners, Inc. Class A (a)	1,283	67,370
Open Lending Corp. (a)	120,473	1,266,171
Oppenheimer Holdings, Inc. Class A (non-vtg.)	6,513	261,692
Stifel Financial Corp.	26,227	1,564,965
StoneX Group, Inc. (a)	11,601	963,811
Virtus Investment Partners, Inc.	8,003	1,580,352
WisdomTree Investments, Inc.	43,534	298,643
		<u>8,753,518</u>
<b>Consumer Finance - 0.9%</b>		
Bread Financial Holdings, Inc.	35,512	1,114,722
EZCORP, Inc. (non-vtg.) Class A (a)	14,451	121,099
LendingTree, Inc. (a)	18,235	403,176
PRA Group, Inc. (a)	4,034	92,177
PROG Holdings, Inc. (a)	30,206	970,217
Regional Management Corp.	7,908	241,194
		<u>2,942,585</u>
<b>Financial Services - 1.2%</b>		
Compass Diversified Holdings	16,109	349,404
EVERTEC, Inc.	7,195	264,992
Federal Agricultural Mortgage Corp. Class C (non-vtg.)	9,029	1,297,828
i3 Verticals, Inc. Class A (a)	6,728	153,802
NMI Holdings, Inc. (a)	26,935	695,462
Paysafe Ltd. (a)	37,915	382,562
StoneCo Ltd. Class A (a)	37,168	473,520
Waterstone Financial, Inc.	18,875	273,499
		<u>3,891,069</u>
<b>Insurance - 1.5%</b>		
American Equity Investment Life Holding Co.	4,426	230,639
Amerisafe, Inc.	7,741	412,750
BRP Group, Inc. (a)	12,280	304,298
Employers Holdings, Inc.	14,049	525,573
Goosehead Insurance (a)	5,103	320,928
Hippo Holdings, Inc. (a)	3,000	49,590
Kinsale Capital Group, Inc.	4,767	1,783,811
Oscar Health, Inc. (a)	40,924	329,847
Selective Insurance Group, Inc.	2,712	260,216
Trupanion, Inc. (a)(b)	36,535	719,009
		<u>4,936,661</u>
<b>Mortgage Real Estate Investment Trusts - 0.7%</b>		
Apollo Commercial Real Estate Finance, Inc.	29,418	333,012
Blackstone Mortgage Trust, Inc. (b)	37,596	782,373
BrightSpire Capital, Inc.	8,900	59,897

**Common Stocks – continued**

	Shares	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Mortgage Real Estate Investment Trusts – continued</b>		
KKR Real Estate Finance Trust, Inc. (b)	78,501	955,357
TPG RE Finance Trust, Inc.	45,222	335,095
		<u>2,465,734</u>
<b>TOTAL FINANCIALS</b>		
		<u>44,871,764</u>
<b>HEALTH CARE - 14.5%</b>		
<b>Biotechnology - 6.7%</b>		
2seventy bio, Inc. (a)(b)	16,617	168,164
Adaptimmune Therapeutics PLC sponsored ADR (a)	54,536	50,446
Adicet Bio, Inc. (a)	25,225	61,297
Adverum Biotechnologies, Inc. (a)	95,044	151,120
Affimed NV (a)	44,681	26,728
Agenus, Inc. (a)	111,031	177,650
Agios Pharmaceuticals, Inc. (a)	1,047	29,651
Akebia Therapeutics, Inc. (a)	216,942	198,502
Akero Therapeutics, Inc. (a)	8,605	401,767
Alector, Inc. (a)	24,426	146,800
Alkermes PLC (a)	28,883	904,038
Allakos, Inc. (a)	36,544	159,332
Amicus Therapeutics, Inc. (a)	46,366	582,357
Anika Therapeutics, Inc. (a)	4,450	115,611
Annexon, Inc. (a)	29,696	104,530
Arbutus Biopharma Corp. (a)(b)	57,393	132,004
Arcellx, Inc. (a)	3,623	114,559
Arcturus Therapeutics Holdings, Inc. (a)	11,835	339,428
Arcus Biosciences, Inc. (a)	8,468	171,985
Arrowhead Pharmaceuticals, Inc. (a)	9,777	348,648
Assembly Biosciences, Inc. (a)	48,169	55,394
Astria Therapeutics, Inc. (a)	5,617	46,790
Atara Biotherapeutics, Inc. (a)	78,579	126,512
Atreca, Inc. (a)(b)	38,927	38,148
Aurinia Pharmaceuticals, Inc. (a)	5,153	49,881
Beam Therapeutics, Inc. (a)	3,351	106,997
BioCryst Pharmaceuticals, Inc. (a)	47,093	331,535
Biohaven Ltd.	14,955	357,724
bluebird bio, Inc. (a)(b)	53,547	176,170
Blueprint Medicines Corp. (a)	5,249	331,737
Bolt Biotherapeutics, Inc. (a)	27,696	35,451
BridgeBio Pharma, Inc. (a)	32,538	559,654
C4 Therapeutics, Inc. (a)	18,343	50,443
CareDx, Inc. (a)	23,399	198,892
Carisma Therapeutics, Inc. (b)	8,292	72,721
Carisma Therapeutics, Inc. rights (a)(c)	165,842	2
Catalyst Pharmaceutical Partners, Inc. (a)	24,692	331,860
Celldex Therapeutics, Inc. (a)	1,866	63,313
Cogent Biosciences, Inc. (a)	22,467	266,009
Coherus BioSciences, Inc. (a)(b)	34,247	146,235
Corbus Pharmaceuticals Holdings, Inc. (a)(b)	1,376	10,788
Cytokinetics, Inc. (a)	7,654	249,673
CytomX Therapeutics, Inc. (a)	58,459	100,549
Deciphera Pharmaceuticals, Inc. (a)	21,861	307,803
Denali Therapeutics, Inc. (a)	10,305	304,101
Disc Medicine, Inc. (a)	3,200	142,080

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Biotechnology – continued</b>		
Dynavax Technologies Corp. (a)	4,990	64,471
Dyne Therapeutics, Inc. (a)	19,059	214,414
Eagle Pharmaceuticals, Inc. (a)	6,814	132,464
Editas Medicine, Inc. (a)(b)	27,273	224,457
Emergent BioSolutions, Inc. (a)	23,699	174,188
Fate Therapeutics, Inc. (a)(b)	39,819	189,538
FibroGen, Inc. (a)	70,250	189,675
Fortress Biotech, Inc. (a)	29,605	16,283
Gritstone Bio, Inc. (a)(b)	42,382	82,645
Gt Biopharma, Inc. (a)(b)	17,977	5,609
Holozyme Therapeutics, Inc. (a)	14,677	529,399
Heron Therapeutics, Inc. (a)(b)	98,251	113,971
Homology Medicines, Inc. (a)(b)	22,439	19,859
ImmunoGen, Inc. (a)	53,365	1,006,998
Immunovant, Inc. (a)	10,095	191,502
Infinity Pharmaceuticals, Inc. (a)(b)	92,615	19,495
Insmed, Inc. (a)	25,432	536,615
Intellia Therapeutics, Inc. (a)	12,837	523,493
Intercept Pharmaceuticals, Inc. (a)(b)	15,411	170,446
Ironwood Pharmaceuticals, Inc. Class A (a)(b)	4,120	43,837
Iveric Bio, Inc. (a)	10,266	403,864
Jounce Therapeutics, Inc. rights (a)(c)	67,389	1
Kalvista Pharmaceuticals, Inc. (a)	23,000	207,000
Karuna Therapeutics, Inc. (a)	1,436	311,397
Karyopharm Therapeutics, Inc. (a)(b)	94,334	168,858
Kezar Life Sciences, Inc. (a)	12,766	31,277
Kodiak Sciences, Inc. (a)	20,593	142,092
Krystal Biotech, Inc. (a)	1,543	181,148
Kura Oncology, Inc. (a)(b)	22,767	240,875
MacroGenics, Inc. (a)	29,160	156,006
Madrigal Pharmaceuticals, Inc. (a)	2,610	602,910
Mersana Therapeutics, Inc. (a)	61,430	202,105
MilMedx Group, Inc. (a)	36,265	239,712
Mustang Bio, Inc. (a)(b)	2,545	15,804
Myriad Genetics, Inc. (a)	4,030	93,415
Nurix Therapeutics, Inc. (a)	17,134	171,169
Oncternal Therapeutics, Inc. rights (a)(c)	466	0
Organogenesis Holdings, Inc. Class A (a)	30,019	99,663
ORIC Pharmaceuticals, Inc. (a)	40,740	316,142
Ovid Therapeutics, Inc. (a)	32,292	105,918
Passage Bio, Inc. (a)	21,054	19,818
Pieris Pharmaceuticals, Inc. (a)(b)	14,532	2,405
Point Biopharma Global, Inc. (a)(b)	5,800	52,548
Precigen, Inc. (a)(b)	69,772	80,238
Protagonist Therapeutics, Inc. (a)	14,239	393,281
Prothena Corp. PLC (a)	1,607	109,726
PTC Therapeutics, Inc. (a)	13,379	544,124
Puma Biotechnology, Inc. (a)	22,568	79,665
RAPT Therapeutics, Inc. (a)	4,926	92,116
Recursion Pharmaceuticals, Inc. (a)	12,472	93,166
Replimune Group, Inc. (a)	9,773	226,929
Revolution Medicines, Inc. (a)	5,462	146,109
Rigel Pharmaceuticals, Inc. (a)	67,503	87,079
Rocket Pharmaceuticals, Inc. (a)	15,293	303,872

## Common Stocks – continued

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Biotechnology – continued</b>		
Sage Therapeutics, Inc. (a)	3,795	178,441
Sana Biotechnology, Inc. (a)	16,900	100,724
Sangamo Therapeutics, Inc. (a)	99,372	129,184
Selecta Biosciences, Inc. (a)(b)	46,724	52,331
Surface Oncology, Inc. (a)	32,938	28,643
Sutro Biopharma, Inc. (a)	27,300	126,945
Syndax Pharmaceuticals, Inc. (a)	14,127	295,678
TG Therapeutics, Inc. (a)	13,544	336,433
Traverse Therapeutics, Inc. (a)	19,858	305,019
Vanda Pharmaceuticals, Inc. (a)	25,876	170,523
Vaxcyte, Inc. (a)	7,479	373,501
Veracyte, Inc. (a)(b)	2,355	59,982
Vericel Corp. (a)	1,803	67,739
Vir Biotechnology, Inc. (a)	5,202	127,605
Voyager Therapeutics, Inc. (a)	24,687	282,666
Xbiotech, Inc. (a)	7,080	42,055
Xencor, Inc. (a)	3,131	78,181
Y-mAbs Therapeutics, Inc. (a)	12,500	84,875
Zentaris Pharmaceuticals, Inc. (a)	10,807	304,865
Zymeworks, Inc.	9,000	77,760
		<u>22,438,020</u>
<b>Health Care Equipment &amp; Supplies - 3.7%</b>		
Accuray, Inc. (a)(b)	193,251	747,881
Alphatec Holdings, Inc. (a)	9,047	162,665
Artivion, Inc. (a)	26,476	455,122
Atricure, Inc. (a)	20,820	1,027,675
Avanos Medical, Inc. (a)	55,280	1,412,957
Cerus Corp. (a)	137,717	338,784
Embecta Corp.	3,403	73,505
Figs, Inc. Class A (a)(b)	11,164	92,326
Inari Medical, Inc. (a)(b)	11,462	666,401
iRadimed Corp.	3,035	144,891
Lantheus Holdings, Inc. (a)	26,838	2,252,245
LivaNova PLC (a)	5,079	261,213
Merit Medical Systems, Inc. (a)	26,345	2,203,496
Omniceil, Inc. (a)	6,769	498,672
SurModics, Inc. (a)	16,489	516,271
Tactile Systems Technology, Inc. (a)(b)	14,452	360,288
Zimvie, Inc. (a)	102,388	1,149,817
		<u>12,364,209</u>
<b>Health Care Providers &amp; Services - 1.9%</b>		
23andMe Holding Co. Class A (a)(b)	202,945	355,154
Addus HomeCare Corp. (a)	4,671	433,002
AMN Healthcare Services, Inc. (a)(b)	7,042	768,423
Invitae Corp. (a)(b)	202,837	229,206
National Healthcare Corp.	10,084	623,393
Option Care Health, Inc. (a)	68,633	2,229,886
Patterson Companies, Inc.	42,083	1,399,681
The Ensign Group, Inc.	2,881	275,020
		<u>6,313,765</u>
<b>Health Care Technology - 0.6%</b>		
Computer Programs & Systems, Inc. (a)	7,816	192,977
Health Catalyst, Inc. (a)	4,334	54,175
HealthStream, Inc.	25,444	624,905

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Health Care Technology – continued</b>		
Nextgen Healthcare, Inc. (a)	35,875	581,893
Phreesia, Inc. (a)	17,433	<u>540,597</u>
		<u>1,994,547</u>
<b>Life Sciences Tools &amp; Services - 0.4%</b>		
Adaptive Biotechnologies Corp. (a)	39,794	267,018
Codexis, Inc. (a)	29,133	81,572
Medpace Holdings, Inc. (a)	1,465	351,849
Nanosting Technologies, Inc. (a)	30,872	125,032
Pacific Biosciences of California, Inc. (a)(b)	16,970	225,701
Phenomex, Inc. (a)	31,654	15,510
Quanterix Corp. (a)	9,280	<u>209,264</u>
		<u>1,275,946</u>
<b>Pharmaceuticals - 1.2%</b>		
Amneal Pharmaceuticals, Inc. (a)	42,303	131,139
Amphastar Pharmaceuticals, Inc. (a)	9,800	563,206
Amylyx Pharmaceuticals, Inc. (a)	2,410	51,984
Arvinas Holding Co. LLC (a)	6,451	160,114
Atea Pharmaceuticals, Inc. (a)	21,416	80,096
Axsome Therapeutics, Inc. (a)	2,282	163,985
Cara Therapeutics, Inc. (a)	54,590	154,490
Concept Therapeutics, Inc. (a)(b)	16,923	376,537
Esperion Therapeutics, Inc. (a)	75,500	104,945
Intra-Cellular Therapies, Inc. (a)	10,840	686,389
NGM Biopharmaceuticals, Inc. (a)	15,944	41,295
Odonate, Inc. (a)(b)	39,639	65,404
Pacira Biosciences, Inc. (a)	3,659	146,616
Phathom Pharmaceuticals, Inc. (a)	12,901	184,742
Prestige Brands Holdings, Inc. (a)	10,847	644,637
Reata Pharmaceuticals, Inc. (a)	1,864	190,053
Relmada Therapeutics, Inc. (a)	29,525	72,632
Revance Therapeutics, Inc. (a)	5,635	142,622
Supernus Pharmaceuticals, Inc. (a)	4,900	147,294
WAVE Life Sciences (a)	22,804	<u>83,007</u>
		<u>4,191,187</u>
TOTAL HEALTH CARE		<u>48,577,674</u>

**INDUSTRIALS - 17.1%****Aerospace & Defense - 0.8%**

Aerojet Rocketdyne Holdings, Inc. (a)	2,176	119,397
Astronics Corp. (a)	21,700	430,962
Park Aerospace Corp.	6,097	84,139
Parsons Corp. (a)	41,656	<u>2,005,320</u>
		<u>2,639,818</u>

**Air Freight & Logistics - 0.0%**

Hub Group, Inc. Class A (a)	1,816	<u>145,861</u>
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**Building Products - 1.6%**

Apogee Enterprises, Inc.	25,534	1,212,099
AZZ, Inc.	2,640	114,734
CSW Industrials, Inc.	1,156	192,116
Janus International Group, Inc. (a)	11,434	121,886
Jeld-Wen Holding, Inc. (a)	27,856	488,594
PGT Innovations, Inc. (a)	40,890	1,191,944
Resideo Technologies, Inc. (a)	40,826	720,987

**Common Stocks – continued**

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Building Products – continued</b>		
Simpson Manufacturing Co. Ltd.	1,400	193,900
UFP Industries, Inc.	12,209	<u>1,184,883</u>
		<u>5,421,143</u>
<b>Commercial Services &amp; Supplies - 1.7%</b>		
ABM Industries, Inc.	7,972	340,006
ACV Auctions, Inc. Class A (a)	54,716	944,945
Brady Corp. Class A	4,109	195,465
Cimpress PLC (a)	32,823	1,952,312
Interface, Inc.	33,613	295,458
Liquidity Services, Inc. (a)	2,800	46,200
The Brink's Co.	27,683	<u>1,877,738</u>
		<u>5,652,124</u>
<b>Construction &amp; Engineering - 1.3%</b>		
API Group Corp. (a)	7,952	216,772
Comfort Systems U.S.A., Inc.	8,247	1,354,157
Dycom Industries, Inc. (a)	3,226	366,635
EMCOR Group, Inc.	9,560	1,766,497
MYR Group, Inc. (a)	4,984	<u>689,487</u>
		<u>4,393,548</u>
<b>Electrical Equipment - 2.7%</b>		
Array Technologies, Inc. (a)	22,085	499,121
Atkore, Inc. (a)	15,453	2,409,741
Encore Wire Corp. (b)	6,504	1,209,289
EnerSys	20,388	2,212,506
Enovix Corp. (a)(b)	35,816	646,121
LSI Industries, Inc.	3,649	45,831
Powell Industries, Inc.	2,596	157,292
Preformed Line Products Co.	7,515	1,173,092
Regal Rexnord Corp.	1,520	233,928
Thermon Group Holdings, Inc. (a)	17,724	<u>471,458</u>
		<u>9,058,379</u>
<b>Ground Transportation - 0.3%</b>		
Marten Transport Ltd.	44,672	960,448
TuSimple Holdings, Inc. (a)	35,360	<u>58,698</u>
		<u>1,019,146</u>
<b>Machinery - 3.3%</b>		
Alamo Group, Inc.	1,230	226,209
Albany International Corp. Class A	1,260	117,533
Barnes Group, Inc.	33,755	1,424,123
Chart Industries, Inc. (a)	2,585	413,057
EnPro Industries, Inc.	1,562	208,574
Franklin Electric Co., Inc.	7,088	729,355
Gorman-Rupp Co.	3,702	106,729
Hillenbrand, Inc.	1,500	76,920
Hurco Companies, Inc.	10,939	236,829
Hyster-Yale Materials Handling, Inc. Class A	12,764	712,742
Kadant, Inc.	3,467	770,021
L.B. Foster Co. Class A (a)	3,644	52,036
Mueller Industries, Inc.	4,273	372,947
Mueller Water Products, Inc. Class A	49,122	797,250
Proto Labs, Inc. (a)	7,965	278,456
SPX Technologies, Inc. (a)	16,441	1,396,992
Tennant Co.	2,721	220,700
Wabash National Corp.	15,539	398,420

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Machinery – continued</b>		
Watts Water Technologies, Inc. Class A	11,288	2,073,944
Xylem, Inc.	4,011	451,719
		<u>11,064,556</u>
<b>Marine Transportation - 0.3%</b>		
Matson, Inc.	10,632	<u>826,425</u>
<b>Passenger Airlines - 0.3%</b>		
Allegiant Travel Co. (a)	4,096	517,243
Joby Aviation, Inc. (a)	3,600	36,936
Mesa Air Group, Inc. (a)	47,931	122,224
Sun Country Airlines Holdings, Inc. (a)	10,433	<u>234,534</u>
		<u>910,937</u>
<b>Professional Services - 3.0%</b>		
Barrett Business Services, Inc.	14,008	1,221,498
Conduent, Inc. (a)	46,373	157,668
CRA International, Inc.	5,440	554,880
CSG Systems International, Inc.	35,497	1,872,112
ExlService Holdings, Inc. (a)	14,616	2,207,893
Heidrick & Struggles International, Inc.	16,488	436,437
Huron Consulting Group, Inc. (a)	12,745	1,082,178
Insperty, Inc.	1,347	160,239
Kelly Services, Inc. Class A (non-vtg.)	2,900	51,069
Resources Connection, Inc.	3,282	51,560
TriNet Group, Inc. (a)	11,046	1,049,039
Trec Holdings, Inc.	23,563	797,372
Upwork, Inc. (a)	47,481	443,473
		<u>10,085,418</u>
<b>Trading Companies &amp; Distributors - 1.8%</b>		
Applied Industrial Technologies, Inc.	3,911	566,430
Beacon Roofing Supply, Inc. (a)	21,181	1,757,599
DXP Enterprises, Inc. (a)	1,897	69,070
Global Industrial Co.	21,003	583,253
GMS, Inc. (a)	12,437	860,640
MRC Global, Inc. (a)	17,791	179,155
Rush Enterprises, Inc. Class A	17,215	1,045,639
Titan Machinery, Inc. (a)	1,794	52,923
Transcot, Inc. (a)	1,500	127,965
Triton International Ltd.	4,144	345,029
Veritiv Corp.	2,455	<u>308,373</u>
		<u>5,896,076</u>
<b>TOTAL INDUSTRIALS</b>		<u><b>57,113,431</b></u>

## INFORMATION TECHNOLOGY - 15.0%

<b>Communications Equipment - 1.2%</b>		
CommScope Holding Co., Inc. (a)	249,605	1,405,276
Extreme Networks, Inc. (a)	83,508	2,175,383
Harmonic, Inc. (a)	21,483	<u>347,380</u>
		<u>3,928,039</u>
<b>Electronic Equipment, Instruments &amp; Components - 3.2%</b>		
Arlo Technologies, Inc. (a)	17,877	195,038
Badger Meter, Inc.	6,139	905,871
Belden, Inc.	24,522	2,345,529
Benchmark Electronics, Inc.	33,654	869,283
Daktronics, Inc. (a)	4,376	28,006

## Common Stocks – continued

	Shares	Value (\$)
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Electronic Equipment, Instruments &amp; Components – continued</b>		
ePlus, Inc. (a)	1,656	93,233
Fabrinet (a)	2,890	375,353
Insight Enterprises, Inc. (a)	13,561	1,984,517
Kimball Electronics, Inc. (a)	38,731	1,070,138
PC Connection, Inc.	10,939	493,349
Sanmina Corp. (a)	28,234	1,701,663
ScanSource, Inc. (a)	11,166	330,067
Vishay Intertechnology, Inc.	6,896	<u>202,742</u>
		<u>10,594,789</u>
<b>IT Services - 0.1%</b>		
Perficient, Inc. (a)	2,539	<u>211,575</u>
<b>Semiconductors &amp; Semiconductor Equipment - 2.4%</b>		
Axcelis Technologies, Inc. (a)	9,291	1,703,319
CEVA, Inc. (a)	5,114	130,663
Diodes, Inc. (a)	20,050	1,854,425
Impinj, Inc. (a)	3,607	323,368
Lattice Semiconductor Corp. (a)	18,478	1,775,181
MaxLinear, Inc. Class A (a)	18,702	590,235
PDF Solutions, Inc. (a)	25,094	1,131,739
Photonics, Inc. (a)	27,794	<u>716,807</u>
		<u>8,225,737</u>
<b>Software - 6.9%</b>		
8x8, Inc. (a)(b)	214,512	907,386
Blackbaud, Inc. (a)	14,479	1,030,615
BlackLine, Inc. (a)	5,135	276,366
Box, Inc. Class A (a)	16,305	479,041
CommVault Systems, Inc. (a)	22,759	1,652,759
Couchbase, Inc. (a)	5,816	92,009
Domo, Inc. Class B (a)	104,043	1,525,270
LivePerson, Inc. (a)	131,221	593,119
Liveramp Holdings, Inc. (a)	70,082	2,001,542
Pagerduty, Inc. (a)	83,872	1,885,443
Progress Software Corp.	14,929	867,375
PROS Holdings, Inc. (a)	15,955	491,414
Q2 Holdings, Inc. (a)	61,702	1,906,592
Qualys, Inc. (a)	15,517	2,004,331
Rapid7, Inc. (a)	8,493	384,563
SecureWorks Corp. (a)	18,453	133,415
Sprout Social, Inc. (a)	14,769	681,737
SPS Commerce, Inc. (a)(b)	12,940	2,485,256
Tenable Holdings, Inc. (a)	6,880	299,624
Upland Software, Inc. (a)	19,729	71,024
Varonis Systems, Inc. (a)	46,789	1,246,927
Verint Systems, Inc. (a)	6,540	229,292
Yext, Inc. (a)	87,755	992,509
Zuora, Inc. (a)	79,092	<u>867,639</u>
		<u>23,105,248</u>
<b>Technology Hardware, Storage &amp; Peripherals - 1.2%</b>		
IonQ, Inc. (a)	25,746	348,343
Super Micro Computer, Inc. (a)	13,467	3,356,640
Xerox Holdings Corp.	23,323	<u>347,279</u>
		<u>4,052,262</u>

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>INFORMATION TECHNOLOGY – continued</b>		
TOTAL INFORMATION TECHNOLOGY		<u>50,117,650</u>
<b>MATERIALS - 4.6%</b>		
<b>Chemicals - 2.1%</b>		
AdvanSix, Inc.	4,338	151,743
American Vanguard Corp.	30,388	543,034
Avient Corp.	10,161	415,585
Balchem Corp.	1,417	191,026
Ecovyst, Inc. (a)	68,747	787,841
FutureFuel Corp.	25,866	228,914
H.B. Fuller Co.	12,359	883,792
Hawkins, Inc.	1,200	57,228
Innospec, Inc.	8,830	886,885
Minerals Technologies, Inc.	11,266	649,936
Orion SA	54,774	1,162,304
Rayonier Advanced Materials, Inc. (a)	19,537	83,618
Sensient Technologies Corp.	13,990	<u>995,109</u>
		<u>7,037,015</u>
<b>Construction Materials - 0.2%</b>		
Summit Materials, Inc.	22,157	<u>838,642</u>
<b>Containers &amp; Packaging - 0.5%</b>		
Greif, Inc. Class A	4,329	298,225
Myers Industries, Inc.	69,818	1,356,564
O-I Glass, Inc. (a)	5,069	<u>108,122</u>
		<u>1,762,911</u>
<b>Metals &amp; Mining - 1.7%</b>		
Arconic Corp. (a)	2,257	66,762
ATI, Inc. (a)	18,133	802,023
Commercial Metals Co.	33,368	1,757,159
Constellation NV (a)	30,430	523,396
Materion Corp. (b)	6,047	690,567
Olympic Steel, Inc.	1,522	74,578
Ryerson Holding Corp.	10,797	468,374
SunCoke Energy, Inc.	151,305	<u>1,190,770</u>
		<u>5,573,629</u>
<b>Paper &amp; Forest Products - 0.1%</b>		
Clearwater Paper Corp. (a)	7,490	<u>234,587</u>
TOTAL MATERIALS		<u>15,446,784</u>
<b>REAL ESTATE - 4.9%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 4.6%</b>		
Alexanders, Inc.	1,050	193,053
American Assets Trust, Inc.	39,205	752,736
Ashford Hospitality Trust, Inc. (a)	57,280	213,654
Brandywine Realty Trust (SBI)	21,725	101,021
Community Healthcare Trust, Inc.	3,462	114,315
Corporate Office Properties Trust (SBI)	35,814	850,583
EastGroup Properties, Inc.	5,183	899,769
Empire State Realty Trust, Inc.	52,374	392,281
Equity Commonwealth	8,137	164,856
Essential Properties Realty Trust, Inc.	70,578	1,661,406
Four Corners Property Trust, Inc.	26,066	662,076
Global Medical REIT, Inc.	59,857	546,494
Global Net Lease, Inc.	53,524	550,227

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>REAL ESTATE – continued</b>		
<b>Equity Real Estate Investment Trusts (REITs) – continued</b>		
LXP Industrial Trust (REIT)	80,693	786,757
National Storage Affiliates Trust	39,955	1,391,633
Outfront Media, Inc.	42,109	661,953
Paramount Group, Inc. (b)	32,828	145,428
Phillips Edison & Co., Inc.	37,449	1,276,262
Piedmont Office Realty Trust, Inc. Class A	8,335	60,595
Retail Opportunity Investments Corp.	28,807	389,183
RPT Realty	7,011	73,265
Ryman Hospitality Properties, Inc.	18,903	1,756,467
SITE Centers Corp.	11,919	157,569
Summit Hotel Properties, Inc.	19,988	130,122
Terreno Realty Corp.	20,714	1,244,911
Universal Health Realty Income Trust (SBI)	8,508	<u>404,811</u>
		<u>15,581,427</u>
<b>Real Estate Management &amp; Development - 0.3%</b>		
Anywhere Real Estate, Inc. (a)	40,454	270,233
Cushman & Wakefield PLC (a)	84,782	693,517
eXp World Holdings, Inc. (b)	3,608	<u>73,170</u>
		<u>1,036,920</u>
TOTAL REAL ESTATE		<u>16,618,347</u>
<b>UTILITIES - 1.7%</b>		
<b>Electric Utilities - 0.8%</b>		
Allete, Inc.	13,769	798,189
MGE Energy, Inc.	11,340	897,107
PNM Resources, Inc.	3,080	138,908
Portland General Electric Co.	19,942	<u>933,884</u>
		<u>2,768,088</u>
<b>Independent Power and Renewable Electricity Producers - 0.5%</b>		
Altus Power, Inc. Class A (a)	21,000	113,400
Clearway Energy, Inc.:		
Class A	27,064	730,728
Class C	24,100	<u>688,296</u>
		<u>1,532,424</u>
<b>Multi-Utilities - 0.2%</b>		
Avista Corp.	4,081	160,261
Black Hills Corp.	6,783	<u>408,744</u>
		<u>569,005</u>
<b>Water Utilities - 0.2%</b>		
American States Water Co.	8,509	<u>740,283</u>
TOTAL UTILITIES		<u>5,609,800</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$292,670,698)		<u><b>319,328,996</b></u>
<b>Money Market Funds – 9.6%</b>		
	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (d)	17,269,094	17,272,548
Fidelity Securities Lending Cash Central Fund 5.14% (d) (e)	14,714,024	14,715,496

## Schedule of Investments (Unaudited) - Continued

## Money Market Funds – continued

	Shares	Value (\$)
<b>TOTAL MONEY MARKET FUNDS</b>		<b>31,988,044</b>
(Cost \$31,988,044)		
<b>TOTAL INVESTMENT IN SECURITIES – 105.0%</b>		<b>351,317,040</b>
(Cost \$324,658,742)		
<b>NET OTHER ASSETS (LIABILITIES) – (5.0)%</b>		<b>(16,702,507)</b>
<b>NET ASSETS – 100.0%</b>		<b>334,614,533</b>

## Futures Contracts

	Number of contracts	Expiration Date	Notional Amount (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
Purchased					
Equity Index Contracts					
CME E-mini Russell 2000 Index Contracts (United States)	148	Sep 2023	14,087,380	180,331	180,331

The notional amount of futures purchased as a percentage of Net Assets is 4.2%

## Legend

- (a) Non-income producing
- (b) Security or a portion of the security is on loan at period end.
- (c) Level 3 security
- (d) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

(e) Investment made with cash collateral received from securities on loan.

## Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	7,105,388	34,070,120	23,902,960	218,497	—	—	17,272,548	0.0%
Fidelity Securities Lending Cash Central Fund 5.14%	18,738,102	48,915,476	52,938,082	17,209	—	—	14,715,496	0.1%
Total	25,843,490	82,985,596	76,841,042	235,706	—	—	31,988,044	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

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



Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

## Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	10,999,029	10,999,029	-	-
Consumer Discretionary	39,209,949	39,209,949	-	-
Consumer Staples	8,733,176	8,733,176	-	-
Energy	22,031,392	22,031,392	-	-
Financials	44,871,764	44,871,764	-	-
Health Care	48,577,674	48,577,671	-	3
Industrials	57,113,431	57,113,431	-	-
Information Technology	50,117,650	50,117,650	-	-
Materials	15,446,784	15,446,784	-	-
Real Estate	16,618,347	16,618,347	-	-
Utilities	5,609,800	5,609,800	-	-
Money Market Funds	31,988,044	31,988,044	-	-
<b>Total Investments in Securities:</b>	<b>351,317,040</b>	<b>351,317,037</b>	<b>-</b>	<b>3</b>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	180,331	180,331	-	-
<b>Total Assets</b>	<b>180,331</b>	<b>180,331</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Instruments:</b>	<b>180,331</b>	<b>180,331</b>	<b>-</b>	<b>-</b>

## Value of Derivative Instruments

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of June 30, 2023. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type	Value	
	Asset (\$)	Liability (\$)
<b>Equity Risk</b>		
Futures Contracts <sup>(a)</sup>	180,331	0
<b>Total Equity Risk</b>	<b>180,331</b>	<b>0</b>
<b>Total Value of Derivatives</b>	<b>180,331</b>	<b>0</b>

(a) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in Total accumulated earnings (loss).

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$14,227,964) — See accompanying schedule:

Unaffiliated issuers (cost \$292,670,698) \$ 319,328,996  
Fidelity Central Funds (cost \$31,988,044) 31,988,044

Total Investment in Securities (cost \$324,658,742)		\$	351,317,040
Segregated cash with brokers for derivative instruments			837,000
Receivable for investments sold			3,243,384
Receivable for fund shares sold			154,804
Dividends receivable			310,831
Distributions receivable from Fidelity Central Funds			55,069
Receivable for daily variation margin on futures contracts			38,073
Other receivables			3,385
<b>Total assets</b>			<u>355,959,586</u>

### Liabilities

Payable for investments purchased	\$	6,438,194
Payable for fund shares redeemed		16,156
Accrued management fee		98,322
Distribution and service plan fees payable		4,621
Other affiliated payables		44,590
Other payables and accrued expenses		30,835
Collateral on securities loaned		14,712,335
<b>Total Liabilities</b>		<u>21,345,053</u>

**Net Assets** \$ 334,614,533

Net Assets consist of:

Paid in capital	\$	323,038,931
Total accumulated earnings (loss)		11,575,602

**Net Assets** \$ 334,614,533

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share ( $\$26,088,476 \div 1,742,327$  shares) \$ 14.97

#### Service Class :

**Net Asset Value**, offering price and redemption price per share ( $\$221,399 \div 14,729$  shares) \$ 15.03

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share ( $\$23,064,730 \div 1,538,189$  shares) \$ 14.99

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share ( $\$285,239,928 \div 19,170,528$  shares) \$ 14.88

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

## Statement of Operations

	<b>Six months ended June 30, 2023 (Unaudited)</b>	
<b>Investment Income</b>		
Dividends		\$ 2,256,642
Income from Fidelity Central Funds (including \$17,209 from security lending)		235,706
<b>Total Income</b>		<u>2,492,348</u>
<b>Expenses</b>		
Management fee	\$ 578,524	
Transfer agent fees	205,858	
Distribution and service plan fees	25,427	
Accounting fees	56,888	
Custodian fees and expenses	5,817	
Independent trustees' fees and expenses	1,064	
Audit	26,598	
Legal	5,589	
Miscellaneous	680	
Total expenses before reductions	<u>906,445</u>	
Expense reductions	<u>(1,967)</u>	
Total expenses after reductions		<u>904,478</u>
<b>Net Investment income (loss)</b>		<u>1,587,870</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment Securities:		
Unaffiliated issuers	5,122,899	
Futures contracts	<u>(64,832)</u>	
Total net realized gain (loss)		5,058,067
Change in net unrealized appreciation (depreciation) on:		
Investment Securities:		
Unaffiliated issuers	24,035,056	
Futures contracts	<u>332,293</u>	
Total change in net unrealized appreciation (depreciation)		<u>24,367,349</u>
<b>Net gain (loss)</b>		<u>29,425,416</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$</b>	<u><u>31,013,286</u></u>

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

**Statement of Changes in Net Assets**

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 1,587,870	\$ 2,917,184
Net realized gain (loss)	5,058,067	(18,424,598)
Change in net unrealized appreciation (depreciation)	24,367,349	(57,678,824)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>31,013,286</u>	<u>(73,186,238)</u>
Distributions to shareholders	(955,818)	(65,774,280)
Share transactions - net increase (decrease)	(5,235,679)	41,245,551
<b>Total increase (decrease) in net assets</b>	<u>24,821,789</u>	<u>(97,714,967)</u>
<b>Net Assets</b>		
Beginning of period	309,792,744	407,507,711
End of period	<u>\$ 334,614,533</u>	<u>\$ 309,792,744</u>

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

# Financial Highlights

## VIP Disciplined Small Cap Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.62	\$ 20.38	\$ 17.27	\$ 14.68	\$ 13.07	\$ 16.86
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.08	.14	.10	.10	.15	.14
Net realized and unrealized gain (loss)	1.31	(3.56)	3.44	2.60	2.81	(2.20)
Total from investment operations	1.39	(3.42)	3.54	2.70	2.96	(2.06)
Distributions from net investment income	(.04)	(.13)	(.08)	(.11)	(.14)	(.14)
Distributions from net realized gain	-	(3.21)	(.35)	-	(1.21)	(1.59)
Total distributions	(.04)	(3.34)	(.43)	(.11)	(1.35)	(1.73)
Net asset value, end of period	\$ 14.97	\$ 13.62	\$ 20.38	\$ 17.27	\$ 14.68	\$ 13.07
<b>Total Return</b> <sup>C,D,E</sup>	10.24%	(18.23)%	20.66%	18.45%	23.71%	(13.08)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.48% <sup>H</sup>	.49%	.57%	.60%	.59%	.60%
Expenses net of fee waivers, if any	.48% <sup>H</sup>	.49%	.57%	.60%	.59%	.60%
Expenses net of all reductions	.48% <sup>H</sup>	.49%	.57%	.60%	.59%	.60%
Net investment income (loss)	1.07% <sup>H</sup>	.96%	.48%	.77%	1.05%	.90%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 26,088	\$ 25,329	\$ 30,964	\$ 23,919	\$ 23,600	\$ 24,285
Portfolio turnover rate <sup>I</sup>	99% <sup>H</sup>	102%	92%	57%	77%	103%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Disciplined Small Cap Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.68	\$ 20.45	\$ 17.33	\$ 14.74	\$ 13.12	\$ 16.91
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.07	.13	.08	.09	.13	.13
Net realized and unrealized gain (loss)	1.32	(3.58)	3.46	2.59	2.83	(2.21)
Total from investment operations	1.39	(3.45)	3.54	2.68	2.96	(2.08)
Distributions from net investment income	(.04)	(.11)	(.06)	(.09)	(.13)	(.12)
Distributions from net realized gain	-	(3.21)	(.35)	-	(1.21)	(1.59)
Total distributions	(.04)	(3.32)	(.42) <sup>C</sup>	(.09)	(1.34)	(1.71)
Net asset value, end of period	\$ 15.03	\$ 13.68	\$ 20.45	\$ 17.33	\$ 14.74	\$ 13.12
<b>Total Return</b> <sup>D,E,F</sup>	10.18%	(18.30)%	20.53%	18.28%	23.59%	(13.13)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.58% <sup>I</sup>	.59%	.67%	.70%	.69%	.70%
Expenses net of fee waivers, if any	.58% <sup>I</sup>	.59%	.67%	.70%	.69%	.70%
Expenses net of all reductions	.58% <sup>I</sup>	.59%	.67%	.70%	.69%	.70%
Net investment income (loss)	.97% <sup>I</sup>	.86%	.38%	.67%	.95%	.80%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 221	\$ 201	\$ 301	\$ 255	\$ 217	\$ 193
Portfolio turnover rate <sup>J</sup>	99% <sup>I</sup>	102%	92%	57%	77%	103%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total distributions per share do not sum due to rounding.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Disciplined Small Cap Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.65	\$ 20.42	\$ 17.30	\$ 14.72	\$ 13.11	\$ 16.90
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.06	.10	.05	.07	.11	.10
Net realized and unrealized gain (loss)	1.32	(3.57)	3.46	2.59	2.82	(2.20)
Total from investment operations	1.38	(3.47)	3.51	2.66	2.93	(2.10)
Distributions from net investment income	(.04)	(.09)	(.03)	(.08)	(.11)	(.10)
Distributions from net realized gain	-	(3.21)	(.35)	-	(1.21)	(1.59)
Total distributions	(.04)	(3.30)	(.39) <sup>C</sup>	(.08)	(1.32)	(1.69)
Net asset value, end of period	\$ 14.99	\$ 13.65	\$ 20.42	\$ 17.30	\$ 14.72	\$ 13.11
<b>Total Return</b> <sup>D,E,F</sup>	10.10%	(18.45)%	20.39%	18.12%	23.37%	(13.29)%
<b>Ratios to Average Net Assets</b> <sup>B,G,H</sup>						
Expenses before reductions	.73% <sup>I</sup>	.74%	.82%	.85%	.84%	.85%
Expenses net of fee waivers, if any	.73% <sup>I</sup>	.74%	.82%	.85%	.84%	.85%
Expenses net of all reductions	.73% <sup>I</sup>	.74%	.82%	.85%	.84%	.85%
Net investment income (loss)	.82% <sup>I</sup>	.71%	.23%	.52%	.80%	.65%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 23,065	\$ 18,360	\$ 20,389	\$ 13,720	\$ 9,767	\$ 6,823
Portfolio turnover rate <sup>J</sup>	99% <sup>I</sup>	102%	92%	57%	77%	103%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total distributions per share do not sum due to rounding.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Disciplined Small Cap Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.54	\$ 20.28	\$ 17.18	\$ 14.61	\$ 13.02	\$ 16.79
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.07	.13	.08	.09	.13	.13
Net realized and unrealized gain (loss)	1.31	(3.54)	3.44	2.58	2.80	(2.19)
Total from investment operations	1.38	(3.41)	3.52	2.67	2.93	(2.06)
Distributions from net investment income	(.04)	(.12)	(.07)	(.10)	(.13)	(.12)
Distributions from net realized gain	-	(3.21)	(.35)	-	(1.21)	(1.59)
Total distributions	(.04)	(3.33)	(.42)	(.10)	(1.34)	(1.71)
Net asset value, end of period	\$ 14.88	\$ 13.54	\$ 20.28	\$ 17.18	\$ 14.61	\$ 13.02
<b>Total Return</b> <sup>C,D,E</sup>	10.21%	(18.29)%	20.62%	18.33%	23.55%	(13.09)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.56% <sup>H</sup>	.57%	.65%	.67%	.67%	.68%
Expenses net of fee waivers, if any	.56% <sup>H</sup>	.57%	.65%	.67%	.67%	.68%
Expenses net of all reductions	.56% <sup>H</sup>	.57%	.65%	.67%	.67%	.68%
Net investment income (loss)	.99% <sup>H</sup>	.88%	.41%	.70%	.97%	.82%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 285,240	\$ 265,902	\$ 355,854	\$ 256,709	\$ 234,625	\$ 213,119
Portfolio turnover rate <sup>I</sup>	99% <sup>H</sup>	102%	92%	57%	77%	103%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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



# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Disciplined Small Cap Portfolio (the Fund) is a fund of Variable Insurance Products Fund II (the Trust) and is authorized to issue an unlimited number of shares. The Trust is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company organized as a Massachusetts business trust. Shares of the Fund may only be purchased by insurance companies for the purpose of funding variable annuity or variable life insurance contracts. The Fund offers the following classes of shares: Initial Class shares, Service Class shares, Service Class 2 shares and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party

**Notes to Financial Statements (Unaudited) – continued**

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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). 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 under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to futures contracts, passive foreign investment companies (PFIC), capital loss carryforwards and losses deferred due to wash sales and excise tax regulations.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$60,624,537
<b>Gross unrealized depreciation</b>	<u>(35,958,250)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$24,666,287</u>
<b>Tax cost</b>	<u>\$326,831,084</u>

Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited. The capital loss carryforward information

presented below, including any applicable limitation, is estimated as of prior fiscal period end and is subject to adjustment.

**Short-term**

\$(18,890,860)

**4. Derivative Instruments.**

**Risk Exposures and the Use of Derivative Instruments.** The Fund's investment objectives allow for various types of derivative instruments, including futures contracts. Derivatives are investments whose value is primarily derived from underlying assets, indices or reference rates and may be transacted on an exchange or over-the-counter (OTC). Derivatives may involve a future commitment to buy or sell a specified asset based on specified terms, to exchange future cash flows at periodic intervals based on a notional principal amount, or for one party to make one or more payments upon the occurrence of specified events in exchange for periodic payments from the other party.

Derivatives were used to increase returns and to manage exposure to certain risks as defined below. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the objectives may not be achieved.

Derivatives were used to increase or decrease exposure to the following risk(s):

Equity Risk	Equity risk relates to the fluctuations in the value of financial instruments as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.
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Funds are also exposed to additional risks from investing in derivatives, such as liquidity risk and counterparty credit risk. Liquidity risk is the risk that a fund will be unable to close out the derivative in the open market in a timely manner. Counterparty credit risk is the risk that the counterparty will not be able to fulfill its obligation to a fund. Counterparty credit risk related to exchange-traded contracts may be mitigated by the protection provided by the exchange on which they trade.

Investing in derivatives may involve greater risks than investing in the underlying assets directly and, to varying degrees, may involve risk of loss in excess of any initial investment and collateral received and amounts recognized in the Statement of Assets and Liabilities. In addition, there may be the risk that the change in value of the derivative contract does not correspond to the change in value of the underlying instrument.

**Futures Contracts.** A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. Futures contracts were used to manage exposure to the stock market.

Upon entering into a futures contract, a fund is required to deposit either cash or securities (initial margin) with a clearing broker in an amount equal to a certain percentage of the face value of the contract. Futures contracts are marked-to-market daily and subsequent daily payments are made or received by a fund depending on the daily fluctuations in the value of the futures contracts and are recorded as unrealized appreciation or (depreciation). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Statement of Assets and Liabilities. Realized gain or (loss) is recorded upon the expiration or closing of a futures contract. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on futures contracts during the period is presented in the Statement of Operations.

Any open futures contracts at period end are presented in the Schedule of Investments under the caption "Futures Contracts". The notional amount at value reflects each contract's exposure to the underlying instrument or index at period end, and is representative of volume of activity during the period unless an average notional amount is presented. Any securities deposited to meet initial margin requirements are identified in the Schedule of Investments. Any cash deposited to meet initial margin requirements is presented as segregated cash with brokers for derivative instruments in the Statement of Assets and Liabilities.

**5. Purchases and Sales of Investments.**

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	Purchases (\$)	Sales (\$)
VIP Disciplined Small Cap Portfolio	154,440,599	163,978,246

**6. Fees and Other Transactions with Affiliates.**

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee that is based on an annual rate of .36% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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

**Notes to Financial Statements (Unaudited) – continued**

pays Fidelity Distributors Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$106
<b>Service Class 2</b>	<u>25,321</u>
	<u>\$25,427</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets<sup>A</sup></b>
<b>Initial Class</b>	\$8,074	.06
<b>Service Class</b>	67	.06
<b>Service Class 2</b>	6,381	.06
<b>Investor Class</b>	191,336	.14
	<u>\$205,858</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP Disciplined Small Cap Portfolio</b>	.04

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	<b>Amount</b>
<b>VIP Disciplined Small Cap Portfolio</b>	\$19

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>	<b>Realized Gain (Loss) (\$)</b>
<b>VIP Disciplined Small Cap Portfolio</b>	4,444,836	5,640,969	51,357

**7. Committed Line of Credit.**

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	<b>Amount</b>
<b>VIP Disciplined Small Cap Portfolio</b>	\$318

**8. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned

securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP Disciplined Small Cap Portfolio	\$1,685	\$1,857	\$152,805

### 9. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$1,967.

### 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Disciplined Small Cap Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$80,165	\$5,556,350
Service Class	619	48,910
Service Class 2	56,797	3,286,577
Investor Class	<u>818,237</u>	<u>56,882,443</u>
Total	<u>\$955,818</u>	<u>\$65,774,280</u>

### 11. Share Transactions.

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Disciplined Small Cap Portfolio</b>				
<b>Initial Class</b>				
Shares sold	127,682	350,266	\$1,817,552	\$5,982,816
Reinvestment of distributions	5,395	369,912	80,165	5,556,350
Shares redeemed	<u>(250,446)</u>	<u>(379,820)</u>	<u>(3,552,873)</u>	<u>(5,515,135)</u>
Net increase (decrease)	<u>(117,369)</u>	<u>340,358</u>	<u>\$1,655,156</u>	<u>\$6,024,031</u>
<b>Service Class 2</b>				
Shares sold	408,551	430,712	\$5,833,775	\$6,300,442
Reinvestment of distributions	3,814	218,177	56,797	3,286,577
Shares redeemed	<u>(219,082)</u>	<u>(302,486)</u>	<u>(3,215,073)</u>	<u>(4,424,627)</u>
Net increase (decrease)	<u>193,283</u>	<u>346,403</u>	<u>\$2,675,499</u>	<u>\$5,162,392</u>
<b>Investor Class</b>				
Shares sold	599,269	949,088	\$8,729,465	\$13,765,898
Reinvestment of distributions	55,399	3,809,308	818,237	56,882,443
Shares redeemed	<u>(1,125,531)</u>	<u>(2,665,369)</u>	<u>(15,803,724)</u>	<u>(40,589,213)</u>
Net increase (decrease)	<u>(470,863)</u>	<u>2,093,027</u>	<u>\$(6,256,022)</u>	<u>\$30,059,128</u>

### 12. Other.

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %
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**Notes to Financial Statements (Unaudited) – continued**

VIP Disciplined Small Cap Portfolio

92%

**13. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Disciplined Small Cap Portfolio Initial Class	.48%			
Actual		\$ 1,000	\$ 1,102.40	\$ 2.50
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.41	\$ 2.41
Service Class	.58%			
Actual		\$ 1,000	\$ 1,101.80	\$ 3.02
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.92	\$ 2.91
Service Class 2	.73%			
Actual		\$ 1,000	\$ 1,101.00	\$ 3.80
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.17	\$ 3.66
Investor Class	.56%			
Actual		\$ 1,000	\$ 1,102.10	\$ 2.92
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.02	\$ 2.81

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Disciplined Small Cap Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR) (the Advisory Contract) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contract for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contract will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contract; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contract, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contract is fair and reasonable, and that the fund's Advisory Contract should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contract, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contract should be approved for two months from June 1, 2023 through July 31, 2023.



## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLI/M). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLI/M requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.

# Notes

# Notes

# Notes



# **Fidelity® Variable Insurance Products:**

## **VIP Dynamic Capital Appreciation Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

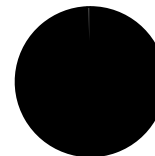
Microsoft Corp.	8.1
NVIDIA Corp.	5.1
MasterCard, Inc. Class A	2.7
Uber Technologies, Inc.	2.7
JPMorgan Chase & Co.	2.5
Apple, Inc.	2.4
Oracle Corp.	2.4
TJX Companies, Inc.	2.1
Ingersoll Rand, Inc.	2.0
CME Group, Inc.	1.8
	<hr/>
	31.8

## Market Sectors (% of Fund's net assets)

Information Technology	32.0
Industrials	15.5
Health Care	15.1
Financials	11.6
Consumer Discretionary	10.3
Communication Services	8.0
Energy	3.8
Consumer Staples	2.3
Utilities	0.4
Materials	0.3

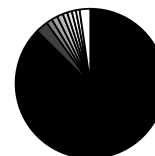
## Asset Allocation (% of Fund's net assets)

- Stocks - 99.3
- Short-Term Investments and Net Other Assets (Liabilities) - 0.7



## Geographic Diversification (% of Fund's net assets)

- United States of America\* - 87.4
- Netherlands - 2.7
- France - 1.3
- Taiwan - 1.3
- Canada - 1.3
- China - 1.0
- Australia - 1.0
- Brazil - 0.9
- United Kingdom - 0.8
- Other - 2.3



\* Includes Short-Term investments and Net Other Assets (Liabilities).  
Percentages are adjusted for the effect of derivatives, if applicable.



# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.0%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 8.0%</b>		
<b>Entertainment - 4.4%</b>		
Netflix, Inc. (a)	8,300	3,656,067
Universal Music Group NV	163,035	3,620,342
Warner Music Group Corp. Class A	77,575	<u>2,023,932</u>
		<u>9,300,341</u>
<b>Interactive Media &amp; Services - 3.6%</b>		
Alphabet, Inc.:		
Class A (a)	31,480	3,768,156
Class C (a)	30,860	3,733,134
Epic Games, Inc. (a)(b)(c)	156	<u>109,818</u>
		<u>7,611,108</u>
<b>Media - 0.0%</b>		
Innovid Corp. (a)	11,766	<u>12,825</u>
TOTAL COMMUNICATION SERVICES		<u>16,924,274</u>
<b>CONSUMER DISCRETIONARY - 10.3%</b>		
<b>Automobile Components - 0.1%</b>		
Mobileye Global, Inc.	1,700	<u>65,314</u>
<b>Automobiles - 0.4%</b>		
BYD Co. Ltd. (H Shares)	27,500	<u>881,778</u>
<b>Broadline Retail - 2.8%</b>		
Amazon.com, Inc. (a)	25,960	3,384,146
Dollarama, Inc.	10,800	731,441
MercadoLibre, Inc. (a)	1,560	<u>1,847,976</u>
		<u>5,963,563</u>
<b>Hotels, Restaurants &amp; Leisure - 2.4%</b>		
Airbnb, Inc. Class A (a)	11,000	1,409,760
Booking Holdings, Inc. (a)	445	1,201,647
Flutter Entertainment PLC (a)	10,474	2,101,713
Kura Sushi U.S.A., Inc. Class A (a)	3,500	<u>325,325</u>
		<u>5,038,445</u>
<b>Specialty Retail - 2.9%</b>		
Five Below, Inc. (a)	8,100	1,591,974
TXJ Companies, Inc.	53,358	<u>4,524,225</u>
		<u>6,116,199</u>
<b>Textiles, Apparel &amp; Luxury Goods - 1.7%</b>		
Compagnie Financiere Richemont SA Series A	1,000	169,868
LVMH Moet Hennessy Louis Vuitton SE	1,800	1,697,242
LVMH Moet Hennessy Louis Vuitton SE	700	661,500
Samsonite International SA (a) (d)	391,545	<u>1,104,281</u>
		<u>3,632,891</u>
TOTAL CONSUMER DISCRETIONARY		<u>21,698,190</u>
<b>CONSUMER STAPLES - 2.3%</b>		
<b>Beverages - 1.5%</b>		
Boston Beer Co., Inc. Class A (a)	2,400	740,256
Monster Beverage Corp.	42,348	<u>2,432,469</u>
		<u>3,172,725</u>
<b>Household Products - 0.3%</b>		
Energizer Holdings, Inc.	21,400	<u>718,612</u>
<b>Personal Care Products - 0.5%</b>		
Estee Lauder Companies, Inc. Class A	3,100	608,778
Kenvue, Inc.	12,800	<u>338,176</u>
		<u>946,954</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER STAPLES – continued</b>		
TOTAL CONSUMER STAPLES		<u>4,838,291</u>
<b>ENERGY - 3.8%</b>		
<b>Energy Equipment &amp; Services - 0.8%</b>		
Baker Hughes Co. Class A	57,600	<u>1,820,736</u>
<b>Oil, Gas &amp; Consumable Fuels - 3.0%</b>		
Antero Resources Corp. (a)	15,900	366,177
Canadian Natural Resources Ltd.	18,000	1,012,680
Cheniere Energy, Inc.	20,600	3,138,616
Denbury, Inc. (a)	6,000	517,560
New Fortress Energy, Inc.	15,600	417,768
Range Resources Corp.	29,100	<u>855,540</u>
		<u>6,308,341</u>
TOTAL ENERGY		<u>8,129,077</u>
<b>FINANCIALS - 11.6%</b>		
<b>Banks - 2.5%</b>		
JPMorgan Chase & Co.	36,600	<u>5,323,104</u>
<b>Capital Markets - 2.7%</b>		
CME Group, Inc.	20,636	3,823,644
Morgan Stanley	22,810	<u>1,947,974</u>
		<u>5,771,618</u>
<b>Financial Services - 3.4%</b>		
Block, Inc. Class A (a)	15,800	1,051,806
MasterCard, Inc. Class A	14,600	5,742,180
One97 Communications Ltd. (a)	11,200	118,712
Rocket Companies, Inc. (a)(e)	34,700	<u>310,912</u>
		<u>7,223,610</u>
<b>Insurance - 3.0%</b>		
American Financial Group, Inc.	8,900	1,056,875
Arthur J. Gallagher & Co.	12,157	2,669,312
BRP Group, Inc. (a)	20,400	505,512
Marsh & McLennan Companies, Inc.	11,000	<u>2,068,880</u>
		<u>6,300,579</u>
TOTAL FINANCIALS		<u>24,618,911</u>
<b>HEALTH CARE - 15.1%</b>		
<b>Biotechnology - 5.7%</b>		
2seventy bio, Inc. (a)	2,300	23,276
Adamas Pharmaceuticals, Inc.:		
rights (a)(c)	47,000	11,750
rights (a)(c)	47,000	5,170
Anylam Pharmaceuticals, Inc. (a)	5,679	1,078,669
Arcellx, Inc. (a)	1,700	53,754
Beam Therapeutics, Inc. (a)	2,100	67,053
Biogen, Inc. (a)	3,900	1,110,915
Cytokinetics, Inc. (a)	5,500	179,410
Evelo Biosciences, Inc. (a)	635	2,064
Galapagos NV sponsored ADR (a)	13,500	548,910
Gamida Cell Ltd. (a)(e)	75,514	145,742
Gamida Cell Ltd. warrants 4/21/28 (a)	11,600	12,854
Genmab A/S (a)	900	341,062
Hookipa Pharma, Inc. (a)	32,100	28,248

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

## Schedule of Investments (Unaudited) - Continued

## Common Stocks – continued

	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Biotechnology – continued</b>		
Immunocore Holdings PLC ADR (a)	4,600	275,816
Legend Biotech Corp. ADR (a)	5,500	379,665
Regeneron Pharmaceuticals, Inc. (a)	2,679	1,924,969
Repligen Corp. (a)	3,500	495,110
Seagen, Inc. (a)	9,100	1,751,386
Seres Therapeutics, Inc. (a)	10,900	52,211
Synlogic, Inc. (a) (e)	33,000	14,190
Vertex Pharmaceuticals, Inc. (a)	9,225	3,246,370
Vor Biopharma, Inc. (a)	19,984	61,751
XOMA Corp. (a)	10,300	194,567
		<u>12,004,912</u>
<b>Health Care Equipment &amp; Supplies - 2.5%</b>		
Baxter International, Inc.	30,100	1,371,356
Boston Scientific Corp. (a)	54,600	2,953,314
Insulet Corp. (a)	400	115,336
Penumbra, Inc. (a)	2,800	963,368
		<u>5,403,374</u>
<b>Health Care Providers &amp; Services - 2.7%</b>		
HealthEquity, Inc. (a)	30,600	1,932,084
Option Care Health, Inc. (a)	21,600	701,784
UnitedHealth Group, Inc.	6,424	3,087,631
		<u>5,721,499</u>
<b>Health Care Technology - 0.2%</b>		
Evolent Health, Inc. (b)	10,100	290,729
Simulations Plus, Inc.	2,500	108,325
		<u>399,054</u>
<b>Life Sciences Tools &amp; Services - 3.1%</b>		
Bio-Techne Corp.	6,800	555,084
Bruker Corp.	14,600	1,079,232
Charles River Laboratories International, Inc. (a)	3,400	714,850
Codexis, Inc. (a)	12,700	35,560
Danaher Corp.	3,900	936,000
Sartorius Stedim Biotech	2,000	499,115
Thermo Fisher Scientific, Inc.	5,300	2,765,275
		<u>6,585,116</u>
<b>Pharmaceuticals - 0.9%</b>		
Aclaris Therapeutics, Inc. (a)	7,300	75,701
AstraZeneca PLC sponsored ADR	20,300	1,452,871
Rovance Therapeutics, Inc. (a)	13,700	346,747
		<u>1,875,319</u>
<b>TOTAL HEALTH CARE</b>		
		<u>31,989,274</u>
<b>INDUSTRIALS - 15.5%</b>		
<b>Aerospace &amp; Defense - 1.5%</b>		
Spirit AeroSystems Holdings, Inc. Class A	33,100	966,189
The Boeing Co. (a)	10,100	2,132,716
		<u>3,098,905</u>
<b>Electrical Equipment - 1.5%</b>		
Bloom Energy Corp. Class A (a) (e)	3,900	63,765
Eaton Corp. PLC	10,700	2,151,770
Hubbell, Inc. Class B	2,600	862,056
		<u>3,077,591</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Ground Transportation - 2.7%</b>		
Uber Technologies, Inc. (a)	131,400	5,672,538
<b>Industrial Conglomerates - 1.5%</b>		
General Electric Co.	29,700	3,262,545
<b>Machinery - 3.9%</b>		
Energy Recovery, Inc. (a)	6,800	190,060
Ingersoll Rand, Inc.	63,422	4,145,262
PACCAR, Inc.	8,700	727,755
Parker Hannifin Corp.	4,700	1,833,188
Westinghouse Air Brake Tech Co.	12,500	1,370,875
		<u>8,267,140</u>
<b>Passenger Airlines - 0.5%</b>		
Ryanair Holdings PLC sponsored ADR (a)	10,500	1,161,300
<b>Professional Services - 2.7%</b>		
Equifax, Inc.	5,300	1,247,090
KBR, Inc.	55,785	3,629,372
TransUnion Holding Co., Inc.	11,200	877,296
		<u>5,753,758</u>
<b>Trading Companies &amp; Distributors - 1.2%</b>		
Ferguson PLC	15,477	2,439,284
<b>TOTAL INDUSTRIALS</b>		
		<u>32,733,061</u>
<b>INFORMATION TECHNOLOGY - 31.9%</b>		
<b>Electronic Equipment, Instruments &amp; Components - 1.5%</b>		
Flex Ltd. (a)	71,212	1,968,300
Jabil, Inc.	10,700	1,154,851
		<u>3,123,151</u>
<b>IT Services - 2.6%</b>		
Accenture PLC Class A	6,900	2,129,202
Gartner, Inc. (a)	1,800	630,558
MongoDB, Inc. Class A (a)	4,600	1,890,554
Shopify, Inc. Class A (a)	13,400	865,640
		<u>5,515,954</u>
<b>Semiconductors &amp; Semiconductor Equipment - 11.3%</b>		
Aixtron AG	21,800	739,574
Allegro MicroSystems LLC (a)	9,809	442,778
Analog Devices, Inc.	8,800	1,714,328
ASML Holding NV (depository receipt)	1,505	1,090,749
BE Semiconductor Industries NV	9,900	1,072,726
KLA Corp.	1,800	873,036
Marvell Technology, Inc.	8,900	532,042
Monolithic Power Systems, Inc.	1,200	648,276
NVIDIA Corp.	25,587	10,823,813
NXP Semiconductors NV	6,300	1,289,484
SiTime Corp. (a)	7,300	861,181
Taiwan Semiconductor Manufacturing Co. Ltd. sponsored ADR	27,800	2,805,576
Universal Display Corp.	7,139	1,028,944
		<u>23,922,507</u>
<b>Software - 14.1%</b>		
Confluent, Inc. (a)	37,600	1,327,656
HashiCorp, Inc. (a)	14,900	390,082
HubSpot, Inc. (a)	1,900	1,010,971

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>INFORMATION TECHNOLOGY – continued</b>		
<b>Software – continued</b>		
Intuit, Inc.	1,600	733,104
Manhattan Associates, Inc. (a)	6,100	1,219,268
Microsoft Corp.	49,942	17,007,248
NICE Ltd. sponsored ADR (a)	2,900	598,850
Oracle Corp.	42,500	5,061,325
ServiceNow, Inc. (a)	700	393,379
Synopsys, Inc. (a)	4,300	1,872,263
Value A/S (a)	48,500	81,604
		<u>29,695,750</u>
<b>Technology Hardware, Storage &amp; Peripherals - 2.4%</b>		
Apple, Inc.	26,260	5,093,652
TOTAL INFORMATION TECHNOLOGY		<u>67,351,014</u>
<b>MATERIALS - 0.1%</b>		
<b>Chemicals - 0.1%</b>		
Aspen Aerogels, Inc. (a)	18,500	145,965
<b>UTILITIES - 0.4%</b>		
<b>Independent Power and Renewable Electricity Producers - 0.4%</b>		
Brookfield Renewable Corp.	20,800	655,616
Brookfield Renewable Partners LP	4,000	117,960
		<u>773,576</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$151,664,075)		<u>209,201,633</u>

**Convertible Preferred Stocks – 0.3%**

	Shares	Value (\$)
<b>HEALTH CARE - 0.0%</b>		
<b>Biotechnology - 0.0%</b>		
ElevateBio LLC Series C (a)(b)(c)	5,300	22,472
<b>INFORMATION TECHNOLOGY - 0.1%</b>		
<b>Software - 0.1%</b>		
ASAPP, Inc. Series C (a)(b)(c)	17,672	54,253
<b>MATERIALS - 0.2%</b>		
<b>Metals &amp; Mining - 0.2%</b>		
Illuminated Holdings, Inc.:		
Series C2 (a)(b)(c)	3,438	125,865
Series C3 (a)(b)(c)	4,298	157,350
Series C4 (a)(b)(c)	1,252	45,836
Series C5 (a)(b)(c)	2,617	95,808
		<u>424,859</u>
<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b>		
(Cost \$511,834)		<u>501,584</u>

**Convertible Bonds – 0.0%**

	Principal Amount (f)	Value (\$)
<b>MATERIALS - 0.0%</b>		
<b>Metals &amp; Mining - 0.0%</b>		
Illuminated Holdings, Inc. 0% (b)(c)(g) (Cost \$49,600)	49,600	<u>49,600</u>

**Money Market Funds – 0.7%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (h)	1,070,399	1,070,613
Fidelity Securities Lending Cash Central Fund 5.14% (h)(i)	421,345	421,387
<b>TOTAL MONEY MARKET FUNDS</b>		
(Cost \$1,492,000)		<u>1,492,000</u>

**TOTAL INVESTMENT IN SECURITIES – 100.0%**(Cost \$153,717,509) 211,244,817**NET OTHER ASSETS (LIABILITIES) – 0.0%**12,512**NET ASSETS – 100.0%**211,257,329

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

## Schedule of Investments (Unaudited) - Continued

### Legend

(a) Non-income producing	Additional information on each restricted holding is as follows:	Security	Acquisition Date	Acquisition Cost (\$)
(b) Restricted securities (including private placements) — 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 \$951,731 or 0.5% of net assets.		ASAPP, Inc. Series C	4/30/21	116,584
		ElevateBio LLC Series C	3/09/21	22,234
(c) Level 3 security		Epic Games, Inc.	3/29/21	138,060
(d) 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 \$1,104,281 or 0.5% of net assets.		Evolent Health, Inc.	3/28/23	292,900
(e) Security or a portion of the security is on loan at period end.		Illuminated Holdings, Inc. Series C2	7/07/20	85,950
(f) Amount is stated in United States dollars unless otherwise noted.		Illuminated Holdings, Inc. Series C3	7/07/20	128,940
(g) Security is perpetual in nature with no stated maturity date.		Illuminated Holdings, Inc. Series C4	1/08/21	45,072
(h) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.		Illuminated Holdings, Inc. Series C5	6/16/21	113,054
(i) Investment made with cash collateral received from securities on loan.		Illuminated Holdings, Inc. 0%	6/14/23	49,600

### Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	2,764,138	18,478,225	20,171,750	41,521	—	—	1,070,613	0.0%
Fidelity Securities Lending Cash Central Fund 5.14%	<u>1,089,387</u>	<u>9,161,464</u>	<u>9,829,464</u>	<u>17,131</u>	<u>—</u>	<u>—</u>	<u>421,387</u>	0.0%
Total	<u>3,853,525</u>	<u>27,639,689</u>	<u>30,001,214</u>	<u>58,652</u>	<u>—</u>	<u>—</u>	<u>1,492,000</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	16,924,274	16,814,456	-	109,818
Consumer Discretionary	21,698,190	18,949,302	2,748,888	-
Consumer Staples	4,838,291	4,838,291	-	-

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

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
Investments in Securities: - continued				
Energy	8,129,077	8,129,077	-	-
Financials	24,618,911	24,500,199	118,712	-
Health Care	32,011,746	31,327,709	644,645	39,392
Industrials	32,733,061	32,733,061	-	-
Information Technology	67,405,267	67,351,014	-	54,253
Materials	570,824	145,965	-	424,859
Utilities	773,576	773,576	-	-
Corporate Bonds	49,600	-	-	49,600
Money Market Funds	1,492,000	1,492,000	-	-
<b>Total Investments in Securities:</b>	<u>211,244,817</u>	<u>207,054,650</u>	<u>3,512,245</u>	<u>677,922</u>

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$407,103) — See accompanying schedule:

Unaffiliated issuers (cost \$152,225,509)	\$ 209,752,817
Fidelity Central Funds (cost \$1,492,000)	1,492,000

Total Investment in Securities (cost \$153,717,509)

Cash	641
Foreign currency held at value (cost \$3,512)	3,513
Receivable for investments sold	726,023
Dividends receivable	62,474
Distributions receivable from Fidelity Central Funds	10,578

### Total assets

212,048,046

### Liabilities

Payable for investments purchased	\$ 92,512
Payable for fund shares redeemed	127,021
Accrued management fee	90,323
Distribution and service plan fees payable	3,224
Other affiliated payables	27,589
Other payables and accrued expenses	28,848
Collateral on securities loaned	421,200

### Total Liabilities

790,717

<b>Net Assets</b>	\$ <u>211,257,329</u>
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Net Assets consist of:

Paid in capital	\$ 151,202,135
Total accumulated earnings (loss)	60,055,194

<b>Net Assets</b>	\$ <u>211,257,329</u>
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### Net Asset Value and Maximum Offering Price

#### Initial Class :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$23,454,817 \div 1,528,317$ shares)	\$ <u>15.35</u>
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#### Service Class :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$457,963 \div 30,393$ shares)	\$ <u>15.07</u>
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#### Service Class 2 :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$15,295,485 \div 1,046,756$ shares)	\$ <u>14.61</u>
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#### Investor Class :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$172,049,064 \div 11,252,805$ shares)	\$ <u>15.29</u>
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See accompanying notes which are an integral part of the financial statements.

## Statement of Operations

Six months ended  
June 30, 2023  
(Unaudited)

### Investment Income

Dividends		\$	963,981
Income from Fidelity Central Funds (including \$17,131 from security lending)			58,652
<b>Total Income</b>			<u>1,022,633</u>

### Expenses

Management fee	\$	504,960	
Transfer agent fees		119,719	
Distribution and service plan fees		18,278	
Accounting fees		34,038	
Custodian fees and expenses		9,999	
Independent trustees' fees and expenses		632	
Audit		23,961	
Legal		4,211	
Miscellaneous		407	
Total expenses before reductions		<u>716,205</u>	
Expense reductions		<u>(4,303)</u>	
Total expenses after reductions			<u>711,902</u>

### Net Investment income (loss)

			<u>310,731</u>
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### Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:			
Investment Securities:			
Unaffiliated issuers		2,367,856	
Foreign currency transactions		4,083	
Total net realized gain (loss)			<u>2,371,939</u>
Change in net unrealized appreciation (depreciation) on:			
Investment Securities:			
Unaffiliated issuers		28,972,369	
Assets and liabilities in foreign currencies		94	
Total change in net unrealized appreciation (depreciation)			<u>28,972,463</u>

### Net gain (loss)

			<u>31,344,402</u>
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### Net increase (decrease) in net assets resulting from operations

\$	<u>31,655,133</u>
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See accompanying notes which are an integral part of the financial statements.

### Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 310,731	\$ 741,820
Net realized gain (loss)	2,371,939	9,662,143
Change in net unrealized appreciation (depreciation)	28,972,463	(61,290,193)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>31,655,133</u>	<u>(50,886,230)</u>
Distributions to shareholders	(9,955,611)	(26,356,824)
Share transactions - net increase (decrease)	9,866,634	3,303,432
<b>Total increase (decrease) in net assets</b>	<u>31,566,156</u>	<u>(73,939,622)</u>
<b>Net Assets</b>		
Beginning of period	179,691,173	253,630,795
End of period	\$ <u><u>211,257,329</u></u>	\$ <u><u>179,691,173</u></u>

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



# Financial Highlights

## VIP Dynamic Capital Appreciation Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.72	\$ 19.62	\$ 17.36	\$ 13.20	\$ 12.24	\$ 14.43
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.03	.07	.09 <sup>C</sup>	.03	.07	.08
Net realized and unrealized gain (loss)	2.36	(3.87)	3.96	4.35	3.21	(.73) <sup>D</sup>
Total from investment operations	2.39	(3.80)	4.05	4.38	3.28	(.65)
Distributions from net investment income	(.02)	(.05)	(.11) <sup>E</sup>	(.03)	(.08)	(.08)
Distributions from net realized gain	(.73)	(2.05)	(1.67) <sup>E</sup>	(.19)	(2.24)	(1.46)
Total distributions	(.76) <sup>F</sup>	(2.10)	(1.79) <sup>F</sup>	(.22)	(2.32)	(1.54)
Net asset value, end of period	\$ 15.35	\$ 13.72	\$ 19.62	\$ 17.36	\$ 13.20	\$ 12.24
<b>Total Return</b> <sup>G,H,I</sup>	17.90%	(20.87)%	24.63%	33.61%	30.08%	(4.89)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.66% <sup>L</sup>	.67%	.66%	.68%	.68%	.69%
Expenses net of fee waivers, if any	.66% <sup>L</sup>	.66%	.66%	.68%	.68%	.69%
Expenses net of all reductions	.66% <sup>L</sup>	.66%	.66%	.68%	.68%	.68%
Net investment income (loss)	.40% <sup>L</sup>	.45%	.51% <sup>C</sup>	.19%	.57%	.54%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 23,455	\$ 20,784	\$ 30,029	\$ 26,104	\$ 22,638	\$ 20,701
Portfolio turnover rate <sup>M</sup>	59% <sup>L</sup>	55%	61%	62%	66%	155%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .18%.

<sup>D</sup> Amount includes a reimbursement from the investment adviser for an operational error which amounted to less than \$.33 per share. Excluding this reimbursement, the total return would have been (7.25)%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Dynamic Capital Appreciation Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.49	\$ 19.33	\$ 17.13	\$ 13.03	\$ 12.11	\$ 14.28
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.02	.05	.08 <sup>C</sup>	.01	.06	.06
Net realized and unrealized gain (loss)	2.32	(3.80)	3.89	4.30	3.17	(.71) <sup>D</sup>
Total from investment operations	2.34	(3.75)	3.97	4.31	3.23	(.65)
Distributions from net investment income	(.02)	(.03)	(.09) <sup>E</sup>	(.02)	(.07)	(.06)
Distributions from net realized gain	(.73)	(2.05)	(1.67) <sup>E</sup>	(.19)	(2.24)	(1.46)
Total distributions	(.76) <sup>F</sup>	(2.09) <sup>F</sup>	(1.77) <sup>F</sup>	(.21)	(2.31)	(1.52)
Net asset value, end of period	\$ 15.07	\$ 13.49	\$ 19.33	\$ 17.13	\$ 13.03	\$ 12.11
<b>Total Return</b> <sup>G,H,I</sup>	17.82%	(20.94)%	24.47%	33.48%	29.96%	(4.97)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.76% <sup>L</sup>	.77%	.76%	.78%	.78%	.79%
Expenses net of fee waivers, if any	.76% <sup>L</sup>	.76%	.76%	.78%	.78%	.79%
Expenses net of all reductions	.76% <sup>L</sup>	.76%	.76%	.78%	.78%	.78%
Net investment income (loss)	.30% <sup>L</sup>	.35%	.42% <sup>C</sup>	.09%	.47%	.44%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 458	\$ 358	\$ 445	\$ 327	\$ 287	\$ 265
Portfolio turnover rate <sup>M</sup>	59% <sup>L</sup>	55%	61%	62%	66%	155%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .08%.

<sup>D</sup> Amount includes a reimbursement from the investment adviser for an operational error which amounted to less than \$.33 per share. Excluding this reimbursement, the total return would have been (7.33)%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Dynamic Capital Appreciation Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.11	\$ 18.85	\$ 16.74	\$ 12.74	\$ 11.88	\$ 14.05
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.01	.03	.05 <sup>C</sup>	(.01)	.04	.04
Net realized and unrealized gain (loss)	2.24	(3.70)	3.79	4.21	3.11	(.71) <sup>D</sup>
Total from investment operations	2.25	(3.67)	3.84	4.20	3.15	(.67)
Distributions from net investment income	(.02)	(.02)	(.05) <sup>E</sup>	(.01)	(.05)	(.05)
Distributions from net realized gain	(.73)	(2.05)	(1.67) <sup>E</sup>	(.19)	(2.24)	(1.46)
Total distributions	(.75)	(2.07)	(1.73) <sup>F</sup>	(.20)	(2.29)	(1.50) <sup>F</sup>
Net asset value, end of period	\$ 14.61	\$ 13.11	\$ 18.85	\$ 16.74	\$ 12.74	\$ 11.88
<b>Total Return</b> <sup>G,H,I</sup>	17.69%	(21.05)%	24.27%	33.34%	29.82%	(5.17)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.91% <sup>L</sup>	.92%	.91%	.93%	.93%	.94%
Expenses net of fee waivers, if any	.91% <sup>L</sup>	.91%	.91%	.93%	.93%	.94%
Expenses net of all reductions	.91% <sup>L</sup>	.91%	.91%	.93%	.93%	.93%
Net investment income (loss)	.15% <sup>L</sup>	.20%	.26% <sup>C</sup>	(.06)%	.32%	.29%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 15,295	\$ 13,739	\$ 19,579	\$ 18,900	\$ 15,870	\$ 14,533
Portfolio turnover rate <sup>M</sup>	59% <sup>L</sup>	55%	61%	62%	66%	155%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been (.07)%.

<sup>D</sup> Amount includes a reimbursement from the investment adviser for an operational error which amounted to less than \$.32 per share. Excluding this reimbursement, the total return would have been (7.53)%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Dynamic Capital Appreciation Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 13.68	\$ 19.56	\$ 17.32	\$ 13.17	\$ 12.21	\$ 14.40
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.02	.06	.08 <sup>C</sup>	.02	.06	.06
Net realized and unrealized gain (loss)	2.35	(3.85)	3.93	4.34	3.21	(.72) <sup>D</sup>
Total from investment operations	2.37	(3.79)	4.01	4.36	3.27	(.66)
Distributions from net investment income	(.02)	(.04)	(.09) <sup>E</sup>	(.02)	(.07)	(.07)
Distributions from net realized gain	(.73)	(2.05)	(1.67) <sup>E</sup>	(.19)	(2.24)	(1.46)
Total distributions	(.76) <sup>F</sup>	(2.09)	(1.77) <sup>F</sup>	(.21)	(2.31)	(1.53)
Net asset value, end of period	\$ 15.29	\$ 13.68	\$ 19.56	\$ 17.32	\$ 13.17	\$ 12.21
<b>Total Return</b> <sup>G,H,I</sup>	17.79%	(20.88)%	24.46%	33.54%	30.07%	(5.00)% <sup>D</sup>
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.74% <sup>L</sup>	.74%	.73%	.76%	.76%	.77%
Expenses net of fee waivers, if any	.74% <sup>L</sup>	.74%	.73%	.76%	.76%	.77%
Expenses net of all reductions	.74% <sup>L</sup>	.74%	.73%	.75%	.76%	.76%
Net investment income (loss)	.33% <sup>L</sup>	.38%	.44% <sup>C</sup>	.12%	.50%	.46%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 172,049	\$ 144,809	\$ 203,577	\$ 160,175	\$ 124,723	\$ 108,561
Portfolio turnover rate <sup>M</sup>	59% <sup>L</sup>	55%	61%	62%	66%	155%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .10%.

<sup>D</sup> Amount includes a reimbursement from the investment adviser for an operational error which amounted to less than \$.33 per share. Excluding this reimbursement, the total return would have been (7.36)%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Dynamic Capital Appreciation Portfolio (the Fund) is a fund of Variable Insurance Products Fund III (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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

## Notes to Financial Statements (Unaudited) – continued

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 a third party 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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be categorized as Level 3 in the hierarchy.

Debt securities, including restricted securities, are valued based on evaluated prices received from third party pricing services or from brokers who make markets in such securities. Corporate bonds are valued by pricing services who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. When independent prices are unavailable or unreliable, debt securities may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing services. Debt securities are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

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

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in dividends. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in dividends receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or ETFs. Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or ETF. 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 under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, passive foreign investment companies (PFIC), partnerships and losses deferred due to wash sales and excise tax regulations.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$63,492,245
<b>Gross unrealized depreciation</b>	<u>(6,064,110)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$57,428,135</u>
<b>Tax cost</b>	<u>\$153,816,682</u>

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

#### 4. Purchases and Sales of Investments.

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Dynamic Capital Appreciation Portfolio</b>	57,578,666	56,064,505

#### 5. Fees and Other Transactions with Affiliates.

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .30% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .52% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$206
<b>Service Class 2</b>	<u>18,072</u>
	<u>\$18,278</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets<sup>a</sup></b>
<b>Initial Class</b>	\$6,866	.06
<b>Service Class</b>	130	.06
<b>Service Class 2</b>	4,554	.06
<b>Investor Class</b>	<u>108,169</u>	.14
	<u>\$119,719</u>	

**Notes to Financial Statements (Unaudited) – continued**<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	% of Average Net Assets
VIP Dynamic Capital Appreciation Portfolio	.04

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	Amount
VIP Dynamic Capital Appreciation Portfolio	\$836

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	Purchases (\$)	Sales (\$)	Realized Gain (Loss) (\$)
VIP Dynamic Capital Appreciation Portfolio	1,851,300	4,462,695	813,931

**6. Committed Line of Credit.**

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	Amount
VIP Dynamic Capital Appreciation Portfolio	\$183

**7. Security Lending.**

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
VIP Dynamic Capital Appreciation Portfolio	\$1,837	\$1,888	\$-



**8. Expense Reductions.**

During the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$4,303.

**9. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>VIP Dynamic Capital Appreciation Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$ 1,136,628	\$3,143,134
Service Class	21,789	48,086
Service Class 2	780,644	2,058,569
Investor Class	<u>8,016,550</u>	<u>21,107,035</u>
Total	<u>\$9,955,611</u>	<u>\$26,356,824</u>

**10. Share Transactions.**

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

	<b>Shares</b>	<b>Shares</b>	<b>Dollars</b>	<b>Dollars</b>
	<b>Six months ended</b>	<b>Year ended</b>	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>VIP Dynamic Capital Appreciation Portfolio</b>				
<b>Initial Class</b>				
Shares sold	74,107	71,549	\$1,057,031	\$1,052,691
Reinvestment of distributions	80,841	196,532	1,136,628	3,143,134
Shares redeemed	<u>(140,986)</u>	<u>(284,462)</u>	<u>(1,951,323)</u>	<u>(4,322,145)</u>
Net increase (decrease)	<u>13,962</u>	<u>(16,381)</u>	<u>\$242,336</u>	<u>\$(126,320)</u>
<b>Service Class</b>				
Shares sold	2,438	28,979	\$35,322	\$398,871
Reinvestment of distributions	1,539	3,055	21,247	48,062
Shares redeemed	<u>(127)</u>	<u>(28,506)</u>	<u>(1,769)</u>	<u>(412,663)</u>
Net increase (decrease)	<u>3,850</u>	<u>3,528</u>	<u>\$54,800</u>	<u>\$34,270</u>
<b>Service Class 2</b>				
Shares sold	26,849	127,017	\$363,894	\$1,818,111
Reinvestment of distributions	58,257	134,480	780,644	2,058,569
Shares redeemed	<u>(86,227)</u>	<u>(252,412)</u>	<u>(1,178,236)</u>	<u>(3,709,828)</u>
Net increase (decrease)	<u>(1,121)</u>	<u>9,085</u>	<u>\$(33,698)</u>	<u>\$166,852</u>
<b>Investor Class</b>				
Shares sold	530,705	538,215	\$7,747,581	\$7,864,653
Reinvestment of distributions	572,202	1,323,379	8,016,550	21,107,034
Shares redeemed	<u>(436,031)</u>	<u>(1,682,766)</u>	<u>(6,160,935)</u>	<u>(25,743,057)</u>
Net increase (decrease)	<u>666,876</u>	<u>178,828</u>	<u>\$9,603,196</u>	<u>\$3,228,630</u>

**11. Other.**

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% of the outstanding shares as follows:

<b>Fund</b>	<b>Affiliated %</b>
-------------	---------------------

**Notes to Financial Statements (Unaudited) – continued**

VIP Dynamic Capital Appreciation Portfolio

92%

**12. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Dynamic Capital Appreciation Portfolio Initial Class	.66%			
Actual		\$ 1,000	\$ 1,179.00	\$ 3.57
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.52	\$ 3.31
Service Class	.76%			
Actual		\$ 1,000	\$ 1,178.20	\$ 4.10
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.03	\$ 3.81
Service Class 2	.91%			
Actual		\$ 1,000	\$ 1,176.90	\$ 4.91
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.28	\$ 4.56
Investor Class	.74%			
Actual		\$ 1,000	\$ 1,177.90	\$ 4.00
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.12	\$ 3.71

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Dynamic Capital Appreciation Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLI/M). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLI/M requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.

# Notes

# Notes

# Notes





# **Fidelity® Variable Insurance Products:**

## **VIP Equity-Income Portfolio<sup>SM</sup>**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

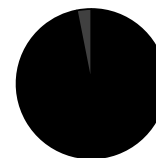
JPMorgan Chase & Co.	3.5
Exxon Mobil Corp.	3.2
Johnson & Johnson	2.2
Linde PLC	2.2
Bank of America Corp.	2.1
Danaher Corp.	1.9
Cisco Systems, Inc.	1.8
Procter & Gamble Co.	1.6
McDonald's Corp.	1.6
Merck & Co., Inc.	1.6
	<hr/>
	21.7

## Market Sectors (% of Fund's net assets)

Health Care	17.2
Financials	15.9
Industrials	11.3
Information Technology	11.2
Consumer Staples	10.4
Energy	7.7
Communication Services	6.2
Utilities	5.7
Materials	4.9
Consumer Discretionary	4.3
Real Estate	2.1

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

Stocks - 96.9  
 Short-Term Investments and Net Other Assets (Liabilities) - 3.1



# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 96.9%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 6.2%</b>		
<b>Diversified Telecommunication Services - 1.5%</b>		
AT&T, Inc.	2,184,370	34,840,702
Verizon Communications, Inc.	1,386,560	51,566,166
		<u>86,406,868</u>
<b>Entertainment - 0.6%</b>		
Activision Blizzard, Inc.	382,300	32,227,890
<b>Interactive Media &amp; Services - 1.3%</b>		
Alphabet, Inc. Class A (a)	637,460	76,303,962
<b>Media - 1.7%</b>		
Comcast Corp. Class A	1,827,633	75,938,151
Interpublic Group of Companies, Inc.	471,373	18,185,570
		<u>94,123,721</u>
<b>Wireless Telecommunication Services - 1.1%</b>		
Rogers Communications, Inc. Class B (non-vtg.)	313,900	14,321,280
T-Mobile U.S., Inc. (a)	352,518	48,964,750
		<u>63,286,030</u>
<b>TOTAL COMMUNICATION SERVICES</b>		<u>352,348,471</u>
<b>CONSUMER DISCRETIONARY - 4.3%</b>		
<b>Diversified Consumer Services - 0.2%</b>		
H&R Block, Inc.	377,000	12,014,990
<b>Hotels, Restaurants &amp; Leisure - 1.6%</b>		
McDonald's Corp.	307,580	91,784,948
<b>Specialty Retail - 2.2%</b>		
Best Buy Co., Inc.	132,500	10,858,375
Burlington Stores, Inc. (a)	144,378	22,723,653
Dick's Sporting Goods, Inc.	21,700	2,868,523
Lowe's Companies, Inc.	69,200	15,618,440
TJX Companies, Inc.	828,174	70,220,873
		<u>122,289,864</u>
<b>Textiles, Apparel &amp; Luxury Goods - 0.3%</b>		
Columbia Sportswear Co.	47,100	3,638,004
Tapestry, Inc.	321,500	13,760,200
		<u>17,398,204</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u>243,488,006</u>
<b>CONSUMER STAPLES - 10.4%</b>		
<b>Beverages - 1.7%</b>		
Keurig Dr. Pepper, Inc.	1,404,300	43,912,461
The Coca-Cola Co.	895,646	53,935,802
		<u>97,848,263</u>
<b>Consumer Staples Distribution &amp; Retail - 4.2%</b>		
Albertsons Companies, Inc.	368,700	8,045,034
Alimentation Couche-Tard, Inc. Class A (multi-vtg.)	325,700	16,701,114
BJ's Wholesale Club Holdings, Inc. (a)	385,405	24,284,369
Costco Wholesale Corp.	43,000	23,150,340
Dollar Tree, Inc. (a)	305,800	43,882,300
Metro, Inc.	348,200	19,665,842
Target Corp.	83,108	10,961,945
Walmart, Inc.	568,945	89,426,775
		<u>236,117,719</u>
<b>Food Products - 1.2%</b>		
Bunge Ltd.	253,300	23,898,855

## Common Stocks – continued

	Shares	Value (\$)
<b>CONSUMER STAPLES – continued</b>		
<b>Food Products – continued</b>		
Mondelez International, Inc.	636,871	46,453,371
		<u>70,352,226</u>
<b>Household Products - 1.6%</b>		
Procter & Gamble Co.	613,244	93,053,645
<b>Personal Care Products - 0.6%</b>		
Estee Lauder Companies, Inc. Class A	88,600	17,399,268
Kenvue, Inc.	370,100	9,778,042
Unilever PLC	157,900	8,222,522
		<u>35,399,832</u>
<b>Tobacco - 1.1%</b>		
Philip Morris International, Inc.	630,800	61,578,696
<b>TOTAL CONSUMER STAPLES</b>		<u>594,350,381</u>
<b>ENERGY - 7.7%</b>		
<b>Oil, Gas &amp; Consumable Fuels - 7.7%</b>		
Canadian Natural Resources Ltd.	672,800	37,826,114
ConocoPhillips Co.	652,504	67,605,939
Enterprise Products Partners LP	1,365,744	35,987,354
Exxon Mobil Corp.	1,708,366	183,222,254
Hess Corp.	294,500	40,037,275
Imperial Oil Ltd.	766,135	39,198,815
Phillips 66 Co.	195,400	18,637,252
Valero Energy Corp.	154,134	18,079,918
		<u>440,594,921</u>
<b>FINANCIALS - 15.9%</b>		
<b>Banks - 9.5%</b>		
Bank of America Corp.	4,169,009	119,608,868
Huntington Bancshares, Inc.	2,802,170	30,207,393
JPMorgan Chase & Co.	1,384,075	201,299,870
M&T Bank Corp.	280,767	34,747,724
PNC Financial Services Group, Inc.	562,100	70,796,495
Wells Fargo & Co.	1,981,001	84,549,123
		<u>541,209,473</u>
<b>Consumer Finance - 0.6%</b>		
Capital One Financial Corp.	289,916	31,708,113
<b>Financial Services - 1.1%</b>		
Edenred SA	417,400	27,938,338
Visa, Inc. Class A	147,042	34,919,534
		<u>62,857,872</u>
<b>Insurance - 4.7%</b>		
American Financial Group, Inc.	278,600	33,083,750
Chubb Ltd.	400,282	77,078,302
Hartford Financial Services Group, Inc.	802,400	57,788,848
Marsh & McLennan Companies, Inc.	242,700	45,647,016
The Travelers Companies, Inc.	310,240	53,876,278
		<u>267,474,194</u>
<b>TOTAL FINANCIALS</b>		<u>903,249,652</u>
<b>HEALTH CARE - 17.2%</b>		
<b>Biotechnology - 1.6%</b>		
AbbVie, Inc.	37,610	5,067,195

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

## Schedule of Investments (Unaudited) - Continued

Common Stocks – continued		
	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Biotechnology – continued</b>		
Amgen, Inc.	79,597	17,672,126
Gilead Sciences, Inc.	884,200	68,145,294
		<u>90,884,615</u>
<b>Health Care Providers &amp; Services - 3.0%</b>		
Cigna Group	298,209	83,677,445
UnitedHealth Group, Inc.	178,912	85,992,264
		<u>169,669,709</u>
<b>Life Sciences Tools &amp; Services - 1.9%</b>		
Danaher Corp.	457,568	109,816,320
<b>Pharmaceuticals - 10.7%</b>		
AstraZeneca PLC (United Kingdom)	500,036	71,682,300
Bristol-Myers Squibb Co.	1,002,337	64,099,451
Eli Lilly & Co.	170,558	79,988,291
Johnson & Johnson	755,596	125,066,250
Merck & Co., Inc.	792,700	91,469,653
Roche Holding AG (participation certificate)	236,951	72,381,436
Royalty Pharma PLC	1,009,200	31,022,808
Sanofi SA	709,255	76,355,404
		<u>612,065,593</u>
TOTAL HEALTH CARE		<u>982,436,237</u>
<b>INDUSTRIALS - 11.3%</b>		
<b>Aerospace &amp; Defense - 3.0%</b>		
Huntington Ingalls Industries, Inc.	140,500	31,977,800
Lockheed Martin Corp.	15,401	7,090,312
Northrop Grumman Corp.	98,901	45,079,076
The Boeing Co. (a)	411,800	86,955,688
		<u>171,102,876</u>
<b>Air Freight &amp; Logistics - 0.8%</b>		
United Parcel Service, Inc. Class B	260,414	46,679,210
<b>Building Products - 0.6%</b>		
Johnson Controls International PLC	472,200	32,175,708
<b>Commercial Services &amp; Supplies - 0.2%</b>		
GFL Environmental, Inc.	296,474	11,512,076
<b>Electrical Equipment - 1.1%</b>		
AMETEK, Inc.	305,552	49,462,758
Regal Rexnord Corp.	93,900	14,451,210
		<u>63,913,968</u>
<b>Industrial Conglomerates - 2.3%</b>		
General Electric Co.	797,020	87,552,647
Hitachi Ltd.	269,900	16,781,440
Siemens AG	159,029	26,510,271
		<u>130,844,358</u>
<b>Machinery - 2.1%</b>		
Crane Co.	252,600	22,511,712
Crane Nxt Co.	276,000	15,577,440
Fortive Corp.	368,916	27,583,849
ITT, Inc.	575,214	53,615,697
		<u>119,288,698</u>
<b>Professional Services - 0.6%</b>		
Experian PLC	179,808	6,901,211
KBR, Inc.	329,800	21,456,788

Common Stocks – continued		
	Shares	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Professional Services – continued</b>		
Paychex, Inc.	45,400	5,078,898
		<u>33,436,897</u>
<b>Trading Companies &amp; Distributors - 0.6%</b>		
Watsco, Inc. (b)	83,758	31,951,164
TOTAL INDUSTRIALS		<u>640,904,955</u>
<b>INFORMATION TECHNOLOGY - 11.2%</b>		
<b>Communications Equipment - 1.8%</b>		
Cisco Systems, Inc.	2,021,554	104,595,204
<b>IT Services - 1.9%</b>		
Accenture PLC Class A	146,700	45,268,686
Amdocs Ltd.	615,433	60,835,552
		<u>106,104,238</u>
<b>Semiconductors &amp; Semiconductor Equipment - 3.3%</b>		
Analog Devices, Inc.	259,300	50,514,233
NXP Semiconductors NV	335,600	68,690,608
Taiwan Semiconductor Manufacturing Co. Ltd. sponsored ADR	704,391	71,087,140
		<u>190,291,981</u>
<b>Software - 2.7%</b>		
Gen Digital, Inc.	692,900	12,853,295
Microsoft Corp.	222,350	75,719,069
Roper Technologies, Inc.	134,894	64,857,035
		<u>153,429,399</u>
<b>Technology Hardware, Storage &amp; Peripherals - 1.5%</b>		
Apple, Inc.	87,429	16,958,603
Samsung Electronics Co. Ltd.	1,121,876	61,777,926
Seagate Technology Holdings PLC	105,100	6,502,537
		<u>85,239,066</u>
TOTAL INFORMATION TECHNOLOGY		<u>639,659,888</u>
<b>MATERIALS - 4.9%</b>		
<b>Chemicals - 2.2%</b>		
Linde PLC	324,689	123,732,484
<b>Containers &amp; Packaging - 1.5%</b>		
Ball Corp.	595,300	34,652,413
Crown Holdings, Inc.	584,959	50,815,388
		<u>85,467,801</u>
<b>Metals &amp; Mining - 1.2%</b>		
Freeport-McMoRan, Inc.	1,760,600	70,424,000
TOTAL MATERIALS		<u>279,624,285</u>
<b>REAL ESTATE - 2.1%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 2.1%</b>		
American Tower Corp.	181,873	35,272,450
Lamar Advertising Co. Class A	524,207	52,027,545
Public Storage	113,096	33,010,460
		<u>120,310,455</u>

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

**Common Stocks – continued**

	Shares	Value (\$)
<b>UTILITIES - 5.7%</b>		
<b>Electric Utilities - 3.8%</b>		
Constellation Energy Corp.	318,549	29,163,161
Exelon Corp.	569,949	23,219,722
FirstEnergy Corp.	472,800	18,382,464
NextEra Energy, Inc.	1,020,116	75,692,607
PG&E Corp. (a)	1,260,700	21,784,896
Southern Co.	691,400	48,570,850
		<u>216,813,700</u>
<b>Independent Power and Renewable Electricity Producers - 0.4%</b>		
Vistra Corp.	765,701	<u>20,099,651</u>
<b>Multi-Utilities - 1.5%</b>		
Ameren Corp.	266,158	21,737,124
CenterPoint Energy, Inc.	730,968	21,307,717
Dominion Energy, Inc.	359,600	18,623,684
WEC Energy Group, Inc.	262,225	<u>23,138,734</u>
		<u>84,807,259</u>
TOTAL UTILITIES		<u>321,720,610</u>
<b>TOTAL COMMON STOCKS</b>		<b><u>5,518,687,861</u></b>
(Cost \$3,832,590,535)		

**Money Market Funds – 3.7%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (c)	187,325,066	187,362,531
Fidelity Securities Lending Cash Central Fund 5.14% (c) (d)	24,483,552	<u>24,486,000</u>
<b>TOTAL MONEY MARKET FUNDS</b>		<b><u>211,848,531</u></b>
(Cost \$211,848,531)		

**TOTAL INVESTMENT IN SECURITIES – 100.6%**

(Cost \$4,044,439,066) **5,730,536,392**

**NET OTHER ASSETS (LIABILITIES) – (0.6)%**

**(31,705,291)**

**NET ASSETS – 100.0%**

**5,698,831,101**

**Legend**

- (a) Non-income producing
- (b) Security or a portion of the security is on loan at period end.
- (c) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

(d) Investment made with cash collateral received from securities on loan.

**Affiliated Central Funds**

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

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

## Schedule of Investments (Unaudited) - Continued

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	210,287,544	258,015,383	280,940,396	5,633,857	—	—	187,362,531	0.5%
Fidelity Securities Lending Cash Central Fund 5.14%	5,258,100	205,703,174	186,475,274	18,211	—	—	24,486,000	0.1%
Total	<u>215,545,644</u>	<u>463,718,557</u>	<u>467,415,670</u>	<u>5,652,068</u>	<u>—</u>	<u>—</u>	<u>211,848,531</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

## Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	352,348,471	352,348,471	-	-
Consumer Discretionary	243,488,006	243,488,006	-	-
Consumer Staples	594,350,381	586,127,859	8,222,522	-
Energy	440,594,921	440,594,921	-	-
Financials	903,249,652	903,249,652	-	-
Health Care	982,436,237	762,017,097	220,419,140	-
Industrials	640,904,955	590,712,033	50,192,922	-
Information Technology	639,659,888	577,881,962	61,777,926	-
Materials	279,624,285	279,624,285	-	-
Real Estate	120,310,455	120,310,455	-	-
Utilities	321,720,610	321,720,610	-	-
Money Market Funds	<u>211,848,531</u>	<u>211,848,531</u>	-	-
<b>Total Investments in Securities:</b>	<u>5,730,536,392</u>	<u>5,389,923,882</u>	<u>340,612,510</u>	-

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



# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$24,261,492) — See accompanying schedule:

Unaffiliated issuers (cost \$3,832,590,535)	\$ 5,518,687,861
Fidelity Central Funds (cost \$211,848,531)	211,848,531

Total Investment in Securities (cost \$4,044,439,066)

Cash

Foreign currency held at value (cost \$2,069,476)

Receivable for investments sold

Receivable for fund shares sold

Dividends receivable

Distributions receivable from Fidelity Central Funds

Other receivables

### Total assets

### Liabilities

Payable for investments purchased

Payable for fund shares redeemed

Accrued management fee

Distribution and service plan fees payable

Other affiliated payables

Other payables and accrued expenses

Collateral on securities loaned

### Total Liabilities

### Net Assets

Net Assets consist of:

Paid in capital

Total accumulated earnings (loss)

### Net Assets

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share (\$3,285,818,843 ÷ 134,225,906 shares)

#### Service Class :

**Net Asset Value**, offering price and redemption price per share (\$284,527,694 ÷ 11,716,404 shares)

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share (\$1,514,079,972 ÷ 64,226,202 shares)

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share (\$614,404,592 ÷ 25,303,193 shares)

	\$	5,730,536,392
		1,267,241
		2,069,476
		9,613,135
		6,071,694
		9,517,973
		933,854
		16,614
		<u>5,760,026,379</u>

	\$	26,318,983
		7,599,472
		1,976,691
		334,183
		412,801
		67,148
		<u>24,486,000</u>
		<u>61,195,278</u>

	\$	<u>5,698,831,101</u>
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	\$	3,823,529,637
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		<u>1,875,301,464</u>
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	\$	<u>5,698,831,101</u>
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	\$	<u>24.48</u>
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	\$	<u>24.28</u>
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	\$	<u>23.57</u>
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	\$	<u>24.28</u>
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See accompanying notes which are an integral part of the financial statements.

**Financial Statements (Unaudited) - Continued****Statement of Operations**

		<b>Six months ended June 30, 2023 (Unaudited)</b>
<b>Investment Income</b>		
Dividends		\$ 68,407,494
Income from Fidelity Central Funds (including \$18,211 from security lending)		5,652,068
<b>Total Income</b>		<u>74,059,562</u>
<b>Expenses</b>		
Management fee	\$ 11,926,386	
Transfer agent fees	1,993,610	
Distribution and service plan fees	2,021,156	
Accounting fees	491,753	
Custodian fees and expenses	33,194	
Independent trustees' fees and expenses	18,581	
Audit	47,163	
Legal	11,164	
Miscellaneous	15,914	
Total expenses before reductions	<u>16,558,921</u>	
Expense reductions	<u>(133,881)</u>	
Total expenses after reductions		<u>16,425,040</u>
<b>Net Investment income (loss)</b>		<u>57,634,522</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment Securities:		
Unaffiliated issuers	147,904,003	
Foreign currency transactions	61,739	
Total net realized gain (loss)		<u>147,965,742</u>
Change in net unrealized appreciation (depreciation) on:		
Investment Securities:		
Unaffiliated issuers	8,414,146	
Assets and liabilities in foreign currencies	53,985	
Total change in net unrealized appreciation (depreciation)		<u>8,468,131</u>
<b>Net gain (loss)</b>		<u>156,433,873</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ 214,068,395</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 57,634,522	\$ 107,679,155
Net realized gain (loss)	147,965,742	189,124,702
Change in net unrealized appreciation (depreciation)	8,468,131	(623,257,072)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>214,068,395</u>	<u>(326,453,215)</u>
Distributions to shareholders	-	(298,100,306)
Share transactions - net increase (decrease)	<u>(143,814,897)</u>	<u>(127,565,741)</u>
<b>Total increase (decrease) in net assets</b>	70,253,498	(752,119,262)
<b>Net Assets</b>		
Beginning of period	5,628,577,603	6,380,696,865
End of period	<u>\$ 5,698,831,101</u>	<u>\$ 5,628,577,603</u>

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

# Financial Highlights

## VIP Equity-Income Portfolio<sup>SM</sup> Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 23.56	\$ 26.15	\$ 23.90	\$ 23.77	\$ 20.37	\$ 23.89
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.25	.48	.43	.39	.46	.58
Net realized and unrealized gain (loss)	.67	(1.76)	5.29	1.12	4.84	(2.50)
Total from investment operations	.92	(1.28)	5.72	1.51	5.30	(1.92)
Distributions from net investment income	-	(.47) <sup>C</sup>	(.51)	(.39)	(.45)	(.52)
Distributions from net realized gain	-	(.84) <sup>C</sup>	(2.95)	(.99)	(1.45)	(1.07)
Total distributions	-	(1.31)	(3.47) <sup>D</sup>	(1.38)	(1.90)	(1.60) <sup>D</sup>
Net asset value, end of period	\$ 24.48	\$ 23.56	\$ 26.15	\$ 23.90	\$ 23.77	\$ 20.37
<b>Total Return<sup>E,F,G</sup></b>	3.90%	(4.96)%	24.89%	6.69%	27.44%	(8.29)%
<b>Ratios to Average Net Assets<sup>B,H,I</sup></b>						
Expenses before reductions	.51% <sup>J</sup>	.51%	.51%	.53%	.53%	.53%
Expenses net of fee waivers, if any	.51% <sup>J</sup>	.51%	.51%	.53%	.53%	.53%
Expenses net of all reductions	.51% <sup>J</sup>	.51%	.51%	.52%	.52%	.52%
Net investment income (loss)	2.14% <sup>J</sup>	1.94%	1.63%	1.87%	2.11%	2.53%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 3,285,819	\$ 3,235,040	\$ 3,766,480	\$ 3,185,391	\$ 3,202,982	\$ 2,804,988
Portfolio turnover rate <sup>K</sup>	31% <sup>J</sup>	20%	27%	57%	32%	39%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Equity-Income Portfolio<sup>SM</sup> Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 23.38	\$ 25.97	\$ 23.74	\$ 23.63	\$ 20.26	\$ 23.77
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.24	.45	.40	.37	.44	.55
Net realized and unrealized gain (loss)	.66	(1.75)	5.26	1.10	4.81	(2.49)
Total from investment operations	.90	(1.30)	5.66	1.47	5.25	(1.94)
Distributions from net investment income	-	(.45) <sup>C</sup>	(.48)	(.37)	(.43)	(.50)
Distributions from net realized gain	-	(.84) <sup>C</sup>	(2.95)	(.99)	(1.45)	(1.07)
Total distributions	-	(1.29)	(3.43)	(1.36)	(1.88)	(1.57)
Net asset value, end of period	\$ 24.28	\$ 23.38	\$ 25.97	\$ 23.74	\$ 23.63	\$ 20.26
<b>Total Return<sup>D,E,F</sup></b>	3.85%	(5.09)%	24.83%	6.55%	27.32%	(8.40)%
<b>Ratios to Average Net Assets<sup>B,G,H</sup></b>						
Expenses before reductions	.61% <sup>I</sup>	.61%	.61%	.63%	.63%	.63%
Expenses net of fee waivers, if any	.61% <sup>I</sup>	.61%	.61%	.63%	.63%	.63%
Expenses net of all reductions	.61% <sup>I</sup>	.61%	.61%	.62%	.62%	.62%
Net investment income (loss)	2.04% <sup>I</sup>	1.84%	1.53%	1.77%	2.01%	2.43%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 284,528	\$ 286,805	\$ 326,787	\$ 284,767	\$ 299,079	\$ 264,055
Portfolio turnover rate <sup>J</sup>	31% <sup>I</sup>	20%	27%	57%	32%	39%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total returns for periods of less than one year are not annualized.

<sup>E</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>F</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>G</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>H</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>I</sup> Annualized.

<sup>J</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

VIP Equity-Income Portfolio<sup>SM</sup> Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 22.71	\$ 25.27	\$ 23.18	\$ 23.10	\$ 19.85	\$ 23.32
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.22	.40	.35	.33	.40	.51
Net realized and unrealized gain (loss)	.64	(1.71)	5.13	1.09	4.70	(2.44)
Total from investment operations	.86	(1.31)	5.48	1.42	5.10	(1.93)
Distributions from net investment income	-	(.41) <sup>C</sup>	(.44)	(.34)	(.40)	(.47)
Distributions from net realized gain	-	(.84) <sup>C</sup>	(2.95)	(.99)	(1.45)	(1.07)
Total distributions	-	(1.25)	(3.39)	(1.34) <sup>D</sup>	(1.85)	(1.54)
Net asset value, end of period	\$ 23.57	\$ 22.71	\$ 25.27	\$ 23.18	\$ 23.10	\$ 19.85
<b>Total Return<sup>E,F,G</sup></b>	3.79%	(5.25)%	24.60%	6.44%	27.11%	(8.54)%
<b>Ratios to Average Net Assets<sup>B,H,I</sup></b>						
Expenses before reductions	.76% <sup>J</sup>	.76%	.76%	.78%	.78%	.78%
Expenses net of fee waivers, if any	.76% <sup>J</sup>	.76%	.76%	.78%	.78%	.78%
Expenses net of all reductions	.76% <sup>J</sup>	.76%	.76%	.77%	.77%	.77%
Net investment income (loss)	1.89% <sup>J</sup>	1.69%	1.38%	1.62%	1.86%	2.28%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,514,080	\$ 1,509,527	\$ 1,659,719	\$ 1,563,662	\$ 1,431,212	\$ 1,200,026
Portfolio turnover rate <sup>K</sup>	31% <sup>J</sup>	20%	27%	57%	32%	39%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Equity-Income Portfolio<sup>SM</sup> Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 23.38	\$ 25.96	\$ 23.74	\$ 23.63	\$ 20.26	\$ 23.77
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.24	.45	.41	.38	.44	.55
Net realized and unrealized gain (loss)	.66	(1.74)	5.26	1.10	4.81	(2.48)
Total from investment operations	.90	(1.29)	5.67	1.48	5.25	(1.93)
Distributions from net investment income	-	(.45) <sup>C</sup>	(.49)	(.38)	(.44)	(.51)
Distributions from net realized gain	-	(.84) <sup>C</sup>	(2.95)	(.99)	(1.45)	(1.07)
Total distributions	-	(1.29)	(3.45) <sup>D</sup>	(1.37)	(1.88) <sup>D</sup>	(1.58)
Net asset value, end of period	\$ 24.28	\$ 23.38	\$ 25.96	\$ 23.74	\$ 23.63	\$ 20.26
<b>Total Return<sup>E,F,G</sup></b>	3.85%	(5.02)%	24.83%	6.57%	27.35%	(8.37)%
<b>Ratios to Average Net Assets<sup>B,H,I</sup></b>						
Expenses before reductions	.59% <sup>J</sup>	.59%	.59%	.60%	.61%	.61%
Expenses net of fee waivers, if any	.58% <sup>J</sup>	.58%	.58%	.60%	.61%	.61%
Expenses net of all reductions	.58% <sup>J</sup>	.58%	.58%	.60%	.60%	.60%
Net investment income (loss)	2.06% <sup>J</sup>	1.86%	1.55%	1.80%	2.03%	2.45%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 614,405	\$ 597,206	\$ 627,711	\$ 464,283	\$ 449,909	\$ 382,041
Portfolio turnover rate <sup>K</sup>	31% <sup>J</sup>	20%	27%	57%	32%	39%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>D</sup> Total distributions per share do not sum due to rounding.

<sup>E</sup> Total returns for periods of less than one year are not annualized.

<sup>F</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>G</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>H</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>I</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>J</sup> Annualized.

<sup>K</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Equity-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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:



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 a third party 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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be 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 (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in dividends. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in dividends receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

**Deferred Trustee Compensation.** Under a Deferred Compensation Plan (the Plan) for certain Funds, certain independent Trustees have elected to defer receipt of a portion of their annual compensation. Deferred amounts are invested in affiliated mutual funds, are marked-to-market and remain in a fund until distributed in accordance with the Plan. The investment of deferred amounts and the offsetting payable to the Trustees presented below are included in the accompanying Statement of Assets and Liabilities in other receivables and other payables and accrued expenses, as applicable.

## VIP Equity-Income Portfolio

\$16,184

**Income Tax Information and Distributions to Shareholders.** Each year, the Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three

**Notes to Financial Statements (Unaudited) – continued**

fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

Distributions are declared and recorded on the ex-dividend date. Income 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. These differences resulted in distribution reclassifications for the period ended December 31, 2022.

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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to foreign currency transactions, partnerships and losses deferred due to wash sales.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$1,800,655,680
<b>Gross unrealized depreciation</b>	<u>(126,990,073)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$1,673,665,607</u>
<b>Tax cost</b>	<u>\$4,056,870,785</u>

**4. Purchases and Sales of Investments.**

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Equity-Income Portfolio</b>	840,070,984	879,748,753

**5. Fees and Other Transactions with Affiliates.**

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .20% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .43% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$141,592
<b>Service Class 2</b>	<u>1,879,564</u>
	<u>\$2,021,156</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets <sup>A</sup></b>
<b>Initial Class</b>	\$1,016,527	.06
<b>Service Class</b>	89,203	.06
<b>Service Class 2</b>	473,650	.06
<b>Investor Class</b>	414,230	.14
	<u>\$1,993,610</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP Equity-Income Portfolio</b>	.02

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	<b>Amount</b>
<b>VIP Equity-Income Portfolio</b>	\$12,298

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>	<b>Realized Gain (Loss) (\$)</b>
<b>VIP Equity-Income Portfolio</b>	115,944,605	107,544,005	16,274,651

## 6. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	<b>Amount</b>
<b>VIP Equity-Income Portfolio</b>	\$5,545

## 7. Security Lending.

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	<b>Total Security Lending Fees Paid to NFS</b>	<b>Security Lending Income From Securities Loaned to NFS</b>	<b>Value of Securities Loaned to NFS at Period End</b>
<b>VIP Equity-Income Portfolio</b>	\$1,973	\$-	\$-

## 8. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$4,622.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$129,259.

**Notes to Financial Statements (Unaudited) – continued****9. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Equity-Income Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$-	\$172,087,787
Service Class	-	15,094,456
Service Class 2	-	79,440,158
Investor Class	-	<u>31,477,905</u>
Total	<u>\$-</u>	<u>\$298,100,306</u>

**10. Share Transactions.**

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Equity-Income Portfolio</b>				
<b>Initial Class</b>				
Shares sold	5,551,387	8,687,731	\$132,369,696	\$215,605,540
Reinvestment of distributions	-	7,190,967	-	172,087,787
Shares redeemed	<u>(8,649,554)</u>	<u>(22,577,302)</u>	<u>(206,290,548)</u>	<u>(556,735,404)</u>
Net increase (decrease)	<u>(3,098,167)</u>	<u>(6,698,604)</u>	<u>\$(73,920,852)</u>	<u>\$(169,042,077)</u>
<b>Service Class</b>				
Shares sold	149,437	874,027	\$3,528,005	\$21,820,943
Reinvestment of distributions	-	635,539	-	15,094,456
Shares redeemed	<u>(699,331)</u>	<u>(1,828,012)</u>	<u>(16,544,866)</u>	<u>(44,876,939)</u>
Net increase (decrease)	<u>(549,894)</u>	<u>(318,446)</u>	<u>\$(13,016,861)</u>	<u>\$(7,961,540)</u>
<b>Service Class 2</b>				
Shares sold	2,891,196	8,220,770	\$66,334,432	\$194,576,846
Reinvestment of distributions	-	3,441,999	-	79,440,158
Shares redeemed	<u>(5,121,230)</u>	<u>(10,894,425)</u>	<u>(117,554,858)</u>	<u>(259,133,632)</u>
Net increase (decrease)	<u>(2,230,034)</u>	<u>768,344</u>	<u>\$(51,220,426)</u>	<u>\$14,883,372</u>
<b>Investor Class</b>				
Shares sold	1,378,037	3,283,706	\$32,693,687	\$81,421,149
Reinvestment of distributions	-	1,325,531	-	31,477,905
Shares redeemed	<u>(1,622,756)</u>	<u>(3,240,005)</u>	<u>(38,350,445)</u>	<u>(78,344,550)</u>
Net increase (decrease)	<u>(244,719)</u>	<u>1,369,232</u>	<u>\$(5,656,758)</u>	<u>\$34,554,504</u>

**11. Other.**

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders each were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP Equity-Income Portfolio	18%	2	29%

## **12. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Equity-Income Portfolio <sup>SM</sup>				
Initial Class	.51%			
Actual		\$ 1,000	\$ 1,039.00	\$ 2.58
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.27	\$ 2.56
Service Class	.61%			
Actual		\$ 1,000	\$ 1,038.50	\$ 3.08
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.77	\$ 3.06
Service Class 2	.76%			
Actual		\$ 1,000	\$ 1,037.90	\$ 3.84
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.03	\$ 3.81
Investor Class	.58%			
Actual		\$ 1,000	\$ 1,038.50	\$ 2.93
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.92	\$ 2.91

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Equity-Income Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLI/M). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLI/M requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.





# **Fidelity® Variable Insurance Products:**

## **VIP Investment Grade Bond Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.*

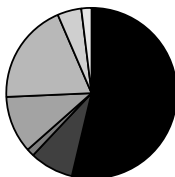
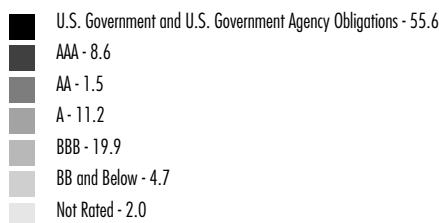
*For a complete list of a fund's portfolio holdings, view the most recent holdings listing, semiannual report, or annual report on Fidelity's web site at <http://www.fidelity.com>, <http://www.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

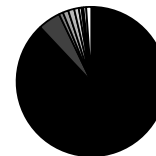
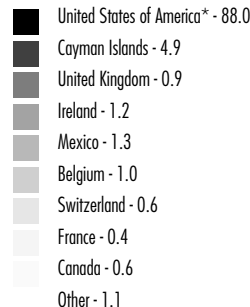
# Investment Summary June 30, 2023 (Unaudited)

## Quality Diversification (% of Fund's net assets)



Short-Term Investments and Net Other Assets (Liabilities) - (3.5)%\*

## Geographic Diversification (% of Fund's net assets)



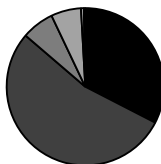
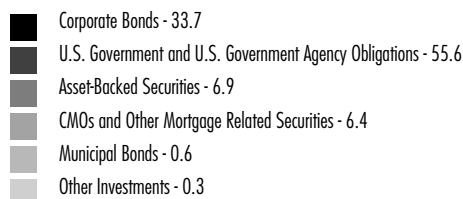
\* Includes Short-Term investments and Net Other Assets (Liabilities). Percentages are adjusted for the effect of derivatives, if applicable.

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 date indicated and do not reflect subsequent changes.

Securities rated BB or below were rated investment grade at the time of acquisition.

The information in the above tables is based on the combined investments of the Fund and its pro-rata share of investments of Fidelity's fixed-income central funds.

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



Short-Term Investments and Net Other Assets (Liabilities) - (3.5)%

Futures and Swaps - 1.6%

Percentages in the above tables are adjusted for the effect of TBA Sale Commitments.

The information in the above table is based on the combined investments of the fund and its pro-rata share of the investments of Fidelity's fixed-income Central funds.

An unaudited holdings listing for the Fund, which presents direct holdings as well as the pro-rata share of any securities and other investments held indirectly through its investment in underlying non-money market Fidelity Central Funds, is available at [fidelity.com](http://fidelity.com) and/or [institutional.fidelity.com](http://institutional.fidelity.com), as applicable.

# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Nonconvertible Bonds – 32.2%

	Principal Amount (a)	Value (\$)
<b>COMMUNICATION SERVICES - 3.1%</b>		
<b>Diversified Telecommunication Services - 0.9%</b>		
AT&T, Inc.:		
2.55% 12/1/33	8,483,000	6,663,193
3.8% 12/1/57	8,657,000	6,267,646
4.3% 2/15/30	1,940,000	1,841,495
4.75% 5/15/46	10,884,000	9,607,159
Verizon Communications, Inc.:		
2.1% 3/22/28	3,395,000	2,982,415
2.55% 3/21/31	3,143,000	2,624,194
3% 3/22/27	735,000	685,836
4.862% 8/21/46	4,225,000	3,873,489
5.012% 4/15/49	164,000	153,993
		<u>34,699,420</u>
<b>Entertainment - 0.4%</b>		
The Walt Disney Co.:		
3.8% 3/22/30	13,068,000	12,349,588
4.7% 3/23/50	4,126,000	3,944,116
		<u>16,293,704</u>
<b>Media - 1.4%</b>		
Charter Communications Operating LLC/Charter Communications Operating Capital Corp.:		
4.4% 4/1/33	1,435,000	1,259,579
4.908% 7/23/25	2,191,000	2,148,597
5.25% 4/1/53	1,435,000	1,159,025
5.375% 5/1/47	10,316,000	8,526,743
5.5% 4/1/63	1,435,000	1,155,368
6.484% 10/23/45	1,557,000	1,463,764
Comcast Corp.:		
3.9% 3/1/38	608,000	528,258
4.65% 7/15/42	1,441,000	1,328,846
Discovery Communications LLC:		
3.625% 5/15/30	1,973,000	1,730,671
4.65% 5/15/50	5,336,000	4,064,718
Fox Corp.:		
4.03% 1/25/24	720,000	712,787
4.709% 1/25/29	1,042,000	1,012,572
5.476% 1/25/39	1,027,000	959,337
5.576% 1/25/49	682,000	638,538
Magallanes, Inc.:		
3.428% 3/15/24	2,320,000	2,277,814
3.638% 3/15/25	1,270,000	1,224,945
3.755% 3/15/27	2,484,000	2,316,991
4.054% 3/15/29	861,000	787,057
4.279% 3/15/32	3,451,000	3,060,607
5.05% 3/15/42	1,789,000	1,507,890
5.141% 3/15/52	2,782,000	2,265,238
Time Warner Cable LLC:		
4.5% 9/15/42	525,000	392,696
5.5% 9/1/41	965,000	802,817
5.875% 11/15/40	852,000	751,592
6.55% 5/1/37	11,472,000	10,997,910
7.3% 7/1/38	2,146,000	2,186,923
		<u>55,261,283</u>

## Nonconvertible Bonds – continued

	Principal Amount (a)	Value (\$)
<b>COMMUNICATION SERVICES – continued</b>		
<b>Wireless Telecommunication Services - 0.4%</b>		
Rogers Communications, Inc.:		
3.2% 3/15/27 (b)	2,687,000	2,498,091
3.8% 3/15/32 (b)	2,344,000	2,048,941
T-Mobile U.S.A., Inc.:		
3.75% 4/15/27	3,463,000	3,278,095
3.875% 4/15/30	5,007,000	4,612,792
4.375% 4/15/40	747,000	659,670
4.5% 4/15/50	1,468,000	1,259,611
		<u>14,357,200</u>
<b>TOTAL COMMUNICATION SERVICES</b>		
		<u>120,611,607</u>
<b>CONSUMER DISCRETIONARY - 0.5%</b>		
<b>Hotels, Restaurants &amp; Leisure - 0.0%</b>		
McDonald's Corp.:		
3.5% 7/1/27	956,000	910,097
3.6% 7/1/30	1,138,000	1,058,727
		<u>1,968,824</u>
<b>Leisure Products - 0.1%</b>		
Hasbro, Inc. 3% 11/19/24		
	2,495,000	2,397,244
<b>Specialty Retail - 0.4%</b>		
AutoNation, Inc. 4.75% 6/1/30		
	434,000	405,793
AutoZone, Inc.:		
3.625% 4/15/25	649,000	626,313
4% 4/15/30	3,015,000	2,799,588
Lowe's Companies, Inc.:		
3.35% 4/1/27	384,000	362,649
3.75% 4/1/32	1,183,000	1,070,703
4.25% 4/1/52	4,817,000	3,930,093
4.45% 4/1/62	4,962,000	3,984,021
4.5% 4/15/30	2,166,000	2,105,640
O'Reilly Automotive, Inc. 4.2% 4/1/30	668,000	630,703
		<u>15,915,503</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		
		<u>20,281,571</u>
<b>CONSUMER STAPLES - 2.4%</b>		
<b>Beverages - 1.4%</b>		
Anheuser-Busch InBev Finance, Inc.:		
4.7% 2/1/36	5,260,000	5,115,953
4.9% 2/1/46	6,535,000	6,246,093
Anheuser-Busch InBev Worldwide, Inc.:		
3.5% 6/1/30	2,100,000	1,952,761
4.35% 6/1/40	2,002,000	1,840,918
4.5% 6/1/50	2,838,000	2,617,048
4.6% 6/1/60	2,100,000	1,892,669
4.75% 4/15/58	3,264,000	3,025,967
5.45% 1/23/39	2,662,000	2,754,501
5.55% 1/23/49	6,083,000	6,411,442
5.8% 1/23/59 (Reg. S)	6,427,000	7,003,422
Molson Coors Beverage Co.:		
3% 7/15/26	4,258,000	3,977,384
5% 5/1/42	7,433,000	6,883,121

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

## Schedule of Investments (Unaudited) - Continued

**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>CONSUMER STAPLES – continued</b>		
<b>Beverages – continued</b>		
The Coca-Cola Co.:		
3.375% 3/25/27	3,224,000	3,108,140
3.45% 3/25/30	1,970,000	<u>1,858,705</u>
		<u>54,688,124</u>
<b>Food Products - 0.4%</b>		
General Mills, Inc. 2.875% 4/15/30	408,000	362,324
JBS U.S.A. Lux SA / JBS Food Co.:		
2.5% 1/15/27 (b)	5,004,000	4,384,004
3% 5/15/32 (b)	4,479,000	3,437,410
3.625% 1/15/32 (b)	1,723,000	1,398,111
5.125% 2/1/28 (b)	1,885,000	1,810,105
5.5% 1/15/30 (b)	717,000	687,818
5.75% 4/1/33 (b)	3,880,000	<u>3,647,017</u>
		<u>15,726,789</u>
<b>Tobacco - 0.6%</b>		
Altria Group, Inc.:		
4.25% 8/9/42	3,140,000	2,449,257
4.5% 5/2/43	2,104,000	1,673,206
4.8% 2/14/29	575,000	559,218
5.375% 1/31/44	1,907,000	1,793,006
5.95% 2/14/49	753,000	714,860
Imperial Tobacco Finance PLC:		
4.25% 7/21/25 (b)	8,792,000	8,432,221
6.125% 7/27/27 (b)	1,890,000	1,893,292
Reynolds American, Inc.:		
4.45% 6/12/25	1,329,000	1,291,442
5.7% 8/15/35	689,000	647,547
6.15% 9/15/43	2,271,000	2,184,664
7.25% 6/15/37	1,681,000	<u>1,759,274</u>
		<u>23,397,987</u>
TOTAL CONSUMER STAPLES		<u>93,812,900</u>
<b>ENERGY - 3.8%</b>		
<b>Energy Equipment &amp; Services - 0.0%</b>		
Halliburton Co.:		
3.8% 11/15/25	34,000	32,838
4.85% 11/15/35	1,223,000	<u>1,151,635</u>
		<u>1,184,473</u>
<b>Oil, Gas &amp; Consumable Fuels - 3.8%</b>		
Canadian Natural Resources Ltd.:		
3.8% 4/15/24	3,850,000	3,787,092
5.85% 2/1/35	1,417,000	1,376,049
Columbia Pipeline Group, Inc. 4.5% 6/1/25	758,000	739,666
DCP Midstream Operating LP:		
5.6% 4/1/44	697,000	660,647
6.45% 11/3/36 (b)	1,406,000	1,443,747
Enbridge, Inc.:		
4% 10/1/23	1,597,000	1,590,636
4.25% 12/1/26	1,006,000	970,215
Energy Transfer LP:		
3.75% 5/15/30	1,314,000	1,185,633
3.9% 5/15/24 (c)	751,000	738,288
4.2% 9/15/23	673,000	670,495

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

**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>ENERGY – continued</b>		
<b>Oil, Gas &amp; Consumable Fuels – continued</b>		
Energy Transfer LP: – continued		
4.5% 4/15/24	717,000	708,758
4.95% 6/15/28	2,298,000	2,228,993
5% 5/15/50	3,733,000	3,152,754
5.25% 4/15/29	1,165,000	1,137,322
5.4% 10/1/47	766,000	675,131
5.8% 6/15/38	1,282,000	1,228,278
6% 6/15/48	834,000	790,886
6.25% 4/15/49	800,000	781,343
Enterprise Products Operating LP 3.7% 2/15/26	2,725,000	2,627,279
Exxon Mobil Corp. 3.482% 3/19/30	7,630,000	7,156,339
Hess Corp.:		
4.3% 4/1/27	2,776,000	2,662,449
5.6% 2/15/41	7,441,000	7,119,358
7.125% 3/15/33	569,000	620,663
7.3% 8/15/31	762,000	835,578
7.875% 10/1/29	2,490,000	2,744,287
Kinder Morgan Energy Partners LP 6.55% 9/15/40	261,000	264,989
Kinder Morgan, Inc. 5.55% 6/1/45	1,383,000	1,274,117
MPLX LP:		
4.8% 2/15/29	640,000	617,194
4.875% 12/1/24	1,553,000	1,530,572
4.95% 9/1/32	3,480,000	3,324,136
5.5% 2/15/49	1,917,000	1,737,177
Occidental Petroleum Corp.:		
5.55% 3/15/26	3,587,000	3,541,266
6.2% 3/15/40	965,000	951,094
6.45% 9/15/36	2,612,000	2,680,695
6.6% 3/15/46	3,240,000	3,335,742
7.5% 5/1/31	4,360,000	4,760,422
Petroleos Mexicanos:		
4.5% 1/23/26	3,020,000	2,685,913
5.95% 1/28/31	2,067,000	1,506,078
6.35% 2/12/48	7,493,000	4,515,731
6.49% 1/23/27	2,174,000	1,928,338
6.5% 3/13/27	2,742,000	2,433,525
6.5% 1/23/29	3,157,000	2,612,733
6.7% 2/16/32	2,866,000	2,175,151
6.75% 9/21/47	6,872,000	4,294,244
6.84% 1/23/30	10,482,000	8,304,365
6.95% 1/28/60	4,473,000	2,766,551
7.69% 1/23/50	9,202,000	6,201,964
Phillips 66 Co. 3.85% 4/9/25	349,000	339,295
Plains All American Pipeline LP/PAA Finance Corp.:		
3.55% 12/15/29	751,000	661,772
3.6% 11/1/24	789,000	763,377
Sabine Pass Liquefaction LLC 4.5% 5/15/30	4,528,000	4,304,146
The Williams Companies, Inc.:		
3.5% 11/15/30	4,829,000	4,316,896
3.9% 1/15/25	690,000	669,672
4.3% 3/4/24	3,094,000	3,059,018
4.5% 11/15/23	994,000	989,748
4.55% 6/24/24	7,571,000	7,468,489

**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>ENERGY – continued</b>		
<b>Oil, Gas &amp; Consumable Fuels – continued</b>		
The Williams Companies, Inc.: – continued		
4.65% 8/15/32	3,633,000	3,440,495
5.3% 8/15/52	824,000	759,728
Transcontinental Gas Pipe Line Co. LLC:		
3.25% 5/15/30	577,000	512,817
3.95% 5/15/50	1,863,000	1,436,612
Western Gas Partners LP:		
3.95% 6/1/25	493,000	473,559
4.5% 3/1/28	1,136,000	1,071,826
4.65% 7/1/26	5,141,000	4,945,647
4.75% 8/15/28	656,000	622,614
		<u>146,909,594</u>
<b>TOTAL ENERGY</b>		<u><b>148,094,067</b></u>
<b>FINANCIALS - 14.4%</b>		
<b>Banks - 6.2%</b>		
Bank of America Corp.:		
2.299% 7/21/32 (c)	8,618,000	6,892,390
3.419% 12/20/28 (c)	10,766,000	9,872,675
3.5% 4/19/26	2,852,000	2,735,786
3.864% 7/23/24 (c)	2,481,000	2,477,960
3.95% 4/21/25	2,342,000	2,267,979
4.2% 8/26/24	11,341,000	11,128,330
4.25% 10/22/26	2,419,000	2,334,807
4.45% 3/3/26	861,000	836,829
5.015% 7/22/33 (c)	18,422,000	18,021,206
Barclays PLC:		
2.852% 5/7/26 (c)	4,594,000	4,302,667
4.375% 1/12/26	3,532,000	3,392,778
5.088% 6/20/30 (c)	4,171,000	3,792,892
5.2% 5/12/26	3,533,000	3,408,454
5.829% 5/9/27 (c)	1,900,000	1,874,167
6.224% 5/9/34 (c)	1,900,000	1,892,467
BNP Paribas SA 2.219% 6/9/26 (b)(c)	4,281,000	3,959,122
Citigroup, Inc.:		
3.352% 4/24/25 (c)	2,815,000	2,751,854
3.875% 3/26/25	5,393,000	5,208,049
4.3% 11/20/26	983,000	940,796
4.412% 3/31/31 (c)	6,030,000	5,669,777
4.45% 9/29/27	9,708,000	9,269,473
4.6% 3/9/26	1,246,000	1,206,313
4.91% 5/24/33 (c)	5,644,000	5,461,446
5.5% 9/13/25	3,136,000	3,117,852
Citizens Financial Group, Inc. 2.638% 9/30/32	2,757,000	1,948,679
Commonwealth Bank of Australia 3.61% 9/12/34 (b)(c)	1,485,000	1,248,116
Discover Bank 4.2% 8/8/23	1,617,000	1,613,835
HSBC Holdings PLC:		
4.25% 3/14/24	1,249,000	1,233,051
4.95% 3/31/30	988,000	972,651
Intesa Sanpaolo SpA:		
5.017% 6/26/24 (b)	2,462,000	2,384,681
5.71% 1/15/26 (b)	7,296,000	6,944,213

**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Banks – continued</b>		
JPMorgan Chase & Co.:		
2.956% 5/13/31 (c)	2,452,000	2,102,468
3.797% 7/23/24 (c)	3,247,000	3,243,119
3.875% 9/10/24	24,838,000	24,249,155
4.125% 12/15/26	7,993,000	7,695,029
4.493% 3/24/31 (c)	7,267,000	6,985,539
4.586% 4/26/33 (c)	15,530,000	14,804,631
4.912% 7/25/33 (c)	4,507,000	4,404,121
NatWest Group PLC 3.073% 5/22/28 (c)	2,640,000	2,374,331
Rabobank Nederland 4.375% 8/4/25	4,230,000	4,082,537
Santander Holdings U.S.A., Inc. 2.49% 1/6/28 (c)	3,241,000	2,799,188
Societe Generale:		
1.038% 6/18/25 (b)(c)	8,981,000	8,452,707
1.488% 12/14/26 (b)(c)	5,527,000	4,863,557
Wells Fargo & Co.:		
2.406% 10/30/25 (c)	2,590,000	2,466,216
3.526% 3/24/28 (c)	5,273,000	4,921,552
4.478% 4/4/31 (c)	8,118,000	7,718,577
5.013% 4/4/51 (c)	11,974,000	11,152,656
Westpac Banking Corp. 4.11% 7/24/34 (c)	2,107,000	<u>1,832,231</u>
		<u>243,308,909</u>
<b>Capital Markets - 3.4%</b>		
Affiliated Managers Group, Inc.:		
3.5% 8/1/25	3,145,000	2,973,032
4.25% 2/15/24	2,434,000	2,401,892
Ares Capital Corp.:		
3.875% 1/15/26	7,074,000	6,558,409
4.2% 6/10/24	5,056,000	4,934,949
Deutsche Bank AG 4.5% 4/1/25	6,790,000	6,447,502
Goldman Sachs Group, Inc.:		
2.383% 7/21/32 (c)	5,355,000	4,289,349
3.102% 2/24/33 (c)	2,100,000	1,773,982
3.691% 6/5/28 (c)	23,641,000	22,211,738
3.8% 3/15/30	8,794,000	8,132,322
4.25% 10/21/25	1,288,000	1,241,207
6.75% 10/1/37	1,275,000	1,371,318
Moody's Corp.:		
3.25% 1/15/28	1,354,000	1,260,854
3.75% 3/24/25	2,881,000	2,800,236
4.875% 2/15/24	764,000	759,860
Morgan Stanley:		
3.125% 7/27/26	12,469,000	11,676,518
3.622% 4/1/31 (c)	5,698,000	5,134,415
3.625% 1/20/27	6,245,000	5,929,686
4.431% 1/23/30 (c)	2,495,000	2,373,832
4.889% 7/20/33 (c)	9,357,000	9,005,637
5% 11/24/25	8,309,000	8,168,311
Peachtree Corners Funding Trust 3.976% 2/15/25 (b)	2,838,000	2,731,972
UBS Group AG:		
1.494% 8/10/27 (b)(c)	3,309,000	2,841,872
2.593% 9/11/25 (b)(c)	6,006,000	5,724,745
3.75% 3/26/25	2,646,000	2,531,956

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

## Schedule of Investments (Unaudited) - Continued

<b>Nonconvertible Bonds – continued</b>		
	Principal Amount (a)	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Capital Markets – continued</b>		
UBS Group AG: – continued		
3.869% 1/12/29 (b)(c)	2,282,000	2,062,922
4.125% 9/24/25 (b)	2,986,000	2,853,185
4.194% 4/1/31 (b)(c)	5,461,000	4,860,614
4.55% 4/17/26	1,462,000	1,405,225
		<u>134,457,540</u>
<b>Consumer Finance - 2.5%</b>		
AerCap Ireland Capital Ltd./AerCap Global Aviation Trust:		
1.65% 10/29/24	6,272,000	5,893,857
2.45% 10/29/26	2,289,000	2,044,422
2.875% 8/14/24	3,404,000	3,271,217
3% 10/29/28	2,397,000	2,072,573
3.3% 1/30/32	2,564,000	2,097,605
3.5% 1/15/25	4,712,000	4,511,307
4.45% 4/3/26	1,774,000	1,693,767
4.875% 1/16/24	2,847,000	2,826,994
6.5% 7/15/25	2,058,000	2,068,177
Ally Financial, Inc.:		
1.45% 10/2/23	1,254,000	1,237,160
5.125% 9/30/24	1,214,000	1,191,017
5.8% 5/1/25	2,973,000	2,922,418
7.1% 11/15/27	4,120,000	4,155,366
8% 11/1/31	1,535,000	1,593,516
Capital One Financial Corp.:		
2.636% 3/3/26 (c)	2,766,000	2,582,818
3.273% 3/1/30 (c)	3,538,000	3,004,041
3.65% 5/11/27	7,652,000	7,107,294
3.8% 1/31/28	4,006,000	3,681,223
4.985% 7/24/26 (c)	3,566,000	3,456,348
5.247% 7/26/30 (c)	4,600,000	4,336,461
Discover Financial Services:		
3.95% 11/6/24	1,616,000	1,557,259
4.1% 2/9/27	1,620,000	1,502,941
4.5% 1/30/26	2,660,000	2,547,199
6.7% 11/29/32	867,000	893,212
Ford Motor Credit Co. LLC:		
4.063% 11/1/24	9,996,000	9,672,915
5.584% 3/18/24	3,546,000	3,520,830
Synchrony Financial:		
3.95% 12/1/27	4,360,000	3,798,426
4.25% 8/15/24	3,797,000	3,660,807
4.375% 3/19/24	3,104,000	3,043,355
5.15% 3/19/29	4,769,000	4,326,835
		<u>96,271,360</u>
<b>Financial Services - 1.1%</b>		
Blackstone Private Credit Fund:		
4.7% 3/24/25	9,007,000	8,674,912
7.05% 9/29/25	4,363,000	4,351,686
Brixmor Operating Partnership LP:		
4.05% 7/1/30	2,875,000	2,591,428
4.125% 6/15/26	2,638,000	2,463,969
4.125% 5/15/29	2,868,000	2,558,242

<b>Nonconvertible Bonds – continued</b>		
	Principal Amount (a)	Value (\$)
<b>FINANCIALS – continued</b>		
<b>Financial Services – continued</b>		
Corebridge Financial, Inc.:		
3.5% 4/4/25	1,148,000	1,093,677
3.65% 4/5/27	3,963,000	3,699,756
3.85% 4/5/29	1,606,000	1,444,302
3.9% 4/5/32	1,912,000	1,661,331
4.35% 4/5/42	435,000	351,005
4.4% 4/5/52	1,286,000	1,011,022
Equitable Holdings, Inc. 4.35% 4/20/28	2,412,000	2,257,261
Jackson Financial, Inc.:		
5.17% 6/8/27	1,735,000	1,652,264
5.67% 6/8/32	2,190,000	2,077,679
Park Aerospace Holdings Ltd. 5.5% 2/15/24 (b)	3,463,000	3,423,556
Pine Street Trust I 4.572% 2/15/29 (b)	3,240,000	2,968,199
Pine Street Trust II 5.568% 2/15/49 (b)	3,236,000	2,908,481
		<u>45,188,770</u>
<b>Insurance - 1.2%</b>		
AIA Group Ltd.:		
3.2% 9/16/40 (b)	1,979,000	1,517,546
3.375% 4/7/30 (b)	4,177,000	3,818,430
American International Group, Inc. 2.5% 6/30/25	4,506,000	4,243,788
Five Corners Funding Trust II 2.85% 5/15/30 (b)	6,263,000	5,320,099
Liberty Mutual Group, Inc. 4.569% 2/1/29 (b)	2,324,000	2,191,688
Marsh & McLennan Companies, Inc.:		
4.375% 3/15/29	2,258,000	2,193,338
4.75% 3/15/39	1,036,000	976,297
Massachusetts Mutual Life Insurance Co. 3.729% 10/15/70 (b)		
	3,298,000	2,242,355
MetLife, Inc. 4.55% 3/23/30	6,529,000	6,379,948
Pacific LifeCorp 5.125% 1/30/43 (b)	2,981,000	2,759,115
Swiss Re Finance Luxembourg SA 5% 4/2/49 (b)(c)	1,400,000	1,337,000
Teachers Insurance & Annuity Association of America 4.9% 9/15/44 (b)	3,036,000	2,748,945
TIAA Asset Management Finance LLC 4.125% 11/1/24 (b)	1,006,000	976,826
Unum Group:		
3.875% 11/5/25	2,759,000	2,608,752
4% 6/15/29	2,503,000	2,302,417
5.75% 8/15/42	4,132,000	3,801,905
		<u>45,418,449</u>
		<u>564,645,028</u>
<b>HEALTH CARE - 1.8%</b>		
<b>Biotechnology - 0.3%</b>		
Amgen, Inc.:		
5.15% 3/2/28	2,052,000	2,050,152
5.25% 3/2/30	1,874,000	1,877,739
5.25% 3/2/33	2,115,000	2,117,698
5.6% 3/2/43	2,009,000	2,015,079
5.65% 3/2/53	999,000	1,011,692
5.75% 3/2/63	1,820,000	1,846,276
		<u>10,918,636</u>

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



**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>HEALTH CARE – continued</b>		
<b>Health Care Providers &amp; Services - 1.2%</b>		
Centene Corp.:		
2.45% 7/15/28	5,569,000	4,759,569
2.625% 8/1/31	2,597,000	2,069,497
3.375% 2/15/30	2,896,000	2,488,938
4.25% 12/15/27	3,262,000	3,049,823
4.625% 12/15/29	5,066,000	4,662,933
Cigna Group:		
3.05% 10/15/27	1,816,000	1,674,482
4.375% 10/15/28	3,443,000	3,329,215
4.8% 8/15/38	2,144,000	2,023,964
4.9% 12/15/48	2,141,000	1,992,560
CVS Health Corp.:		
3% 8/15/26	355,000	332,786
3.625% 4/1/27	1,019,000	967,320
4.78% 3/25/38	3,388,000	3,126,689
5% 1/30/29	1,590,000	1,574,676
5.25% 1/30/31	652,000	649,954
HCA Holdings, Inc.:		
3.5% 9/1/30	2,160,000	1,893,347
3.625% 3/15/32 (b)	487,000	422,720
5.625% 9/1/28	2,246,000	2,247,412
5.875% 2/1/29	2,447,000	2,462,883
Humana, Inc. 3.7% 3/23/29	1,508,000	1,381,140
Sabra Health Care LP 3.2% 12/1/31	5,311,000	3,961,813
Toledo Hospital 5.325% 11/15/28	1,197,000	969,570
		<u>46,041,291</u>
<b>Pharmaceuticals - 0.3%</b>		
Bayer U.S. Finance II LLC 4.25% 12/15/25 (b)	2,477,000	2,390,053
Elanco Animal Health, Inc. 6.65% 8/28/28 (c)	757,000	734,494
Mylan NV 4.55% 4/15/28	2,271,000	2,139,559
Utah Acquisition Sub, Inc. 3.95% 6/15/26	1,447,000	1,374,341
Viatris, Inc.:		
1.65% 6/22/25	558,000	513,376
2.7% 6/22/30	2,837,000	2,295,787
3.85% 6/22/40	1,236,000	854,133
4% 6/22/50	2,134,000	1,411,298
		<u>11,713,041</u>
<b>TOTAL HEALTH CARE</b>		<u>68,672,968</u>
<b>INDUSTRIALS - 0.8%</b>		
<b>Aerospace &amp; Defense - 0.2%</b>		
BAE Systems PLC 3.4% 4/15/30 (b)		
	1,287,000	1,163,799
The Boeing Co.:		
5.04% 5/1/27	1,681,000	1,660,437
5.15% 5/1/30	1,681,000	1,664,779
5.705% 5/1/40	1,703,000	1,698,754
5.805% 5/1/50	1,703,000	1,696,786
5.93% 5/1/60	1,680,000	1,663,851
		<u>9,548,406</u>
<b>Professional Services - 0.0%</b>		
Thomson Reuters Corp. 3.85% 9/29/24	587,000	569,088

**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>INDUSTRIALS – continued</b>		
<b>Trading Companies &amp; Distributors - 0.3%</b>		
Air Lease Corp.:		
3% 9/15/23	498,000	494,987
3.375% 7/1/25	3,659,000	3,467,900
3.875% 7/3/23	3,168,000	3,168,000
4.25% 2/1/24	3,258,000	3,223,552
4.25% 9/15/24	2,024,000	1,975,451
		<u>12,329,890</u>
<b>Transportation Infrastructure - 0.3%</b>		
Avolon Holdings Funding Ltd.:		
3.95% 7/1/24 (b)	1,186,000	1,150,480
4.25% 4/15/26 (b)	897,000	835,659
4.375% 5/1/26 (b)	2,653,000	2,478,891
5.25% 5/15/24 (b)	2,164,000	2,126,072
6.375% 5/4/28 (b)	3,488,000	3,450,545
		<u>10,041,647</u>
<b>TOTAL INDUSTRIALS</b>		<u>32,489,031</u>
<b>INFORMATION TECHNOLOGY - 1.1%</b>		
<b>Electronic Equipment, Instruments &amp; Components - 0.1%</b>		
Dell International LLC/EMC Corp.:		
5.85% 7/15/25	735,000	737,684
6.02% 6/15/26	888,000	902,571
6.1% 7/15/27	1,349,000	1,389,752
6.2% 7/15/30	1,167,000	1,212,506
		<u>4,242,513</u>
<b>Semiconductors &amp; Semiconductor Equipment - 0.5%</b>		
Broadcom, Inc.:		
1.95% 2/15/28 (b)	944,000	816,373
2.45% 2/15/31 (b)	8,034,000	6,534,064
2.6% 2/15/33 (b)	8,034,000	6,278,518
3.5% 2/15/41 (b)	6,488,000	4,853,197
3.75% 2/15/51 (b)	3,045,000	2,239,245
		<u>20,721,397</u>
<b>Software - 0.5%</b>		
Oracle Corp.:		
1.65% 3/25/26	3,687,000	3,346,142
2.3% 3/25/28	5,824,000	5,139,448
2.8% 4/1/27	3,325,000	3,056,104
2.875% 3/25/31	6,114,000	5,219,597
3.6% 4/1/40	3,327,000	2,573,790
		<u>19,335,081</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u>44,298,991</u>
<b>REAL ESTATE - 3.0%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 2.5%</b>		
Alexandria Real Estate Equities, Inc. 4.9% 12/15/30		
	2,366,000	2,289,949
American Homes 4 Rent LP:		
2.375% 7/15/31	427,000	339,049
3.625% 4/15/32	1,758,000	1,519,251
Boston Properties, Inc.:		
3.25% 1/30/31	2,203,000	1,794,887

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

## Schedule of Investments (Unaudited) - Continued

Nonconvertible Bonds – continued		
	Principal Amount (a)	Value (\$)
REAL ESTATE – continued		
Equity Real Estate Investment Trusts (REITs) – continued		
Boston Properties, Inc.: – continued		
4.5% 12/1/28	2,209,000	2,027,931
6.75% 12/1/27	2,669,000	2,699,181
Corporate Office Properties LP:		
2% 1/15/29	328,000	249,970
2.25% 3/15/26	945,000	836,942
2.75% 4/15/31	914,000	694,502
Healthcare Trust of America Holdings LP:		
3.1% 2/15/30	745,000	638,154
3.5% 8/1/26	775,000	713,016
Healthpeak OP, LLC:		
3.25% 7/15/26	325,000	302,671
3.5% 7/15/29	373,000	334,472
Hudson Pacific Properties LP 4.65% 4/1/29	4,395,000	3,101,508
Invitation Homes Operating Partnership LP 4.15% 4/15/32	2,644,000	2,367,785
Kite Realty Group Trust:		
4% 3/15/25	3,537,000	3,359,731
4.75% 9/15/30	5,514,000	4,956,181
LXP Industrial Trust (REIT):		
2.7% 9/15/30	1,037,000	828,155
4.4% 6/15/24	818,000	798,492
Omega Healthcare Investors, Inc.:		
3.25% 4/15/33	3,556,000	2,640,830
3.375% 2/1/31	1,901,000	1,507,849
3.625% 10/1/29	3,357,000	2,751,140
4.375% 8/1/23	704,000	702,481
4.5% 1/15/25	1,520,000	1,456,574
4.5% 4/1/27	9,194,000	8,538,298
4.75% 1/15/28	3,623,000	3,307,180
4.95% 4/1/24	769,000	758,178
5.25% 1/15/26	3,228,000	3,107,979
Piedmont Operating Partnership LP 2.75% 4/1/32	834,000	561,543
Realty Income Corp.:		
2.2% 6/15/28	453,000	392,224
2.85% 12/15/32	556,000	452,182
3.25% 1/15/31	579,000	506,069
3.4% 1/15/28	904,000	833,463
Retail Opportunity Investments Partnership LP:		
4% 12/15/24	555,000	531,649
5% 12/15/23	418,000	411,867
Simon Property Group LP 2.45% 9/13/29	924,000	777,864
SITE Centers Corp.:		
3.625% 2/1/25	1,284,000	1,208,301
4.25% 2/1/26	1,677,000	1,570,707
Store Capital Corp.:		
2.75% 11/18/30	4,952,000	3,577,892
4.625% 3/15/29	1,018,000	856,971
Sun Communities Operating LP:		
2.3% 11/1/28	948,000	796,844
2.7% 7/15/31	2,448,000	1,934,318

Nonconvertible Bonds – continued		
	Principal Amount (a)	Value (\$)
REAL ESTATE – continued		
Equity Real Estate Investment Trusts (REITs) – continued		
Ventas Realty LP:		
3% 1/15/30	4,331,000	3,704,435
3.5% 2/1/25	3,658,000	3,503,011
4% 3/1/28	1,273,000	1,177,580
4.125% 1/15/26	884,000	845,510
4.375% 2/1/45	433,000	347,244
4.75% 11/15/30	5,686,000	5,381,924
VICI Properties LP:		
4.375% 5/15/25	446,000	431,039
4.75% 2/15/28	3,531,000	3,343,271
4.95% 2/15/30	4,599,000	4,314,230
5.125% 5/15/32	1,205,000	1,127,451
Vornado Realty LP 2.15% 6/1/26	1,069,000	905,584
WP Carey, Inc.:		
2.4% 2/1/31	2,157,000	1,733,869
3.85% 7/15/29	724,000	656,838
4% 2/1/25	3,043,000	2,946,469
		<u>99,452,685</u>
Real Estate Management & Development - 0.5%		
Brandywine Operating Partnership LP:		
3.95% 11/15/27	2,619,000	2,077,033
4.1% 10/1/24	2,878,000	2,761,568
4.55% 10/1/29	3,316,000	2,398,048
7.55% 3/15/28	3,596,000	3,235,428
CBRE Group, Inc. 2.5% 4/1/31	3,160,000	2,541,646
Tanger Properties LP:		
2.75% 9/1/31	2,490,000	1,806,961
3.125% 9/1/26	3,468,000	3,074,912
		<u>17,895,596</u>
		<u>117,348,281</u>
UTILITIES - 1.3%		
Electric Utilities - 0.5%		
Alabama Power Co. 3.05% 3/15/32	3,742,000	3,251,096
Cleco Corporate Holdings LLC:		
3.375% 9/15/29	1,957,000	1,659,860
3.743% 5/1/26	7,482,000	7,002,825
Duke Energy Corp. 2.45% 6/1/30	1,580,000	1,326,791
Duquesne Light Holdings, Inc.:		
2.532% 10/1/30 (b)	750,000	599,350
2.775% 1/7/32 (b)	2,595,000	2,023,522
Entergy Corp. 2.8% 6/15/30	1,621,000	1,373,985
Exelon Corp.:		
2.75% 3/15/27	829,000	758,575
3.35% 3/15/32	1,006,000	874,109
4.05% 4/15/30	988,000	923,263
4.1% 3/15/52	745,000	600,563
4.7% 4/15/50	440,000	388,849
IPALCO Enterprises, Inc. 3.7% 9/1/24	1,224,000	1,183,382
		<u>21,966,170</u>
Gas Utilities - 0.0%		
Nakilat, Inc. 6.067% 12/31/33 (b)	885,124	923,883

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

**Nonconvertible Bonds – continued**

	Principal Amount (a)	Value (\$)
<b>UTILITIES – continued</b>		
<b>Independent Power and Renewable Electricity Producers - 0.3%</b>		
Emera U.S. Finance LP 3.55% 6/15/26	1,074,000	1,015,531
The AES Corp.:		
2.45% 1/15/31	1,088,000	879,415
3.3% 7/15/25 (b)	4,877,000	4,605,537
3.95% 7/15/30 (b)	4,253,000	<u>3,812,890</u>
		<u>10,313,373</u>
<b>Multi-Utilities - 0.5%</b>		
Berkshire Hathaway Energy Co. 4.05% 4/15/25	7,058,000	6,888,875
Consolidated Edison Co. of New York, Inc. 3.35% 4/1/30	449,000	407,894
NiSource, Inc.:		
2.95% 9/1/29	4,856,000	4,252,062
3.6% 5/1/30	2,477,000	2,230,735
Puget Energy, Inc.:		
4.1% 6/15/30	1,909,000	1,738,133
4.224% 3/15/32	3,417,000	3,070,401
WEC Energy Group, Inc. 3 month U.S. LIBOR + 2.610% 7.4332% 5/15/67 (c)(d)	810,000	<u>681,258</u>
		<u>19,269,358</u>
TOTAL UTILITIES		<u>52,472,784</u>
<b>TOTAL NONCONVERTIBLE BONDS</b> (Cost \$1,464,752,947)		<b><u>1,262,727,228</u></b>

**U.S. Treasury Obligations – 34.7%**

	Principal Amount (a)	Value (\$)
<b>U.S. Treasury Bonds:</b>		
1.125% 5/15/40	22,865,200	14,822,187
1.75% 8/15/41	80,591,100	56,618,396
1.875% 11/15/51	50,329,100	33,221,138
2% 11/15/41	13,511,200	9,890,093
2% 8/15/51	200,421,400	136,623,198
2.25% 2/15/52	38,732,200	27,990,066
3% 2/15/47	55,093,200	46,385,892
3.375% 8/15/42	58,000,000	52,646,328
3.625% 2/15/53	6,460,000	6,199,581
3.625% 5/15/53	4,500,000	4,324,922
<b>U.S. Treasury Notes:</b>		
1.125% 8/31/28	70,526,300	60,765,570
1.25% 5/31/28	220,752,000	192,554,385
1.25% 9/30/28	15,938,200	13,797,127
1.75% 1/31/29	27,595,700	24,394,168
2.625% 7/31/29	37,400,000	34,549,711
2.75% 4/30/27	43,645,400	41,229,559
2.875% 5/15/32	105,403,000	97,728,344
3.375% 5/15/33	169,600,000	163,558,000
3.5% 1/31/28	50,000,000	48,552,735
3.5% 2/15/33	144,500,000	140,752,031
3.625% 5/15/26	5,000,000	4,878,701
3.625% 3/31/30	59,000,000	57,713,984
3.75% 5/31/30	52,400,000	51,671,313

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

**U.S. Treasury Obligations – continued**

	Principal Amount (a)	Value (\$)
<b>U.S. Treasury Notes: – continued</b>		
4.125% 11/15/32	35,600,000	36,378,750
4.375% 10/31/24	1,921,000	<u>1,897,813</u>

**TOTAL U.S. TREASURY OBLIGATIONS**

(Cost \$1,571,889,182)

**1,359,143,992****U.S. Government Agency - Mortgage Securities - 22.0%**

	Principal Amount (a)	Value (\$)
<b>Fannie Mae - 8.0%</b>		
12 month U.S. LIBOR + 1.480% 3.73% 7/1/34 (c)(d)	1,536	1,546
12 month U.S. LIBOR + 1.550% 3.803% 6/1/36 (c)(d)	3,883	3,926
12 month U.S. LIBOR + 1.630% 4.24% 11/1/36 (c)(d)	42,800	43,133
12 month U.S. LIBOR + 1.700% 5.188% 6/1/42 (c)(d)	31,271	31,666
12 month U.S. LIBOR + 1.730% 5.105% 5/1/36 (c)(d)	30,707	31,038
12 month U.S. LIBOR + 1.750% 4.306% 7/1/35 (c)(d)	2,945	2,964
12 month U.S. LIBOR + 1.780% 4.163% 2/1/36 (c)(d)	12,259	12,343
12 month U.S. LIBOR + 1.800% 4.05% 7/1/41 (c)(d)	12,234	12,420
12 month U.S. LIBOR + 1.810% 4.068% 9/1/41 (c)(d)	10,190	10,408
12 month U.S. LIBOR + 1.810% 4.119% 7/1/41 (c)(d)	19,869	20,327
12 month U.S. LIBOR + 1.820% 4.195% 12/1/35 (c)(d)	12,409	12,550
12 month U.S. LIBOR + 1.830% 4.08% 10/1/41 (c)(d)	8,425	8,291
12 month U.S. LIBOR + 1.950% 4.4% 9/1/36 (c)(d)	23,026	23,257
12 month U.S. LIBOR + 1.950% 5.496% 7/1/37 (c)(d)	8,702	8,862
6 month U.S. LIBOR + 1.310% 4.438% 5/1/34 (c)(d)	18,235	18,177
6 month U.S. LIBOR + 1.420% 3.572% 9/1/33 (c)(d)	32,282	32,115
6 month U.S. LIBOR + 1.550% 5.984% 10/1/33 (c)(d)	2,138	2,167
6 month U.S. LIBOR + 1.560% 5.603% 7/1/35 (c)(d)	2,077	2,110
U.S. TREASURY 1 YEAR INDEX + 1.940% 3.87% 10/1/33 (c)(d)	33,049	33,685
U.S. TREASURY 1 YEAR INDEX + 2.200% 4.583% 3/1/35 (c)(d)	2,973	3,011
U.S. TREASURY 1 YEAR INDEX + 2.220% 4.405% 8/1/36 (c)(d)	37,948	38,660
U.S. TREASURY 1 YEAR INDEX + 2.280% 4.405% 10/1/33 (c)(d)	5,198	5,315
U.S. TREASURY 1 YEAR INDEX + 2.420% 4.778% 5/1/35 (c)(d)	6,444	6,563

## Schedule of Investments (Unaudited) - Continued

## U.S. Government Agency - Mortgage Securities - continued

	Principal Amount (a)	Value (\$)
<b>Fannie Mae – continued</b>		
1.5% 11/1/35 to 9/1/51 (e)	29,158,154	23,621,346
2% 2/1/28 to 3/1/52	68,661,361	57,728,128
2.5% 10/1/27 to 3/1/52	78,690,974	68,357,998
3% 2/1/31 to 2/1/52 (f)(g)	55,460,596	49,879,187
3.5% 9/1/35 to 4/1/52 (f)(g)	37,228,091	34,416,642
4% 7/1/39 to 6/1/52	21,535,514	20,568,676
4.5% to 4.5% 5/1/25 to 11/1/52	17,758,302	17,299,975
5% 9/1/25 to 12/1/52	15,911,378	15,702,815
5.5% 10/1/52 to 6/1/53	16,050,020	16,002,085
6% 10/1/34 to 6/1/53	8,699,102	8,847,359
6.5% 12/1/23 to 8/1/36	295,929	304,497
7% to 7% 11/1/23 to 8/1/32	37,808	39,004
7.5% to 7.5% 9/1/25 to 11/1/31	48,994	50,408
8% 1/1/30	215	225
8.5% 3/1/25	24	24
<b>TOTAL FANNIE MAE</b>		<b>313,182,903</b>
<b>Freddie Mac - 5.1%</b>		
12 month U.S. LIBOR + 1.370% 3.634% 3/1/36 (c)(d)	25,253	25,175
12 month U.S. LIBOR + 1.880% 4.13% 9/1/41 (c)(d)	15,171	15,389
12 month U.S. LIBOR + 1.880% 5.255% 4/1/41 (c)(d)	3,930	3,955
12 month U.S. LIBOR + 1.910% 4.16% 6/1/41 (c)(d)	9,956	10,205
12 month U.S. LIBOR + 1.910% 5.22% 5/1/41 (c)(d)	31,668	31,966
12 month U.S. LIBOR + 1.910% 5.364% 6/1/41 (c)(d)	30,659	31,024
12 month U.S. LIBOR + 1.910% 5.568% 5/1/41 (c)(d)	33,060	33,383
12 month U.S. LIBOR + 2.030% 4.158% 3/1/33 (c)(d)	315	317
12 month U.S. LIBOR + 2.160% 4.41% 11/1/35 (c)(d)	5,105	5,166
6 month U.S. LIBOR + 1.650% 6.179% 4/1/35 (c)(d)	20,769	21,000
6 month U.S. LIBOR + 2.680% 6.988% 10/1/35 (c)(d)	3,527	3,624
U.S. TREASURY 1 YEAR INDEX + 2.240% 4.372% 1/1/35 (c)(d)	3,209	3,248
1.5% 7/1/35 to 4/1/51	21,776,474	17,365,586
2% 5/1/35 to 4/1/52	53,312,793	45,220,177
2.5% 1/1/28 to 3/1/52 (f)	47,961,686	41,614,156
3% 12/1/30 to 4/1/52	20,767,693	18,624,908
3.5% 3/1/32 to 3/1/52	30,360,214	28,426,156
4% 5/1/37 to 10/1/52	12,958,484	12,439,688
4.5% 7/1/25 to 10/1/48	7,298,478	7,170,400
5% 1/1/40 to 4/1/53	16,715,566	16,503,023
5.5% 10/1/52 to 4/1/53	8,991,058	9,031,948
6% 4/1/32 to 7/1/53	3,345,217	3,416,016
6.5% 1/1/53	1,382,185	1,413,952
7.5% 8/1/26 to 11/1/31	6,000	6,252
8% 4/1/27 to 5/1/27	547	559
8.5% 5/1/27 to 1/1/28	887	906

## U.S. Government Agency - Mortgage Securities - continued

	Principal Amount (a)	Value (\$)
<b>Freddie Mac – continued</b>		
<b>TOTAL FREDDIE MAC</b>		<b>201,418,179</b>
<b>Ginnie Mae - 5.4%</b>		
3% 12/20/42 to 4/20/47	3,721,265	3,364,285
3.5% 12/20/40 to 1/20/50	2,669,503	2,486,313
4% 2/15/40 to 4/20/48	10,611,261	10,190,548
4.5% 5/15/39 to 5/20/41	2,279,594	2,232,411
5% 3/15/39 to 4/20/48	1,284,106	1,287,593
6.5% 4/15/35 to 11/15/35	27,409	28,346
7% 1/15/28 to 7/15/32	155,173	158,957
7.5% to 7.5% 1/15/24 to 10/15/28	26,410	26,884
8% 3/15/30 to 9/15/30	3,805	3,967
2% 11/20/50 to 4/20/51 (e)	17,198,133	14,484,404
2% 7/1/53 (h)	10,400,000	8,732,257
2% 7/1/53 (h)	13,850,000	11,629,015
2% 7/1/53 (h)	3,400,000	2,854,776
2% 7/1/53 (h)	4,350,000	3,652,434
2% 7/1/53 (h)	6,950,000	5,835,499
2% 8/1/53 (h)	6,850,000	5,758,492
2% 8/1/53 (h)	3,400,000	2,858,230
2% 8/1/53 (h)	1,350,000	1,134,885
2.5% 9/20/51 to 12/20/51	3,424,550	2,967,378
2.5% 7/1/53 (h)	11,150,000	9,649,434
2.5% 7/1/53 (h)	7,850,000	6,793,548
2.5% 7/1/53 (h)	11,050,000	9,562,892
2.5% 7/1/53 (h)	3,450,000	2,985,699
2.5% 7/1/53 (h)	7,600,000	6,577,193
2.5% 7/1/53 (h)	11,150,000	9,649,434
2.5% 7/1/53 (h)	4,100,000	3,548,222
2.5% 8/1/53 (h)	7,600,000	6,585,278
2.5% 8/1/53 (h)	15,250,000	13,213,881
3% 7/1/53 (h)	10,300,000	9,201,544
3% 7/1/53 (h)	8,175,000	7,303,167
3% 7/1/53 (h)	1,100,000	982,689
3% 7/1/53 (h)	3,000,000	2,680,061
3% 7/1/53 (h)	4,200,000	3,752,086
3.5% 7/1/53 (h)	8,500,000	7,843,194
3.5% 7/1/53 (h)	3,975,000	3,667,847
3.5% 7/1/53 (h)	4,075,000	3,760,119
3.5% 7/1/53 (h)	800,000	738,183
3.5% 8/1/53 (h)	9,200,000	8,491,261
4% 7/1/53 (h)	800,000	756,422
4.5% 7/1/53 (h)	2,100,000	2,026,215
4.5% 7/1/53 (h)	2,100,000	2,026,215
5% 7/1/53 (h)	4,100,000	4,028,431
5.5% 7/1/53 (h)	5,700,000	5,674,921
<b>TOTAL GINNIE MAE</b>		<b>211,184,610</b>
<b>Uniform Mortgage Backed Securities - 3.5%</b>		
1.5% 7/1/53 (h)	1,400,000	1,083,098
2% 7/1/38 (h)	500,000	443,059
2% 7/1/53 (h)	12,400,000	10,104,591
2% 7/1/53 (h)	12,400,000	10,104,591
2% 7/1/53 (h)	7,450,000	6,070,904
2% 7/1/53 (h)	8,400,000	6,845,046

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

**U.S. Government Agency - Mortgage Securities - continued**

	Principal Amount (a)	Value (\$)
<b>Uniform Mortgage Backed Securities – continued</b>		
2% 7/1/53 (h)	13,600,000	11,082,455
2% 7/1/53 (h)	6,575,000	5,357,878
2% 7/1/53 (h)	4,100,000	3,341,034
2% 8/1/53 (h)	6,950,000	5,672,148
2.5% 7/1/38 (h)	300,000	273,000
2.5% 7/1/53 (h)	3,550,000	3,008,486
2.5% 7/1/53 (h)	7,100,000	6,016,972
2.5% 7/1/53 (h)	5,000,000	4,237,304
2.5% 7/1/53 (h)	1,350,000	1,144,072
3% 7/1/53 (h)	1,650,000	1,451,742
3% 7/1/53 (h)	1,475,000	1,297,769
3.5% 7/1/53 (h)	3,300,000	3,005,835
4% 7/1/53 (h)	1,175,000	1,102,388
4% 7/1/53 (h)	1,775,000	1,665,310
4% 7/1/53 (h)	5,300,000	4,972,475
4% 7/1/53 (h)	2,975,000	2,791,154
4.5% 7/1/53 (h)	2,200,000	2,114,063
4.5% 7/1/53 (h)	2,050,000	1,969,922
5% 7/1/38 (h)	4,000,000	3,971,564
5% 7/1/38 (h)	3,975,000	3,946,742
5% 7/1/38 (h)	3,250,000	3,226,896
5% 7/1/38 (h)	3,225,000	3,202,073
5% 7/1/38 (h)	1,200,000	1,191,469
5% 7/1/38 (h)	1,450,000	1,439,692
5% 8/1/38 (h)	1,450,000	1,439,975
5% 7/1/53 (h)	850,000	832,768
5% 7/1/53 (h)	850,000	832,768
5.5% 7/1/53 (h)	3,300,000	3,284,142
5.5% 7/1/53 (h)	5,700,000	5,672,609
5.5% 7/1/53 (h)	11,700,000	11,643,776
<b>TOTAL UNIFORM MORTGAGE BACKED SECURITIES</b>		<b>135,839,770</b>

**TOTAL U.S. GOVERNMENT AGENCY - MORTGAGE SECURITIES**  
(Cost \$916,575,005)**861,625,462****Asset-Backed Securities – 6.9%**

	Principal Amount (a)	Value (\$)
<b>AASET Trust:</b>		
Series 2018-1A Class A, 3.844% 1/16/38 (b)	1,347,279	840,710
Series 2019-1 Class A, 3.844% 5/15/39 (b)	999,711	718,700
Series 2019-2:		
Class A, 3.376% 10/16/39 (b)	2,497,287	2,095,293
Class B, 4.458% 10/16/39 (b)	713,637	250,722
Series 2021-1A Class A, 2.95% 11/16/41 (b)	2,962,335	2,552,081
Series 2021-2A Class A, 2.798% 1/15/47 (b)	5,608,331	4,758,669
Aimco Series 2021-BA Class AR, 3 month U.S. LIBOR + 1.100% 6.3603% 1/15/32 (b)(c)(d)	1,196,595	1,184,178
AIMCO CLO Ltd. Series 2021-11A Class AR, 3 month U.S. LIBOR + 1.130% 6.3903% 10/17/34 (b)(c)(d)	2,370,709	2,327,299

**Asset-Backed Securities – continued**

	Principal Amount (a)	Value (\$)
AIMCO CLO Ltd. / AIMCO CLO LLC Series 2021-14A Class A, 3 month U.S. LIBOR + 0.990% 6.2404% 4/20/34 (b)(c)(d)	5,797,905	5,679,894
Allegro CLO XV, Ltd. / Allegro CLO VX LLC Series 2022-1A Class A, CME Term SOFR 3 Month Index + 1.500% 6.5485% 7/20/35 (b)(c)(d)	3,019,149	2,970,006
Allegro CLO, Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.140% 6.3904% 7/20/34 (b)(c)(d)	2,835,654	2,771,650
American Express Credit Account Master Trust Series 2023-1 Class A, 4.87% 5/15/28	2,480,000	2,466,618
Apollo Aviation Securitization Equity Trust Series 2020-1A:		
Class A, 3.351% 1/16/40 (b)	853,492	716,385
Class B, 4.335% 1/16/40 (b)	268,430	134,354
Ares CLO Series 2019-54A Class A, 3 month U.S. LIBOR + 1.320% 6.5803% 10/15/32 (b)(c)(d)	3,103,607	3,073,514
Ares LIX CLO Ltd. Series 2021-59A Class A, 3 month U.S. LIBOR + 1.030% 6.2851% 4/25/34 (b)(c)(d)	1,923,930	1,878,525
Ares LV CLO Ltd. Series 2021-55A Class A1R, 3 month U.S. LIBOR + 1.130% 6.3903% 7/15/34 (b)(c)(d)	3,574,230	3,518,965
Ares LVIII CLO LLC Series 2022-58A Class AR, CME Term SOFR 3 Month Index + 1.330% 6.3163% 1/15/35 (b)(c)(d)	4,768,241	4,633,023
Ares XLI CLO Ltd. / Ares XLI CLO LLC Series 2021-41A Class AR2, 3 month U.S. LIBOR + 1.070% 6.3303% 4/15/34 (b)(c)(d)	4,022,144	3,937,160
Ares XXXIV CLO Ltd. Series 2020-2A Class AR2, 3 month U.S. LIBOR + 1.250% 6.5103% 4/17/33 (b)(c)(d)	1,232,474	1,212,106
Babson CLO Ltd. Series 2021-1A Class AR, 3 month U.S. LIBOR + 1.150% 6.4103% 10/15/36 (b)(c)(d)	2,392,281	2,341,053
Bank of America Credit Card Master Trust Series 2023-A1 Class A1, 4.79% 5/15/28	2,300,000	2,282,757
Barrings CLO Ltd.:		
Series 2021-1A Class A, 3 month U.S. LIBOR + 1.020% 6.2751% 4/25/34 (b)(c)(d)	4,224,812	4,144,735
Series 2021-4A Class A, 3 month U.S. LIBOR + 1.220% 6.4704% 1/20/32 (b)(c)(d)	3,831,965	3,793,779
Beechwood Park CLO Ltd. Series 2022-1A Class A1R, CME Term SOFR 3 Month Index + 1.300% 6.2863% 1/17/35 (b)(c)(d)	4,846,852	4,749,503
BETHP Series 2021-1A Class A, 3 month U.S. LIBOR + 1.130% 6.3903% 1/15/35 (b)(c)(d)	3,615,104	3,539,310
Blackbird Capital Aircraft:		
Series 2016-1A:		
Class A, 4.213% 12/16/41 (b)	3,533,955	3,250,073
Class AA, 2.487% 12/16/41 (b)(c)	260,937	249,597
Series 2021-1A Class A, 2.443% 7/15/46 (b)	4,167,450	3,588,263
Bristol Park CLO, Ltd. Series 2020-1A Class AR, 3 month U.S. LIBOR + 0.990% 6.2503% 4/15/29 (b)(c)(d)	3,400,306	3,367,633
Carmax Auto Owner Trust Series 2023 2 Class A2A, 5.5% 6/15/26	2,100,000	2,093,779
Castlelake Aircraft Securitization Trust Series 2019-1A:		
Class A, 3.967% 4/15/39 (b)	2,199,942	1,953,003
Class B, 5.095% 4/15/39 (b)	1,232,658	890,879

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

## Schedule of Investments (Unaudited) - Continued

## Asset-Backed Securities – continued

	Principal Amount (a)	Value (\$)
Castlelake Aircraft Structured Trust:		
Series 2018-1 Class A, 4.125% 6/15/43 (b)	1,232,953	1,112,529
Series 2021-1A Class A, 3.474% 1/15/46 (b)	828,820	757,541
Cedar Funding Ltd.:		
Series 2021-10A Class AR, 3 month U.S. LIBOR + 1.100% 6.3504% 10/20/32 (b)(c)(d)	2,890,154	2,844,813
Series 2022-15A Class A, CME Term SOFR 3 Month Index + 1.320% 6.3685% 4/20/35 (b)(c)(d)	4,498,016	4,381,958
Cedar Funding XII CLO Ltd. / Cedar Funding XII CLO LLC Series 2021-12A Class A1R, 3 month U.S. LIBOR + 1.130% 6.3851% 10/25/34 (b)(c)(d)		
	2,218,566	2,175,206
CEDF Series 2021-6A Class ARR, 3 month U.S. LIBOR + 1.050% 6.3004% 4/20/34 (b)(c)(d)	3,494,185	3,402,763
Cent CLO Ltd. / Cent CLO Series 2021-29A Class AR, 3 month U.S. LIBOR + 1.170% 6.4204% 10/20/34 (b)(c)(d)	3,598,073	3,497,554
CFMT LLC Series 2023 HB12 Class A, 4.25% 4/25/33 (b)	1,643,172	1,568,167
CNH Equipment Trust Series 2023 A Class A2, 5.34% 9/15/26	990,000	985,712
Columbia Cent CLO 31 Ltd. Series 2021-31A Class A1, 3 month U.S. LIBOR + 1.200% 6.4504% 4/20/34 (b)(c)(d)	3,860,350	3,761,077
Columbia Cent Clo 32 Ltd. / Coliseum Series 2022-32A Class A1, CME Term SOFR 3 Month Index + 1.700% 6.7706% 7/24/34 (b)(c)(d)	4,457,000	4,390,074
Columbia Cent CLO Ltd. / Columbia Cent CLO Corp. Series 2021-30A Class A1, 3 month U.S. LIBOR + 1.310% 6.5604% 1/20/34 (b)(c)(d)	5,052,517	4,971,374
DB Master Finance LLC Series 2017-1A Class A2II, 4.03% 11/20/47 (b)	3,242,345	2,963,416
Discover Card Execution Note Trust Series 2023-A2 Class A, 4.93% 6/15/28	1,500,000	1,493,416
Dryden 98 CLO Ltd. Series 2022-98A Class A, CME Term SOFR 3 Month Index + 1.300% 6.3485% 4/20/35 (b)(c)(d)	2,526,193	2,452,145
Dryden CLO, Ltd.:		
Series 2021-76A Class A1R, 3 month U.S. LIBOR + 1.150% 6.4004% 10/20/34 (b)(c)(d)	2,388,876	2,349,550
Series 2021-83A Class A, 3 month U.S. LIBOR + 1.220% 6.4817% 1/18/32 (b)(c)(d)	2,929,325	2,892,471
Dryden Senior Loan Fund:		
Series 2020-78A Class A, 3 month U.S. LIBOR + 1.180% 6.4403% 4/17/33 (b)(c)(d)	2,441,104	2,410,519
Series 2021-85A Class AR, 3 month U.S. LIBOR + 1.150% 6.4103% 10/15/35 (b)(c)(d)	3,177,977	3,111,252
Series 2021-90A Class A1A, 3 month U.S. LIBOR + 1.130% 6.5091% 2/20/35 (b)(c)(d)	1,889,869	1,850,142
Eaton Vance CLO, Ltd.:		
Series 2021-1A Class AR, 3 month U.S. LIBOR + 1.100% 6.3603% 4/15/31 (b)(c)(d)	1,638,378	1,619,565
Series 2021-2A Class AR, 3 month U.S. LIBOR + 1.150% 6.4103% 1/15/35 (b)(c)(d)	4,330,149	4,259,174
Eaton Vance CLO, Ltd. / Eaton Vance CLO LLC Series 2021-1A Class A13R, 3 month U.S. LIBOR + 1.250% 6.5103% 1/15/34 (b)(c)(d)		
	1,005,251	990,339
Flatiron CLO Ltd. Series 2021-1A:		
Class A1, 3 month U.S. LIBOR + 1.110% 6.375% 7/19/34 (b)(c)(d)	2,577,919	2,537,348

## Asset-Backed Securities – continued

	Principal Amount (a)	Value (\$)
Flatiron CLO Ltd. Series 2021-1A: – continued		
Class AR, 3 month U.S. LIBOR + 1.080% 6.3983% 11/16/34 (b)(c)(d)	3,690,041	3,635,004
Flatiron CLO Ltd. / Flatiron CLO LLC Series 2020-1A Class A, 3 month U.S. LIBOR + 1.300% 6.6791% 11/20/33 (b)(c)(d)		
	4,601,553	4,555,146
Ford Credit Floorplan Master Owner Trust Series 2023-1 Class A1, 4.92% 5/15/28 (b)		
	2,100,000	2,076,013
GM Financial Automobile Leasing Series 2023-2 Class A2A, 5.44% 10/20/25		
	1,031,000	1,026,633
GM Financial Consumer Automobile Re Series 2023 2 Class A3, 4.47% 2/16/28		
	2,310,000	2,268,685
Horizon Aircraft Finance I Ltd. Series 2018-1 Class A, 4.458% 12/15/38 (b)		
	1,333,953	1,150,532
Horizon Aircraft Finance Ltd. Series 2019-1 Class A, 3.721% 7/15/39 (b)		
	1,250,180	1,067,637
Invesco CLO Ltd. Series 2021-3A Class A, 3 month U.S. LIBOR + 1.130% 6.4027% 10/22/34 (b)(c)(d)		
	2,531,935	2,484,195
KKR CLO Ltd. Series 2022-41A Class A1, CME Term SOFR 3 Month Index + 1.330% 6.3163% 4/15/35 (b)(c)(d)		
	5,870,431	5,691,230
Lucali CLO Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.210% 6.4703% 1/15/33 (b)(c)(d)		
	1,816,635	1,799,684
Madison Park Funding Series 2020-19A Class A1R2, 3 month U.S. LIBOR + 0.920% 6.1927% 1/22/28 (b)(c)(d)		
	2,102,066	2,089,664
Madison Park Funding L Ltd. / Madison Park Funding L LLC Series 2021-50A Class A, CME Term SOFR 3 Month Index + 1.400% 6.4295% 4/19/34 (b)(c)(d)		
	4,047,691	3,984,397
Madison Park Funding LII Ltd. / Madison Park Funding LII LLC Series 2021-52A Class A, 3 month U.S. LIBOR + 1.100% 6.3727% 1/22/35 (b)(c)(d)		
	4,115,814	4,025,534
Madison Park Funding XLV Ltd. / Madison Park Funding XLV LLC Series 2021-45A Class AR, 3 month U.S. LIBOR + 1.120% 6.3803% 7/15/34 (b)(c)(d)		
	2,572,810	2,531,810
Madison Park Funding XXXII, Ltd. / Madison Park Funding XXXII LLC Series 2021-32A Class A2R, 3 month U.S. LIBOR + 1.200% 6.4727% 1/22/31 (b)(c)(d)		
	1,296,427	1,273,400
Magnetite CLO Ltd. Series 2021-27A Class AR, 3 month U.S. LIBOR + 1.140% 6.3904% 10/20/34 (b)(c)(d)		
	1,041,994	1,023,219
Magnetite IX, Ltd. / Magnetite IX LLC Series 2021-30A Class A, 3 month U.S. LIBOR + 1.130% 6.3851% 10/25/34 (b)(c)(d)		
	4,363,331	4,282,365
Magnetite XXI Ltd. Series 2021-21A Class AR, 3 month U.S. LIBOR + 1.020% 6.2704% 4/20/34 (b)(c)(d)		
	3,374,400	3,314,950
Magnetite XXIX, Ltd. / Magnetite XXIX LLC Series 2021-29A Class A, 3 month U.S. LIBOR + 0.990% 6.2503% 1/15/34 (b)(c)(d)		
	3,525,408	3,488,783
Marlette Funding Trust Series 2022-1A Class A, 1.36% 4/15/32 (b)		
	730,457	726,010
Milos CLO, Ltd. Series 2020-1A Class AR, 3 month U.S. LIBOR + 1.070% 6.3204% 10/20/30 (b)(c)(d)		
	3,550,105	3,520,664
Park Place Securities, Inc. Series 2005-WCH1 Class M4, 1 month U.S. LIBOR + 1.240% 6.3954% 1/25/36 (c)(d)		
	76,675	75,060

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

**Asset-Backed Securities – continued**

	Principal Amount (a)	Value (\$)
Peace Park CLO, Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.130% 6.3804% 10/20/34 (b)(c)(d)	1,408,460	1,383,329
Planet Fitness Master Issuer LLC: Series 2019-1A Class A2, 3.858% 12/5/49 (b) Series 2022-1A: Class A2I, 3.251% 12/5/51 (b) Class A2II, 4.008% 12/5/51 (b)	2,654,715 2,911,150 2,601,075	2,249,226 2,587,311 2,136,697
Project Silver Series 2019-1 Class A, 3.967% 7/15/44 (b)	2,341,993	1,988,609
Rockland Park CLO Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.120% 6.3704% 4/20/34 (b)(c)(d)	4,820,896	4,753,847
RR 7 Ltd. Series 2022-7A Class A1AB, CME Term SOFR 3 Month Index + 1.340% 6.3263% 1/15/37 (b)(c)(d)	4,874,693	4,765,670
Sapphire Aviation Finance Series 2020-1A: Class A, 3.228% 3/15/40 (b) Class B, 4.335% 3/15/40 (b)(i)	2,452,250 521,805	2,061,557 366,080
SBA Tower Trust: Series 2019, 2.836% 1/15/50 (b) 1.884% 7/15/50 (b) 2.328% 7/15/52 (b)	3,520,000 1,356,000 1,037,000	3,341,988 1,217,712 887,042
SYMP Series 2022-32A Class A1, CME Term SOFR 3 Month Index + 1.320% 6.3906% 4/23/35 (b)(c)(d)	5,044,198	4,932,025
Symphony CLO XXI, Ltd. Series 2021-21A Class AR, 3 month U.S. LIBOR + 1.060% 6.3203% 7/15/32 (b)(c)(d)	580,272	572,207
Symphony CLO XXV Ltd. / Symphony CLO XXV LLC Series 2021-25A Class A, 3 month U.S. LIBOR + 0.980% 6.245% 4/19/34 (b)(c)(d)	4,282,717	4,188,035
Symphony CLO XXVI Ltd. / Symphony CLO XXVI LLC Series 2021-26A Class AR, 3 month U.S. LIBOR + 1.080% 6.3304% 4/20/33 (b)(c)(d)	3,959,716	3,892,951
Terwin Mortgage Trust Series 2003-4HE Class A1, 1 month U.S. LIBOR + 0.860% 6.0104% 9/25/34 (c)(d)	3,946	3,786
Thunderbolt Aircraft Lease Ltd. Series 2018-A Class A, 4.147% 9/15/38 (b)(c)	2,709,447	2,314,084
Thunderbolt III Aircraft Lease Ltd. Series 2019-1 Class A, 3.671% 11/15/39 (b)	3,607,957	3,009,253
Toyota Lease Owner Trust Series 2023 A: Class A2, 5.3% 8/20/25 (b) Class A3, 4.93% 4/20/26 (b)	1,906,000 1,864,000	1,896,973 1,842,178
Upstart Securitization Trust 3.12% 3/20/32 (b)	768,282	752,066
Verizon Master Trust Series 2023 2 Class A, 4.89% 4/13/28	1,100,000	1,089,772
Voya CLO Ltd. Series 2019-2A Class A, 3 month U.S. LIBOR + 1.270% 6.5204% 7/20/32 (b)(c)(d)	3,719,561	3,680,520
Voya CLO Ltd./Voya CLO LLC: Series 2021-2A Class A1R, 3 month U.S. LIBOR + 1.160% 6.425% 7/19/34 (b)(c)(d) Series 2021-3A Class AR, 3 month U.S. LIBOR + 1.150% 6.4004% 10/20/34 (b)(c)(d)	2,363,896 4,837,926	2,320,526 4,747,539
Voya CLO, Ltd. Series 2021-1A Class AR, 3 month U.S. LIBOR + 1.150% 6.4103% 7/16/34 (b)(c)(d)	2,387,172	2,346,602
World Omni Auto Receivables Trust Series 2023 B: Class A2A, 5.25% 11/16/26	1,075,000	1,068,739

**Asset-Backed Securities – continued**

	Principal Amount (a)	Value (\$)
World Omni Auto Receivables Trust Series 2023 B: – continued Class A3, 4.66% 5/15/28	1,974,000	1,945,453
<b>TOTAL ASSET-BACKED SECURITIES</b> (Cost \$283,459,515)		<b>271,174,713</b>

**Collateralized Mortgage Obligations – 1.2%**

	Principal Amount (a)	Value (\$)
<b>Private Sponsor - 0.7%</b>		
Binom Securitization Trust 202 Series 2022-RPL1 Class A1, 3% 2/25/61 (b)	2,927,947	2,637,219
BRAVO Residential Funding Trust sequential payer Series 2022-RPL1 Class A1, 2.75% 9/25/61 (b)	4,455,539	3,767,935
Cascade Funding Mortgage Trust Series 2021-HB6 Class A, 0.8983% 6/25/36 (b)	1,283,371	1,211,079
CFMT Series 2022-HB10 Class A, 3.25% 11/25/35 (b)	5,246,122	5,009,314
Cfmt 2022-Ebo2 sequential payer Series 2022-EBO2 Class A, 3.169% 7/25/54 (b)	924,252	903,931
CFMT 2022-Hb8 LLC sequential payer Series 2022-HB8 Class A, 3.75% 4/25/25 (b)	3,354,372	3,280,884
Finance of America HECM Buyout sequential payer Series 2022-HB1 Class A, 2.6948% 2/25/32 (b)(c)	3,907,785	3,662,022
NYMT Loan Trust sequential payer Series 2021-CP1 Class A1, 2.0424% 7/25/61 (b)	1,631,705	1,440,665
Ocwen Ln Investment Trust 2023-Hb1 Series 2023-HB1 Class A, 3% 6/25/36 (b)	994,000	933,958
Preston Ridge Partners Mortgage Trust Series 2021-2 Class A1, 2.115% 3/25/26 (b)	2,601,440	2,433,027
RMF Buyout Issuance Trust sequential payer Series 2022-HB1 Class A, 4.272% 4/25/32 (b)	996,831	958,920
Sequoia Mortgage Trust floater Series 2004-6 Class A3B, 6 month U.S. LIBOR + 0.880% 6.546% 7/20/34 (c)(d)	984	858
Towd Point Mortgage Trust sequential payer Series 2022-K147 Class A2, 3.75% 7/25/62 (b)	1,508,902	1,385,153
<b>TOTAL PRIVATE SPONSOR</b>		<b>27,624,965</b>
<b>U.S. Government Agency - 0.5%</b>		
Fannie Mae: planned amortization class: Series 1999-54 Class PH, 6.5% 11/18/29 Series 1999-57 Class PH, 6.5% 12/25/29	7,174 35,309	7,167 35,393
sequential payer: Series 2020-101 Class BA, 1.5% 9/25/45 Series 2020-49 Class JA, 2% 8/25/44 Series 2020-80 Class BA, 1.5% 3/25/45 Series 2021-68 Class A, 2% 7/25/49 Series 2021-85 Class L, 2.5% 8/25/48 Series 2021-95: Class O, 2.5% 9/25/48 Class BA, 2.5% 6/25/49 Series 2021-96 Class HA, 2.5% 2/25/50 Series 2022-1 Class KA, 3% 5/25/48 Series 2022-3:	672,734 103,670 966,744 201,525 109,855 869,683 1,286,933 183,134 442,422	564,720 91,995 814,557 162,723 96,008 756,195 1,119,081 160,728 396,032

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

## Schedule of Investments (Unaudited) - Continued

## Collateralized Mortgage Obligations – continued

	Principal Amount (a)	Value (\$)
<b>U.S. Government Agency – continued</b>		
Fannie Mae: – continued		
Class D, 2% 2/25/48	1,297,712	1,118,424
Class N, 2% 10/25/47	3,573,047	3,039,603
Series 2022-30 Class E, 4.5% 7/25/48	1,256,310	1,193,904
Series 2022-4 Class B, 2.5% 5/25/49	132,459	116,043
Series 2022-42 Class BA, 4% 6/25/50	1,297,222	1,227,062
Series 2022-49 Class TC, 4% 12/25/48	408,438	390,695
Series 2022-7:		
Class A, 3% 5/25/48	629,120	563,231
Class E, 2.5% 11/25/47	1,292,010	1,138,436
Series 2021-59 Class H, 2% 6/25/48	114,081	94,258
Series 2021-66:		
Class DA, 2% 1/25/48	123,294	102,166
Class DM, 2% 1/25/48	131,026	108,573
Freddie Mac:		
sequential payer:		
Series 2021-5175 Class CB, 2.5% 4/25/50	654,212	568,173
Series 2021-5180 Class KA, 2.5% 10/25/47	131,980	116,614
Series 2022-5189 Class DA, 2.5% 5/25/49	314,318	268,151
Series 2022-5190 Class BA, 2.5% 11/25/47	320,019	278,303
Series 2022-5191 Class CA, 2.5% 4/25/50	155,816	135,491
Series 2022-5197 Class DA, 2.5% 11/25/47	243,072	211,400
Series 2022-5198 Class BA, 2.5% 11/25/47	1,174,456	1,033,345
Series 2022-5202 Class LB, 2.5% 10/25/47	259,513	225,063
Series 2021-5083 Class VA, 1% 8/15/38	1,658,101	1,529,920
Series 2021-5176 Class AG, 2% 1/25/47	494,707	426,072
Series 2021-5182 Class A, 2.5% 10/25/48	850,245	737,612
Series 2022-5236 Class P, 5% 4/25/48	472,245	465,510
Series 2022-5266 Class CD, 4.5% 10/25/44	1,285,329	1,250,314
Freddie Mac Multi-family Structured pass-thru certificates sequential payer Series 2021-5159 Class GC, 2% 11/25/47		
	106,014	91,328
Ginnie Mae guaranteed REMIC pass-thru certificates		
Series 2007-35 Class SC, 40.200% - 1 month U.S. LIBOR 9.2512% 6/16/37 (c) (j)	7,379	8,198
TOTAL U.S. GOVERNMENT AGENCY		<u>20,642,488</u>

**TOTAL COLLATERALIZED MORTGAGE  
OBLIGATIONS**

(Cost \$50,412,876)

**48,267,453**

## Commercial Mortgage Securities – 6.2%

	Principal Amount (a)	Value (\$)
BAMLL Commercial Mortgage Securities Trust:		
floaters Series 2022-DKIX:		
Class A, CME Term SOFR 1 Month Index + 1.150% 6.297% 1/15/39 (b)(c)(d)	2,741,961	2,665,088
Class B, CME Term SOFR 1 Month Index + 1.550% 6.697% 1/15/39 (b)(c)(d)	618,000	597,016
Class C, CME Term SOFR 1 Month Index + 2.150% 7.297% 1/15/39 (b)(c)(d)	437,000	419,575
sequential payer Series 2019-BPR Class ANM, 3.112% 11/5/32 (b)	2,189,000	1,991,157
Series 2019-BPR:		

## Commercial Mortgage Securities – continued

	Principal Amount (a)	Value (\$)
BAMLL Commercial Mortgage Securities Trust: – continued		
Class BNM, 3.465% 11/5/32 (b)	491,000	413,855
Class CNM, 3.8425% 11/5/32 (b)(c)	248,000	197,110
BANK:		
sequential payer:		
Series 2018-BN10:		
Class A4, 3.428% 2/15/61	1,005,010	918,623
Class A5, 3.688% 2/15/61	218,564	201,475
Series 2019-BN21 Class A5, 2.851% 10/17/52	373,546	318,509
Series 2023-5YRT:		
Class A2, 5.779% 4/15/56	700,000	696,705
Class A3, 6.26% 4/15/56	2,100,000	2,134,477
Series 2021-BN33 Class XA, 1.1689% 5/15/64 (c) (k)	13,435,526	745,322
Benchmark Mortgage Trust:		
sequential payer:		
Series 2018-B4 Class A5, 4.121% 7/15/51	778,315	724,225
Series 2019-B10 Class A4, 3.717% 3/15/62	721,545	652,011
Series 2018-B8 Class A5, 4.2317% 1/15/52	5,335,798	4,895,903
Series 2021-B27 Class XA, 1.3801% 7/15/54 (c) (k)	2,780,110	191,639
BFLD Trust floater sequential payer Series 2020-OBK Class A, CME Term SOFR 1 Month Index + 2.160% 7.3115% 11/15/28 (b)(c)(d)		
	1,998,000	1,987,281
BPR Trust floater Series 2022-OANA:		
Class A, CME Term SOFR 1 Month Index + 1.890% 7.045% 4/15/37 (b)(c)(d)	8,749,555	8,487,090
Class B, CME Term SOFR 1 Month Index + 2.440% 7.594% 4/15/37 (b)(c)(d)	2,324,753	2,263,007
BX Commercial Mortgage Trust floater:		
Series 2021-PAC:		
Class A, 1 month U.S. LIBOR + 0.680% 5.8831% 10/15/36 (b)(c)(d)	5,017,787	4,866,696
Class B, 1 month U.S. LIBOR + 0.890% 6.0928% 10/15/36 (b)(c)(d)	733,467	706,321
Class C, 1 month U.S. LIBOR + 1.090% 6.2926% 10/15/36 (b)(c)(d)	981,551	938,452
Class D, 1 month U.S. LIBOR + 1.290% 6.4923% 10/15/36 (b)(c)(d)	952,598	902,705
Class E, 1 month U.S. LIBOR + 1.940% 7.1415% 10/15/36 (b)(c)(d)	3,312,521	3,154,612
Series 2021-VINO Class A, 1 month U.S. LIBOR + 0.650% 5.8453% 5/15/38 (b)(c)(d)	450,000	438,384
Series 2022-LP2:		
Class A, CME Term SOFR 1 Month Index + 1.010% 6.1599% 2/15/39 (b)(c)(d)	5,227,304	5,067,186
Class B, CME Term SOFR 1 Month Index + 1.310% 6.4593% 2/15/39 (b)(c)(d)	1,862,550	1,785,965
Class C, CME Term SOFR 1 Month Index + 1.560% 6.7087% 2/15/39 (b)(c)(d)	1,862,550	1,763,098
Class D, CME Term SOFR 1 Month Index + 1.960% 7.1078% 2/15/39 (b)(c)(d)	1,862,550	1,770,538
Bx Commercial Mortgage Trust 2:		
floaters Series 2019-IMC:		
Class B, 1 month U.S. LIBOR + 1.300% 6.493% 4/15/34 (b)(c)(d)	1,864,321	1,827,586
Class C, 1 month U.S. LIBOR + 1.600% 6.793% 4/15/34 (b)(c)(d)	1,232,474	1,205,840

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



**Commercial Mortgage Securities – continued**

	Principal Amount (a)	Value (\$)
Bx Commercial Mortgage Trust 2: – continued		
Class D, 1 month U.S. LIBOR + 1.900% 7.093% 4/15/34 (b)(c)(d)	1,293,785	1,264,182
floaters sequential payer Series 2019-IMC Class A, 1 month U.S. LIBOR + 1.000% 6.193% 4/15/34 (b)(c)(d)	5,401,930	5,343,552
BX Trust:		
floater:		
Series 2019-XL:		
Class B, CME Term SOFR 1 Month Index + 1.190% 6.3415% 10/15/36 (b)(c)(d)	4,508,712	4,467,431
Class C, CME Term SOFR 1 Month Index + 1.360% 6.5115% 10/15/36 (b)(c)(d)	1,877,095	1,856,946
Class D, CME Term SOFR 1 Month Index + 1.560% 6.7115% 10/15/36 (b)(c)(d)	2,998,333	2,962,363
Class E, CME Term SOFR 1 Month Index + 1.910% 7.0615% 10/15/36 (b)(c)(d)	3,735,372	3,683,486
Series 2021-BXMF Class A, 1 month U.S. LIBOR + 0.630% 5.8289% 10/15/26 (b)(c)(d)	1,100,000	1,065,843
Series 2022-GPA Class A, CME Term SOFR 1 Month Index + 2.160% 7.312% 10/15/39 (b)(c)(d)	2,303,000	2,299,389
Series 2022-IND:		
Class A, CME Term SOFR 1 Month Index + 1.490% 6.638% 4/15/37 (b)(c)(d)	4,325,471	4,259,240
Class B, CME Term SOFR 1 Month Index + 1.940% 7.087% 4/15/37 (b)(c)(d)	2,205,098	2,165,261
Class C, CME Term SOFR 1 Month Index + 2.290% 7.437% 4/15/37 (b)(c)(d)	497,853	485,447
Class D, CME Term SOFR 1 Month Index + 2.830% 7.986% 4/15/37 (b)(c)(d)	416,877	399,640
floaters sequential payer Series 2019-XL Class A, CME Term SOFR 1 Month Index + 1.030% 6.1815% 10/15/36 (b)(c)(d)	4,681,737	4,652,617
CAMB Commercial Mortgage Trust floater Series		
2019-LIFE Class A, 1 month U.S. LIBOR + 1.070% 6.263% 12/15/37 (b)(c)(d)	300,000	297,312
CF Hippolyta Issuer LLC sequential payer Series		
2021-1A Class A1, 1.53% 3/15/61 (b)	5,401,623	4,678,420
CHC Commercial Mortgage Trust floater Series		
2019-CHC Class C, 1 month U.S. LIBOR + 1.750% 6.943% 6/15/34 (b)(c)(d)	433,235	422,266
COMM Mortgage Trust:		
sequential payer:		
Series 2014-CR18 Class A5, 3.828% 7/15/47	717,571	700,156
Series 2015 LC19 Class A3, 2.922% 2/10/48	3,004,392	2,886,172
Series 2013-CR13 Class AM, 4.449% 11/10/46	3,340,144	3,293,663
Series 2013-LC13 Class AM, 4.557% 8/10/46 (b)	2,047,158	2,037,841
Series 2014-CR14 Class AM, 4.526% 2/10/47 (c)	4,110,694	3,980,355
Credit Suisse Mortgage Trust:		
floater Series 2019-ICE4:		
Class A, 1 month U.S. LIBOR + 0.980% 6.173% 5/15/36 (b)(c)(d)	493,772	491,307
Class B, 1 month U.S. LIBOR + 1.230% 6.423% 5/15/36 (b)(c)(d)	2,354,143	2,337,975
Class C, 1 month U.S. LIBOR + 1.430% 6.623% 5/15/36 (b)(c)(d)	1,760,620	1,741,624
sequential payer Series 2020-NET Class A, 2.2569% 8/15/37 (b)	1,094,111	978,562
Series 2018-SITE:		

**Commercial Mortgage Securities – continued**

	Principal Amount (a)	Value (\$)
Credit Suisse Mortgage Trust: – continued		
Class A, 4.284% 4/15/36 (b)	2,090,266	2,015,862
Class B, 4.5349% 4/15/36 (b)	642,635	614,168
Class C, 4.9414% 4/15/36 (b)(c)	526,890	502,400
Class D, 4.9414% 4/15/36 (b)(c)	862,334	813,464
ELP Commercial Mortgage Trust floater Series		
2021-ELP:		
Class A, 1 month U.S. LIBOR + 0.700% 5.895% 11/15/38 (b)(c)(d)	6,770,941	6,571,329
Class B, 1 month U.S. LIBOR + 1.120% 6.3142% 11/15/38 (b)(c)(d)	500,000	484,319
Extended Stay America Trust floater Series 2021-ESH:		
Class A, 1 month U.S. LIBOR + 1.080% 6.274% 7/15/38 (b)(c)(d)	2,163,592	2,120,823
Class B, 1 month U.S. LIBOR + 1.380% 6.574% 7/15/38 (b)(c)(d)	1,231,657	1,201,514
Class C, 1 month U.S. LIBOR + 1.700% 6.894% 7/15/38 (b)(c)(d)	908,805	884,283
Class D, 1 month U.S. LIBOR + 2.250% 7.444% 7/15/38 (b)(c)(d)	1,830,138	1,778,461
Freddie Mac:		
sequential payer:		
Series 2015-K049 Class A2, 3.01% 7/25/25	323,000	309,323
Series 2015-K051 Class A2, 3.308% 9/25/25	512,000	492,186
Series 2016-K054 Class A2, 2.745% 1/25/26	1,736,961	1,642,768
Series 2017 K726 Class A2, 2.905% 4/25/24	1,710,303	1,676,435
Series 2021-K126 Class A2, 2.074% 1/25/31	2,500,000	2,109,794
Series 2021-K127 Class A2, 2.108% 1/25/31	2,500,000	2,113,053
Series 2021-K136 Class A2, 2.127% 11/25/31	3,100,019	2,588,919
Series 2022-150 Class A2, 3.71% 9/25/32	1,200,000	1,129,445
Series 2022-K141 Class A2, 2.25% 2/25/32	703,000	590,988
Series 2022-K142 Class A2, 2.4% 3/25/32	1,600,000	1,361,348
Series 2022-K143 Class A2, 2.35% 3/25/32	300,000	254,905
Series 2022-K144 Class A2, 2.45% 4/25/32	2,618,000	2,233,952
Series 2022-K145 Class A2, 2.58% 5/25/32	732,000	631,306
Series 2022-K146 Class A2, 2.92% 6/25/32	1,527,000	1,350,363
Series 2022-K147 Class A2, 3% 6/25/32	1,888,000	1,680,109
Series 2022-K149 Class A2, 3.53% 8/25/32	1,100,000	1,022,798
Series 2022-K750 Class A2, 3% 9/25/29	2,000,000	1,840,309
Series 2023-K751 Class A2, 4.412% 3/25/30	500,000	495,563
Series 2022 K748 Class A2, 2.26% 1/25/29	700,000	620,977
Series K047 Class A2, 3.329% 5/25/25	2,827,416	2,723,880
GS Mortgage Securities Trust:		
floater:		
Series 2018-3PCK Class A, 1 month U.S. LIBOR + 1.700% 7.143% 9/15/31 (b)(c)(d)	1,276,254	1,250,269
Series 2021-IP:		
Class A, 1 month U.S. LIBOR + 0.950% 6.143% 10/15/36 (b)(c)(d)	3,667,747	3,449,348
Class B, 1 month U.S. LIBOR + 1.150% 6.343% 10/15/36 (b)(c)(d)	544,915	503,760
Class C, 1 month U.S. LIBOR + 1.550% 6.743% 10/15/36 (b)(c)(d)	449,243	409,332
sequential payer Series 2017-GS6 Class A2, 3.164% 5/10/50	285,776	262,766
Intown Mortgage Trust floater sequential payer Series		
2022-STAY Class A, CME Term SOFR 1 Month Index + 2.480% 7.6356% 8/15/39 (b)(c)(d)	6,086,000	6,085,993

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

## Schedule of Investments (Unaudited) - Continued

## Commercial Mortgage Securities – continued

	Principal Amount (a)	Value (\$)
J.P. Morgan Chase Commercial Mortgage Securities Trust floater Series 2012-NLP Class A, CME Term SOFR 1 Month Index + 0.590% 5.7435% 4/15/37 (b)(c)(d)	1,467,171	1,396,241
JPMBB Commercial Mortgage Securities Trust Series 2013-C17 Class A/S, 4.4584% 1/15/47	4,667,521	4,483,538
JP MCC Commercial Mortgage Securities Trust Series 2016-JP4 Class ASB, 3.4743% 12/15/49	2,572,158	2,456,536
JPMorgan Chase Commercial Mortgage Securities Trust Series 2018-WPT:		
Class AFX, 4.2475% 7/5/33 (b)	277,000	248,608
Class CFX, 4.9498% 7/5/33 (b)	505,398	433,111
Class DFX, 5.3503% 7/5/33 (b)	715,868	599,165
Class EFX, 5.3635% 7/5/33 (b)(c)	870,282	715,348
Life Financial Services Trust floater Series 2022-BMR2:		
Class A1, CME Term SOFR 1 Month Index + 1.290% 6.4422% 5/15/39 (b)(c)(d)	5,702,564	5,579,625
Class B, CME Term SOFR 1 Month Index + 1.790% 6.9409% 5/15/39 (b)(c)(d)	4,064,838	3,970,553
Class C, CME Term SOFR 1 Month Index + 2.090% 7.2401% 5/15/39 (b)(c)(d)	2,311,651	2,246,440
Class D, CME Term SOFR 1 Month Index + 2.540% 7.6889% 5/15/39 (b)(c)(d)	2,054,528	1,954,780
LIFE Mortgage Trust floater Series 2021-BMR:		
Class A, CME Term SOFR 1 Month Index + 0.810% 5.9615% 3/15/38 (b)(c)(d)	3,052,860	2,974,269
Class B, CME Term SOFR 1 Month Index + 0.990% 6.1415% 3/15/38 (b)(c)(d)	982,134	952,534
Class C, CME Term SOFR 1 Month Index + 1.210% 6.3615% 3/15/38 (b)(c)(d)	617,740	594,663
Class D, CME Term SOFR 1 Month Index + 1.510% 6.6615% 3/15/38 (b)(c)(d)	859,367	825,915
Class E, CME Term SOFR 1 Month Index + 1.860% 7.0115% 3/15/38 (b)(c)(d)	751,109	717,629
Morgan Stanley Capital I Trust: floater Series 2018-BOP:		
Class B, 1 month U.S. LIBOR + 1.250% 6.443% 8/15/33 (b)(c)(d)	1,961,058	1,565,434
Class C, 1 month U.S. LIBOR + 1.500% 6.693% 8/15/33 (b)(c)(d)(i)	4,723,251	3,392,449
sequential payer Series 2019-MEAD Class A, 3.17% 11/10/36 (b)	4,757,881	4,417,250
Series 2018-H4 Class A4, 4.31% 12/15/51	4,407,809	4,101,200
Series 2019-MEAD:		
Class B, 3.283% 11/10/36 (b)(c)	687,483	630,754
Class C, 3.283% 11/10/36 (b)(c)	659,666	592,728
Natixis Commercial Mortgage Securities Trust sequential payer Series 2020-2PAC Class A, 2.966% 12/15/38 (b)	2,402,749	2,227,844
OPG Trust floater Series 2021-PORT Class A, 1 month U.S. LIBOR + 0.480% 5.677% 10/15/36 (b)(c)(d)	5,753,311	5,562,026
Prima Capital Ltd. floater sequential payer Series 2021-9A Class A, 1 month U.S. LIBOR + 1.450% 6.6066% 12/15/37 (b)(c)(d)(i)	257,834	257,031
Providence Place Group Ltd. Partnership Series 2000-C1 Class A2, 7.75% 7/20/28 (b)	1,701,038	1,712,320
SPGN Mortgage Trust floater Series 2022-TFLM: Class B, CME Term SOFR 1 Month Index + 2.000% 7.147% 2/15/39 (b)(c)(d)	1,190,000	1,126,532

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

## Commercial Mortgage Securities – continued

	Principal Amount (a)	Value (\$)
SPGN Mortgage Trust floater Series 2022-TFLM: – continued Class C, CME Term SOFR 1 Month Index + 2.650% 7.797% 2/15/39 (b)(c)(d)	619,000	583,959
SREIT Trust floater: Series 2021-FLWR Class A, 1 month U.S. LIBOR + 0.570% 5.7696% 7/15/36 (b)(c)(d)	1,392,068	1,350,137
Series 2021-MFP: Class A, 1 month U.S. LIBOR + 0.730% 5.9241% 11/15/38 (b)(c)(d)	4,572,244	4,441,133
Class B, 1 month U.S. LIBOR + 1.070% 6.2731% 11/15/38 (b)(c)(d)	2,618,793	2,539,948
Class C, 1 month U.S. LIBOR + 1.320% 6.5223% 11/15/38 (b)(c)(d)	1,626,457	1,566,779
Class D, 1 month U.S. LIBOR + 1.570% 6.7715% 11/15/38 (b)(c)(d)	1,068,976	1,026,737
VLS Commercial Mortgage Trust: sequential payer Series 2020-LAB Class A, 2.13% 10/10/42 (b)	3,269,943	2,550,597
Series 2020-LAB Class B, 2.453% 10/10/42 (b)	256,512	197,899
Wells Fargo Commercial Mortgage Trust: floater Series 2021-FCMT Class A, 1 month U.S. LIBOR + 1.200% 6.393% 5/15/31 (b)(c)(d)	2,496,000	2,379,790
sequential payer Series 2015-C26 Class A4, 3.166% 2/15/48	1,900,655	1,806,570
Series 2018-C48 Class A5, 4.302% 1/15/52	1,574,228	1,478,011

**TOTAL COMMERCIAL MORTGAGE SECURITIES**

(Cost \$258,725,278)

**245,151,096**

## Municipal Securities – 0.6%

	Principal Amount (a)	Value (\$)
Illinois Gen. Oblig.:		
Series 2003, 5.1% 6/1/33	2,725,000	2,677,877
Series 2010-1, 6.63% 2/1/35	6,438,461	6,719,084
Series 2010-3:		
6.725% 4/1/35	4,966,154	5,214,048
7.35% 7/1/35	2,920,357	3,147,357
New Jersey Econ. Dev. Auth. State Pension Fdg. Rev. Series 1997, 7.425% 2/15/29 (Nat'l. Pub. Fin. Guarantee Corp. Insured)	4,110,000	4,414,463

**TOTAL MUNICIPAL SECURITIES**

(Cost \$25,696,920)

**22,172,829**

## Foreign Government and Government Agency Obligations – 0.2%

	Principal Amount (a)	Value (\$)
Emirate of Abu Dhabi 3.875% 4/16/50 (b)	3,236,000	2,715,781
Kingdom of Saudi Arabia: 3.25% 10/22/30 (b)	1,788,000	1,618,784
4.5% 4/22/60 (b)	1,363,000	1,177,523
State of Qatar 4.4% 4/16/50 (b)	4,036,000	3,663,679

**Foreign Government and Government Agency Obligations – continued**

	Principal Amount (a)	Value (\$)
<b>TOTAL FOREIGN GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS</b> (Cost \$12,056,059)		<u><b>9,175,767</b></u>

**Bank Notes – 0.2%**

	Principal Amount (a)	Value (\$)
Discover Bank 4.682% 8/9/28 (c)	1,567,000	1,432,720
KeyBank NA 6.95% 2/1/28	800,000	741,484
Regions Bank 6.45% 6/26/37	4,383,000	4,312,450

<b>TOTAL BANK NOTES</b> (Cost \$8,582,302)		<u><b>6,486,654</b></u>
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**Fixed-Income Funds – 1.7%**

	Shares	Value (\$)
Fidelity Specialized High Income Central Fund (I) (Cost \$73,714,233)	797,212	<u><b>66,654,896</b></u>

**Money Market Funds – 1.0%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (m) (Cost \$39,367,194)	39,359,682	<u><b>39,367,553</b></u>

**Purchased Swaptions – 0.0%**

	Expiration Date	Notional Amount (a)	Value (\$)
<b>Put Options – 0.0%</b> Option on an interest rate swap with JPMorgan Chase Bank N.A. to pay annually a fixed rate of 2.8625% and receive annually a floating rate based on the U.S. Secured Overnight Fin. Rate (SOFR) Index, expiring April 2033	4/05/28	4,800,000	<u>208,413</u>

<b>Call Options – 0.0%</b> Option on an interest rate swap with JPMorgan Chase Bank N.A. to receive annually a fixed rate of 2.8625% and pay annually a floating rate based on the U.S. Secured Overnight Fin. Rate (SOFR) Index, expiring April 2033	4/05/28	4,800,000	<u>168,952</u>
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<b>TOTAL PURCHASED SWAPTIONS</b> (Cost \$390,672)		<u><b>377,365</b></u>
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<b>TOTAL INVESTMENT IN SECURITIES – 106.9%</b> (Cost \$4,705,622,183)		<u><b>4,192,325,008</b></u>
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<b>NET OTHER ASSETS (LIABILITIES) – (6.9%)</b>		<u><b>(271,256,354)</b></u>
<b>NET ASSETS – 100.0%</b>		<u><b>3,921,068,654</b></u>

**TBA Sale Commitments**

	Principal Amount (a)	Value (\$)
<b>Ginnie Mae</b>		
2% 7/1/53	(6,850,000)	(5,751,535)
2% 7/1/53	(1,350,000)	(1,133,514)
2% 7/1/53	(3,400,000)	(2,854,776)
2.5% 7/1/53	(7,600,000)	(6,577,193)
2.5% 7/1/53	(15,250,000)	(13,197,657)
2.5% 7/1/53	(7,600,000)	(6,577,193)
2.5% 7/1/53	(11,150,000)	(9,649,434)
2.5% 7/1/53	(4,100,000)	(3,548,222)
3.5% 7/1/53	(9,200,000)	<u>(8,489,104)</u>
<b>TOTAL GINNIE MAE</b>		<u><b>(57,778,628)</b></u>

<b>Uniform Mortgage Backed Securities</b>		
2% 7/1/38	(500,000)	(443,059)
2% 7/1/53	(2,500,000)	(2,037,216)
2% 7/1/53	(2,800,000)	(2,281,682)
2% 7/1/53	(2,500,000)	(2,037,216)
2% 7/1/53	(6,950,000)	(5,663,460)
2.5% 7/1/38	(300,000)	(273,000)
2.5% 7/1/53	(2,000,000)	(1,694,922)
2.5% 7/1/53	(800,000)	(677,969)
2.5% 7/1/53	(2,400,000)	(2,033,906)
3.5% 7/1/53	(3,300,000)	(3,005,835)
4% 7/1/53	(800,000)	(750,562)
4% 7/1/53	(2,150,000)	(2,017,136)
4% 7/1/53	(1,200,000)	(1,125,843)
4% 7/1/53	(1,200,000)	(1,125,843)
4.5% 7/1/53	(3,600,000)	(3,459,377)
5% 7/1/38	(1,450,000)	(1,439,692)
5% 7/1/53	(1,000,000)	(979,727)
5% 7/1/53	(500,000)	(489,863)
5% 7/1/53	(200,000)	(195,945)
5.5% 7/1/53	(400,000)	<u>(398,078)</u>
<b>TOTAL UNIFORM MORTGAGE BACKED SECURITIES</b>		<u><b>(32,130,331)</b></u>

<b>TOTAL TBA SALE COMMITMENTS</b> (Proceeds \$90,200,617)		<u><b>(89,908,959)</b></u>
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See accompanying notes which are an integral part of the financial statements.

## Schedule of Investments (Unaudited) - Continued

## Futures Contracts

	Number of contracts	Expiration Date	Notional Amount (\$)	Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
<b>Purchased</b>					
<b>Treasury Contracts</b>					
CBOT 2-Year U.S. Treasury Note Contracts (United States)	170	Sep 2023	34,568,438	(206,052)	(206,052)
CBOT Ultra Long Term U.S. Treasury Bond Contracts (United States)	14	Sep 2023	1,907,063	21,405	21,405
<b>TOTAL PURCHASED</b>					<u>(184,647)</u>
<b>Sold</b>					
<b>Treasury Contracts</b>					
CBOT 10-Year U.S. Treasury Note Contracts (United States)	444	Sep 2023	49,845,938	893,562	893,562
CBOT 5-Year U.S. Treasury Note Contracts (United States)	208	Sep 2023	22,275,500	429,444	429,444
CBOT Long Term U.S. Treasury Bond Contracts (United States)	124	Sep 2023	15,736,375	11,513	11,513
<b>TOTAL SOLD</b>					<u>1,334,519</u>
<b>TOTAL FUTURES CONTRACTS</b>					<u><u>1,149,872</u></u>

The notional amount of futures purchased as a percentage of Net Assets is 0.9%

The notional amount of futures sold as a percentage of Net Assets is 2.3%

## Credit Default Swaps

Underlying Reference	Rating <sup>(1)</sup>	Maturity Date	Clearinghouse / Counterparty	Fixed Payment Received/ (Paid)	Payment Frequency	Notional Amount <sup>(2)(3)</sup>	Value (\$) <sup>(1)</sup>	Upfront Premium Received/ (Paid) (\$)	Unrealized Appreciation/ (Depreciation) (\$)
<b>Buy Protection</b>									
CMBX N.A. AAA Index Series 13		Dec 2072	Citigroup Global Markets Ltd.	(0.5%)	Monthly	530,000	8,410	(4,841)	3,569
CMBX N.A. AAA Index Series 13		Dec 2072	Citigroup Global Markets Ltd.	(0.5%)	Monthly	1,110,000	17,613	(12,146)	5,467
CMBX N.A. AAA Index Series 13		Dec 2072	Morgan Stanley Capital Services LLC	(0.5%)	Monthly	2,150,000	34,114	(35,038)	(924)
CMBX N.A. BBB- Index Series 16		Apr 2065	Citigroup Global Markets Ltd.	(3%)	Monthly	490,000	143,539	(131,859)	11,680
CMBX N.A. BBB- Index Series 16		Apr 2065	JPMorgan Securities LLC	(3%)	Monthly	130,000	38,082	(40,253)	(2,171)
CMBX N.A. BBB- Index Series 16		Apr 2065	Morgan Stanley Capital Services LLC	(3%)	Monthly	530,000	155,257	(137,124)	18,133
CMBX N.A. BBB- Index Series 16		Apr 2065	Morgan Stanley Capital Services LLC	(3%)	Monthly	250,000	73,234	(68,482)	4,752
CMBX N.A. BBB- Index Series 16		Apr 2065	Morgan Stanley Capital Services LLC	(3%)	Monthly	250,000	73,234	(73,433)	(199)
<b>TOTAL BUY PROTECTION</b>							543,483	(503,176)	40,307
<b>Sell Protection</b>									
CMBX N.A. AAA Index Series 13	NR	Dec 2072	Morgan Stanley Capital Services LLC	0.5%	Monthly	1,840,000	(29,196)	42,488	13,292
CMBX N.A. AAA Index Series 13	NR	Dec 2072	Morgan Stanley Capital Services LLC	0.5%	Monthly	3,160,000	(50,140)	75,042	24,902
<b>TOTAL SELL PROTECTION</b>							(79,336)	117,530	38,194
<b>TOTAL CREDIT DEFAULT SWAPS</b>							<u>464,147</u>	<u>(385,646)</u>	<u>78,501</u>

(1) Ratings are presented for credit default swaps in which the Fund has sold protection on the underlying referenced debt. Ratings for an underlying index represent a weighted average of the ratings of all securities included in the index. The credit rating or value can be measures of the current payment/performance risk. Ratings are from Moody's Investors Service, Inc. Where Moody's® ratings are not available, S&P® ratings are disclosed and are indicated as such. All ratings are as of the report date and do not reflect subsequent changes.

(2) The notional amount of each credit default swap where the Fund has sold protection approximates the maximum potential amount of future payments that the Fund could be required to make if a credit event were to occur.

(3) Notional amount is stated in U.S. Dollars unless otherwise noted.

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

## Interest Rate Swaps

Payment Received	Payment Frequency	Payment Paid	Payment Frequency	Clearinghouse / Counterparty <sup>(1)</sup>	Maturity Date	Notional Amount <sup>(2)</sup>	Value (\$)	Upfront Premium Received/ (Paid) (\$) <sup>(3)</sup>	Unrealized Appreciation/ (Depreciation) (\$)
3.75%	Annual	U.S. Secured Overnight Fin. Rate (SOFR) Indx <sup>(4)</sup>	Annual	LCH	Sep 2028	13,470,000	<u>(133,120)</u>	<u>0</u>	<u>(133,120)</u>

(1) Swaps with LCH Clearnet Group (LCH) are centrally cleared over-the-counter (OTC) swaps.

(2) Notional amount is stated in U.S. Dollars unless otherwise noted.

(3) Any premiums for centrally cleared over-the-counter (OTC) swaps are recorded periodically throughout the term of the swap to variation margin and included in unrealized appreciation (depreciation).

(4) Represents floating rate.

## Legend

(a) Amount is stated in United States dollars unless otherwise noted.

(b) 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 \$632,054,497 or 16.1% of net assets.

(c) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.

(d) Coupon is indexed to a floating interest rate which may be multiplied by a specified factor and/or subject to caps or floors.

(e) Security or a portion of the security has been segregated as collateral for mortgage-backed or asset-backed securities purchased on a delayed delivery or when-issued basis. At period end, the value of securities pledged amounted to \$1,020,950.

(f) Security or a portion of the security was pledged to cover margin requirements for futures contracts. At period end, the value of securities pledged amounted to \$1,738,864.

(g) Security or a portion of the security was pledged to cover margin requirements for centrally cleared OTC swaps. At period end, the value of securities pledged amounted to \$470,667.

(h) Security or a portion of the security purchased on a delayed delivery or when-issued basis.

(i) Level 3 security

(j) Coupon is inversely indexed to a floating interest rate multiplied by a specified factor. The price may be considerably more volatile than the price of a comparable fixed rate security.

(k) Interest Only (IO) security represents the right to receive only monthly interest payments on an underlying pool of mortgages or assets. Principal shown is the outstanding par amount of the pool as of the end of the period.

(l) Affiliated fund that is generally available only to investment companies and other accounts managed by Fidelity Investments. A complete unaudited schedule of portfolio holdings for each Fidelity Central Fund is filed with the SEC for the first and third quarters of each fiscal year on Form N-PORT and is available upon request or at the SEC's website at [www.sec.gov](http://www.sec.gov). An unaudited holdings listing for the Fund, which presents direct holdings as well as the pro-rata share of securities and other investments held indirectly through its investment in underlying non-money market Fidelity Central Funds, is available at [fidelity.com](http://fidelity.com) and/or [institutional.fidelity.com](http://institutional.fidelity.com), as applicable. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

(m) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

## Affiliated Central Funds

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	162,014,784	528,207,774	650,855,005	2,960,663	—	—	39,367,553	0.1%
Fidelity Securities Lending Cash Central Fund 5.14%	—	523,976,777	523,976,777	58,186	—	—	—	0.0%
Fidelity Specialized High Income Central Fund	64,235,771	1,799,016	—	1,799,015	—	620,109	66,654,896	18.7%
Total	<u>226,250,555</u>	<u>1,053,983,567</u>	<u>1,174,831,782</u>	<u>4,817,864</u>	<u>—</u>	<u>620,109</u>	<u>106,022,449</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any

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

**Schedule of Investments (Unaudited) - Continued**

premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

**Investment Valuation**

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
Corporate Bonds	1,262,727,228	-	1,262,727,228	-
U.S. Government and Government Agency Obligations	1,359,143,992	-	1,359,143,992	-
U.S. Government Agency - Mortgage Securities	861,625,462	-	861,625,462	-
Asset-Backed Securities	271,174,713	-	270,808,633	366,080
Collateralized Mortgage Obligations	48,267,453	-	48,267,453	-
Commercial Mortgage Securities	245,151,096	-	241,501,616	3,649,480
Municipal Securities	22,172,829	-	22,172,829	-
Foreign Government and Government Agency Obligations	9,175,767	-	9,175,767	-
Bank Notes	6,486,654	-	6,486,654	-
Fixed-Income Funds	66,654,896	66,654,896	-	-
Money Market Funds	39,367,553	39,367,553	-	-
Purchased Swaptions	377,365	-	377,365	-
<b>Total Investments in Securities:</b>	<b>4,192,325,008</b>	<b>106,022,449</b>	<b>4,082,286,999</b>	<b>4,015,560</b>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	1,355,924	1,355,924	-	-
Swaps	543,483	-	543,483	-
<b>Total Assets</b>	<b>1,899,407</b>	<b>1,355,924</b>	<b>543,483</b>	<b>-</b>
<b>Liabilities</b>				
Futures Contracts	(206,052)	(206,052)	-	-
Swaps	(212,456)	-	(212,456)	-
<b>Total Liabilities</b>	<b>(418,508)</b>	<b>(206,052)</b>	<b>(212,456)</b>	<b>-</b>
<b>Total Derivative Instruments:</b>	<b>1,480,899</b>	<b>1,149,872</b>	<b>331,027</b>	<b>-</b>
<b>Other Financial Instruments:</b>				
TBA Sale Commitments	(89,908,959)	-	(89,908,959)	-
<b>Total Other Financial Instruments:</b>	<b>(89,908,959)</b>	<b>-</b>	<b>(89,908,959)</b>	<b>-</b>

**Value of Derivative Instruments**

The following table is a summary of the Fund's value of derivative instruments by primary risk exposure as of June 30, 2023. For additional information on derivative instruments, please refer to the Derivative Instruments section in the accompanying Notes to Financial Statements.

Primary Risk Exposure / Derivative Type	Value	
	Asset (\$)	Liability (\$)
<b>Credit Risk</b>		
Swaps <sup>(a)</sup>	543,483	(79,336)
<b>Total Credit Risk</b>	<b>543,483</b>	<b>(79,336)</b>
<b>Interest Rate Risk</b>		
Futures Contracts <sup>(b)</sup>	1,355,924	(206,052)
Purchased Swaptions <sup>(c)</sup>	377,365	0

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

**Primary Risk Exposure / Derivative Type**

	<b>Value</b>	
	<b>Asset (\$)</b>	<b>Liability (\$)</b>
<b>Interest Rate Risk - continued</b>		
Swaps <sup>(d)</sup>	0	(133,120)
<b>Total Interest Rate Risk</b>	<u>1,733,289</u>	<u>(339,172)</u>
<b>Total Value of Derivatives</b>	<u>2,276,772</u>	<u>(418,508)</u>

- (a) For bi-lateral over-the-counter (OTC) swaps, reflects gross value which is presented in the Statement of Assets and Liabilities in the bi-lateral OTC swaps, at value line-items.
- (b) Reflects gross cumulative appreciation (depreciation) on futures contracts as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin is included in receivable or payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in Total accumulated earnings (loss).
- (c) Gross value is included in the Statement of Assets and Liabilities in the investments in securities, at value line-item.
- (d) For centrally cleared over-the-counter (OTC) swaps, reflects gross cumulative appreciation (depreciation) as presented in the Schedule of Investments. In the Statement of Assets and Liabilities, the period end daily variation margin for centrally cleared OTC swaps is included in receivable or payable for daily variation margin on centrally cleared OTC swaps, and the net cumulative appreciation (depreciation) for centrally cleared OTC swaps is included in Total accumulated earnings (loss).

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value — See accompanying schedule:		
Unaffiliated issuers (cost \$4,592,540,756)	\$	4,086,302,559
Fidelity Central Funds (cost \$113,081,427)		106,022,449
		<hr/>
Total Investment in Securities (cost \$4,705,622,183)	\$	4,192,325,008
Receivable for investments sold		16,388,679
Receivable for TBA sale commitments		90,200,617
Receivable for fund shares sold		2,221,655
Interest receivable		31,994,767
Distributions receivable from Fidelity Central Funds		218,672
Receivable for daily variation margin on centrally cleared OTC swaps		4,941
Bi-lateral OTC swaps, at value		543,483
		<hr/>
<b>Total assets</b>		<b>4,333,897,822</b>

### Liabilities

Payable to custodian bank	\$	73,142
Payable for investments purchased		
Regular delivery		8,025,511
Delayed delivery		311,154,728
TBA sale commitments, at value		89,908,959
Payable for fund shares redeemed		1,595,931
Bi-lateral OTC swaps, at value		79,336
Accrued management fee		962,043
Distribution and service plan fees payable		452,933
Payable for daily variation margin on futures contracts		178,058
Other affiliated payables		335,360
Other payables and accrued expenses		63,167
		<hr/>
<b>Total Liabilities</b>		<b>412,829,168</b>

<b>Net Assets</b>	\$	<b>3,921,068,654</b>
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Net Assets consist of:

Paid in capital	\$	4,500,088,515
Total accumulated earnings (loss)		(579,019,861)

<b>Net Assets</b>	\$	<b>3,921,068,654</b>
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### Net Asset Value and Maximum Offering Price

#### Initial Class :

<b>Net Asset Value</b> , offering price and redemption price per share (\$554,946,776 ÷ 50,001,120 shares)	\$	<u>11.10</u>
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#### Service Class :

<b>Net Asset Value</b> , offering price and redemption price per share (\$727,373,625 ÷ 66,510,480 shares)	\$	<u>10.94</u>
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#### Service Class 2 :

<b>Net Asset Value</b> , offering price and redemption price per share (\$1,896,528,613 ÷ 176,486,757 shares)	\$	<u>10.75</u>
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#### Investor Class :

<b>Net Asset Value</b> , offering price and redemption price per share (\$742,219,640 ÷ 67,231,511 shares)	\$	<u>11.04</u>
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See accompanying notes which are an integral part of the financial statements.



## Statement of Operations

Six months ended  
June 30, 2023  
(Unaudited)

### Investment Income

Interest		\$	61,835,547
Income from Fidelity Central Funds (including \$58,186 from security lending)			4,817,864
<b>Total Income</b>			<u>66,653,411</u>

### Expenses

Management fee	\$	5,689,473	
Transfer agent fees		1,428,836	
Distribution and service plan fees		2,657,414	
Accounting fees		562,002	
Custodian fees and expenses		59,055	
Independent trustees' fees and expenses		6,577	
Registration fees		227,573	
Audit		26,980	
Legal		5,993	
Miscellaneous		13,228	
Total expenses before reductions		<u>10,677,131</u>	
Expense reductions		<u>(51,317)</u>	
Total expenses after reductions			<u>10,625,814</u>

### Net Investment income (loss)

56,027,597

### Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:			
Investment Securities:			
Unaffiliated issuers		(26,694,835)	
Futures contracts		(502,390)	
Swaps		<u>(178,566)</u>	
Total net realized gain (loss)			<u>(27,375,791)</u>
Change in net unrealized appreciation (depreciation) on:			
Investment Securities:			
Unaffiliated issuers		69,643,606	
Fidelity Central Funds		620,109	
Futures contracts		786,321	
Swaps		189,210	
TBA Sale commitments		<u>(3,850,542)</u>	
Total change in net unrealized appreciation (depreciation)			<u>67,388,704</u>
<b>Net gain (loss)</b>			<u>40,012,913</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	\$		<u><u>96,040,510</u></u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 56,027,597	\$ 84,451,078
Net realized gain (loss)	(27,375,791)	(176,090,979)
Change in net unrealized appreciation (depreciation)	67,388,704	(574,370,547)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>96,040,510</u>	<u>(666,010,448)</u>
Distributions to shareholders	-	(348,049,601)
Share transactions - net increase (decrease)	<u>149,662,780</u>	<u>(881,360,968)</u>
<b>Total increase (decrease) in net assets</b>	245,703,290	(1,895,421,017)
<b>Net Assets</b>		
Beginning of period	3,675,365,364	5,570,786,381
End of period	<u>\$ 3,921,068,654</u>	<u>\$ 3,675,365,364</u>

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

# Financial Highlights

## VIP Investment Grade Bond Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.80	\$ 13.35	\$ 14.09	\$ 13.17	\$ 12.34	\$ 12.80
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.171	.245	.228	.328	.382	.311
Net realized and unrealized gain (loss)	.129	(1.903)	(.313)	.903	.806	(.381)
Total from investment operations	.300	(1.658)	(.085)	1.231	1.188	(.070)
Distributions from net investment income	-	(.264)	(.282)	(.306)	(.358)	(.313)
Distributions from net realized gain	-	(.628)	(.373)	(.005)	-	(.077)
Total distributions	-	(.892)	(.655)	(.311)	(.358)	(.390)
Net asset value, end of period	\$ 11.10	\$ 10.80	\$ 13.35	\$ 14.09	\$ 13.17	\$ 12.34
<b>Total Return</b> <sup>C,D,E</sup>	2.78%	(12.96)%	(.61)%	9.39%	9.67%	(.53)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.42% <sup>H</sup>	.40%	.39%	.39%	.40%	.40%
Expenses net of fee waivers, if any	.41% <sup>H</sup>	.40%	.39%	.39%	.40%	.40%
Expenses net of all reductions	.41% <sup>H</sup>	.40%	.39%	.39%	.40%	.40%
Net investment income (loss)	3.10% <sup>H</sup>	2.08%	1.66%	2.38%	2.93%	2.49%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 554,947	\$ 533,204	\$ 1,347,145	\$ 1,322,750	\$ 1,146,767	\$ 928,285
Portfolio turnover rate <sup>I</sup>	186% <sup>H</sup>	183% <sup>J</sup>	125%	11%	5%	8%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>J</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

## Financial Highlights - Continued

## VIP Investment Grade Bond Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.65	\$ 13.18	\$ 13.93	\$ 13.02	\$ 12.20	\$ 12.66
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.163	.226	.212	.310	.364	.295
Net realized and unrealized gain (loss)	.127	(1.870)	(.322)	.899	.800	(.377)
Total from investment operations	.290	(1.644)	(.110)	1.209	1.164	(.082)
Distributions from net investment income	-	(.258)	(.267)	(.294)	(.344)	(.301)
Distributions from net realized gain	-	(.628)	(.373)	(.005)	-	(.077)
Total distributions	-	(.886)	(.640)	(.299)	(.344)	(.378)
Net asset value, end of period	\$ 10.94	\$ 10.65	\$ 13.18	\$ 13.93	\$ 13.02	\$ 12.20
<b>Total Return</b> <sup>C,D,E</sup>	2.72%	(13.03)%	(.79)%	9.33%	9.58%	(.63)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.52% <sup>H</sup>	.50%	.49%	.49%	.50%	.50%
Expenses net of fee waivers, if any	.51% <sup>H</sup>	.50%	.49%	.49%	.50%	.50%
Expenses net of all reductions	.51% <sup>H</sup>	.50%	.49%	.49%	.50%	.50%
Net investment income (loss)	3.00% <sup>H</sup>	1.98%	1.56%	2.28%	2.83%	2.39%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 727,374	\$ 669,290	\$ 732,762	\$ 692,787	\$ 582,182	\$ 553,442
Portfolio turnover rate <sup>I</sup>	186% <sup>H</sup>	183% <sup>J</sup>	125%	11%	5%	8%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>J</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

## VIP Investment Grade Bond Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.47	\$ 12.98	\$ 13.72	\$ 12.83	\$ 12.03	\$ 12.49
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.152	.206	.188	.285	.340	.272
Net realized and unrealized gain (loss)	.128	(1.848)	(.310)	.885	.787	(.372)
Total from investment operations	.280	(1.642)	(.122)	1.170	1.127	(.100)
Distributions from net investment income	-	(.240)	(.245)	(.275)	(.327)	(.283)
Distributions from net realized gain	-	(.628)	(.373)	(.005)	-	(.077)
Total distributions	-	(.868)	(.618)	(.280)	(.327)	(.360)
Net asset value, end of period	\$ 10.75	\$ 10.47	\$ 12.98	\$ 13.72	\$ 12.83	\$ 12.03
<b>Total Return</b> <sup>C,D,E</sup>	2.67%	(13.21)%	(.90)%	9.16%	9.40%	(.79)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.67% <sup>H</sup>	.65%	.64%	.64%	.65%	.65%
Expenses net of fee waivers, if any	.67% <sup>H</sup>	.65%	.64%	.64%	.65%	.65%
Expenses net of all reductions	.67% <sup>H</sup>	.65%	.64%	.64%	.65%	.65%
Net investment income (loss)	2.85% <sup>H</sup>	1.83%	1.41%	2.13%	2.68%	2.24%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,896,529	\$ 1,747,984	\$ 2,135,986	\$ 1,935,645	\$ 1,698,902	\$ 1,505,566
Portfolio turnover rate <sup>I</sup>	186% <sup>H</sup>	183% <sup>J</sup>	125%	11%	5%	8%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>J</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

## Financial Highlights - Continued

## VIP Investment Grade Bond Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 10.75	\$ 13.29	\$ 14.03	\$ 13.12	\$ 12.29	\$ 12.75
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.168	.238	.223	.322	.376	.305
Net realized and unrealized gain (loss)	.122	(1.888)	(.313)	.896	.808	(.380)
Total from investment operations	.290	(1.650)	(.090)	1.218	1.184	(.075)
Distributions from net investment income	-	(.262)	(.277)	(.303)	(.354)	(.308)
Distributions from net realized gain	-	(.628)	(.373)	(.005)	-	(.077)
Total distributions	-	(.890)	(.650)	(.308)	(.354)	(.385)
Net asset value, end of period	\$ 11.04	\$ 10.75	\$ 13.29	\$ 14.03	\$ 13.12	\$ 12.29
<b>Total Return</b> <sup>C,D,E</sup>	2.70%	(12.96)%	(.64)%	9.33%	9.67%	(.57)%
<b>Ratios to Average Net Assets</b> <sup>B,F,G</sup>						
Expenses before reductions	.45% <sup>H</sup>	.43%	.42%	.43%	.43%	.44%
Expenses net of fee waivers, if any	.45% <sup>H</sup>	.43%	.42%	.43%	.43%	.44%
Expenses net of all reductions	.45% <sup>H</sup>	.43%	.42%	.43%	.43%	.44%
Net investment income (loss)	3.07% <sup>H</sup>	2.05%	1.63%	2.34%	2.90%	2.46%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 742,220	\$ 724,888	\$ 1,354,894	\$ 1,438,829	\$ 1,157,666	\$ 879,703
Portfolio turnover rate <sup>I</sup>	186% <sup>H</sup>	183% <sup>J</sup>	125%	11%	5%	8%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

<sup>I</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

<sup>J</sup> Portfolio turnover rate excludes securities received or delivered in-kind.

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Investment Grade Bond Portfolio (the Fund) is a fund of Variable Insurance Products Fund V (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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Specialized High Income Central Fund	Fidelity Management & Research Company LLC (FMR)	Seeks a high level of current income by normally investing in income-producing debt securities, with an emphasis on lower-quality debt securities.	Loans & Direct Debt Instruments Restricted Securities	Less than .005%
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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)

**Notes to Financial Statements (Unaudited) – continued**

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 third party pricing services or from brokers who make markets in such securities. Corporate bonds, bank notes, foreign government and government agency obligations, municipal securities and U.S. government and government agency obligations are valued by pricing services who utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. Asset backed securities, collateralized mortgage obligations, commercial mortgage securities and U.S. government agency mortgage securities are valued by pricing services who utilize matrix pricing which considers prepayment speed assumptions, attributes of the collateral, yield or price of bonds of comparable quality, coupon, maturity and type or by broker-supplied prices. Brokers 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. Swaps are marked-to-market daily based on valuations from third party pricing services, registered derivatives clearing organizations (clearinghouses) or broker-supplied valuations. These pricing sources may utilize inputs such as interest rate curves, credit spread curves, default possibilities and recovery rates. When independent prices are unavailable or unreliable, debt securities and swaps may be valued utilizing pricing methodologies which consider similar factors that would be used by third party pricing services. Debt securities and swaps are generally categorized as Level 2 in the hierarchy but may be Level 3 depending on the circumstances.

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded and are categorized as Level 1 in the hierarchy. Options traded over-the-counter are valued using service or broker-supplied valuations and are categorized as Level 2 in the hierarchy. Investments in open-end mutual funds, including the Fidelity Central Funds, are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. Debt obligations may be placed on non-accrual status and related interest income may be reduced by ceasing current accruals and writing off interest receivables when the collection of all or a portion of interest has become doubtful based on consistently applied procedures. A debt obligation is removed from non-accrual status when the issuer resumes interest payments or when collectability of interest is reasonably assured.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). 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 under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to futures transactions, swap agreements, redemptions in-kind, capital loss carryforwards and losses deferred due to wash sales.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

**Gross unrealized appreciation**

\$3,627,271



<b>Gross unrealized depreciation</b>	(515,739,760)
<b>Net unrealized appreciation (depreciation)</b>	<u>\$(512,112,489)</u>
<b>Tax cost</b>	<u>\$4,705,824,408</u>

Capital loss carryforwards are only available to offset future capital gains of the Fund to the extent provided by regulations and may be limited. The capital loss carryforward information presented below, including any applicable limitation, is estimated as of prior fiscal period end and is subject to adjustment.

<b>Short-term</b>	\$(93,198,538)
<b>Long-term</b>	<u>(2,170,556)</u>
<b>Total capital loss carryforward</b>	<u>\$(95,369,094)</u>

**Delayed Delivery Transactions and When-Issued Securities.** During the period, certain Funds transacted in securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. Securities purchased on a delayed delivery or when-issued basis are identified as such in the Schedule of Investments. Compensation for interest forgone in the purchase of a delayed delivery or when-issued debt security may be received. With respect to purchase commitments, each applicable Fund identifies securities as segregated in its records with a value at least equal to the amount of the commitment. Payables and receivables associated with the purchases and sales of delayed delivery securities having the same coupon, settlement date and broker are offset. Delayed delivery or when-issued securities that have been purchased from and sold to different brokers are reflected as both payables and receivables in the Statement of Assets and Liabilities under the caption "Delayed delivery", as applicable. Losses may arise due to changes in the value of the underlying securities or if the counterparty does not perform under the contract's terms, or if the issuer does not issue the securities due to political, economic, or other factors.

**To-Be-Announced (TBA) Securities and Mortgage Dollar Rolls.** TBA securities involve buying or selling mortgage-backed securities (MBS) on a forward commitment basis. A TBA transaction typically does not designate the actual security to be delivered and only includes an approximate principal amount; however delivered securities must meet specified terms defined by industry guidelines, including issuer, rate and current principal amount outstanding on underlying mortgage pools. Funds may enter into a TBA transaction with the intent to take possession of or deliver the underlying MBS, or a fund may elect to extend the settlement by entering into either a mortgage or reverse mortgage dollar roll. Mortgage dollar rolls are transactions where a fund sells TBA securities and simultaneously agrees to repurchase MBS on a later date at a lower price and with the same counterparty. Reverse mortgage dollar rolls involve the purchase and simultaneous agreement to sell TBA securities on a later date at a lower price. Transactions in mortgage dollar rolls and reverse mortgage dollar rolls are accounted for as purchases and sales and may result in an increase to a fund's portfolio turnover rate.

Purchases and sales of TBA securities involve risks similar to those discussed above for delayed delivery and when-issued securities. Also, if the counterparty in a mortgage dollar roll or a reverse mortgage dollar roll transaction files for bankruptcy or becomes insolvent, a fund's right to repurchase or sell securities may be limited. Additionally, when a fund sells TBA securities without already owning or having the right to obtain the deliverable securities (an uncovered forward commitment to sell), it incurs a risk of loss because it could have to purchase the securities at a price that is higher than the price at which it sold them. A fund may be unable to purchase the deliverable securities if the corresponding market is illiquid.

TBA securities subject to a forward commitment to sell at period end are included at the end of the Schedule of Investments under the caption "TBA Sale Commitments." The proceeds and value of these commitments are reflected in the Statement of Assets and Liabilities as "Receivable for TBA sale commitments" and "TBA sale commitments, at value," respectively.

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

#### 4. Derivative Instruments.

**Risk Exposures and the Use of Derivative Instruments.** The Fund's investment objectives allow for various types of derivative instruments, including futures contracts, swaps and options. Derivatives are investments whose value is primarily derived from underlying assets, indices or reference rates and may be transacted on an exchange or over-the-counter (OTC). Derivatives may involve a future commitment to buy or sell a specified asset based on specified terms, to exchange future cash flows at periodic intervals based on a notional principal amount, or for one party to make one or more payments upon the occurrence of specified events in exchange for periodic payments from the other party.

Derivatives were used to increase returns, to gain exposure to certain types of assets and to manage exposure to certain risks as defined below. The success of any strategy involving derivatives depends on analysis of numerous economic factors, and if the strategies for investment do not work as intended, the objectives may not be achieved.

Derivatives were used to increase or decrease exposure to the following risk(s):

**Notes to Financial Statements (Unaudited) – continued**

Credit Risk	Credit risk relates to the ability of the issuer of a financial instrument to make further principal or interest payments on an obligation or commitment that it has to a fund.
Interest Rate Risk	Interest rate risk relates to the fluctuations in the value of interest-bearing securities due to changes in the prevailing levels of market interest rates.

Funds are also exposed to additional risks from investing in derivatives, such as liquidity risk and counterparty credit risk. Liquidity risk is the risk that a fund will be unable to close out the derivative in the open market in a timely manner. Counterparty credit risk is the risk that the counterparty will not be able to fulfill its obligation to a fund. Derivative counterparty credit risk is managed through formal evaluation of the creditworthiness of all potential counterparties. On certain OTC derivatives such as options and bi-lateral swaps, a fund attempts to reduce its exposure to counterparty credit risk by entering into an International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement with each of its counterparties. The ISDA Master Agreement gives a fund the right to terminate all transactions traded under such agreement upon the deterioration in the credit quality of the counterparty beyond specified levels. The ISDA Master Agreement gives each party the right, upon an event of default by the other party or a termination of the agreement, to close out all transactions traded under such agreement and to net amounts owed under each transaction to one net payable by one party to the other. To mitigate counterparty credit risk on bi-lateral OTC derivatives, a fund receives collateral in the form of cash or securities once net unrealized appreciation on outstanding derivative contracts under an ISDA Master Agreement exceeds certain applicable thresholds, subject to certain minimum transfer provisions. The collateral received is held in segregated accounts with the custodian bank in accordance with the collateral agreements entered into between a fund, the counterparty and the custodian bank. A fund could experience delays and costs in gaining access to the collateral even though it is held by the custodian bank. The maximum risk of loss to a fund from counterparty credit risk related to bi-lateral OTC derivatives is generally the aggregate unrealized appreciation and unpaid counterparty payments in excess of any collateral pledged by the counterparty to a fund. A fund may be required to pledge collateral for the benefit of the counterparties on bi-lateral OTC derivatives in an amount not less than each counterparty's unrealized appreciation on outstanding derivative contracts, subject to certain minimum transfer provisions, and any such pledged collateral is identified in the Schedule of Investments. Exchange-traded contracts are not covered by the ISDA Master Agreement; however counterparty credit risk related to these contracts may be mitigated by the protection provided by the exchange on which they trade. Counterparty credit risk related to centrally cleared OTC swaps may be mitigated by the protection provided by the clearinghouse.

Investing in derivatives may involve greater risks than investing in the underlying assets directly and, to varying degrees, may involve risk of loss in excess of any initial investment and collateral received and amounts recognized in the Statement of Assets and Liabilities. In addition, there may be the risk that the change in value of the derivative contract does not correspond to the change in value of the underlying instrument.

**Net Realized Gain (Loss) and Change in Net Unrealized Appreciation (Depreciation) on Derivatives.** The table below, which reflects the impacts of derivatives on the financial performance, summarizes the net realized gain (loss) and change in net unrealized appreciation (depreciation) for derivatives during the period as presented in the Statement of Operations.

Primary Risk Exposure / Derivative Type	Net Realized Gain (Loss)	Change in Net Unrealized Appreciation (Depreciation)
<b>VIP Investment Grade Bond Portfolio</b>		
<b>Credit Risk</b>		
Swaps	<u>\$275,283</u>	<u>\$(672)</u>
<b>Total Credit Risk</b>	<u>275,283</u>	<u>(672)</u>
<b>Interest Rate Risk</b>		
Futures Contracts	(502,390)	786,321
Purchased Options	-	(13,307)
Swaps	<u>(453,849)</u>	<u>189,882</u>
<b>Total Interest Rate Risk</b>	<u>(956,239)</u>	<u>962,896</u>
Totals	<u>\$(680,956)</u>	<u>\$962,224</u>

If there are any open positions at period end, a summary of the value of derivatives by primary risk exposure is included at the end of the Schedule of Investments.

**Futures Contracts.** A futures contract is an agreement between two parties to buy or sell a specified underlying instrument for a fixed price at a specified future date. Futures contracts were used to manage exposure to the bond market and fluctuations in interest rates.

Upon entering into a futures contract, a fund is required to deposit either cash or securities (initial margin) with a clearing broker in an amount equal to a certain percentage of the face value of the contract. Futures contracts are marked-to-market daily and subsequent daily payments are made or received by a fund depending on the daily fluctuations in the value of the futures contracts and are recorded as unrealized appreciation or (depreciation). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Statement of Assets and Liabilities. Realized gain or (loss) is recorded upon the expiration or closing of a futures contract. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on futures contracts during the period is presented in the Statement of Operations.

Any open futures contracts at period end are presented in the Schedule of Investments under the caption "Futures Contracts". The notional amount at value reflects each contract's exposure to the underlying instrument or index at period end, and is representative of volume of activity during the period unless an average notional amount is presented. Any securities deposited to meet initial margin requirements are identified in the Schedule of Investments. Any cash deposited to meet initial margin requirements is presented as segregated cash with brokers for derivative instruments in the Statement of Assets and Liabilities.

**Options.** Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price between or on certain dates. Options obligate the seller (writer) to buy (put) or sell (call) an underlying instrument at the exercise or strike price or cash settle an underlying derivative instrument if the holder exercises the option on or before the expiration date. OTC options, such as swaptions, which are options where the underlying instrument is a swap, were used to manage exposure to fluctuations in interest rates.

Upon entering into an options contract, a fund will pay or receive a premium. Premiums paid on purchased options are reflected as cost of investments and premiums received on written options are reflected as a liability on the Statement of Assets and Liabilities. Certain options may be purchased or written with premiums to be paid or received on a future date. Options are valued daily and any unrealized appreciation (depreciation) is reflected in total accumulated earnings (loss) in the Statement of Assets and Liabilities. When an option is exercised, the cost or proceeds of the underlying instrument purchased or sold is adjusted by the amount of the premium. When an option is closed, a gain or loss is realized depending on whether the proceeds or amount paid for the closing sale transaction is greater or less than the premium received or paid. When an option expires, gains and losses are realized to the extent of premiums received and paid, respectively. The net realized and unrealized gains (losses) on purchased options are included in the Statement of Operations in net realized gain (loss) and change in net unrealized appreciation (depreciation) on investment securities. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on written options are presented in the Statement of Operations.

Any open options at period end are presented in the Schedule of Investments under the captions "Purchased Options," "Purchased Swaptions," "Written Options" and "Written Swaptions," as applicable, and are representative of volume of activity during the period unless an average notional amount is presented.

Writing puts and buying calls tend to increase exposure to the underlying instrument while buying puts and writing calls tend to decrease exposure to the underlying instrument. For purchased options, risk of loss is limited to the premium paid, and for written options, risk of loss is the change in value in excess of the premium received.

**Swaps.** A swap is a contract between two parties to exchange future cash flows at periodic intervals based on a notional principal amount. A bi-lateral OTC swap is a transaction between a fund and a dealer counterparty where cash flows are exchanged between the two parties for the life of the swap. A centrally cleared OTC swap is a transaction executed between a fund and a dealer counterparty, then cleared by a futures commission merchant (FCM) through a clearinghouse. Once cleared, the clearinghouse serves as a central counterparty, with whom a fund exchanges cash flows for the life of the transaction, similar to transactions in futures contracts.

Bi-lateral OTC swaps are marked-to-market daily and changes in value are reflected in the Statement of Assets and Liabilities in the bi-lateral OTC swaps at value line items. Any upfront premiums paid or received upon entering a bi-lateral OTC swap to compensate for differences between stated terms of the swap and prevailing market conditions (e.g. credit spreads, interest rates or other factors) are recorded in total accumulated earnings (loss) in the Statement of Assets and Liabilities and amortized to realized gain or (loss) ratably over the term of the swap. Any unamortized upfront premiums are presented in the Schedule of Investments.

Centrally cleared OTC swaps require a fund to deposit either cash or securities (initial margin) with the FCM, at the instruction of and for the benefit of the clearinghouse. Any securities deposited to meet initial margin requirements are identified in the Schedule of Investments. Any cash deposited to meet initial margin requirements is presented in segregated cash with brokers for derivative instruments in the Statement of Assets and Liabilities. Centrally cleared OTC swaps are marked-to-market daily and subsequent payments (variation margin) are made or received depending on the daily fluctuations in the value of the swaps and are recorded as unrealized appreciation or (depreciation). These daily payments, if any, are included in receivable or payable for daily variation margin on centrally cleared OTC swaps in the Statement of Assets and Liabilities. Any premiums for centrally cleared OTC swaps are recorded periodically throughout the term of the swap to variation margin and included in total accumulated earnings (loss) in the Statement of Assets and Liabilities. Any premiums are recognized as realized gain (loss) upon termination or maturity of the swap.

For both bi-lateral and centrally cleared OTC swaps, payments are exchanged at specified intervals, accrued daily commencing with the effective date of the contract and recorded as realized gain or (loss). Some swaps may be terminated prior to the effective date and realize a gain or loss upon termination. The net realized gain (loss) and change in net unrealized appreciation (depreciation) on swaps during the period is presented in the Statement of Operations.

Any open swaps at period end are included in the Schedule of Investments under the caption "Swaps", and are representative of volume of activity during the period unless an average notional amount is presented.

**Credit Default Swaps.** Credit default swaps enable a fund to buy or sell protection against specified credit events on a single-name issuer or a traded credit index. Under the terms of a credit default swap the buyer of protection (buyer) receives credit protection in exchange for making periodic payments to the seller of protection (seller) based on a fixed percentage applied to a notional principal amount. In return for these payments, the seller will be required to make a payment upon the occurrence of one or more specified credit events. A fund enters into credit

**Notes to Financial Statements (Unaudited) – continued**

default swaps as a seller to gain credit exposure to an issuer and/or as a buyer to obtain a measure of protection against defaults of an issuer. Periodic payments are made over the life of the contract by the buyer provided that no credit event occurs.

For credit default swaps on most corporate and sovereign issuers, credit events include bankruptcy, failure to pay or repudiation/moratorium. For credit default swaps on corporate or sovereign issuers, the obligation that may be put to the seller is not limited to the specific reference obligation described in the Schedule of Investments. For credit default swaps on asset-backed securities, a credit event may be triggered by events such as failure to pay principal, maturity extension, rating downgrade or write-down. For credit default swaps on asset-backed securities, the reference obligation described represents the security that may be put to the seller. For credit default swaps on a traded credit index, a specified credit event may affect all or individual underlying securities included in the index.

As a seller, if an underlying credit event occurs, a fund will pay a net settlement amount of cash equal to the notional amount of the swap less the recovery value of the reference obligation or underlying securities comprising an index. Only in the event of the industry's inability to value the underlying asset will a fund be required to take delivery of the reference obligation or underlying securities comprising an index and pay an amount equal to the notional amount of the swap.

As a buyer, if an underlying credit event occurs, a fund will receive a net settlement amount of cash equal to the notional amount of the swap less the recovery value of the reference obligation or underlying securities comprising an index. Only in the event of the industry's inability to value the underlying asset will a fund be required to deliver the reference obligation or underlying securities comprising an index in exchange for payment of an amount equal to the notional amount of the swap.

Typically, the value of each credit default swap and credit rating disclosed for each reference obligation in the Schedule of Investments, where a fund is the seller, can be used as measures of the current payment/performance risk of the swap. As the value of the swap changes as a positive or negative percentage of the total notional amount, the payment/performance risk may decrease or increase, respectively. In addition to these measures, the investment adviser monitors a variety of factors including cash flow assumptions, market activity and market sentiment as part of its ongoing process of assessing payment/performance risk.

**Interest Rate Swaps.** Interest rate swaps are agreements between counterparties to exchange cash flows, one based on a fixed rate, and the other on a floating rate. A fund enters into interest rate swaps to manage its exposure to interest rate changes. Changes in interest rates can have an effect on both the value of bond holdings as well as the amount of interest income earned. In general, the value of bonds can fall when interest rates rise and can rise when interest rates fall.

**5. Purchases and Sales of Investments.**

Purchases and sales of securities, other than short-term securities, U.S. government securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Investment Grade Bond Portfolio</b>	2,052,393,695	2,237,402,349

**6. Fees and Other Transactions with Affiliates.**

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .20% of the Fund's average net assets and an annualized group fee rate that averaged .10% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .30% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$340,085
<b>Service Class 2</b>	<u>2,317,329</u>
	<u>\$2,657,414</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets<sup>A</sup></b>
<b>Initial Class</b>	\$186,731	.07
<b>Service Class</b>	231,258	.07
<b>Service Class 2</b>	630,313	.07

<b>Investor Class</b>	380,534	.10
	<u>\$1,428,836</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

<b>VIP Investment Grade Bond Portfolio</b>	<b>% of Average Net Assets</b>
	.03

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. During the period, there were no interfund trades.

**Prior Fiscal Year Affiliated Redemptions In-Kind.** Shares that were redeemed in-kind for investments, including accrued interest and cash, if any, are shown in the table below; along with realized gain or loss on investments delivered through in-kind redemptions. The amount of the in-kind redemptions is included in share transactions in the accompanying Statement of Changes in Net Assets. There was no gain or loss for federal income tax purposes.

	Shares	Total net realized gain or loss (\$)	Total Proceeds (\$)	Participating classes
<b>VIP Investment Grade Bond Portfolio</b>	76,985,281	(80,700,871)	894,442,739	Initial Class & Investor Class

## 7. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

<b>VIP Investment Grade Bond Portfolio</b>	<b>Amount</b>
	\$3,658

## 8. Security Lending.

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	Total Security Lending Fees Paid to NFS	Security Lending Income From Securities Loaned to NFS	Value of Securities Loaned to NFS at Period End
<b>VIP Investment Grade Bond Portfolio</b>	\$6,322	\$ -	\$ -

## 9. Expense Reductions.

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$5,613.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$45,704.

## Notes to Financial Statements (Unaudited) – continued

### 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Six months ended June 30, 2023	Year ended December 31, 2022
<b>VIP Investment Grade Bond Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$-	\$74,321,920
Service Class	-	49,755,778
Service Class 2	-	144,060,973
Investor Class	-	<u>79,910,930</u>
Total	\$-	<u>\$348,049,601</u>

### 11. Share Transactions.

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Investment Grade Bond Portfolio</b>				
<b>Initial Class</b>				
Shares sold	4,070,791	37,368,851	\$45,220,573	\$433,838,083
Reinvestment of distributions	-	6,137,013	-	74,321,920
Shares redeemed	<u>(3,422,732)</u>	<u>(95,052,032)</u>	<u>(37,907,145)</u>	<u>(1,108,282,686)</u>
Net increase (decrease)	<u>648,059</u>	<u>(51,546,168)</u>	<u>\$7,313,428</u>	<u>\$(600,122,683)</u>
<b>Service Class</b>				
Shares sold	10,992,056	19,724,587	\$120,179,787	\$223,794,668
Reinvestment of distributions	-	4,226,683	-	49,755,778
Shares redeemed	<u>(7,319,950)</u>	<u>(16,691,802)</u>	<u>(80,037,773)</u>	<u>(192,486,132)</u>
Net increase (decrease)	<u>3,672,106</u>	<u>7,259,468</u>	<u>\$40,142,014</u>	<u>\$81,064,314</u>
<b>Service Class 2</b>				
Shares sold	16,373,229	12,583,019	\$177,196,924	\$146,254,732
Reinvestment of distributions	-	12,403,199	-	144,060,973
Shares redeemed	<u>(6,776,947)</u>	<u>(22,672,103)</u>	<u>(72,836,072)</u>	<u>(254,831,966)</u>
Net increase (decrease)	<u>9,596,282</u>	<u>2,314,115</u>	<u>\$104,360,852</u>	<u>\$35,483,739</u>
<b>Investor Class</b>				
Shares sold	2,548,143	4,458,846	\$28,203,581	\$52,423,191
Reinvestment of distributions	-	6,663,720	-	79,910,930
Shares redeemed	<u>(2,758,567)</u>	<u>(45,621,139)</u>	<u>(30,357,095)</u>	<u>(530,120,459)</u>
Net increase (decrease)	<u>(210,424)</u>	<u>(34,498,573)</u>	<u>\$(2,153,514)</u>	<u>\$(397,786,338)</u>

### 12. Other.

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated%	Number of Unaffiliated Shareholders	Unaffiliated Shareholders%
VIP Investment Grade Bond Portfolio	22%	1	41%

### 13. Risk and Uncertainties.

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in

security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Investment Grade Bond Portfolio				
Initial Class	.41%			
Actual		\$ 1,000	\$ 1,027.80	\$ 2.06
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.76	\$ 2.06
Service Class	.51%			
Actual		\$ 1,000	\$ 1,027.20	\$ 2.56
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.27	\$ 2.56
Service Class 2	.67%			
Actual		\$ 1,000	\$ 1,026.70	\$ 3.37
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.47	\$ 3.36
Investor Class	.45%			
Actual		\$ 1,000	\$ 1,027.00	\$ 2.26
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.56	\$ 2.26

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.



## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLLIM). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLLIM requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.

# Notes

# Notes

# Notes



# **Fidelity® Variable Insurance Products:**

## **VIP Value Strategies Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

## **NOT FDIC INSURED •MAY LOSE VALUE •NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary June 30, 2023 (Unaudited)

## Top Holdings (% of Fund's net assets)

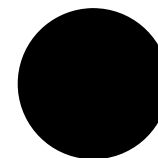
Canadian Natural Resources Ltd.	2.0
Constellation Energy Corp.	1.7
Welltower, Inc.	1.7
PG&E Corp.	1.7
Hess Corp.	1.7
Flex Ltd.	1.6
Centene Corp.	1.6
Cigna Group	1.6
First Citizens Bancshares, Inc.	1.5
Apollo Global Management, Inc.	1.4
	<hr/>
	16.5

## Market Sectors (% of Fund's net assets)

Financials	17.8
Industrials	17.8
Consumer Discretionary	12.2
Materials	11.0
Energy	8.2
Utilities	7.7
Real Estate	7.2
Information Technology	7.0
Health Care	5.6
Consumer Staples	3.7
Communication Services	1.4

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

■	Stocks - 99.6
■	Short-Term Investments and Net Other Assets (Liabilities) - 0.4





# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## Common Stocks – 99.6%

	Shares	Value (\$)
<b>COMMUNICATION SERVICES - 1.4%</b>		
<b>Diversified Telecommunication Services - 1.0%</b>		
Cellnex Telecom SA (a)	158,200	<u>6,385,504</u>
<b>Media - 0.4%</b>		
Nexstar Broadcasting Group, Inc. Class A	17,500	<u>2,914,625</u>
TOTAL COMMUNICATION SERVICES		<u>9,300,129</u>
<b>CONSUMER DISCRETIONARY - 12.2%</b>		
<b>Automobile Components - 1.4%</b>		
Adient PLC (b)	106,500	4,081,080
Autoliv, Inc.	59,400	<u>5,051,376</u>
		<u>9,132,456</u>
<b>Automobiles - 1.0%</b>		
Harley-Davidson, Inc.	184,800	<u>6,506,808</u>
<b>Broadline Retail - 0.3%</b>		
Kohl's Corp.	81,100	<u>1,869,355</u>
<b>Diversified Consumer Services - 0.5%</b>		
Adtalem Global Education, Inc. (b)	88,379	<u>3,034,935</u>
<b>Hotels, Restaurants &amp; Leisure - 1.2%</b>		
Hilton Grand Vacations, Inc. (b)	96,400	4,380,416
Red Rock Resorts, Inc.	70,600	<u>3,302,668</u>
		<u>7,683,084</u>
<b>Household Durables - 1.1%</b>		
Tempur Sealy International, Inc.	178,000	<u>7,132,460</u>
<b>Leisure Products - 1.7%</b>		
Brunswick Corp.	56,900	4,929,816
Mattel, Inc. (b)	312,300	<u>6,102,342</u>
		<u>11,032,158</u>
<b>Specialty Retail - 3.9%</b>		
American Eagle Outfitters, Inc.	421,802	4,977,264
Bath & Body Works, Inc.	82,300	3,086,250
Lithia Motors, Inc. Class A (sub. vtg.) (c)	16,600	5,048,226
Signet Jewelers Ltd.	65,100	4,248,426
Upbound Group, Inc.	151,017	4,701,159
Victoria's Secret & Co. (b)	163,300	<u>2,846,319</u>
		<u>24,907,644</u>
<b>Textiles, Apparel &amp; Luxury Goods - 1.1%</b>		
Capri Holdings Ltd. (b)	98,100	3,520,809
Gildan Activewear, Inc.	116,500	<u>3,755,965</u>
		<u>7,276,774</u>
TOTAL CONSUMER DISCRETIONARY		<u>78,575,674</u>
<b>CONSUMER STAPLES - 3.7%</b>		
<b>Beverages - 0.1%</b>		
Primo Water Corp.	46,310	<u>580,727</u>
<b>Consumer Staples Distribution &amp; Retail - 1.5%</b>		
U.S. Foods Holding Corp. (b)	212,200	<u>9,336,800</u>
<b>Food Products - 2.1%</b>		
Bunge Ltd.	66,700	6,293,145
Darling Ingredients, Inc. (b)	117,263	<u>7,480,207</u>
		<u>13,773,352</u>
TOTAL CONSUMER STAPLES		<u>23,690,879</u>

## Common Stocks – continued

	Shares	Value (\$)
<b>ENERGY - 8.2%</b>		
<b>Energy Equipment &amp; Services - 1.8%</b>		
Expro Group Holdings NV (b)	314,100	5,565,852
Valaris Ltd. (b)	91,700	<u>5,770,681</u>
		<u>11,336,533</u>
<b>Oil, Gas &amp; Consumable Fuels - 6.4%</b>		
Antero Resources Corp. (b)	246,700	5,681,501
Canadian Natural Resources Ltd.	222,500	12,509,381
Hess Corp.	81,400	11,066,330
Targa Resources Corp.	79,300	6,034,730
Tourmaline Oil Corp. (c)	128,800	<u>6,068,840</u>
		<u>41,360,782</u>
TOTAL ENERGY		<u>52,697,315</u>
<b>FINANCIALS - 17.8%</b>		
<b>Banks - 4.1%</b>		
East West Bancorp, Inc.	144,300	7,617,597
First Citizens Bancshares, Inc.	7,600	9,754,220
Popular, Inc.	69,300	4,194,036
U.S. Bancorp	144,900	<u>4,787,496</u>
		<u>26,353,349</u>
<b>Capital Markets - 3.1%</b>		
Ameriprise Financial, Inc.	22,300	7,407,168
LPL Financial	32,100	6,979,503
Raymond James Financial, Inc.	50,700	<u>5,261,139</u>
		<u>19,647,810</u>
<b>Consumer Finance - 2.5%</b>		
OneMain Holdings, Inc.	134,300	5,867,567
PROG Holdings, Inc. (b)	117,471	3,773,169
SLM Corp.	414,300	<u>6,761,376</u>
		<u>16,402,112</u>
<b>Financial Services - 3.7%</b>		
Apollo Global Management, Inc.	123,000	9,447,630
Global Payments, Inc.	76,700	7,556,484
Walker & Dunlop, Inc.	86,900	<u>6,872,921</u>
		<u>23,877,035</u>
<b>Insurance - 4.4%</b>		
American Financial Group, Inc.	55,100	6,543,125
Assurant, Inc.	51,100	6,424,292
First American Financial Corp.	85,100	4,852,402
Reinsurance Group of America, Inc.	27,205	3,773,061
The Travelers Companies, Inc.	39,100	<u>6,790,106</u>
		<u>28,382,986</u>
TOTAL FINANCIALS		<u>114,663,292</u>
<b>HEALTH CARE - 5.6%</b>		
<b>Health Care Providers &amp; Services - 4.8%</b>		
AdaptHealth Corp. (b)	315,000	3,833,550
Centene Corp. (b)	154,300	10,407,535
Cigna Group	36,300	10,185,780
CVS Health Corp.	89,700	<u>6,200,961</u>
		<u>30,627,826</u>
<b>Pharmaceuticals - 0.8%</b>		
Jazz Pharmaceuticals PLC (b)	42,900	<u>5,318,313</u>

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

## Schedule of Investments (Unaudited) - Continued

Common Stocks – continued		
	Shares	Value (\$)
<b>HEALTH CARE – continued</b>		
TOTAL HEALTH CARE		<u>35,946,139</u>
<b>INDUSTRIALS - 17.8%</b>		
<b>Air Freight &amp; Logistics - 1.1%</b>		
FedEx Corp.	28,800	<u>7,139,520</u>
<b>Building Products - 1.1%</b>		
Builders FirstSource, Inc. (b)	52,700	<u>7,167,200</u>
<b>Commercial Services &amp; Supplies - 1.0%</b>		
The Brink's Co.	95,600	<u>6,484,548</u>
<b>Construction &amp; Engineering - 3.6%</b>		
Fluor Corp. (b) (c)	192,800	5,706,880
Granite Construction, Inc.	99,300	3,950,154
MDU Resources Group, Inc.	218,800	4,581,672
Willscot Mobile Mini Holdings (b)	186,900	<u>8,931,951</u>
		<u>23,170,657</u>
<b>Electrical Equipment - 1.6%</b>		
Regal Rexnord Corp.	53,400	8,218,260
Sensata Technologies, Inc. PLC	44,005	<u>1,979,785</u>
		<u>10,198,045</u>
<b>Ground Transportation - 4.2%</b>		
Knight-Swift Transportation Holdings, Inc. Class A	118,000	6,556,080
TFI International, Inc. (Canada) (c)	58,500	6,664,959
U-Haul Holding Co. (non-vtg.)	135,500	6,865,785
XPO, Inc. (b)	116,500	<u>6,873,500</u>
		<u>26,960,324</u>
<b>Machinery - 3.7%</b>		
Allison Transmission Holdings, Inc.	129,100	7,288,986
Chart Industries, Inc. (b) (c)	32,800	5,241,112
Kennametal, Inc.	167,000	4,741,130
Timken Co.	69,700	<u>6,379,641</u>
		<u>23,650,869</u>
<b>Professional Services - 0.7%</b>		
Manpower, Inc.	59,700	<u>4,740,180</u>
<b>Trading Companies &amp; Distributors - 0.8%</b>		
Beacon Roofing Supply, Inc. (b)	58,500	<u>4,854,330</u>
TOTAL INDUSTRIALS		<u>114,365,673</u>
<b>INFORMATION TECHNOLOGY - 7.0%</b>		
<b>Communications Equipment - 1.4%</b>		
Lumentum Holdings, Inc. (b)	165,800	<u>9,405,834</u>
<b>Electronic Equipment, Instruments &amp; Components - 3.2%</b>		
Coherent Corp. (b)	84,600	4,312,908
Flex Ltd. (b)	384,500	10,627,580
Vontier Corp.	170,100	<u>5,478,921</u>
		<u>20,419,409</u>
<b>Semiconductors &amp; Semiconductor Equipment - 0.6%</b>		
Skyworks Solutions, Inc.	34,900	<u>3,863,081</u>
<b>Software - 1.0%</b>		
NCR Corp. (b) (c)	253,200	<u>6,380,640</u>
<b>Technology Hardware, Storage &amp; Peripherals - 0.8%</b>		
Seagate Technology Holdings PLC	81,300	<u>5,030,031</u>
TOTAL INFORMATION TECHNOLOGY		<u>45,098,995</u>

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

Common Stocks – continued		
	Shares	Value (\$)
<b>MATERIALS - 11.0%</b>		
<b>Chemicals - 6.5%</b>		
Axalta Coating Systems Ltd. (b)	136,300	4,472,003
Celanese Corp. Class A	59,800	6,924,840
Methanex Corp.	133,600	5,527,032
Olin Corp.	137,101	7,045,620
The Chemours Co. LLC	204,900	7,558,761
Tronox Holdings PLC	238,000	3,024,980
Westlake Corp. (c)	62,100	<u>7,419,087</u>
		<u>41,972,323</u>
<b>Construction Materials - 0.5%</b>		
Knife River Holding Co.	68,500	<u>2,979,750</u>
<b>Containers &amp; Packaging - 1.2%</b>		
Crown Holdings, Inc.	35,600	3,092,572
O-I Glass, Inc. (b)	211,300	<u>4,507,029</u>
		<u>7,599,601</u>
<b>Metals &amp; Mining - 1.7%</b>		
Constellation NV (b)	367,300	6,317,560
Freeport-McMoRan, Inc.	110,400	<u>4,416,000</u>
		<u>10,733,560</u>
<b>Paper &amp; Forest Products - 1.1%</b>		
Louisiana-Pacific Corp. (c)	99,100	<u>7,430,518</u>
TOTAL MATERIALS		<u>70,715,752</u>
<b>REAL ESTATE - 7.2%</b>		
<b>Equity Real Estate Investment Trusts (REITs) - 5.7%</b>		
CubeSmart	124,000	5,537,840
Equity Lifestyle Properties, Inc.	83,800	5,605,382
Essex Property Trust, Inc.	27,100	6,349,530
Prologis (REIT), Inc.	41,947	5,143,961
Ventas, Inc.	66,880	3,161,418
Welltower, Inc.	137,200	<u>11,098,108</u>
		<u>36,896,239</u>
<b>Real Estate Management &amp; Development - 1.5%</b>		
Jones Lang LaSalle, Inc. (b)	60,600	<u>9,441,480</u>
TOTAL REAL ESTATE		<u>46,337,719</u>
<b>UTILITIES - 7.7%</b>		
<b>Electric Utilities - 5.8%</b>		
Constellation Energy Corp.	123,333	11,291,136
Edison International	75,400	5,236,530
Eversource Energy, Inc.	39,951	2,333,937
PG&E Corp. (b)	640,700	11,071,296
PPL Corp.	116,155	3,073,461
Southern Co.	63,100	<u>4,432,775</u>
		<u>37,439,135</u>
<b>Independent Power and Renewable Electricity Producers - 1.9%</b>		
The AES Corp.	294,300	6,100,839
Vistra Corp.	241,100	<u>6,328,875</u>
		<u>12,429,714</u>
TOTAL UTILITIES		<u>49,868,849</u>

**Common Stocks – continued**

	Shares	Value (\$)
<b>TOTAL COMMON STOCKS</b>		
(Cost \$518,546,054)		<u><b>641,260,416</b></u>

**Money Market Funds – 3.3%**

	Shares	Value (\$)
Fidelity Cash Central Fund 5.14% (d)	1,131,724	1,131,950
Fidelity Securities Lending Cash Central Fund 5.14% (d) (e)	20,208,371	<u>20,210,392</u>

<b>TOTAL MONEY MARKET FUNDS</b>		
(Cost \$21,342,342)		<u><b>21,342,342</b></u>

<b>TOTAL INVESTMENT IN SECURITIES – 102.9%</b>		
(Cost \$539,888,396)		<b>662,602,758</b>

<b>NET OTHER ASSETS (LIABILITIES) – (2.9)%</b>		<u><b>(18,685,179)</b></u>
<b>NET ASSETS – 100.0%</b>		<u><u><b>643,917,579</b></u></u>

**Legend**

- (a) 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 \$6,385,504 or 1.0% of net assets.
- (b) Non-income producing
- (c) Security or a portion of the security is on loan at period end.
- (d) Affiliated fund that is generally 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. In addition, each Fidelity Central Fund's financial statements are available on the SEC's website or upon request.

(e) Investment made with cash collateral received from securities on loan.

**Affiliated Central Funds**

Fiscal year to date information regarding the Fund's investments in Fidelity Central Funds, including the ownership percentage, is presented below.

Affiliate	Value, beginning of period (\$)	Purchases (\$)	Sales Proceeds (\$)	Dividend Income (\$)	Realized Gain (loss) (\$)	Change in Unrealized appreciation (depreciation) (\$)	Value, end of period (\$)	% ownership, end of period
Fidelity Cash Central Fund 5.14%	1,879,817	79,558,219	80,306,086	169,017	—	—	1,131,950	0.0%
Fidelity Securities Lending Cash Central Fund 5.14%	13,679,117	155,958,265	149,426,990	25,126	—	—	20,210,392	0.1%
Total	<u>15,558,934</u>	<u>235,516,484</u>	<u>229,733,076</u>	<u>194,143</u>	<u>—</u>	<u>—</u>	<u>21,342,342</u>	

Amounts in the dividend income column in the above table include any capital gain distributions from underlying funds, which are presented in the corresponding line item in the Statement of Operations, if applicable.

Amounts in the dividend income column for Fidelity Securities Lending Cash Central Fund represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities.

Amounts included in the purchases and sales proceeds columns may include in-kind transactions, if applicable.

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

## Schedule of Investments (Unaudited) - Continued

### Investment Valuation

The following is a summary of the inputs used, as of June 30, 2023, involving the Fund's assets and liabilities carried at fair 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 below, please refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

Description	Valuation Inputs at Reporting Date:			
	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)
<b>Investments in Securities:</b>				
<b>Equities:</b>				
Communication Services	9,300,129	9,300,129	-	-
Consumer Discretionary	78,575,674	78,575,674	-	-
Consumer Staples	23,690,879	23,690,879	-	-
Energy	52,697,315	52,697,315	-	-
Financials	114,663,292	114,663,292	-	-
Health Care	35,946,139	35,946,139	-	-
Industrials	114,365,673	114,365,673	-	-
Information Technology	45,098,995	45,098,995	-	-
Materials	70,715,752	70,715,752	-	-
Real Estate	46,337,719	46,337,719	-	-
Utilities	49,868,849	49,868,849	-	-
Money Market Funds	21,342,342	21,342,342	-	-
<b>Total Investments in Securities:</b>	<b>662,602,758</b>	<b>662,602,758</b>	-	-

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including securities loaned of \$19,572,252) — See accompanying schedule:

Unaffiliated issuers (cost \$518,546,054)	\$ 641,260,416
Fidelity Central Funds (cost \$21,342,342)	21,342,342

Total Investment in Securities (cost \$539,888,396)

Foreign currency held at value (cost \$645,857)

Receivable for investments sold

Receivable for fund shares sold

Dividends receivable

Distributions receivable from Fidelity Central Funds

### Total assets

### Liabilities

Payable for investments purchased

Payable for fund shares redeemed

Accrued management fee

Distribution and service plan fees payable

Other affiliated payables

Other payables and accrued expenses

Collateral on securities loaned

### Total Liabilities

### Net Assets

Net Assets consist of:

Paid in capital

Total accumulated earnings (loss)

### Net Assets

### Net Asset Value and Maximum Offering Price

#### Initial Class :

**Net Asset Value**, offering price and redemption price per share ( $\$92,762,227 \div 6,006,032$  shares)

#### Service Class :

**Net Asset Value**, offering price and redemption price per share ( $\$25,172,887 \div 1,636,930$  shares)

#### Service Class 2 :

**Net Asset Value**, offering price and redemption price per share ( $\$313,809,251 \div 20,107,706$  shares)

#### Investor Class :

**Net Asset Value**, offering price and redemption price per share ( $\$212,173,214 \div 13,876,887$  shares)

	\$	641,260,416	
		21,342,342	
		<u>662,602,758</u>	\$ 662,602,758
			645,857
			8,187,317
			124,200
			664,651
			28,985
			<u>672,253,768</u>
	\$	4,116,671	
		3,568,507	
		277,540	
		66,120	
		64,098	
		32,903	
		<u>20,210,350</u>	
			<u>28,336,189</u>
	\$		<u>643,917,579</u>
	\$		505,176,979
			<u>138,740,600</u>
	\$		<u>643,917,579</u>
			<u>15.44</u>
			<u>15.38</u>
			<u>15.61</u>
			<u>15.29</u>

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

## Financial Statements (Unaudited) - Continued

## Statement of Operations

		Six months ended June 30, 2023 (Unaudited)
<b>Investment Income</b>		
Dividends		\$ 5,466,330
Income from Fidelity Central Funds (including \$25,126 from security lending)		194,143
<b>Total Income</b>		<u>5,660,473</u>
<b>Expenses</b>		
Management fee	\$ 1,733,873	
Transfer agent fees	293,386	
Distribution and service plan fees	407,991	
Accounting fees	107,731	
Custodian fees and expenses	9,900	
Independent trustees' fees and expenses	2,218	
Audit	27,554	
Legal	4,746	
Miscellaneous	1,950	
Total expenses before reductions	<u>2,589,349</u>	
Expense reductions	<u>(15,258)</u>	
Total expenses after reductions		<u>2,574,091</u>
<b>Net Investment income (loss)</b>		<u>3,086,382</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment Securities:		
Unaffiliated issuers	15,085,213	
Foreign currency transactions	4,619	
Total net realized gain (loss)		<u>15,089,832</u>
Change in net unrealized appreciation (depreciation) on:		
Investment Securities:		
Unaffiliated issuers	26,848,584	
Assets and liabilities in foreign currencies	(1,831)	
Total change in net unrealized appreciation (depreciation)		<u>26,846,753</u>
<b>Net gain (loss)</b>		<u>41,936,585</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ 45,022,967</u>

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 3,086,382	\$ 6,173,232
Net realized gain (loss)	15,089,832	26,236,366
Change in net unrealized appreciation (depreciation)	26,846,753	(92,982,726)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>45,022,967</u>	<u>(60,573,128)</u>
Distributions to shareholders	(1,628,748)	(37,922,025)
Share transactions - net increase (decrease)	(46,594,501)	(4,512,076)
<b>Total increase (decrease) in net assets</b>	<u>(3,200,282)</u>	<u>(103,007,229)</u>
<b>Net Assets</b>		
Beginning of period	647,117,861	750,125,090
End of period	<u>\$ 643,917,579</u>	<u>\$ 647,117,861</u>

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

# Financial Highlights

## VIP Value Strategies Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 14.38	\$ 16.40	\$ 13.55	\$ 13.31	\$ 11.11	\$ 14.27
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.08	.16	.24 <sup>C</sup>	.14	.20 <sup>D</sup>	.17
Net realized and unrealized gain (loss)	1.02	(1.29)	4.26	.88	3.39	(2.58)
Total from investment operations	1.10	(1.13)	4.50	1.02	3.59	(2.41)
Distributions from net investment income	-	(.16) <sup>E</sup>	(.26)	(.15)	(.21)	(.13)
Distributions from net realized gain	(.04)	(.73) <sup>E</sup>	(1.39)	(.63)	(1.18)	(.62)
Total distributions	(.04)	(.89)	(1.65)	(.78)	(1.39)	(.75)
Net asset value, end of period	\$ 15.44	\$ 14.38	\$ 16.40	\$ 13.55	\$ 13.31	\$ 11.11
<b>Total Return</b> <sup>F,G,H</sup>	7.61%	(7.03)%	33.60%	8.26%	34.53%	(17.32)%
<b>Ratios to Average Net Assets</b> <sup>B,I,J</sup>						
Expenses before reductions	.64% <sup>K</sup>	.64%	.64%	.66%	.66%	.67%
Expenses net of fee waivers, if any	.63% <sup>K</sup>	.63%	.63%	.66%	.66%	.67%
Expenses net of all reductions	.63% <sup>K</sup>	.63%	.63%	.65%	.66%	.66%
Net investment income (loss)	1.09% <sup>K</sup>	1.02%	1.47% <sup>C</sup>	1.32%	1.64% <sup>D</sup>	1.29%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 92,762	\$ 92,162	\$ 125,050	\$ 95,708	\$ 83,357	\$ 77,279
Portfolio turnover rate <sup>L</sup>	78% <sup>K</sup>	59%	62%	85%	68%	68%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been 1.09%.

<sup>D</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.03 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been 1.36%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total returns for periods of less than one year are not annualized.

<sup>G</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>H</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>I</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>K</sup> Annualized.

<sup>L</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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



## VIP Value Strategies Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 14.32	\$ 16.35	\$ 13.51	\$ 13.27	\$ 11.09	\$ 14.23
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.07	.14	.22 <sup>C</sup>	.13	.19 <sup>D</sup>	.16
Net realized and unrealized gain (loss)	1.03	(1.29)	4.25	.88	3.37	(2.56)
Total from investment operations	1.10	(1.15)	4.47	1.01	3.56	(2.40)
Distributions from net investment income	-	(.15) <sup>E</sup>	(.24)	(.14)	(.20)	(.12)
Distributions from net realized gain	(.04)	(.73) <sup>E</sup>	(1.39)	(.63)	(1.18)	(.62)
Total distributions	(.04)	(.88)	(1.63)	(.77)	(1.38)	(.74)
Net asset value, end of period	\$ 15.38	\$ 14.32	\$ 16.35	\$ 13.51	\$ 13.27	\$ 11.09
<b>Total Return</b> <sup>F,G,H</sup>	7.64%	(7.19)%	33.48%	8.18%	34.29%	(17.33)%
<b>Ratios to Average Net Assets</b> <sup>B,I,J</sup>						
Expenses before reductions	.74% <sup>K</sup>	.74%	.73%	.76%	.76%	.77%
Expenses net of fee waivers, if any	.73% <sup>K</sup>	.73%	.73%	.76%	.76%	.77%
Expenses net of all reductions	.73% <sup>K</sup>	.73%	.73%	.75%	.76%	.76%
Net investment income (loss)	.99% <sup>K</sup>	.92%	1.37% <sup>C</sup>	1.22%	1.54% <sup>D</sup>	1.19%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 25,173	\$ 24,199	\$ 27,216	\$ 19,115	\$ 20,992	\$ 16,586
Portfolio turnover rate <sup>L</sup>	78% <sup>K</sup>	59%	62%	85%	68%	68%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .99%.

<sup>D</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.03 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been 1.26%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total returns for periods of less than one year are not annualized.

<sup>G</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>H</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>I</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>K</sup> Annualized.

<sup>L</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## Financial Highlights - Continued

## VIP Value Strategies Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 14.54	\$ 16.59	\$ 13.68	\$ 13.43	\$ 11.21	\$ 14.38
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.06	.12	.20 <sup>C</sup>	.12	.17 <sup>D</sup>	.14
Net realized and unrealized gain (loss)	1.05	(1.31)	4.31	.88	3.41	(2.59)
Total from investment operations	1.11	(1.19)	4.51	1.00	3.58	(2.45)
Distributions from net investment income	-	(.13) <sup>E</sup>	(.21)	(.12)	(.18)	(.10)
Distributions from net realized gain	(.04)	(.73) <sup>E</sup>	(1.39)	(.63)	(1.18)	(.62)
Total distributions	(.04)	(.86)	(1.60)	(.75)	(1.36)	(.72)
Net asset value, end of period	\$ 15.61	\$ 14.54	\$ 16.59	\$ 13.68	\$ 13.43	\$ 11.21
<b>Total Return</b> <sup>F,G,H</sup>	7.60%	(7.35)%	33.34%	8.02%	34.10%	(17.50)%
<b>Ratios to Average Net Assets</b> <sup>A,I,J</sup>						
Expenses before reductions	.89% <sup>K</sup>	.89%	.88%	.91%	.91%	.92%
Expenses net of fee waivers, if any	.88% <sup>K</sup>	.88%	.88%	.91%	.91%	.92%
Expenses net of all reductions	.88% <sup>K</sup>	.88%	.88%	.90%	.91%	.91%
Net investment income (loss)	.84% <sup>K</sup>	.77%	1.22% <sup>C</sup>	1.07%	1.39% <sup>D</sup>	1.04%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 313,809	\$ 309,683	\$ 315,104	\$ 228,031	\$ 220,982	\$ 160,274
Portfolio turnover rate <sup>L</sup>	78% <sup>K</sup>	59%	62%	85%	68%	68%

- <sup>A</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.
- <sup>B</sup> Calculated based on average shares outstanding during the period.
- <sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been .84%.
- <sup>D</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.03 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been 1.11%.
- <sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.
- <sup>F</sup> Total returns for periods of less than one year are not annualized.
- <sup>G</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>H</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.
- <sup>I</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.
- <sup>J</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.
- <sup>K</sup> Annualized.
- <sup>L</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

## VIP Value Strategies Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 14.24	\$ 16.25	\$ 13.44	\$ 13.20	\$ 11.04	\$ 14.18
Income from Investment Operations						
Net investment income (loss) <sup>A,B</sup>	.07	.14	.23 <sup>C</sup>	.14	.19 <sup>D</sup>	.16
Net realized and unrealized gain (loss)	1.02	(1.27)	4.22	.87	3.35	(2.56)
Total from investment operations	1.09	(1.13)	4.45	1.01	3.54	(2.40)
Distributions from net investment income	-	(.15) <sup>E</sup>	(.24)	(.14)	(.20)	(.12)
Distributions from net realized gain	(.04)	(.73) <sup>E</sup>	(1.39)	(.63)	(1.18)	(.62)
Total distributions	(.04)	(.88)	(1.64) <sup>F</sup>	(.77)	(1.38)	(.74)
Net asset value, end of period	\$ 15.29	\$ 14.24	\$ 16.25	\$ 13.44	\$ 13.20	\$ 11.04
<b>Total Return</b> <sup>G,H,I</sup>	7.62%	(7.11)%	33.48%	8.26%	34.27%	(17.37)%
<b>Ratios to Average Net Assets</b> <sup>B,J,K</sup>						
Expenses before reductions	.71% <sup>L</sup>	.71%	.71%	.74%	.74%	.75%
Expenses net of fee waivers, if any	.71% <sup>L</sup>	.71%	.71%	.74%	.74%	.75%
Expenses net of all reductions	.71% <sup>L</sup>	.71%	.71%	.73%	.74%	.74%
Net investment income (loss)	1.01% <sup>L</sup>	.95%	1.39% <sup>C</sup>	1.24%	1.56% <sup>D</sup>	1.21%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 212,173	\$ 221,074	\$ 282,755	\$ 149,707	\$ 104,581	\$ 85,385
Portfolio turnover rate <sup>M</sup>	78% <sup>L</sup>	59%	62%	85%	68%	68%

<sup>A</sup> Calculated based on average shares outstanding during the period.

<sup>B</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>C</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.06 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been 1.02%.

<sup>D</sup> Net investment income per share reflects one or more large, non-recurring dividend(s) which amounted to \$.03 per share. Excluding such non-recurring dividend(s), the ratio of net investment income (loss) to average net assets would have been 1.28%.

<sup>E</sup> The amount shown reflects reclassifications related to book to tax differences that were made in the year shown.

<sup>F</sup> Total distributions per share do not sum due to rounding.

<sup>G</sup> Total returns for periods of less than one year are not annualized.

<sup>H</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>I</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>J</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses. For additional expense information related to investments in Fidelity Central Funds, please refer to the "Investments in Fidelity Central Funds" note found in the Notes to Financial Statements section of the most recent Annual or Semi-Annual report.

<sup>K</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>L</sup> Annualized.

<sup>M</sup> Amount does not include the portfolio activity of any underlying mutual funds or exchange-traded funds (ETFs).

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Value Strategies Portfolio (the Fund) is a fund of Variable Insurance Products Fund III (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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Investments in Fidelity Central Funds.

Funds may invest in Fidelity Central Funds, which are open-end investment companies generally available only to other investment companies and accounts managed by the investment adviser and its affiliates. The Schedule of Investments lists any Fidelity Central Funds held as an investment as of period end, but does not include the underlying holdings of each Fidelity Central Fund. An investing fund indirectly bears its proportionate share of the expenses of the underlying Fidelity Central Funds.

Based on its investment objective, each Fidelity Central Fund may invest or participate in various investment vehicles or strategies that are similar to those of the investing fund. These strategies are consistent with the investment objectives of the investing fund and may involve certain economic risks which may cause a decline in value of each of the Fidelity Central Funds and thus a decline in the value of the investing fund.

Fidelity Central Fund	Investment Manager	Investment Objective	Investment Practices	Expense Ratio <sup>A</sup>
Fidelity Money Market Central Funds	Fidelity Management & Research Company LLC (FMR)	Each fund seeks to obtain a high level of current income consistent with the preservation of capital and liquidity.	Short-term Investments	Less than .005%

<sup>A</sup> Expenses expressed as a percentage of average net assets and are as of each underlying Central Fund's most recent annual or semi-annual shareholder report.

A complete unaudited list of holdings for each Fidelity Central Fund is available upon request or at the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). In addition, the financial statements of the Fidelity Central Funds which contain the significant accounting policies (including investment valuation policies) of those funds, and are not covered by the Report of Independent Registered Public Accounting Firm, are available on the Securities and Exchange Commission website or upon request.

## 3. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. The Board of Trustees (the Board) has designated the Fund's investment adviser as the valuation designee responsible for the fair valuation function and performing fair value determinations as needed. The investment adviser has established a Fair Value Committee (the Committee) to carry out the day-to-day fair valuation responsibilities and has adopted policies and procedures to govern the fair valuation process and the activities of the Committee. In accordance with these fair valuation policies and procedures, which have been approved by the Board, the Fund attempts to obtain prices from one or more third party pricing services or brokers to value its investments. When current market prices, quotations or currency exchange rates are not readily available or reliable, investments will be fair valued in good faith by the Committee, in accordance with the policies and procedures. Factors used in determining fair value vary by investment type and may include market or investment specific events, transaction data, estimated cash flows, and market observations of comparable investments. The frequency that the fair valuation procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee manages the Fund's fair valuation practices and maintains the fair valuation policies and procedures. The Fund's investment adviser reports to the Board information regarding the fair valuation process and related material matters.

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 - unadjusted 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 the Fund's investments by major category are as follows:

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 a third party

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 foreign equity securities, when market or security specific events arise, comparisons to the valuation of American Depositary Receipts (ADRs), futures contracts, ETFs and certain indexes as well as quoted prices for similar securities may be used and would be categorized as Level 2 in the hierarchy. For equity securities, including restricted securities, where observable inputs are limited, assumptions about market activity and risk are used and these securities may be 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 (NAV) each business day and are categorized as Level 1 in the hierarchy.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The aggregate value of investments by input level as of June 30, 2023 is included at the end of the Fund's Schedule of Investments.

**Foreign Currency.** Certain Funds may use foreign currency contracts to facilitate transactions in foreign-denominated securities. Gains and losses from these transactions may arise from changes in the value of the foreign currency or if the counterparties do not perform under the contracts' terms.

Foreign-denominated assets, including investment securities, and liabilities are translated into U.S. dollars at the exchange rates at period end. Purchases and sales of investment securities, income and dividends received, and expenses denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date.

The effects of exchange rate fluctuations on investments are included with the net realized and unrealized gain (loss) on investment securities. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

**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 include proceeds received from litigation. Commissions paid to certain brokers with whom the investment adviser, or its affiliates, places trades on behalf of a fund include an amount in addition to trade execution, which may be rebated back to a fund. Any such rebates are included in net realized gain (loss) on investments in the Statement of Operations. 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. Income and capital gain distributions from Fidelity Central Funds, if any, are recorded on the ex-dividend date. Certain distributions received by the Fund represent a return of capital or capital gain. The Fund determines the components of these distributions subsequent to the ex-dividend date, based upon receipt of tax filings or other correspondence relating to the underlying investment. These distributions are recorded as a reduction of cost of investments and/or as a realized gain. Investment income is recorded net of foreign taxes withheld where recovery of such taxes is uncertain. Funds may file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. Any withholding tax reclaims income is included in the Statement of Operations in dividends. Any receivables for withholding tax reclaims are included in the Statement of Assets and Liabilities in dividends receivable.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). 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 under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction. Foreign taxes are provided for based on the Fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests.

Distributions are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

**Notes to Financial Statements (Unaudited) – continued**

Book-tax differences are primarily due to foreign currency transactions, partnerships and losses deferred due to wash sales.

As of period end, the cost and unrealized appreciation (depreciation) in securities, and derivatives if applicable, for federal income tax purposes were as follows:

<b>Gross unrealized appreciation</b>	\$147,672,643
<b>Gross unrealized depreciation</b>	<u>(26,069,558)</u>
<b>Net unrealized appreciation (depreciation)</b>	<u>\$121,603,085</u>
<b>Tax cost</b>	<u>\$540,999,673</u>

**Restricted Securities (including Private Placements).** Funds 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 held at period end is included at the end of the Schedule of Investments, if applicable.

**4. Purchases and Sales of Investments.**

Purchases and sales of securities, other than short-term securities and in-kind transactions, as applicable, are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>
<b>VIP Value Strategies Portfolio</b>	254,903,291	300,682,214

**5. Fees and Other Transactions with Affiliates.**

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) 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 .30% of the Fund's average net assets and an annualized group fee rate that averaged .23% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. For the reporting period, the total annualized management fee rate was .53% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

<b>Service Class</b>	\$12,516
<b>Service Class 2</b>	<u>395,475</u>
	<u>\$407,991</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIIOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIIOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	<b>Amount</b>	<b>% of Class-Level Average Net Assets<sup>A</sup></b>
<b>Initial Class</b>	\$29,643	.06
<b>Service Class</b>	7,885	.06
<b>Service Class 2</b>	99,660	.06
<b>Investor Class</b>	<u>156,198</u>	.14
	<u>\$293,386</u>	

<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP Value Strategies Portfolio</b>	.03

**Brokerage Commissions.** A portion of portfolio transactions were placed with brokerage firms which are affiliates of the investment adviser. Brokerage commissions are included in net realized gain (loss) and change in net unrealized appreciation (depreciation) in the Statement of Operations. The commissions paid to these affiliated firms were as follows:

	<b>Amount</b>
<b>VIP Value Strategies Portfolio</b>	\$6,034

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. Any interfund trades are included within the respective purchases and sales amounts shown in the Purchases and Sales of Investments note. Interfund trades during the period are noted in the table below.

	<b>Purchases (\$)</b>	<b>Sales (\$)</b>	<b>Realized Gain (Loss) (\$)</b>
<b>VIP Value Strategies Portfolio</b>	20,465,181	24,187,995	2,114,855

### 6. Committed Line of Credit.

Certain Funds participate with other funds managed by the investment adviser or an affiliate in a \$4.25 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 participating funds have agreed to pay commitment fees on their pro-rata portion of the line of credit, which are reflected in Miscellaneous expenses on the Statement of Operations, and are listed below. During the period, there were no borrowings on this line of credit.

	<b>Amount</b>
<b>VIP Value Strategies Portfolio</b>	\$664

### 7. Security Lending.

Funds lend portfolio securities from time to time in order to earn additional income. Lending agents are used, including National Financial Services (NFS), an affiliate of the investment adviser. Pursuant to a securities lending agreement, NFS will receive a fee, which is capped at 9.9% of a fund's daily lending revenue, for its services as lending agent. A fund may lend securities to certain qualified borrowers, including NFS. On the settlement date of the loan, a fund receives collateral (in the form of U.S. Treasury obligations, letters of credit and/or cash) against the loaned securities and maintains collateral in an amount not less than 100% of the market value of the loaned securities during the period of the loan. The market value of the loaned securities is determined at the close of business of a fund and any additional required collateral is delivered to a fund on the next business day. A fund or borrower may terminate the loan at any time, and if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a fund may apply collateral received from the borrower against the obligation. A fund may experience delays and costs in recovering the securities loaned. Any cash collateral received is invested in the Fidelity Securities Lending Cash Central Fund. Any loaned securities are identified as such in the Schedule of Investments, and the value of loaned securities and cash collateral at period end, as applicable, are presented in the Statement of Assets and Liabilities. Security lending income represents the income earned on investing cash collateral, less rebates paid to borrowers and any lending agent fees associated with the loan, plus any premium payments received for lending certain types of securities. Security lending income is presented in the Statement of Operations as a component of income from Fidelity Central Funds. Affiliated security lending activity, if any, was as follows:

	<b>Total Security Lending Fees Paid to NFS</b>	<b>Security Lending Income From Securities Loaned to NFS</b>	<b>Value of Securities Loaned to NFS at Period End</b>
<b>VIP Value Strategies Portfolio</b>	\$2,524	\$-	\$-

### 8. Expense Reductions.

During the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$15,258.

### 9. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>VIP Value Strategies Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$227,773	\$5,685,132
Service Class	61,091	1,349,204
Service Class 2	774,878	17,261,213
Investor Class	<u>565,006</u>	<u>13,626,476</u>
Total	<u>\$1,628,748</u>	<u>\$37,922,025</u>

**Notes to Financial Statements (Unaudited) – continued****10. Share Transactions.**

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

	Shares Six months ended June 30, 2023	Shares Year ended December 31, 2022	Dollars Six months ended June 30, 2023	Dollars Year ended December 31, 2022
<b>VIP Value Strategies Portfolio</b>				
<b>Initial Class</b>				
Shares sold	577,249	1,947,608	\$8,578,263	\$30,529,762
Reinvestment of distributions	14,191	381,010	227,773	5,685,132
Shares redeemed	<u>(996,455)</u>	<u>(3,540,820)</u>	<u>(14,805,723)</u>	<u>(54,388,401)</u>
Net increase (decrease)	<u>(405,015)</u>	<u>(1,212,202)</u>	<u>\$(5,999,687)</u>	<u>\$(18,173,507)</u>
<b>Service Class</b>				
Shares sold	171,802	1,240,779	\$2,582,644	\$19,740,105
Reinvestment of distributions	3,821	90,885	61,091	1,349,204
Shares redeemed	<u>(228,477)</u>	<u>(1,306,794)</u>	<u>(3,393,608)</u>	<u>(20,177,384)</u>
Net increase (decrease)	<u>(52,854)</u>	<u>24,870</u>	<u>\$(749,873)</u>	<u>\$911,925</u>
<b>Service Class 2</b>				
Shares sold	1,428,562	5,294,423	\$21,707,169	\$83,174,293
Reinvestment of distributions	47,714	1,145,778	774,878	17,261,213
Shares redeemed	<u>(2,661,741)</u>	<u>(4,143,289)</u>	<u>(39,657,199)</u>	<u>(63,475,844)</u>
Net increase (decrease)	<u>(1,185,465)</u>	<u>2,296,912</u>	<u>\$(17,175,152)</u>	<u>\$36,959,662</u>
<b>Investor Class</b>				
Shares sold	1,083,963	3,558,568	\$16,653,121	\$56,415,018
Reinvestment of distributions	35,557	922,387	565,006	13,626,476
Shares redeemed	<u>(2,770,851)</u>	<u>(6,349,396)</u>	<u>(39,887,916)</u>	<u>(94,251,650)</u>
Net increase (decrease)	<u>(1,651,331)</u>	<u>(1,868,441)</u>	<u>\$(22,669,789)</u>	<u>\$(24,210,156)</u>

**11. Other.**

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP Value Strategies Portfolio	42%	1	36%

**12. Risk and Uncertainties.**

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.



## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Value Strategies Portfolio				
Initial Class	.63%			
Actual		\$ 1,000	\$ 1,076.10	\$ 3.24
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.67	\$ 3.16
Service Class	.73%			
Actual		\$ 1,000	\$ 1,076.40	\$ 3.76
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.17	\$ 3.66
Service Class 2	.88%			
Actual		\$ 1,000	\$ 1,076.00	\$ 4.53
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,020.43	\$ 4.41
Investor Class	.71%			
Actual		\$ 1,000	\$ 1,076.20	\$ 3.65
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,021.27	\$ 3.56

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.

# Board Approval of Investment Advisory Contracts

## Board Approval of Investment Advisory Contracts

### VIP Value Strategies Portfolio

At its May 2023 meeting, the Board of Trustees, including the Independent Trustees (together, the Board), voted to continue the management contract with Fidelity Management & Research Company LLC (FMR), and the sub-advisory agreements and sub-subadvisory agreements, in each case, where applicable (together, the Advisory Contracts) for the fund for two months from June 1, 2023 through July 31, 2023. The Board determined that it will consider the annual renewal of the fund's Advisory Contracts for a full one year period in July 2023, following its review of additional materials provided by FMR.

The Board considered that the approval of the fund's Advisory Contracts will not result in any changes in (i) the investment process or strategies employed in the management of the fund's assets; (ii) the fees and expenses paid by shareholders; (iii) the nature, extent or quality of services provided under the fund's Advisory Contracts; or (iv) the day-to-day management of the fund or the persons primarily responsible for such management. The Board also considered that since its last approval of the fund's Advisory Contracts, FMR had provided additional information on the fund in support of the annual contract renewal process, including competitive analyses on total expenses and management fees and in-depth reviews of fund performance and fund profitability information. The Board concluded that the fund's Advisory Contracts are fair and reasonable, and that the fund's Advisory Contracts should be renewed, without modification, through July 31, 2023, with the understanding that the Board will consider the annual renewal for a full one year period in July 2023.

In connection with its consideration of future renewals of the fund's Advisory Contracts, the Board will consider: (i) the nature, extent and quality of services provided to the fund, including shareholder and administrative services and investment performance; (ii) the competitiveness of the management fee and total expenses for the fund; (iii) the costs of the services and profitability, including the revenues earned and the expenses incurred in conducting the business of developing, marketing, distributing, managing, administering, and servicing the fund and its shareholders, to the extent applicable; and (iv) whether there have been economies of scale in respect of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is the potential for realization of any further economies.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board ultimately concluded that the fund's management fee structure is fair and reasonable, and that the continuation of the fund's Advisory Contracts should be approved for two months from June 1, 2023 through July 31, 2023.

## Liquidity Risk Management Program

The Securities and Exchange Commission adopted Rule 22e-4 under the Investment Company Act of 1940 (the Liquidity Rule) to promote effective liquidity risk management throughout the open-end investment company industry, thereby reducing the risk that funds will be unable to meet their redemption obligations and mitigating dilution of the interests of fund shareholders.

The Fund has adopted and implemented a liquidity risk management program (the Program) reasonably designed to assess and manage the Fund's liquidity risk and to comply with the requirements of the Liquidity Rule. The Fund's Board of Trustees (the Board) has designated the Fund's investment adviser as administrator of the Program. The Fidelity advisers have established a Liquidity Risk Management Committee (the LRM Committee) to manage the Program for each of the Fidelity Funds. The LRM Committee monitors the adequacy and effectiveness of implementation of the Program and on a periodic basis assesses each Fund's liquidity risk based on a variety of factors including (1) the Fund's investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, (4) borrowings and other funding sources and (5) certain factors specific to ETFs including the effect of the Fund's prices and spreads, market participants, and basket compositions on the overall liquidity of the Fund's portfolio, as applicable.

In accordance with the Program, each of the Fund's portfolio investments is classified into one of four defined liquidity categories based on a determination of a reasonable expectation for how long it would take to convert the investment to cash (or sell or dispose of the investment) without significantly changing its market value.

- Highly liquid investments – cash or convertible to cash within three business days or less
- Moderately liquid investments – convertible to cash in three to seven calendar days
- Less liquid investments – can be sold or disposed of, but not settled, within seven calendar days
- Illiquid investments – cannot be sold or disposed of within seven calendar days

Liquidity classification determinations take into account a variety of factors including various market, trading and investment-specific considerations, as well as market depth, and generally utilize analysis from a third-party liquidity metrics service.

The Liquidity Rule places a 15% limit on a fund's illiquid investments and requires funds that do not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund's net assets to be invested in highly liquid investments (highly liquid investment minimum or HLLIM). The Program includes provisions reasonably designed to comply with the 15% limit on illiquid investments and for determining, periodically reviewing and complying with the HLLIM requirement as applicable.

At a recent meeting of the Fund's Board of Trustees, the LRM Committee provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of the Program for the period December 1, 2021 through November 30, 2022. The report concluded that the Program is operating effectively and is reasonably designed to assess and manage the Fund's liquidity risk.

# Notes



# **Fidelity® Variable Insurance Products:**

## **VIP Government Money Market Portfolio**

**Semi-Annual Report**  
**June 30, 2023**



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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-PORT. Forms N-PORT are available on the SEC's web site at <http://www.sec.gov>. A fund's Forms N-PORT 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.institutional.fidelity.com>, or <http://www.401k.com>, as applicable.*

**NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE**

*Neither the Fund nor Fidelity Distributors Corporation is a bank.*

# Investment Summary/Performance June 30, 2023 (Unaudited)

## Current 7-Day Yields

Initial Class	4.87%
Service Class	4.77%
Service Class 2	4.62%
Investor Class	4.85%

*Yield refers to the income paid by the Fund over a given period. Yield for money market funds is usually for seven-day periods, as it is here, though it is expressed as an annual percentage rate. Past performance is no guarantee of future results. Yield will vary and it's possible to lose money investing in the Fund.*

## Effective Maturity Diversification (% of Fund's Investments)

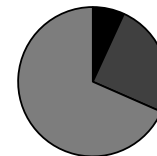
### Days

1 - 7	88.0
8 - 30	2.6
31 - 60	0.2
61 - 90	2.1
91 - 180	3.0
> 180	4.1

*Effective maturity is determined in accordance with the requirements of Rule 2a-7 under the Investment Company Act of 1940.*

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

■	U.S. Treasury Debt - 6.9
■	U.S. Government Agency Debt - 24.9
■	Repurchase Agreements - 68.9



Net Other Assets (Liabilities) - (0.7)%



# Schedule of Investments June 30, 2023 (Unaudited)

Showing Percentage of Net Assets

## U.S. Treasury Debt – 6.9%

	Yield (%) <sup>(a)</sup>	Principal Amount (b)	Value (\$)
<b>U.S. Treasury Inflation Protected Obligations - 1.2%</b>			
U.S. Treasury Notes			
7/15/23	5.48 to 5.53	83,427,840	<u>83,411,968</u>
<b>U.S. Treasury Obligations - 5.7%</b>			
U.S. Treasury Bills			
7/11/23 to 12/28/23	5.19 to 5.48	212,200,000	208,856,607
U.S. Treasury Notes			
8/31/23 to 10/31/24 (c)	5.17 to 5.39	182,000,000	<u>181,859,649</u>
TOTAL U.S. TREASURY OBLIGATIONS			<u>390,716,256</u>
<b>TOTAL U.S. TREASURY DEBT</b>			<b>474,128,224</b>
(Cost \$474,128,224)			

## U.S. Government Agency Debt – 24.9%

	Yield (%) <sup>(a)</sup>	Principal Amount (b)	Value (\$)
<b>Federal Agencies - 24.9%</b>			
Federal Farm Credit Bank			
10/3/24 (c) (d) (e)	0.00	2,000,000	2,000,000
7/26/23 to 5/15/25 (c) (e)	5.11 to 5.26	143,000,000	142,986,843
Federal Home Loan Bank			
7/3/23 to 5/19/25 (c)	4.86 to 5.33	1,525,750,000	1,525,049,831
Federal Home Loan Bank			
8/10/23	5.19	3,000,000	2,993,096
Freddie Mac			
6/12/24	5.35	30,000,000	<u>30,000,000</u>
<b>TOTAL U.S. GOVERNMENT AGENCY DEBT</b>			<b>1,703,029,770</b>
(Cost \$1,703,029,770)			

## U.S. Government Agency Repurchase Agreement – 14.6%

	Maturity Amount (\$)	Value (\$)
In a joint trading account at 5.06% dated 6/30/23 due 7/3/23 (Collateralized by U.S. Government Obligations) #	389,286,234	389,122,000
With:		
ABN AMRO Bank NV at 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Government Obligations valued at \$14,286,022, 3.00% - 6.00%, 4/1/45 - 2/1/56)	14,005,903	14,000,000
BMO Harris Bank NA at 5.07%, dated:		
6/15/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$8,180,686, 3.00% - 3.50%, 1/20/48 - 12/20/49)	8,031,547	8,000,000
6/16/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$4,089,759, 3.50% - 4.50%, 1/20/48 - 10/20/49)	4,021,386	4,000,000
6/26/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$2,042,011, 3.50%, 1/20/48)	2,005,915	2,000,000

## U.S. Government Agency Repurchase Agreement – continued

	Maturity Amount (\$)	Value (\$)
With: – continued		
6/27/23 due 7/5/23 (Collateralized by U.S. Government Obligations valued at \$2,041,724, 3.50%, 1/20/48)	2,002,253	2,000,000
BNP Paribas, SA at:		
5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$133,235,491, 0.00% - 7.00%, 12/21/23 - 7/1/53)	130,768,950	130,000,000
5.09%, dated 6/20/23 due 7/27/23 (Collateralized by U.S. Treasury Obligations valued at \$5,120,282, 0.00% - 5.45%, 6/13/24 - 7/1/52)	5,026,157	5,000,000
BNY Mellon Capital Markets Corp. at 5.1%, dated 6/15/23 due 7/27/23 (Collateralized by U.S. Treasury Obligations valued at \$14,316,490, 0.00% - 0.38%, 7/27/23 - 7/31/27)	14,083,300	14,000,000
BofA Securities, Inc. at 5.08%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$28,632,551, 0.25%, 8/31/25)	28,165,947	28,000,000
CIBC Bank U.S.A. at:		
5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$22,496,886, 2.00% - 6.50%, 7/1/34 - 5/1/53)	22,130,130	22,000,000
5.11%, dated 6/15/23 due 7/27/23 (Collateralized by U.S. Government Obligations valued at \$1,048,764, 0.00% - 7.00%, 10/15/23 - 8/25/55)	1,005,962	1,000,000
Citibank NA at 5.07%, dated 6/29/23 due 7/6/23 (Collateralized by U.S. Treasury Obligations valued at \$12,246,897, 0.50% - 4.00%, 4/30/24 - 2/15/42)	12,011,830	12,000,000
Citigroup Global Capital Markets, Inc. at 5.07%, dated:		
6/15/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$12,271,070, 1.25% - 7.00%, 9/30/28 - 12/20/52)	12,070,980	12,000,000
6/29/23 due 7/6/23 (Collateralized by U.S. Government Obligations valued at \$14,288,102, 1.25% - 5.50%, 9/30/28 - 10/20/52)	14,013,802	14,000,000
Goldman Sachs & Co. at:		
5.06%, dated 6/27/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$23,479,786, 3.00% - 5.50%, 6/15/34 - 11/15/42)	23,019,397	23,000,000
5.07%, dated:		
6/28/23 due 7/5/23 (Collateralized by U.S. Government Obligations valued at \$47,973,759, 1.13% - 4.50%, 8/31/28 - 4/1/38)	47,046,334	47,000,000
6/29/23 due 7/6/23 (Collateralized by U.S. Government Obligations valued at \$23,473,216, 2.50% - 5.50%, 12/15/24 - 2/1/53)	23,022,674	23,000,000
6/30/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$67,348,472, 1.13% - 4.00%, 2/29/28 - 8/15/40)	66,065,065	66,000,000
ING Financial Markets LLC at:		

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

## Schedule of Investments (Unaudited) - Continued

**U.S. Government Agency Repurchase Agreement - continued**

	Maturity Amount (\$)	Value (\$)
With: - continued		
5.08%, dated 6/16/23 due 7/13/23 (Collateralized by U.S. Government Obligations valued at \$6,134,681, 3.50%, 1/20/52)	6,022,860	6,000,000
5.09%, dated 6/15/23 due 7/27/23 (Collateralized by U.S. Government Obligations valued at \$2,045,192, 4.00%, 3/20/49)	2,011,877	2,000,000
Mitsubishi UFJ Securities (U.S.A.), Inc. at 5.1%, dated 6/15/23 due 8/30/23 (Collateralized by U.S. Government Obligations valued at \$32,723,233, 3.00% - 5.00%, 5/1/29 - 1/1/53)	32,344,533	32,000,000
RBC Dominion Securities at 5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Government Obligations valued at \$38,858,310, 0.50% - 6.50%, 2/28/26 - 5/1/53)	38,224,770	38,000,000
RBC Financial Group at:		
5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$72,866,887, 0.25% - 7.00%, 4/30/24 - 6/20/53)	71,419,965	71,000,000
5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$12,338,254, 0.50% - 6.50%, 5/15/24 - 6/1/53)	12,070,980	12,000,000
TD Securities (U.S.A.) at 5.07%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Government Obligations valued at \$17,347,327, 2.50% - 6.50%, 6/1/46 - 6/1/53)	17,007,183	17,000,000
<b>TOTAL U.S. GOVERNMENT AGENCY REPURCHASE AGREEMENT</b> (Cost \$994,122,000)		<b>994,122,000</b>

**U.S. Treasury Repurchase Agreement - 54.3%**

	Maturity Amount (\$)	Value (\$)
With:		
ABN AMRO Bank NV at 5.05%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$15,050,042, 0.50% - 2.88%, 1/31/24 - 5/15/28)	15,006,313	15,000,000
Barclays Bank PLC at:		
5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$28,572,051, 1.13% - 2.75%, 10/31/26 - 2/15/28)	28,011,807	28,000,000
5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$4,090,377, 1.13%, 10/31/26)	4,023,660	4,000,000
BMO Harris Bank NA at:		
5.07%, dated 6/29/23 due 7/6/23 (Collateralized by U.S. Treasury Obligations valued at \$11,249,536, 1.38% - 4.75%, 2/15/37 - 8/15/51)	11,010,844	11,000,000
5.11%, dated 5/25/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$9,224,015, 2.88% - 3.13%, 11/30/23 - 8/15/28) (c) (e) (f)	9,117,530	9,000,000

**U.S. Treasury Repurchase Agreement - continued**

	Maturity Amount (\$)	Value (\$)
With: - continued		
BNP Paribas, SA at 5.13%, dated:		
6/1/23 due 9/1/23 (Collateralized by U.S. Treasury Obligations valued at \$18,443,691, 0.00% - 5.23%, 7/27/23 - 5/15/52) (c) (e) (f)	18,235,980	18,000,000
6/5/23 due 9/5/23 (Collateralized by U.S. Treasury Obligations valued at \$18,433,231, 0.00% - 6.75%, 7/5/23 - 8/15/52) (c) (e) (f)	18,235,980	18,000,000
6/15/23 due 9/13/23 (Collateralized by U.S. Treasury Obligations valued at \$17,384,473, 0.00% - 6.13%, 12/21/23 - 11/15/51) (c) (e) (f)	17,218,025	17,000,000
CIBC Bank U.S.A. at 5.06%:		
dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$7,158,184, 0.63% - 4.00%, 2/29/24 - 8/15/50)	7,031,484	7,000,000
dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$10,225,840, 2.88% - 4.25%, 12/31/24 - 4/30/29)	10,059,033	10,000,000
Credit AG at 5.06%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$18,406,487, 1.25%, 3/31/28)	18,106,260	18,000,000
Federal Reserve Bank of New York at 5.05%, dated 6/30/23 due 7/3/23 (g)	3,095,302,058	3,094,000,000
Fixed Income Clearing Corp. - BNP at 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$7,143,069, 3.88% - 5.42%, 7/31/23 - 2/15/43)	7,002,952	7,000,000
Fixed Income Clearing Corp. - BNYM at 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$167,280,024, 4.25%, 5/15/39)	164,069,153	164,000,000
Fixed Income Clearing Corp. - SSB at 5.06%:		
dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$35,708,802, 2.88%, 8/15/28)	35,014,758	35,000,000
dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$58,155,538, 1.75%, 11/15/29)	57,024,035	57,000,000
Fixed Income Clearing Corp. - Morgan Stanley & Co LLC at 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$7,144,479, 4.63%, 6/30/25)	7,002,952	7,000,000
ING Financial Markets LLC at:		
5.06%, dated 6/30/23 due:		
7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$4,090,329, 2.88%, 5/31/25)	4,001,687	4,000,000
7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$1,020,556, 1.88% - 4.00%, 2/15/42 - 2/15/51)	1,000,984	1,000,000
5.08%, dated 6/15/23 due 7/27/23 (Collateralized by U.S. Treasury Obligations valued at \$4,092,912, 1.88% - 2.88%, 2/15/42 - 5/15/52)	4,023,707	4,000,000
Lloyds Bank PLC at:		
5.12%, dated:		

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

**U.S. Treasury Repurchase Agreement – continued**

	Maturity Amount (\$)	Value (\$)
With: – continued		
6/20/23 due 7/20/23 (Collateralized by U.S. Treasury Obligations valued at \$3,062,899, 2.50% - 2.88%, 1/31/25 - 6/15/25)	3,012,800	3,000,000
6/30/23 due 7/28/23 (Collateralized by U.S. Treasury Obligations valued at \$4,078,605, 2.50%, 1/31/25)	4,015,929	4,000,000
5.13%, dated 6/22/23 due 7/24/23 (Collateralized by U.S. Treasury Obligations valued at \$4,082,722, 0.75% - 2.50%, 11/15/24 - 1/31/25)	4,018,240	4,000,000
5.14%, dated 6/28/23 due 7/28/23 (Collateralized by U.S. Treasury Obligations valued at \$2,039,466, 2.25% - 2.50%, 1/31/25 - 8/15/27)	2,008,567	2,000,000
5.33%, dated 6/30/23 due 9/29/23 (Collateralized by U.S. Treasury Obligations valued at \$3,058,807, 2.50% - 2.88%, 1/31/25 - 6/15/25)	3,040,419	3,000,000
Mitsubishi UFJ Securities (U.S.A.), Inc. at 5.08%, dated 6/15/23 due 8/30/23 (Collateralized by U.S. Treasury Obligations valued at \$9,293,551, 2.50% - 3.00%, 2/15/45 - 5/15/45)	9,096,520	9,000,000
Mizuho Bank, Ltd. at 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$14,352,968, 3.50%, 4/30/28)	14,005,903	14,000,000
MUFG Securities (Canada), Ltd. at: 5.07%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$4,090,605, 0.25% - 5.29%, 3/31/24 - 8/15/52)	4,023,660	4,000,000
5.08%, dated: 6/28/23 due 8/30/23 (Collateralized by U.S. Treasury Obligations valued at \$2,041,477, 2.25% - 3.88%, 11/15/24 - 2/15/43)	2,017,780	2,000,000
6/29/23 due 8/30/23 (Collateralized by U.S. Treasury Obligations valued at \$2,041,235, 1.50%, 9/30/24)	2,017,498	2,000,000
MUFG Securities EMEA PLC at 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$28,563,913, 0.00% - 4.25%, 10/12/23 - 6/30/30)	28,011,807	28,000,000
Natixis SA at: 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$7,194,049, 1.13% - 4.75%, 3/15/26 - 5/15/53)	7,002,952	7,000,000
5.09%, dated 6/15/23 due 7/27/23 (Collateralized by U.S. Treasury Obligations valued at \$26,591,018, 0.38% - 4.38%, 3/31/24 - 5/15/53)	26,154,397	26,000,000
NatWest Markets Securities, Inc. at: 5.06%, dated 6/30/23 due 7/3/23 (Collateralized by U.S. Treasury Obligations valued at \$3,061,336, 4.13%, 6/15/26)	3,001,265	3,000,000
5.07%, dated 6/29/23 due 7/6/23 (Collateralized by U.S. Treasury Obligations valued at \$17,349,854, 4.13%, 6/15/26)	17,016,759	17,000,000

**U.S. Treasury Repurchase Agreement – continued**

	Maturity Amount (\$)	Value (\$)
With: – continued		
RBC Dominion Securities at 5.06%, dated 6/15/23 due 7/7/23 (Collateralized by U.S. Treasury Obligations valued at \$5,112,977, 0.50% - 4.25%, 9/30/24 - 11/15/51)	5,029,517	5,000,000
Royal Bank of Canada at 5.06%, dated 6/30/23 due 7/5/23 (Collateralized by U.S. Treasury Obligations valued at \$4,081,745, 1.50%, 8/15/26)	4,002,811	4,000,000
Societe Generale at 5.07%, dated: 6/28/23 due 7/5/23 (Collateralized by U.S. Treasury Obligations valued at \$23,476,557, 0.88% - 3.00%, 3/31/28 - 11/15/44)	23,022,674	23,000,000
6/29/23 due 7/6/23 (Collateralized by U.S. Treasury Obligations valued at \$21,432,075, 1.13% - 4.00%, 11/15/26 - 5/15/48)	21,020,703	21,000,000
<b>TOTAL U.S. TREASURY REPURCHASE AGREEMENT</b> (Cost \$3,709,000,000)		<b><u>3,709,000,000</u></b>
<b>TOTAL INVESTMENT IN SECURITIES – 100.7%</b> (Cost \$6,880,279,994)		<b><u>6,880,279,994</u></b>
<b>NET OTHER ASSETS (LIABILITIES) – (0.7)%</b>		<b><u>(49,764,776)</u></b>
<b>NET ASSETS – 100.0%</b>		<b><u>6,830,515,218</u></b>

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

## Schedule of Investments (Unaudited) - Continued

The date shown for securities represents the date when principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets.

### Legend

- (a) Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating and adjustable rate securities, the rate at period end.
- (b) Amount is stated in United States dollars unless otherwise noted.
- (c) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.

- (d) Security or a portion of the security purchased on a delayed delivery or when-issued basis.
- (e) Coupon is indexed to a floating interest rate which may be multiplied by a specified factor and/or subject to caps or floors.
- (f) The maturity amount is based on the rate at period end.
- (g) Represents a forward settling transaction and therefore no collateral securities had been allocated as of period end. The agreement contemplated the delivery of U.S. Treasury Obligations as collateral on settlement date.

### Investment Valuation

All investments are categorized as Level 2 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 these securities. For more information on valuation inputs, refer to the Investment Valuation section in the accompanying Notes to Financial Statements.

### Other Information

# Additional information on each counterparty to the repurchase agreement is as follows:

Repurchase Agreement / Counterparty	Value (\$)
<b>\$389,122,000 due 7/03/23 at 5.06%</b>	
BNY Mellon Capital Markets LLC	9,913,000
Bank of America, N.A.	28,249,000
BofA Securities, Inc.	20,112,000
Citigroup Global Markets, Inc.	19,617,000
Credit Agricole CIB New York Branch	1,947,000
HSBC Securities (USA), Inc.	3,531,000
ING Financial Markets LLC	1,414,000
JP Morgan Securities LLC	8,604,000
Mitsubishi UFJ Securities Holdings Ltd	14,124,000
Mizuho Securities USA, Inc.	7,847,000
Nomura Securities International	51,004,000
RBC Dominion Securities, Inc.	27,425,000
Sumitomo Mitsui Banking Corp.	112,154,000
Sumitomo Mitsui Banking Corp. NY	36,166,000
Wells Fargo Securities LLC	47,015,000
	389,122,000
	389,122,000

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

# Financial Statements (Unaudited)

## Statement of Assets and Liabilities

June 30, 2023  
(Unaudited)

### Assets

Investment in securities, at value (including repurchase agreements of \$4,703,122,000) — See accompanying schedule		
Unaffiliated issuers (cost \$6,880,279,994):	\$	6,880,279,994
Cash		16,000,712
Receivable for investments sold		598,266
Receivable for fund shares sold		23,255,776
Interest receivable		17,424,866
<b>Total assets</b>		<u>6,937,559,614</u>

### Liabilities

Payable for investments purchased		
Regular delivery	\$	79,713,932
Delayed delivery		2,000,000
Payable for fund shares redeemed		23,404,206
Accrued management fee		1,184,342
Distribution and service plan fees payable		215,656
Other affiliated payables		490,535
Other payables and accrued expenses		35,725
<b>Total Liabilities</b>		<u>107,044,396</u>

<b>Net Assets</b>	\$	<u>6,830,515,218</u>
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Net Assets consist of:

Paid in capital	\$	6,830,215,004
Total accumulated earnings (loss)		300,214

<b>Net Assets</b>	\$	<u>6,830,515,218</u>
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### Net Asset Value and Maximum Offering Price

#### Initial Class :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$1,851,867,674 \div 1,851,991,443$ shares)	\$	<u>1.00</u>
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#### Service Class :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$1,928,416,367 \div 1,928,473,438$ shares)	\$	<u>1.00</u>
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#### Service Class 2 :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$257,509,361 \div 257,496,208$ shares)	\$	<u>1.00</u>
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#### Investor Class :

<b>Net Asset Value</b> , offering price and redemption price per share ( $\$2,792,721,816 \div 2,792,065,115$ shares)	\$	<u>1.00</u>
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See accompanying notes which are an integral part of the financial statements.

## Statement of Operations

	Six months ended June 30, 2023 (Unaudited)	
<b>Investment Income</b>		
Interest	\$	159,453,326
<b>Expenses</b>		
Management fee	\$	6,754,656
Transfer agent fees		2,586,003
Distribution and service plan fees		1,244,721
Accounting fees and expenses		279,441
Custodian fees and expenses		21,935
Independent trustees' fees and expenses		11,439
Registration fees		55,098
Audit		25,149
Legal		10,294
Miscellaneous		10,320
Total expenses before reductions		10,999,056
Expense reductions		(87,831)
Total expenses after reductions		10,911,225
<b>Net Investment income (loss)</b>		148,542,101
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment Securities:		
Unaffiliated issuers	(29,356)	
Total net realized gain (loss)		(29,356)
<b>Net increase in net assets resulting from operations</b>	\$	148,512,745

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

## Statement of Changes in Net Assets

	Six months ended June 30, 2023 (Unaudited)	Year ended December 31, 2022
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income (loss)	\$ 148,542,101	\$ 89,059,612
Net realized gain (loss)	(29,356)	15,635
<b>Net increase in net assets resulting from operations</b>	<u>148,512,745</u>	<u>89,075,247</u>
Distributions to shareholders	(148,488,537)	(89,092,946)
Share transactions - net increase (decrease)	(6,332,023)	1,738,898,144
<b>Total increase (decrease) in net assets</b>	(6,307,815)	1,738,880,445
<b>Net Assets</b>		
Beginning of period	6,836,823,033	5,097,942,588
End of period	<u>\$ 6,830,515,218</u>	<u>\$ 6,836,823,033</u>

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

# Financial Highlights

## VIP Government Money Market Portfolio Initial Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.023	.014	-. <sup>B</sup>	.003	.020	.016
Net realized and unrealized gain (loss) <sup>B</sup>	-	-	-	-	-	-
Total from investment operations	.023	.014	-. <sup>B</sup>	.003	.020	.016
Distributions from net investment income	(.023)	(.014)	-. <sup>B</sup>	(.003)	(.020)	(.016)
Total distributions	(.023)	(.014)	-. <sup>B</sup>	(.003)	(.020)	(.016)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Total Return</b> <sup>C,D,E</sup>	2.28%	1.44%	.01%	.32%	2.02%	1.65%
<b>Ratios to Average Net Assets</b> <sup>A,F,G</sup>						
Expenses before reductions	.29% <sup>H</sup>	.24%	.23%	.24%	.26%	.26%
Expenses net of fee waivers, if any	.28% <sup>H</sup>	.22%	.08%	.20%	.26%	.26%
Expenses net of all reductions	.28% <sup>H</sup>	.22%	.08%	.20%	.26%	.26%
Net investment income (loss)	4.54% <sup>H</sup>	1.52%	.01%	.29%	1.99%	1.65%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,851,868	\$ 2,210,498	\$ 1,477,559	\$ 2,255,440	\$ 2,182,100	\$ 2,166,787

<sup>A</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>B</sup> Amount represents less than \$.0005 per share.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

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



## VIP Government Money Market Portfolio Service Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.022	.013	-. <sup>B</sup>	.003	.019	.015
Net realized and unrealized gain (loss)	-. <sup>B</sup>	.001	-. <sup>B</sup>	-. <sup>B</sup>	-. <sup>B</sup>	-. <sup>B</sup>
Total from investment operations	.022	.014	-. <sup>B</sup>	.003	.019	.015
Distributions from net investment income	(.022)	(.014)	-. <sup>B</sup>	(.003)	(.019)	(.015)
Total distributions	(.022)	(.014)	-. <sup>B</sup>	(.003)	(.019)	(.015)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Total Return</b> <sup>C,D,E</sup>	2.23%	1.36%	.01%	.28%	1.92%	1.55%
<b>Ratios to Average Net Assets</b> <sup>A,F,G</sup>						
Expenses before reductions	.39% <sup>H</sup>	.34%	.33%	.34%	.36%	.36%
Expenses net of fee waivers, if any	.38% <sup>H</sup>	.30%	.08%	.23%	.36%	.36%
Expenses net of all reductions	.38% <sup>H</sup>	.29%	.08%	.23%	.36%	.36%
Net investment income (loss)	4.44% <sup>H</sup>	1.44%	.01%	.26%	1.89%	1.55%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 1,928,416	\$ 1,796,084	\$ 1,447,279	\$ 1,641,207	\$ 1,179,143	\$ 1,191,142

<sup>A</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>B</sup> Amount represents less than \$.0005 per share.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

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

## Financial Highlights - Continued

## VIP Government Money Market Portfolio Service Class 2

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.021	.013	-. <sup>B</sup>	.002	.017	.014
Net realized and unrealized gain (loss) <sup>B</sup>	-	-	-	-	-	-
Total from investment operations	.021	.013	-. <sup>B</sup>	.002	.017	.014
Distributions from net investment income	(.021)	(.013)	-. <sup>B</sup>	(.002)	(.017)	(.014)
Total distributions	(.021)	(.013)	-. <sup>B</sup>	(.002)	(.017)	(.014)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Total Return</b> <sup>C,D,E</sup>	2.15%	1.26%	.01%	.24%	1.76%	1.40%
<b>Ratios to Average Net Assets</b> <sup>A,F,G</sup>						
Expenses before reductions	.54% <sup>H</sup>	.49%	.48%	.49%	.51%	.51%
Expenses net of fee waivers, if any	.53% <sup>H</sup>	.40%	.08%	.28%	.51%	.51%
Expenses net of all reductions	.53% <sup>H</sup>	.40%	.08%	.28%	.51%	.51%
Net investment income (loss)	4.28% <sup>H</sup>	1.34%	.01%	.21%	1.74%	1.40%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 257,509	\$ 238,428	\$ 203,035	\$ 221,428	\$ 220,990	\$ 220,358

<sup>A</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>B</sup> Amount represents less than \$.0005 per share.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

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

## VIP Government Money Market Portfolio Investor Class

	Six months ended (Unaudited) June 30, 2023	Years ended December 31, 2022	2021	2020	2019	2018
<b>Selected Per-Share Data</b>						
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Income from Investment Operations						
Net investment income (loss) <sup>A</sup>	.022	.014	-. <sup>B</sup>	.003	.020	.016
Net realized and unrealized gain (loss) <sup>B</sup>	-	-	-	-	-	-
Total from investment operations	.022	.014	-. <sup>B</sup>	.003	.020	.016
Distributions from net investment income	(.022)	(.014)	-. <sup>B</sup>	(.003)	(.020)	(.016)
Total distributions	(.022)	(.014)	-. <sup>B</sup>	(.003)	(.020)	(.016)
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Total Return</b> <sup>C,D,E</sup>	2.27%	1.42%	.01%	.31%	1.99%	1.63%
<b>Ratios to Average Net Assets</b> <sup>A,F,G</sup>						
Expenses before reductions	.31% <sup>H</sup>	.27%	.25%	.26%	.28%	.28%
Expenses net of fee waivers, if any	.31% <sup>H</sup>	.24%	.08%	.21%	.28%	.28%
Expenses net of all reductions	.31% <sup>H</sup>	.24%	.08%	.21%	.28%	.28%
Net investment income (loss)	4.51% <sup>H</sup>	1.50%	.01%	.28%	1.97%	1.62%
<b>Supplemental Data</b>						
Net assets, end of period (000 omitted)	\$ 2,792,722	\$ 2,591,813	\$ 1,970,069	\$ 2,094,839	\$ 1,939,981	\$ 1,764,836

<sup>A</sup> Net investment income (loss) is affected by the timing of the declaration of dividends by any underlying mutual funds or exchange-traded funds (ETFs). Net investment income (loss) of any mutual funds or ETFs is not included in the Fund's net investment income (loss) ratio.

<sup>B</sup> Amount represents less than \$.0005 per share.

<sup>C</sup> Total returns for periods of less than one year are not annualized.

<sup>D</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>E</sup> Total returns would have been lower if certain expenses had not been reduced during the applicable periods shown.

<sup>F</sup> Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Fund's expense ratio. The Fund indirectly bears its proportionate share of these expenses.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed, waived, or reduced through arrangements with the investment adviser, brokerage services, or other offset arrangements, if applicable, and do not represent the amount paid by the class during periods when reimbursements, waivers or reductions occur.

<sup>H</sup> Annualized.

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

# Notes to Financial Statements (Unaudited)

For the period ended June 30, 2023

## 1. Organization.

VIP Government Money Market Portfolio (the Fund) is a fund of Variable Insurance Products Fund V (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 and Investor Class shares. All classes have equal rights and voting privileges, except for matters affecting a single class.

## 2. Significant Accounting Policies.

The Fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. 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 Fund's Schedule of Investments lists any underlying mutual funds or exchange-traded funds (ETFs) but does not include the underlying holdings of these funds. The following summarizes the significant accounting policies of the Fund:

**Investment Valuation.** 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 - unadjusted 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)

As permitted by compliance with certain conditions under Rule 2a-7 of the 1940 Act, securities are valued at amortized cost, which approximates fair value. The amortized cost of an instrument is determined by valuing it at its original cost and thereafter amortizing any discount or premium from its face value at a constant rate until maturity. Securities held by a money market fund are generally high quality and liquid; however, they are reflected as Level 2 because the inputs used to determine fair value are not quoted prices in an active market.

**Investment Transactions and Income.** Gains and losses on securities sold are determined on the basis of identified cost. Interest income is accrued as earned and includes coupon interest and amortization of premium and accretion of discount on debt securities as applicable. The principal amount on inflation-indexed securities is periodically adjusted to the rate of inflation and interest is accrued based on the principal amount. The adjustments to principal due to inflation are reflected as increases or decreases to Interest in the accompanying Statement of Operations.

**Class Allocations and Expenses.** Investment income, realized and unrealized capital gains and losses, common expenses of a fund, and certain fund-level expense reductions, if any, are allocated daily on a pro-rata basis to each class based on the relative net assets of each class to the total net assets of a fund. Each class differs with respect to transfer agent and distribution and service plan fees incurred, as applicable. Certain expense reductions may also differ by class, if applicable. For the reporting period, the allocated portion of income and expenses to each class as a percent of its average net assets may vary due to the timing of recording these transactions in relation to fluctuating net assets of the classes. 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 that fund and do not include any expenses associated with any underlying mutual funds or exchange-traded funds (ETFs). Although not included in a fund's expenses, a fund indirectly bears its proportionate share of these expenses through the net asset value of each underlying mutual fund or exchange-traded fund (ETF). 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 under Subchapter M of the Internal Revenue Code, including distributing substantially all of its taxable income and realized gains. As a result, no provision for U.S. Federal income taxes is required. The Fund files a U.S. federal tax return, in addition to state and local tax returns as required. The Fund's federal income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three fiscal years after they are filed. State and local tax returns may be subject to examination for an additional fiscal year depending on the jurisdiction.

Distributions are declared and recorded daily and paid monthly from net investment income. Distributions from realized gains, if any, are declared and recorded on the ex-dividend date. Income 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. Capital accounts are not adjusted for temporary book-tax differences which will reverse in a subsequent period.

Book-tax differences are primarily due to capital loss carryforwards and losses deferred due to wash sales.

As of period end, the cost and unrealized appreciation (depreciation) in securities for federal income tax purposes were as follows:

Gross unrealized appreciation	\$-
Gross unrealized depreciation	-
Net unrealized appreciation (depreciation)	\$-
Tax cost	<u>\$6,880,279,991</u>

**Repurchase Agreements.** Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, funds and other registered investment companies having management contracts with Fidelity Management and Research Company LLC, or its affiliates are permitted to transfer uninvested cash balances into joint trading accounts which are then invested in repurchase agreements. Funds may also invest directly with institutions in repurchase agreements. Repurchase agreements may be collateralized by cash or government securities. Upon settlement date, collateral is held in segregated accounts with custodian banks and may be obtained in the event of a default of the counterparty. The collateral balance is monitored on a daily basis to ensure it is at least equal to the principal amount of the repurchase agreement (including accrued interest). In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the value of the collateral may decline.

**Delayed Delivery Transactions and When-Issued Securities.** During the period, certain Funds transacted in securities on a delayed delivery or when-issued basis. Payment and delivery may take place after the customary settlement period for that security. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. Securities purchased on a delayed delivery or when-issued basis are identified as such in the Schedule of Investments. Compensation for interest forgone in the purchase of a delayed delivery or when-issued debt security may be received. With respect to purchase commitments, each applicable Fund identifies securities as segregated in its records with a value at least equal to the amount of the commitment. Payables and receivables associated with the purchases and sales of delayed delivery securities having the same coupon, settlement date and broker are offset. Delayed delivery or when-issued securities that have been purchased from and sold to different brokers are reflected as both payables and receivables in the Statement of Assets and Liabilities under the caption "Delayed delivery", as applicable. Losses may arise due to changes in the value of the underlying securities or if the counterparty does not perform under the contract's terms, or if the issuer does not issue the securities due to political, economic, or other factors.

### 3. Fees and Other Transactions with Affiliates.

**Management Fee.** Fidelity Management & Research Company LLC (the investment adviser) and its affiliates provide the Fund with investment management related services for which the Fund pays a monthly management fee. The management fee is calculated on the basis of a group fee rate plus a total income-based component. The annualized group fee rate averaged .10% during the period. The group fee rate is based upon the monthly average net assets of a group of registered investment companies with which the investment adviser has management contracts. The group fee rate decreases as assets under management increase and increases as assets under management decrease. The total income-based component is comprised of an income-based fee and an asset-based fee, and is calculated according to a graduated schedule providing for different rates based on the Fund's gross annualized yield. The rate increases as the Fund's gross yield increases.

During the period the income-based portion of this fee was \$3,537,632 or an annualized rate of .11% of the Fund's average net assets. For the reporting period, the Fund's total annualized management fee rate was .20% of the Fund's average net assets.

**Distribution and Service Plan Fees.** 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 Company LLC (FDC), an affiliate of the investment adviser, 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.

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

Service Class	\$925,647
Service Class 2	<u>319,074</u>
	<u>\$1,244,721</u>

**Transfer Agent Fees.** Fidelity Investments Institutional Operations Company LLC (FIOOC), an affiliate of the investment adviser, is the Fund's transfer, dividend disbursing, and shareholder servicing agent. FIOOC receives an asset-based fee with respect to each class. Each class pays a fee for transfer agent services, typesetting and printing and mailing of shareholder reports, excluding mailing of proxy statements. For the period, transfer agent fees for each class were as follows:

	Amount	% of Class-Level Average Net Assets <sup>A</sup>
Initial Class	\$643,692	.07
Service Class	629,440	.07
Service Class 2	86,788	.07
Investor Class	<u>1,226,083</u>	.09
	<u>\$2,586,003</u>	

**Notes to Financial Statements (Unaudited) – continued**<sup>A</sup> Annualized

**Accounting Fees.** Fidelity Service Company, Inc. (FSC), an affiliate of the investment adviser, maintains the Fund's accounting records. The accounting fee is based on the level of average net assets for each month. For the period, the fees were equivalent to the following annualized rates:

	<b>% of Average Net Assets</b>
<b>VIP Government Money Market Portfolio</b>	.01

**Interfund Trades.** Funds may purchase from or sell securities to other Fidelity Funds under procedures adopted by the Board. The procedures have been designed to ensure these interfund trades are executed in accordance with Rule 17a-7 of the 1940 Act. During the period, there were no interfund trades.

**4. Expense Reductions.**

Through arrangements with the Fund's custodian, credits realized as a result of certain uninvested cash balances were used to reduce the Fund's expenses. During the period, custodian credits reduced the Fund's expenses by \$7,129.

In addition, during the period the investment adviser or an affiliate reimbursed and/or waived a portion of fund-level operating expenses in the amount of \$80,702.

**5. Distributions to Shareholders.**

Distributions to shareholders of each class were as follows:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>VIP Government Money Market Portfolio</b>		
<b>Distributions to shareholders</b>		
Initial Class	\$ 42,619,495	\$26,100,871
Service Class	40,752,008	23,891,059
Service Class 2	5,413,061	3,030,060
Investor Class	59,703,973	36,070,956
Total	<u>\$148,488,537</u>	<u>\$89,092,946</u>

**6. Share Transactions.**

Transactions for each class of shares at a \$1.00 per share were as follows and may contain in-kind transactions:

	<b>Shares</b>	<b>Shares</b>	<b>Dollars</b>	<b>Dollars</b>
	<b>Six months ended</b>	<b>Year ended</b>	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>VIP Government Money Market Portfolio</b>				
<b>Initial Class</b>				
Shares sold	981,730,387	2,312,880,114	\$981,730,387	\$2,312,880,114
Reinvestment of distributions	42,681,114	25,861,990	42,681,114	25,861,990
Shares redeemed	<u>(1,383,037,079)</u>	<u>(1,605,727,372)</u>	<u>(1,383,037,079)</u>	<u>(1,605,727,372)</u>
Net increase (decrease)	<u>(358,625,578)</u>	<u>733,014,732</u>	<u>\$(358,625,578)</u>	<u>\$733,014,732</u>
<b>Service Class</b>				
Shares sold	695,831,383	1,578,838,852	\$695,831,383	\$1,578,838,852
Reinvestment of distributions	40,945,026	23,697,767	40,945,026	23,697,767
Shares redeemed	<u>(604,422,836)</u>	<u>(1,253,691,448)</u>	<u>(604,422,836)</u>	<u>(1,253,691,448)</u>
Net increase (decrease)	<u>132,353,573</u>	<u>348,845,171</u>	<u>\$132,353,573</u>	<u>\$348,845,171</u>
<b>Service Class 2</b>				
Shares sold	136,007,625	176,575,026	\$136,007,625	\$176,575,026
Reinvestment of distributions	5,437,596	3,004,386	5,437,596	3,004,386
Shares redeemed	<u>(122,378,522)</u>	<u>(144,180,470)</u>	<u>(122,378,522)</u>	<u>(144,180,470)</u>
Net increase (decrease)	<u>19,066,699</u>	<u>35,398,942</u>	<u>\$19,066,699</u>	<u>\$35,398,942</u>
<b>Investor Class</b>				
Shares sold	386,826,436	1,286,781,944	\$386,826,436	\$1,286,781,944
Reinvestment of distributions	59,987,276	35,784,583	59,987,276	35,784,583

Shares redeemed	(245,940,429)	(700,927,228)	(245,940,429)	(700,927,228)
Net increase (decrease)	<u>200,873,283</u>	<u>621,639,299</u>	<u>\$200,873,283</u>	<u>\$621,639,299</u>

## 7. Other.

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

At the end of the period, the investment adviser or its affiliates were owners of record of more than 10% and certain otherwise unaffiliated shareholders each were owners of record of more than 10% of the outstanding shares as follows:

Fund	Affiliated %	Number of Unaffiliated Shareholders	Unaffiliated Shareholders %
VIP Government Money Market Portfolio	45%	1	16%

## 8. Risk and Uncertainties.

Many factors affect a fund's performance. Developments that disrupt global economies and financial markets, such as pandemics, epidemics, outbreaks of infectious diseases, war, terrorism, and environmental disasters, may significantly affect a fund's investment performance. The effects of these developments to a fund will be impacted by the types of securities in which a fund invests, the financial condition, industry, economic sector, and geographic location of an issuer, and a fund's level of investment in the securities of that issuer. Significant concentrations in security types, issuers, industries, sectors, and geographic locations may magnify the factors that affect a fund's performance.

## Shareholder Expense Example

As a shareholder, you incur two types of costs: (1) transaction costs, which may include sales charges (loads) on purchase payments or redemption proceeds, as applicable and (2) ongoing costs, which generally include management fees, distribution and/or service (12b-1) fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in a fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (January 1, 2023 to June 30, 2023).

### Actual Expenses

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

### Hypothetical Example for Comparison Purposes

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

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

	Annualized Expense Ratio <sup>A</sup>	Beginning Account Value January 1, 2023	Ending Account Value June 30, 2023	Expenses Paid During Period <sup>C</sup> January 1, 2023 to June 30, 2023
VIP Government Money Market Portfolio				
Initial Class	.28%			
Actual		\$ 1,000	\$ 1,022.80	\$ 1.40
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,023.41	\$ 1.40
Service Class	.38%			
Actual		\$ 1,000	\$ 1,022.30	\$ 1.91
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.91	\$ 1.91
Service Class 2	.53%			
Actual		\$ 1,000	\$ 1,021.50	\$ 2.66
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,022.17	\$ 2.66
Investor Class	.31%			
Actual		\$ 1,000	\$ 1,022.70	\$ 1.55
Hypothetical <sup>B</sup>		\$ 1,000	\$ 1,023.26	\$ 1.56

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> 5% return per year before expenses

<sup>C</sup> Expenses are equal to the 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 any Underlying Funds are not included in each annualized expense ratio.





SEMIANNUAL REPORT

# FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

June 30, 2023



FRANKLIN  
TEMPLETON

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your insurance company or your financial intermediary (such as a broker-dealer or bank).

**Not FDIC Insured | May Lose Value | No Bank Guarantee**



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# Franklin Income VIP Fund

This semiannual report for Franklin Income VIP Fund covers the period ended June 30, 2023.

## Fund Overview

### Fund Goal and Main Investments

The Fund seeks to maximize income, while maintaining prospects for capital appreciation. Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities.

### Performance Overview

You can find the Fund's six-month total return for all share classes in the Performance Summary. In comparison, the Standard & Poor's® 500 Index (S&P 500®), posted a +16.89% total return.<sup>1</sup> The Blended Benchmark, which consists of 50% MSCI USA High Dividend Yield Index + 25% Bloomberg U.S. High Yield Very Liquid Index + 25% Bloomberg U.S. Aggregate Bond Index, posted a +2.30% total return.<sup>2</sup>

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Portfolio Composition

6/30/23

	% of Total Net Assets
Corporate Bonds	49.1%
Common Stocks	24.0%
Equity-Linked Securities	12.8%
U.S. Government and Agency Securities	11.4%
Other*	0.9%
Short-Term Investments & Other Net Assets	1.8%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

### Top Five Fixed Income Holdings

6/30/23

Company Industry, Country	% of Total Net Assets
U.S. Treasury Notes <i>Financial Services, United States</i>	8.6%
CHS/Community Health Systems, Inc. <i>Health Care Providers &amp; Services, United States</i>	3.0%
U.S. Treasury Bonds <i>Financial Services, United States</i>	2.8%
Bausch Health Cos., Inc. <i>Pharmaceuticals, United States</i>	1.5%
Tenet Healthcare Corp. <i>Health Care Providers &amp; Services, United States</i>	1.4%

### Top Five Equity Holdings

6/30/23

Company Industry, Country	% of Total Net Assets
Texas Instruments, Inc. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	2.1%
Bank of America Corp. <i>Banks, United States</i>	1.7%
Chevron Corp. <i>Oil, Gas &amp; Consumable Fuels, United States</i>	1.4%
JPMorgan Chase & Co. <i>Banks, United States</i>	1.4%
Morgan Stanley <i>Capital Markets, United States</i>	1.3%

Thank you for your participation in Franklin Income VIP Fund. We look forward to serving your future investment needs.

1. Source: Morningstar. The Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

2. Source: FactSet. The Fund's Blended Benchmark was calculated internally.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

## Performance Summary as of June 30, 2023<sup>1</sup>

Share Class	6-Month Total Return
1	+3.69%
2	+3.50%
4	+3.52%

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal. Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. **Equity securities** are subject to price fluctuation and possible loss of principal. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. The Fund's prospectus also includes a description of the main investment risks.

## Your Fund's Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	
1	\$1,000	\$1,036.90	\$2.32	\$1,022.52	\$2.30	0.46%
2	\$1,000	\$1,035.00	\$3.58	\$1,021.28	\$3.55	0.71%
4	\$1,000	\$1,035.20	\$4.08	\$1,020.78	\$4.05	0.81%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

## Financial Highlights

## Franklin Income VIP Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$15.39	\$17.47	\$15.65	\$16.52	\$15.26	\$16.72
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.33	0.62	0.53	0.59	0.75	0.71
Net realized and unrealized gains (losses) . . . . .	0.24	(1.55)	2.09	(0.54)	1.68	(1.35)
Total from investment operations . . . . .	0.57	(0.93)	2.62	0.05	2.43	(0.64)
Less distributions from:						
Net investment income . . . . .	(0.82)	(0.83)	(0.80)	(0.91)	(0.91)	(0.82)
Net realized gains . . . . .	(0.94)	(0.32)	—	(0.01)	(0.26)	—
Total distributions . . . . .	(1.76)	(1.15)	(0.80)	(0.92)	(1.17)	(0.82)
Net asset value, end of period . . . . .	\$14.20	\$15.39	\$17.47	\$15.65	\$16.52	\$15.26
Total return <sup>c</sup> . . . . .	3.69%	(5.24)%	17.00%	0.97%	16.42%	(4.09)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.47%	0.45%	0.47%	0.47%	0.46%	0.47%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.46%	0.45% <sup>f</sup>	0.47% <sup>f</sup>	0.46%	0.45%	0.45%
Net investment income . . . . .	4.24%	3.82%	3.20%	3.96%	4.38%	4.33%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$277,281	\$220,272	\$243,732	\$306,641	\$309,330	\$612,657
Portfolio turnover rate . . . . .	20.05%	64.51%	39.27%	45.93%	25.16%	43.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Franklin Income VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 2</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$14.73	\$16.76	\$15.04	\$15.91	\$14.74	\$16.17
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.29	0.55	0.47	0.53	0.64	0.65
Net realized and unrealized gains (losses)	0.23	(1.48)	2.02	(0.53)	1.66	(1.30)
Total from investment operations . . . . .	0.52	(0.93)	2.49	—	2.30	(0.65)
Less distributions from:						
Net investment income . . . . .	(0.78)	(0.78)	(0.77)	(0.86)	(0.87)	(0.78)
Net realized gains . . . . .	(0.94)	(0.32)	—	(0.01)	(0.26)	—
Total distributions . . . . .	(1.72)	(1.10)	(0.77)	(0.87)	(1.13)	(0.78)
Net asset value, end of period . . . . .	\$13.53	\$14.73	\$16.76	\$15.04	\$15.91	\$14.74
Total return <sup>c</sup> . . . . .	3.50%	(5.47)%	16.75%	0.69%	16.06%	(4.30)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.72%	0.70%	0.72%	0.72%	0.71%	0.72%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.71%	0.70% <sup>f</sup>	0.72% <sup>f</sup>	0.71%	0.70%	0.70%
Net investment income . . . . .	3.98%	3.56%	2.95%	3.73%	4.13%	4.08%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$2,561,881	\$2,545,382	\$3,026,228	\$3,852,709	\$4,318,156	\$4,086,652
Portfolio turnover rate . . . . .	20.05%	64.51%	39.27%	45.93%	25.16%	43.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Franklin Income VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 4</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$15.16	\$17.23	\$15.45	\$16.32	\$15.08	\$16.53
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.30	0.55	0.46	0.53	0.64	0.64
Net realized and unrealized gains (losses)	0.24	(1.53)	2.07	(0.54)	1.71	(1.33)
Total from investment operations . . . . .	0.54	(0.98)	2.53	(0.01)	2.35	(0.69)
Less distributions from:						
Net investment income . . . . .	(0.77)	(0.77)	(0.75)	(0.85)	(0.85)	(0.76)
Net realized gains . . . . .	(0.94)	(0.32)	—	(0.01)	(0.26)	—
Total distributions . . . . .	(1.71)	(1.09)	(0.75)	(0.86)	(1.11)	(0.76)
Net asset value, end of period . . . . .	\$13.99	\$15.16	\$17.23	\$15.45	\$16.32	\$15.08
Total return <sup>c</sup> . . . . .	3.52%	(5.59)%	16.59%	0.58%	16.05%	(4.42)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.82%	0.80%	0.82%	0.82%	0.81%	0.82%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.81%	0.80% <sup>f</sup>	0.82% <sup>f</sup>	0.81%	0.80%	0.80%
Net investment income . . . . .	3.88%	3.49%	2.82%	3.62%	4.03%	3.98%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$338,366	\$325,205	\$333,522	\$302,474	\$323,582	\$294,700
Portfolio turnover rate . . . . .	20.05%	64.51%	39.27%	45.93%	25.16%	43.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Schedule of Investments (unaudited), June 30, 2023

## Franklin Income VIP Fund

	Country	Shares	Value
<b>Common Stocks 24.0%</b>			
<b>Aerospace &amp; Defense 1.8%</b>			
Lockheed Martin Corp. . . . .	United States	65,000	\$29,924,700
Northrop Grumman Corp. . . . .	United States	35,000	15,953,000
Raytheon Technologies Corp. . . . .	United States	125,000	12,245,000
			58,122,700
<b>Air Freight &amp; Logistics 0.5%</b>			
United Parcel Service, Inc., B . . . . .	United States	85,000	15,236,250
<b>Banks 3.2%</b>			
Bank of America Corp. . . . .	United States	1,124,573	32,263,999
Citigroup, Inc. . . . .	United States	250,000	11,510,000
Fifth Third Bancorp . . . . .	United States	530,000	13,891,300
JPMorgan Chase & Co. . . . .	United States	120,000	17,452,800
PNC Financial Services Group, Inc. (The) . . . . .	United States	25,000	3,148,750
Truist Financial Corp. . . . .	United States	765,000	23,217,750
			101,484,599
<b>Biotechnology 0.8%</b>			
AbbVie, Inc. . . . .	United States	70,000	9,431,100
Amgen, Inc. . . . .	United States	70,000	15,541,400
			24,972,500
<b>Capital Markets 1.5%</b>			
Charles Schwab Corp. (The) . . . . .	United States	205,000	11,619,400
Goldman Sachs Group, Inc. (The) . . . . .	United States	26,054	8,403,457
Morgan Stanley . . . . .	United States	335,144	28,621,298
			48,644,155
<b>Communications Equipment 0.6%</b>			
Cisco Systems, Inc. . . . .	United States	350,000	18,109,000
<b>Consumer Staples Distribution &amp; Retail 0.4%</b>			
Target Corp. . . . .	United States	100,000	13,190,000
<b>Diversified Telecommunication Services 0.5%</b>			
Verizon Communications, Inc. . . . .	United States	400,000	14,876,000
<b>Electric Utilities 2.1%</b>			
American Electric Power Co., Inc. . . . .	United States	100,000	8,420,000
Duke Energy Corp. . . . .	United States	150,000	13,461,000
Edison International . . . . .	United States	250,000	17,362,500
Southern Co. (The) . . . . .	United States	400,000	28,100,000
			67,343,500
<b>Entertainment 0.4%</b>			
<sup>a</sup> Walt Disney Co. (The) . . . . .	United States	139,700	12,472,416
<b>Ground Transportation 0.7%</b>			
Union Pacific Corp. . . . .	United States	100,000	20,462,000
<b>Health Care Providers &amp; Services 0.3%</b>			
CVS Health Corp. . . . .	United States	125,000	8,641,250
<b>Household Products 0.6%</b>			
Procter & Gamble Co. (The) . . . . .	United States	120,000	18,208,800
<b>Industrial Conglomerates 0.3%</b>			
Honeywell International, Inc. . . . .	United States	45,391	9,418,633
<b>Metals &amp; Mining 0.7%</b>			
Rio Tinto plc, ADR . . . . .	Australia	365,529	23,335,371

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Multi-Utilities 1.4%</b>			
Dominion Energy, Inc. . . . .	United States	400,000	\$20,716,000
DTE Energy Co. . . . .	United States	100,000	11,002,000
Sempra Energy. . . . .	United States	90,000	13,103,100
			44,821,100
<b>Oil, Gas &amp; Consumable Fuels 3.0%</b>			
Chevron Corp. . . . .	United States	250,000	39,337,500
Exxon Mobil Corp. . . . .	United States	250,000	26,812,500
Shell plc, ADR. . . . .	Netherlands	200,000	12,076,000
TotalEnergies SE, ADR . . . . .	France	300,000	17,292,000
			95,518,000
<b>Pharmaceuticals 1.3%</b>			
<sup>a</sup> Bausch Health Cos., Inc. . . . .	United States	750,000	6,000,000
Bristol-Myers Squibb Co. . . . .	United States	75,000	4,796,250
Johnson & Johnson . . . . .	United States	100,000	16,552,000
Pfizer, Inc. . . . .	United States	360,000	13,204,800
			40,553,050
<b>Semiconductors &amp; Semiconductor Equipment 3.0%</b>			
Analog Devices, Inc. . . . .	United States	130,000	25,325,300
QUALCOMM, Inc. . . . .	United States	45,000	5,356,800
Texas Instruments, Inc. . . . .	United States	363,966	65,521,159
			96,203,259
<b>Specialty Retail 0.3%</b>			
Home Depot, Inc. (The). . . . .	United States	32,000	9,940,480
<b>Tobacco 0.6%</b>			
Philip Morris International, Inc. . . . .	United States	200,000	19,524,000
			19,524,000
<b>Total Common Stocks (Cost \$616,548,691) . . . . .</b>			<b>761,077,063</b>
<b><sup>b</sup>Equity-Linked Securities 12.8%</b>			
<b>Aerospace &amp; Defense 0.7%</b>			
<sup>c</sup> Merrill Lynch International & Co. CV into Raytheon Technologies Corp., 144A, 7.5%, 5/08/24 . . . . .	United States	210,000	21,453,057
<b>Automobiles 0.6%</b>			
<sup>c</sup> Barclays Bank plc into Ford Motor Co., 144A, 12%, 2/09/24. . . . .	United States	590,500	8,549,816
<sup>c</sup> Royal Bank of Canada into General Motors Co., 144A, 12%, 6/18/24 . . . . .	United States	340,000	12,152,639
			20,702,455
<b>Banks 1.5%</b>			
<sup>c</sup> Barclays Bank plc into JPMorgan Chase & Co., 144A, 8%, 9/08/23 . . . . .	United States	187,500	26,112,665
<sup>c</sup> JPMorgan Chase Bank NA into Bank of America Corp., 144A, 9%, 2/02/24 . . . . .	United States	328,400	9,962,191
<sup>c</sup> Royal Bank of Canada into Bank of America Corp., 144A, 8.5%, 8/14/23 . . . . .	United States	450,000	13,222,425
			49,297,281
<b>Biotechnology 0.6%</b>			
<sup>c</sup> BNP Paribas Issuance BV into AbbVie, Inc., 144A, 8%, 3/12/24 . . . . .	United States	128,500	17,882,957
<b>Broadline Retail 0.6%</b>			
<sup>c</sup> Royal Bank of Canada into Amazon.com, Inc., 144A, 10%, 4/05/24 . . . . .	United States	176,390	20,005,425
<b>Capital Markets 0.8%</b>			
<sup>c</sup> Merrill Lynch International & Co. CV into Morgan Stanley, 144A, 10%, 6/04/24 . . . . .	United States	160,000	13,727,182

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Shares	Value
<b><sup>b</sup>Equity-Linked Securities</b> (continued)			
<b>Capital Markets</b> (continued)			
<sup>c</sup> UBS AG into Charles Schwab Corp. (The), 144A, 10%, 7/17/24 . . .	United States	200,000	\$11,129,123
			<u>24,856,305</u>
<b>Chemicals 0.3%</b>			
<sup>c</sup> JPMorgan Chase Bank NA into LyondellBasell Industries NV, 144A, 11%, 1/22/24 . . . . .	United States	110,000	10,445,386
<b>Containers &amp; Packaging 0.4%</b>			
<sup>c</sup> Mizuho Markets Cayman LP into International Paper Co., 144A, 10.5%, 12/15/23 . . . . .	United States	400,000	13,109,074
<b>Electric Utilities 0.7%</b>			
<sup>c</sup> Mizuho Markets Cayman LP into NextEra Energy, Inc., 144A, 8%, 3/19/24 . . . . .	United States	200,000	14,825,601
<sup>c</sup> National Bank of Canada into NextEra Energy, Inc., 144A, 8.5%, 12/05/23 . . . . .	United States	102,000	7,730,581
			<u>22,556,182</u>
<b>Financial Services 0.2%</b>			
<sup>c</sup> UBS AG into Fidelity National Information Services, Inc., 144A, 10%, 10/19/23 . . . . .	United States	100,000	5,795,413
<b>Ground Transportation 0.5%</b>			
<sup>c</sup> Merrill Lynch International & Co. CV into Union Pacific Corp., 144A, Reg S, 9%, 11/01/23 . . . . .	United States	50,750	10,639,628
<sup>c</sup> UBS AG into Union Pacific Corp., 144A, 8%, 3/13/24 . . . . .	United States	20,000	4,096,687
			<u>14,736,315</u>
<b>Insurance 0.8%</b>			
<sup>c</sup> Royal Bank of Canada into MetLife, Inc., 144A, 9%, 9/22/23 . . . . .	United States	420,000	24,126,302
<b>Machinery 0.5%</b>			
<sup>c</sup> National Bank of Canada into Cummins, Inc., 144A, 8.5%, 2/13/24	United States	69,700	17,499,614
<b>Media 0.9%</b>			
<sup>c</sup> BNP Paribas Issuance BV into Comcast Corp., 144A, 8.5%, 8/10/23	United States	700,000	29,484,455
<b>Metals &amp; Mining 0.5%</b>			
<sup>c</sup> Goldman Sachs International Bank into Newmont Corp., 144A, 10%, 7/05/23 . . . . .	United States	100,000	4,348,543
<sup>c</sup> Royal Bank of Canada into Barrick Gold Corp., 144A, 11%, 3/07/24	Canada	574,000	10,122,560
			<u>14,471,103</u>
<b>Oil, Gas &amp; Consumable Fuels 0.7%</b>			
<sup>c</sup> Citigroup Global Markets Holdings, Inc. into Exxon Mobil Corp., 144A, 9.5%, 2/22/24 . . . . .	United States	123,425	13,694,417
<sup>c</sup> Merrill Lynch International & Co. CV into Chevron Corp., 144A, 10%, 12/04/23 . . . . .	United States	47,600	7,652,090
			<u>21,346,507</u>
<b>Pharmaceuticals 0.8%</b>			
<sup>c</sup> BNP Paribas Issuance BV into Pfizer, Inc., 144A, 8.5%, 6/10/24 . .	United States	260,000	9,789,681
<sup>c</sup> Mizuho Markets Cayman LP into Bristol-Myers Squibb Co., 144A, 8.5%, 12/04/23 . . . . .	United States	240,000	15,814,869
			<u>25,604,550</u>
<b>Semiconductors &amp; Semiconductor Equipment 1.7%</b>			
<sup>c</sup> Goldman Sachs International Bank into Intel Corp., 144A, 10%, 8/09/23 . . . . .	United States	650,000	21,930,323
<sup>c</sup> Merrill Lynch International & Co. CV into Broadcom, Inc., 144A, 10%, 12/05/23 . . . . .	United States	35,000	19,965,260

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Shares	Value
<b><sup>b</sup>Equity-Linked Securities (continued)</b>			
<b>Semiconductors &amp; Semiconductor Equipment (continued)</b>			
<sup>a</sup> Mizuho Markets Cayman LP into Microchip Technology, Inc., 144A, 10%, 11/03/23	United States	144,400	\$11,130,584
			53,026,167
<b>Total Equity-Linked Securities (Cost \$414,010,597)</b>			<b>406,398,548</b>
<b>Convertible Preferred Stocks 0.4%</b>			
<b>Electric Utilities 0.3%</b>			
NextEra Energy, Inc., 6.219%	United States	230,200	11,286,706
<b>Financial Services 0.1%</b>			
FNMA, 5.375%	United States	475	2,978,250
<b>Total Convertible Preferred Stocks (Cost \$48,949,828)</b>			<b>14,264,956</b>
		<b>Principal Amount<sup>*</sup></b>	
<b>Corporate Bonds 49.1%</b>			
<b>Aerospace &amp; Defense 2.2%</b>			
Boeing Co. (The),			
Senior Note, 5.04%, 5/01/27	United States	11,500,000	11,365,291
Senior Note, 5.15%, 5/01/30	United States	25,000,000	24,775,012
Raytheon Technologies Corp., Senior Note, 3.95%, 8/16/25	United States	7,500,000	7,351,383
TransDigm, Inc.,			
Senior Note, 6.375%, 6/15/26	United States	10,000,000	9,882,369
<sup>c</sup> Senior Secured Note, 144A, 6.25%, 3/15/26	United States	11,000,000	10,956,140
<sup>c</sup> Senior Secured Note, 144A, 6.75%, 8/15/28	United States	5,000,000	5,025,200
			69,355,395
<b>Automobile Components 0.7%</b>			
<sup>d</sup> Dornoch Debt Merger Sub, Inc., Senior Note, 144A, 6.625%, 10/15/29	United States	11,945,000	9,759,358
Goodyear Tire & Rubber Co. (The), Senior Note, 5%, 7/15/29	United States	15,000,000	13,543,819
			23,303,177
<b>Automobiles 0.7%</b>			
Ford Motor Co.,			
Senior Bond, 3.25%, 2/12/32	United States	3,000,000	2,362,813
Senior Bond, 6.1%, 8/19/32	United States	3,000,000	2,910,393
<sup>d</sup> Senior Note, 4.346%, 12/08/26	United States	7,000,000	6,771,551
General Motors Co.,			
Senior Bond, 5.6%, 10/15/32	United States	5,000,000	4,839,728
Senior Bond, 5.15%, 4/01/38	United States	7,500,000	6,681,504
			23,565,989
<b>Banks 3.4%</b>			
Bank of America Corp.,			
<sup>e</sup> AA, Junior Sub. Bond, 6.1% to 3/16/25, FRN thereafter, Perpetual	United States	8,000,000	7,952,000
<sup>e</sup> X, Junior Sub. Bond, 6.25% to 9/04/24, FRN thereafter, Perpetual	United States	6,000,000	5,940,000
Senior Bond, 3.419% to 12/19/27, FRN thereafter, 12/20/28	United States	5,000,000	4,589,535
Senior Bond, 2.496% to 2/12/30, FRN thereafter, 2/13/31	United States	6,500,000	5,445,240
Barclays plc,			
Senior Bond, 5.746% to 8/08/32, FRN thereafter, 8/09/33	United Kingdom	15,000,000	14,514,173
Senior Bond, 7.437% to 11/01/32, FRN thereafter, 11/02/33	United Kingdom	10,000,000	10,824,223
Senior Note, 5.501% to 8/08/27, FRN thereafter, 8/09/28	United Kingdom	2,300,000	2,244,855
Citigroup, Inc.,			
Senior Bond, 6.27% to 11/16/32, FRN thereafter, 11/17/33	United States	12,000,000	12,743,841

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Corporate Bonds</b> (continued)			
<b>Banks</b> (continued)			
Citigroup, Inc., (continued)			
Sub. Bond, 4.125%, 7/25/28	United States	12,500,000	\$11,792,088
<sup>d,e</sup> JPMorgan Chase & Co., R, Junior Sub. Bond, 6% to 7/31/23, FRN thereafter, Perpetual	United States	3,200,000	3,210,304
PNC Financial Services Group, Inc. (The), Senior Bond, 6.037% to 10/27/32, FRN thereafter, 10/28/33	United States	8,000,000	8,190,982
Truist Financial Corp., Sub. Bond, 4.916% to 7/27/32, FRN thereafter, 7/28/33	United States	4,000,000	3,657,996
US Bancorp, Senior Bond, 5.85% to 10/20/32, FRN thereafter, 10/21/33	United States	10,000,000	10,017,984
Wells Fargo & Co., Senior Note, 3.196% to 6/16/26, FRN thereafter, 6/17/27	United States	8,000,000	7,516,766
			<u>108,639,987</u>
<b>Biotechnology 0.6%</b>			
AbbVie, Inc., Senior Note, 3.8%, 3/15/25	United States	10,500,000	10,214,104
Amgen, Inc., Senior Note, 5.25%, 3/02/30	United States	10,000,000	10,027,592
			<u>20,241,696</u>
<b>Broadline Retail 0.1%</b>			
Amazon.com, Inc., Senior Bond, 3.6%, 4/13/32	United States	4,000,000	3,731,688
<b>Building Products 0.7%</b>			
<sup>c</sup> Camelot Return Merger Sub, Inc., Senior Secured Note, 144A, 8.75%, 8/01/28	United States	8,000,000	7,570,555
Carrier Global Corp., Senior Note, 2.722%, 2/15/30	United States	2,500,000	2,153,864
<sup>c</sup> Emerald Debt Merger Sub LLC, Senior Secured Note, 144A, 6.625%, 12/15/30	United States	11,000,000	10,917,500
			<u>20,641,919</u>
<b>Capital Markets 1.0%</b>			
Charles Schwab Corp. (The), Senior Note, 5.643% to 5/18/28, FRN thereafter, 5/19/29	United States	7,000,000	7,000,155
Goldman Sachs Group, Inc. (The), Senior Note, 3.272% to 9/28/24, FRN thereafter, 9/29/25	United States	9,000,000	8,699,559
Morgan Stanley, Senior Bond, 6.342% to 10/17/32, FRN thereafter, 10/18/33	United States	8,650,000	9,205,852
Senior Bond, 5.25% to 4/20/33, FRN thereafter, 4/21/34	United States	5,700,000	5,631,138
			<u>30,536,704</u>
<b>Chemicals 1.4%</b>			
Celanese US Holdings LLC, Senior Note, 6.165%, 7/15/27	United States	12,000,000	11,946,287
<sup>c</sup> Consolidated Energy Finance SA, Senior Note, 144A, 6.5%, 5/15/26	Switzerland	10,000,000	9,419,012
<sup>a</sup> International Flavors & Fragrances, Inc., Senior Bond, 144A, 2.3%, 11/01/30	United States	10,000,000	7,932,406
<sup>c</sup> SCIH Salt Holdings, Inc., Senior Note, 144A, 6.625%, 5/01/29	United States	10,000,000	8,389,802
Senior Secured Note, 144A, 4.875%, 5/01/28	United States	8,888,000	7,948,676
			<u>45,636,183</u>
<b>Commercial Services &amp; Supplies 0.4%</b>			
<sup>c</sup> APX Group, Inc., Senior Note, 144A, 5.75%, 7/15/29	United States	15,000,000	13,039,467
<b>Communications Equipment 1.2%</b>			
<sup>c</sup> CommScope Technologies LLC, Senior Note, 144A, 6%, 6/15/25	United States	15,602,868	14,562,846
Senior Note, 144A, 5%, 3/15/27	United States	2,500,000	1,743,716



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Corporate Bonds</b> (continued)			
<b>Communications Equipment</b> (continued)			
°CommScope, Inc.,			
Senior Note, 144A, 8.25%, 3/01/27 . . . . .	United States	20,000,000	\$16,027,554
Senior Note, 144A, 7.125%, 7/01/28 . . . . .	United States	2,141,000	1,522,915
Senior Secured Note, 144A, 6%, 3/01/26 . . . . .	United States	5,000,000	4,665,817
			38,522,848
<b>Construction &amp; Engineering 0.1%</b>			
Quanta Services, Inc., Senior Bond, 2.9%, 10/01/30 . . . . .	United States	4,287,000	3,645,581
<b>Consumer Finance 2.5%</b>			
Capital One Financial Corp.,			
Senior Note, 4.927% to 5/09/27, FRN thereafter, 5/10/28 . . . . .	United States	10,398,356	9,873,720
Senior Note, 3.273% to 2/28/29, FRN thereafter, 3/01/30 . . . . .	United States	7,000,000	5,950,808
Senior Note, 5.247% to 7/25/29, FRN thereafter, 7/26/30 . . . . .	United States	6,070,000	5,727,722
Sub. Note, 4.2%, 10/29/25 . . . . .	United States	8,000,000	7,651,110
Ford Motor Credit Co. LLC,			
Senior Note, 5.125%, 6/16/25 . . . . .	United States	20,000,000	19,468,600
Senior Note, 4.95%, 5/28/27 . . . . .	United States	15,000,000	14,166,180
Senior Note, 7.35%, 3/06/30 . . . . .	United States	1,500,000	1,533,551
General Motors Financial Co., Inc.,			
<sup>d</sup> Senior Bond, 6.4%, 1/09/33 . . . . .	United States	5,000,000	5,085,569
Senior Note, 2.4%, 4/10/28 . . . . .	United States	6,000,000	5,177,032
Senior Note, 4.3%, 4/06/29 . . . . .	United States	5,000,000	4,591,770
			79,226,062
<b>Consumer Staples Distribution &amp; Retail 0.1%</b>			
Target Corp., Senior Bond, 4.5%, 9/15/32 . . . . .	United States	4,000,000	3,906,028
<b>Containers &amp; Packaging 1.5%</b>			
°Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc.,			
Senior Note, 144A, 5.25%, 8/15/27 . . . . .	United States	5,700,000	4,835,802
Senior Secured Note, 144A, 4.125%, 8/15/26 . . . . .	United States	5,000,000	4,663,258
°Mauser Packaging Solutions Holding Co.,			
Secured Note, 144A, 9.25%, 4/15/27 . . . . .	United States	20,432,000	18,882,782
Senior Secured Note, 144A, 7.875%, 8/15/26 . . . . .	United States	14,300,000	14,222,615
°Pactiv Evergreen Group Issuer, Inc. / Pactiv Evergreen Group Issuer LLC, Senior Secured Note, 144A, 4%, 10/15/27 . . . . .			
	United States	5,000,000	4,427,456
			47,031,913
<b>Diversified REITs 0.3%</b>			
VICI Properties LP, Senior Bond, 5.125%, 5/15/32 . . . . .	United States	10,000,000	9,366,042
<b>Electric Utilities 0.8%</b>			
Pacific Gas and Electric Co., Senior Bond, 4.55%, 7/01/30 . . . . .	United States	5,000,000	4,528,875
Southern Co. (The), Senior Bond, 5.7%, 10/15/32 . . . . .	United States	10,000,000	10,357,193
°Vistra Operations Co. LLC, Senior Note, 144A, 4.375%, 5/01/29 . . . . .	United States	10,255,000	8,992,170
			23,878,238
<b>Electrical Equipment 0.2%</b>			
°Regal Rexnord Corp., Senior Note, 144A, 6.05%, 4/15/28 . . . . .	United States	5,000,000	4,968,020
<b>Energy Equipment &amp; Services 0.5%</b>			
°Weatherford International Ltd., Senior Note, 144A, 8.625%, 4/30/30 . . . . .	United States	14,500,000	14,734,566
<b>Entertainment 1.1%</b>			
Netflix, Inc., Senior Bond, 4.875%, 4/15/28 . . . . .	United States	22,000,000	21,778,441
Warnermedia Holdings, Inc.,			
Senior Note, 3.755%, 3/15/27 . . . . .	United States	6,500,000	6,065,583



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Corporate Bonds</b> (continued)			
<b>Entertainment</b> (continued)			
Warnermedia Holdings, Inc., (continued)			
Senior Note, 4.279%, 3/15/32	United States	6,500,000	\$5,767,695
			33,611,719
<b>Financial Services 0.1%</b>			
°Woodside Finance Ltd., Senior Bond, 144A, 4.5%, 3/04/29	Australia	4,685,000	4,421,261
<b>Food Products 0.4%</b>			
°JBS USA LUX SA / JBS USA Food Co. / JBS USA Finance, Inc., Senior Bond, 144A, 5.75%, 4/01/33	United States	8,000,000	7,526,424
Pilgrim's Pride Corp., Senior Bond, 6.25%, 7/01/33	United States	4,000,000	3,879,368
			11,405,792
<b>Ground Transportation 0.4%</b>			
°Ashtead Capital, Inc., Senior Note, 144A, 4.25%, 11/01/29	United Kingdom	4,500,000	4,088,003
Union Pacific Corp., Senior Bond, 4.5%, 1/20/33	United States	8,000,000	7,871,758
			11,959,761
<b>Health Care Equipment &amp; Supplies 0.9%</b>			
GE HealthCare Technologies, Inc., WI, Senior Note, 5.905%, 11/22/32	United States	7,500,000	7,849,568
°Medline Borrower LP, Senior Note, 144A, 5.25%, 10/01/29	United States	4,000,000	3,474,916
Senior Secured Note, 144A, 3.875%, 4/01/29	United States	20,000,000	17,400,164
			28,724,648
<b>Health Care Providers &amp; Services 7.2%</b>			
Centene Corp.,			
Senior Bond, 2.5%, 3/01/31	United States	6,380,000	5,094,207
Senior Note, 4.625%, 12/15/29	United States	10,000,000	9,213,368
°CHS/Community Health Systems, Inc.,			
Secured Note, 144A, 6.875%, 4/15/29	United States	42,000,000	26,276,040
Senior Note, 144A, 6.875%, 4/01/28	United States	20,000,000	11,769,700
° Senior Secured Note, 144A, 8%, 3/15/26	United States	40,000,000	39,000,292
Senior Secured Note, 144A, 8%, 12/15/27	United States	10,000,000	9,689,833
Senior Secured Note, 144A, 5.25%, 5/15/30	United States	10,000,000	7,887,622
CVS Health Corp.,			
Senior Bond, 4.3%, 3/25/28	United States	8,000,000	7,720,878
Senior Bond, 5.25%, 2/21/33	United States	5,000,000	4,982,779
°DaVita, Inc.,			
Senior Bond, 144A, 3.75%, 2/15/31	United States	2,500,000	2,002,018
Senior Note, 144A, 4.625%, 6/01/30	United States	20,000,000	17,191,758
HCA, Inc.,			
Senior Bond, 5.5%, 6/01/33	United States	10,000,000	9,988,488
Senior Note, 5%, 3/15/24	United States	10,400,000	10,336,101
°MPH Acquisition Holdings LLC,			
Senior Note, 144A, 5.75%, 11/01/28	United States	7,750,000	5,842,570
Senior Secured Note, 144A, 5.5%, 9/01/28	United States	8,890,000	7,587,649
Tenet Healthcare Corp.,			
Secured Note, 6.25%, 2/01/27	United States	24,031,000	23,811,672
Senior Note, 6.125%, 10/01/28	United States	9,400,000	9,058,404
Senior Secured Note, 6.125%, 6/15/30	United States	12,500,000	12,336,875
UnitedHealth Group, Inc., Senior Bond, 5.35%, 2/15/33	United States	10,000,000	10,397,318
			230,187,572

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Corporate Bonds</b> (continued)			
<b>Health Care REITs 0.3%</b>			
MPT Operating Partnership LP / MPT Finance Corp.,			
Senior Bond, 5%, 10/15/27 .....	United States	7,750,000	\$6,527,740
Senior Bond, 3.5%, 3/15/31 .....	United States	5,000,000	3,450,138
			9,977,878
<b>Hotels, Restaurants &amp; Leisure 3.3%</b>			
°Caesars Entertainment, Inc.,			
Senior Secured Note, 144A, 6.25%, 7/01/25 .....	United States	20,000,000	19,925,384
Senior Secured Note, 144A, 7%, 2/15/30 .....	United States	6,250,000	6,282,125
°dCarnival Corp., Senior Note, 144A, 7.625%, 3/01/26 .....	United States	20,000,000	19,606,478
Expedia Group, Inc., Senior Note, 5%, 2/15/26 .....	United States	7,000,000	6,905,067
°Fertitta Entertainment LLC / Fertitta Entertainment Finance Co., Inc.,			
Senior Note, 144A, 6.75%, 1/15/30 .....	United States	4,100,000	3,493,271
Senior Secured Note, 144A, 4.625%, 1/15/29 .....	United States	7,000,000	6,149,325
McDonald's Corp., Senior Bond, 4.6%, 9/09/32 .....	United States	8,000,000	7,927,996
°Penn Entertainment, Inc., Senior Note, 144A, 4.125%, 7/01/29 ...	United States	8,000,000	6,572,800
°Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.,			
Senior Bond, 144A, 5.5%, 3/01/25 .....	United States	22,408,000	22,070,018
Senior Note, 144A, 5.25%, 5/15/27 .....	United States	6,000,000	5,690,656
			104,623,120
<b>Independent Power and Renewable Electricity Producers 0.6%</b>			
°Calpine Corp.,			
Senior Note, 144A, 5.125%, 3/15/28 .....	United States	5,000,000	4,468,910
Senior Secured Note, 144A, 4.5%, 2/15/28 .....	United States	5,000,000	4,531,507
°eVistra Corp., Junior Sub. Bond, 144A, 7% to 12/14/26, FRN thereafter, Perpetual .....	United States	12,500,000	10,920,312
			19,920,729
<b>Media 1.5%</b>			
°Clear Channel Outdoor Holdings, Inc.,			
Senior Note, 144A, 7.75%, 4/15/28 .....	United States	2,800,000	2,201,444
Senior Note, 144A, 7.5%, 6/01/29 .....	United States	7,500,000	5,558,485
Senior Secured Note, 144A, 5.125%, 8/15/27 .....	United States	6,000,000	5,455,277
°CSC Holdings LLC, Senior Bond, 144A, 5.5%, 4/15/27 .....			
DISH DBS Corp.,			
Senior Note, 5.875%, 11/15/24 .....	United States	5,500,000	4,817,348
° Senior Secured Note, 144A, 5.25%, 12/01/26 .....	United States	1,500,000	1,206,071
°Stagwell Global LLC, Senior Note, 144A, 5.625%, 8/15/29 .....	United States	5,000,000	4,284,438
°Univision Communications, Inc.,			
Senior Secured Note, 144A, 5.125%, 2/15/25 .....	United States	7,140,000	6,997,628
Senior Secured Note, 144A, 6.625%, 6/01/27 .....	United States	8,500,000	8,228,672
			47,083,400
<b>Metals &amp; Mining 1.9%</b>			
°Alcoa Nederland Holding BV, Senior Note, 144A, 4.125%, 3/31/29.			
	United States	8,500,000	7,606,012
ArcelorMittal SA, Senior Bond, 6.8%, 11/29/32. ....	Luxembourg	12,000,000	12,326,068
°Cleveland-Cliffs, Inc., Senior Secured Note, 144A, 6.75%, 3/15/26.	United States	5,000,000	5,057,431
°First Quantum Minerals Ltd., Senior Note, 144A, 8.625%, 6/01/31 .	Zambia	9,000,000	9,235,170
°FMG Resources August 2006 Pty. Ltd.,			
Senior Bond, 144A, 4.375%, 4/01/31 .....	Australia	6,000,000	5,131,363
Senior Note, 144A, 5.875%, 4/15/30 .....	Australia	5,000,000	4,766,921
Freeport-McMoRan, Inc., Senior Bond, 4.625%, 8/01/30 .....	United States	8,000,000	7,545,200
°Glencore Funding LLC, Senior Bond, 144A, 2.5%, 9/01/30 .....	Australia	10,000,000	8,195,808
			59,863,973

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Corporate Bonds</b> (continued)			
<b>Oil, Gas &amp; Consumable Fuels 1.8%</b>			
°Calumet Specialty Products Partners LP / Calumet Finance Corp., Senior Note, 144A, 11%, 4/15/25 . . . . .	United States	15,000,000	\$15,536,476
Senior Note, 144A, 8.125%, 1/15/27 . . . . .	United States	8,820,000	8,453,009
Senior Secured Note, 144A, 9.25%, 7/15/24 . . . . .	United States	5,185,000	5,198,619
°Chesapeake Energy Corp., Senior Note, 144A, 5.875%, 2/01/29 . . . . .	United States	9,500,000	9,032,794
Occidental Petroleum Corp., Senior Note, 6.625%, 9/01/30 . . . . .	United States	6,000,000	6,240,000
°Venture Global LNG, Inc., Senior Secured Note, 144A, 8.125%, 6/01/28 . . . . .	United States	6,500,000	6,608,905
Williams Cos., Inc. (The), Senior Bond, 5.65%, 3/15/33 . . . . .	United States	5,000,000	5,068,294
			<u>56,138,097</u>
<b>Passenger Airlines 0.9%</b>			
°American Airlines Inc/AAAdvantage Loyalty IP Ltd., Senior Secured Note, 144A, 5.5%, 4/20/26 . . . . .	United States	15,000,000	14,873,845
°Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.75%, 10/20/28 . . . . .	United States	13,687,000	13,296,845
			<u>28,170,690</u>
<b>Personal Care Products 0.2%</b>			
Haleon US Capital LLC, Senior Note, 3.625%, 3/24/32 . . . . .	United States	8,500,000	7,623,629
<b>Pharmaceuticals 2.9%</b>			
°1375209 BC Ltd., Senior Secured Note, 144A, 9%, 1/30/28 . . . . .	Canada	6,374,000	6,397,297
°Bausch Health Cos., Inc., Senior Secured Note, 144A, 5.5%, 11/01/25 . . . . .	United States	18,750,000	16,592,812
Senior Secured Note, 144A, 6.125%, 2/01/27 . . . . .	United States	23,409,673	15,013,794
Senior Secured Note, 144A, 5.75%, 8/15/27 . . . . .	United States	10,000,000	6,138,400
Senior Secured Note, 144A, 11%, 9/30/28 . . . . .	United States	13,865,000	9,882,972
°Bayer US Finance II LLC, Senior Note, 144A, 4.25%, 12/15/25 . . . . .	Germany	11,000,000	10,617,461
°Endo Dac / Endo Finance LLC / Endo Finco, Inc., Senior Secured Note, 144A, 5.875%, 10/15/24 . . . . .	United States	4,500,000	3,304,761
°Par Pharmaceutical, Inc., Senior Secured Note, 144A, 7.5%, 4/01/27 . . . . .	United States	8,429,000	6,240,941
°Teva Pharmaceutical Finance Netherlands III BV, Senior Note, 6.75%, 3/01/28 . . . . .	Israel	10,000,000	9,861,329
Utah Acquisition Sub, Inc., Senior Note, 3.95%, 6/15/26 . . . . .	United States	10,000,000	9,501,166
			<u>93,550,933</u>
<b>Semiconductors &amp; Semiconductor Equipment 0.9%</b>			
°Broadcom, Inc., Senior Bond, 144A, 2.45%, 2/15/31 . . . . .	United States	5,000,000	4,068,585
Senior Bond, 144A, 4.15%, 4/15/32 . . . . .	United States	10,000,000	9,062,574
Senior Note, 144A, 4%, 4/15/29 . . . . .	United States	5,000,000	4,621,646
Micron Technology, Inc., Senior Bond, 5.875%, 2/09/33 . . . . .	United States	4,000,000	3,981,815
Senior Note, 6.75%, 11/01/29 . . . . .	United States	8,000,000	8,321,039
			<u>30,055,659</u>
<b>Software 1.1%</b>			
Oracle Corp., Senior Bond, 3.25%, 11/15/27 . . . . .	United States	5,000,000	4,640,956
Senior Bond, 2.875%, 3/25/31 . . . . .	United States	15,000,000	12,809,994
Senior Bond, 6.25%, 11/09/32 . . . . .	United States	6,750,000	7,167,962
Workday, Inc., Senior Bond, 3.8%, 4/01/32 . . . . .	United States	10,000,000	9,006,575
			<u>33,625,487</u>

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Corporate Bonds (continued)</b>			
<b>Specialized REITs 0.5%</b>			
American Tower Corp.,			
Senior Bond, 2.9%, 1/15/30 . . . . .	United States	8,000,000	\$6,908,575
Senior Bond, 5.65%, 3/15/33 . . . . .	United States	5,000,000	5,074,966
Crown Castle, Inc., Senior Bond, 3.3%, 7/01/30 . . . . .	United States	5,000,000	4,422,899
			16,406,440
<b>Specialty Retail 0.5%</b>			
Lowe's Cos., Inc., Senior Bond, 5%, 4/15/33 . . . . .	United States	13,000,000	12,865,742
°Michaels Cos., Inc. (The), Senior Secured Note, 144A, 5.25%, 5/01/28 . . . . .	United States	4,000,000	3,235,880
			16,101,622
<b>Technology Hardware, Storage &amp; Peripherals 0.7%</b>			
°Apple, Inc., Senior Bond, 3.35%, 8/08/32 . . . . .	United States	8,000,000	7,463,884
HP, Inc.,			
Senior Bond, 5.5%, 1/15/33 . . . . .	United States	10,000,000	9,826,071
Senior Note, 4%, 4/15/29 . . . . .	United States	5,000,000	4,661,552
			21,951,507
<b>Tobacco 1.1%</b>			
BAT Capital Corp., Senior Note, 3.557%, 8/15/27 . . . . .	United Kingdom	30,000,000	27,605,058
Philip Morris International, Inc., Senior Note, 5.125%, 2/15/30 . . . . .	United States	9,000,000	8,906,747
			36,511,805
<b>Trading Companies &amp; Distributors 1.1%</b>			
United Rentals North America, Inc.,			
Senior Bond, 4.875%, 1/15/28 . . . . .	United States	12,800,000	12,192,389
° Senior Secured Note, 144A, 6%, 12/15/29 . . . . .	United States	8,000,000	7,988,965
°WESCO Distribution, Inc., Senior Note, 144A, 7.125%, 6/15/25 . . . . .	United States	14,000,000	14,160,090
			34,341,444
<b>Wireless Telecommunication Services 1.3%</b>			
Sprint LLC,			
Senior Note, 7.875%, 9/15/23 . . . . .	United States	12,500,000	12,541,437
Senior Note, 7.125%, 6/15/24 . . . . .	United States	8,200,000	8,280,713
Senior Note, 7.625%, 3/01/26 . . . . .	United States	7,500,000	7,797,555
T-Mobile USA, Inc.,			
Senior Bond, 5.2%, 1/15/33 . . . . .	United States	7,500,000	7,454,993
Senior Note, 3.375%, 4/15/29 . . . . .	United States	4,500,000	4,067,766
			40,142,464
<b>Total Corporate Bonds (Cost \$1,624,103,739) . . . . .</b>			<b>1,560,371,133</b>
<b>U.S. Government and Agency Securities 11.4%</b>			
U.S. Treasury Bonds,			
3.375%, 8/15/42 . . . . .	United States	15,000,000	13,622,461
3%, 8/15/52 . . . . .	United States	40,000,000	34,025,000
3.625%, 5/15/53 . . . . .	United States	42,500,000	40,853,125
U.S. Treasury Notes,			
4.375%, 10/31/24 . . . . .	United States	60,000,000	59,286,328
4.5%, 11/30/24 . . . . .	United States	25,000,000	24,738,281
2.875%, 5/15/32 . . . . .	United States	130,000,000	120,557,227
2.75%, 8/15/32 . . . . .	United States	75,000,000	68,770,019
<b>Total U.S. Government and Agency Securities (Cost \$370,273,066) . . . . .</b>			<b>361,852,441</b>

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Income VIP Fund (continued)

	Country	Principal Amount*	Value
<b>Asset-Backed Securities 0.4%</b>			
<b>Passenger Airlines 0.4%</b>			
United Airlines Pass-Through Trust,			
2020-1, A, 5.875%, 10/15/27 . . . . .	United States	7,186,833	\$7,134,007
2023-1, A, 5.8%, 1/15/36 . . . . .	United States	6,300,000	6,424,078
			13,558,085
<b>Total Asset-Backed Securities (Cost \$13,486,833)</b> . . . . .			<b>13,558,085</b>
<b>Mortgage-Backed Securities 0.1%</b>			
<b>Federal National Mortgage Association (FNMA) Fixed Rate 0.1%</b>			
FNMA, 30 Year, 4%, 8/01/49 . . . . .	United States	1,514,044	1,447,093
<b>Total Mortgage-Backed Securities (Cost \$1,603,941)</b> . . . . .			<b>1,447,093</b>
<b>Total Long Term Investments (Cost \$3,088,976,695)</b> . . . . .			<b>3,118,969,319</b>
<b>Short Term Investments 1.0%</b>			
	Country	Shares	Value
<b>Money Market Funds 0.8%</b>			
<sup>g,h</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.699% . . . . .	United States	26,546,980	26,546,980
<b>Total Money Market Funds (Cost \$26,546,980)</b> . . . . .			<b>26,546,980</b>
<b>Investments from Cash Collateral Received for Loaned Securities 0.2%</b>			
<b>Money Market Funds 0.2%</b>			
<sup>g,h</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.699% . . . . .	United States	6,680,000	6,680,000
<b>Total Investments from Cash Collateral Received for Loaned Securities (Cost \$6,680,000)</b> . . . . .			<b>6,680,000</b>
<b>Total Short Term Investments (Cost \$33,226,980)</b> . . . . .			<b>33,226,980</b>
<b>Total Investments (Cost \$3,122,203,675) 99.2%</b> . . . . .			<b>\$3,152,196,299</b>
<b>Other Assets, less Liabilities 0.8%</b> . . . . .			<b>25,331,211</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$3,177,527,510</b>

\*The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>a</sup> Non-income producing.<sup>b</sup> See Note 1(d) regarding equity-linked securities.<sup>c</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2023, the aggregate value of these securities was \$1,158,060,645, representing 36.4% of net assets.<sup>d</sup> A portion or all of the security is on loan at June 30, 2023. See Note 1(e).<sup>e</sup> Perpetual security with no stated maturity date.<sup>f</sup> See Note 7 regarding credit risk and defaulted securities.<sup>g</sup> See Note 3(e) regarding investments in affiliated management investment companies.<sup>h</sup> The rate shown is the annualized seven-day effective yield at period end.<sup>i</sup> See Note 1(e) regarding securities on loan.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)**Franklin Income VIP Fund** (continued)

At June 30, 2023, the Fund had the following futures contracts outstanding. See Note 1(c).

**Futures Contracts**

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Interest rate contracts</b>					
U.S. Treasury 10 Year Notes . . . . .	Long	1,250	\$140,332,031	9/20/23	\$(1,519,905)
U.S. Treasury Ultra Bonds . . . . .	Long	155	21,113,906	9/20/23	286,701
Total Futures Contracts . . . . .					\$(1,233,204)

\*As of period end.

See Note 8 regarding other derivative information.

See Abbreviations on page 31.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statement of Assets and Liabilities

June 30, 2023 (unaudited)

	<b>Franklin Income VIP Fund</b>
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$3,088,976,695
Cost - Non-controlled affiliates (Note 3e) . . . . .	33,226,980
Value - Unaffiliated issuers (Includes securities loaned of \$6,349,448) . . . . .	\$3,118,969,319
Value - Non-controlled affiliates (Note 3e) . . . . .	33,226,980
Receivables:	
Capital shares sold . . . . .	3,823,589
Dividends and interest . . . . .	27,860,706
European Union tax reclaims (Note 1f) . . . . .	1,772,942
Deposits with brokers for:	
Futures contracts . . . . .	3,632,500
Variation margin on futures contracts . . . . .	369,538
Total assets . . . . .	<u>3,189,655,574</u>
<b>Liabilities:</b>	
Payables:	
Investment securities purchased . . . . .	1,750,000
Capital shares redeemed . . . . .	1,303,844
Management fees . . . . .	1,164,631
Distribution fees . . . . .	611,848
Trustees' fees and expenses . . . . .	4,374
Funds advanced by custodian . . . . .	403,241
Payable upon return of securities loaned (Note 1e) . . . . .	6,680,000
Accrued expenses and other liabilities . . . . .	210,126
Total liabilities . . . . .	<u>12,128,064</u>
Net assets, at value . . . . .	<u>\$3,177,527,510</u>
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$3,054,055,728
Total distributable earnings (losses) . . . . .	123,471,782
Net assets, at value . . . . .	<u>\$3,177,527,510</u>
	<b>Franklin Income VIP Fund</b>
<b>Class 1:</b>	
Net assets, at value . . . . .	\$277,281,105
Shares outstanding . . . . .	19,532,746
Net asset value and maximum offering price per share . . . . .	<u>\$14.20</u>
<b>Class 2:</b>	
Net assets, at value . . . . .	\$2,561,880,896
Shares outstanding . . . . .	189,298,134
Net asset value and maximum offering price per share . . . . .	<u>\$13.53</u>
<b>Class 4:</b>	
Net assets, at value . . . . .	\$338,365,509
Shares outstanding . . . . .	24,187,305
Net asset value and maximum offering price per share . . . . .	<u>\$13.99</u>

## Statement of Operations

for the six months ended June 30, 2023 (unaudited)

	<b>Franklin Income VIP Fund</b>
Investment income:	
Dividends: (net of foreign taxes of \$117,233)	
Unaffiliated issuers . . . . .	\$13,862,989
Non-controlled affiliates (Note 3e) . . . . .	1,395,339
Interest:	
Unaffiliated issuers . . . . .	58,206,197
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates) . . . . .	(36,477)
Non-controlled affiliates (Note 3e) . . . . .	189,767
Other income (Note 1f) . . . . .	23,479
Total investment income . . . . .	<u>73,641,294</u>
Expenses:	
Management fees (Note 3a) . . . . .	7,192,501
Distribution fees: (Note 3c)	
Class 2 . . . . .	3,210,756
Class 4 . . . . .	580,274
Custodian fees (Note 4) . . . . .	11,835
Reports to shareholders fees . . . . .	9,981
Professional fees . . . . .	38,470
Trustees' fees and expenses . . . . .	23,029
Interest expense . . . . .	8,971
Other . . . . .	57,593
Total expenses . . . . .	11,133,410
Expense reductions (Note 4) . . . . .	(3,571)
Expenses waived/paid by affiliates (Note 3e) . . . . .	(125,623)
Net expenses . . . . .	<u>11,004,216</u>
Net investment income . . . . .	<u>62,637,078</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	49,685,927
Written options . . . . .	513,433
Foreign currency transactions . . . . .	21,999
Futures contracts . . . . .	(458,781)
Net realized gain (loss) . . . . .	<u>49,762,578</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	(4,130,090)
Translation of other assets and liabilities denominated in foreign currencies . . . . .	36,631
Futures contracts . . . . .	(971,756)
Net change in unrealized appreciation (depreciation) . . . . .	<u>(5,065,215)</u>
Net realized and unrealized gain (loss) . . . . .	<u>44,697,363</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$107,334,441</u>



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statements of Changes in Net Assets

	Franklin Income VIP Fund	
	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$62,637,078	\$118,081,375
Net realized gain (loss) . . . . .	49,762,578	239,032,131
Net change in unrealized appreciation (depreciation) . . . . .	(5,065,215)	(551,797,026)
Net increase (decrease) in net assets resulting from operations . . . . .	107,334,441	(194,683,520)
Distributions to shareholders:		
Class 1 . . . . .	(30,336,593)	(15,259,288)
Class 2 . . . . .	(289,624,489)	(187,850,088)
Class 4 . . . . .	(36,680,873)	(21,816,089)
Total distributions to shareholders . . . . .	(356,641,955)	(224,925,465)
Capital share transactions: (Note 2)		
Class 1 . . . . .	79,478,688	4,063,250
Class 2 . . . . .	217,886,275	(129,750,272)
Class 4 . . . . .	38,610,990	32,673,363
Total capital share transactions . . . . .	335,975,953	(93,013,659)
Net increase (decrease) in net assets . . . . .	86,668,439	(512,622,644)
Net assets:		
Beginning of period . . . . .	3,090,859,071	3,603,481,715
End of period . . . . .	\$3,177,527,510	\$3,090,859,071

# Notes to Financial Statements (unaudited)

## Franklin Income VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Income VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock

exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the

**Franklin Income VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**a. Financial Instrument Valuation** (continued)

inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At June 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

**b. Foreign Currency Translation**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will

decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Derivative Financial Instruments**

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities.

**Franklin Income VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**c. Derivative Financial Instruments** (continued)

The Fund entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities.

The Fund purchased or wrote exchange traded option contracts primarily to manage and/or gain exposure to equity price/equity volatility risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. At June 30, 2023, the Fund had no options.

See Note 8 regarding other derivative information.

**d. Equity-Linked Securities**

The Fund invests in equity-linked securities. Equity-linked securities are hybrid financial instruments that generally combine both debt and equity characteristics into a single note form. Income received from equity-linked securities is recorded as realized gains in the Statement of Operations and may be based on the performance of an underlying equity security, an equity index, or an option position. The risks of investing in equity-linked securities include unfavorable price movements in the underlying security and the credit risk of the issuing financial institution. There may be no guarantee of a return of principal with equity-linked securities and the appreciation potential may be limited. Equity-linked securities may be more volatile and less liquid than other investments held by the Fund.

**e. Securities Lending**

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund, and/or a joint repurchase agreement. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower.

**f. Income and Deferred Taxes**

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.



**Franklin Income VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**f. Income and Deferred Taxes** (continued)

As a result of several court cases, in certain countries across the European Union, the Fund filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statement of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statement of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statement of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, when EU reclaims are received by the Fund and the Fund previously passed foreign tax credit on to its shareholders, the Fund will enter into a closing agreement with the Internal Revenue Service (IRS) in order to pay the associated tax liability on behalf of the Fund's shareholders.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**g. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the

Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**h. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**i. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

**Franklin Income VIP Fund** (continued)**2. Shares of Beneficial Interest**

At June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	3,609,909	\$57,325,639	948,516	\$15,139,114
Shares issued in reinvestment of distributions	2,131,876	30,336,593	1,008,545	15,259,288
Shares redeemed	(522,325)	(8,183,544)	(1,594,689)	(26,335,152)
Net increase (decrease)	5,219,460	\$79,478,688	362,372	\$4,063,250
<b>Class 2 Shares:</b>				
Shares sold	8,446,216	\$127,440,989	15,467,143	\$244,219,618
Shares issued in reinvestment of distributions	21,342,998	289,624,489	12,955,179	187,850,088
Shares redeemed	(13,306,068)	(199,179,203)	(36,169,026)	(561,819,978)
Net increase (decrease)	16,483,146	\$217,886,275	(7,746,704)	\$(129,750,272)
<b>Class 4 Shares:</b>				
Shares sold	1,507,024	\$23,242,993	4,620,551	\$74,558,532
Shares issued in reinvestment of distributions	2,614,460	36,680,873	1,461,225	21,816,089
Shares redeemed	(1,379,672)	(21,312,876)	(3,991,594)	(63,701,258)
Net increase (decrease)	2,741,812	\$38,610,990	2,090,182	\$32,673,363

**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

**Franklin Income VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**a. Management Fees** (continued)

For the period ended June 30, 2023, the annualized gross effective investment management fee rate was 0.458% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended June 30, 2023, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin Income VIP Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$46,402,687	\$367,609,684	\$(387,465,391)	\$—	\$—	\$26,546,980	26,546,980	\$1,395,339
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$11,170,000	\$37,369,000	\$(41,859,000)	\$—	\$—	\$6,680,000	6,680,000	\$189,767
<b>Total Affiliated Securities . . .</b>	<b>\$57,572,687</b>	<b>\$404,978,684</b>	<b>\$(429,324,391)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$33,226,980</b>		<b>\$1,585,106</b>

**Franklin Income VIP Fund** (continued)**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended June 30, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

**5. Income Taxes**

At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	\$3,129,262,360
Unrealized appreciation	\$204,272,780
Unrealized depreciation	(182,572,045)
Net unrealized appreciation (depreciation)	\$21,700,735

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of EU reclaims and equity-linked securities.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2023, aggregated \$685,786,640 and \$617,471,975, respectively.

At June 30, 2023, in connection with securities lending transactions, the Fund loaned equity investments and received \$6,680,000 of cash collateral. The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statement of Assets and Liabilities. The agreements can be terminated at any time.

**7. Credit Risk and Defaulted Securities**

At June 30, 2023, the Fund had 25.7% of its portfolio invested in high yield or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

The Fund held defaulted securities and/or other securities for which the income has been deemed uncollectible. At June 30, 2023, the aggregate value of these securities was \$9,545,702, representing 0.3% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedule of Investments.



**Franklin Income VIP Fund** (continued)**8. Other Derivative Information**

At June 30, 2023, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
<b>Franklin Income VIP Fund</b>				
Interest rate contracts . . . . .				
	Variation margin on futures contracts	\$286,701 <sup>a</sup>	Variation margin on futures contracts	\$1,519,905 <sup>a</sup>
Total . . . . .		<u>\$286,701</u>		<u>\$1,519,905</u>

<sup>a</sup>This amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the period ended June 30, 2023, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
<b>Franklin Income VIP Fund</b>				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts . . . . .				
	Futures contracts	\$(458,781)	Futures contracts	\$(971,756)
Equity Contracts . . . . .				
	Written options	513,433	Written options	—
Total . . . . .		<u>\$54,652</u>		<u>\$(971,756)</u>

For the period ended June 30, 2023, the average month end notional amount of futures contracts and options represented \$131,644,754 and \$75,000, respectively.

See Note 1(c) regarding derivative financial instruments.

**9. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2023, the Fund did not use the Global Credit Facility.

**Franklin Income VIP Fund** (continued)**10. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of June 30, 2023, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Income VIP Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks . . . . .	\$761,077,063	\$—	\$—	\$761,077,063
Equity-Linked Securities . . . . .	—	406,398,548	—	406,398,548
Convertible Preferred Stocks:				
Electric Utilities . . . . .	11,286,706	—	—	11,286,706
Financial Services . . . . .	—	2,978,250	—	2,978,250
Corporate Bonds . . . . .	—	1,560,371,133	—	1,560,371,133
U.S. Government and Agency Securities . . . . .	—	361,852,441	—	361,852,441
Asset-Backed Securities . . . . .	—	13,558,085	—	13,558,085
Mortgage-Backed Securities . . . . .	—	1,447,093	—	1,447,093
Short Term Investments . . . . .	33,226,980	—	—	33,226,980
Total Investments in Securities . . . . .	\$805,590,749	\$2,346,605,550	\$—	\$3,152,196,299
Other Financial Instruments:				
Futures contracts . . . . .	\$286,701	\$—	\$—	\$286,701
Total Other Financial Instruments . . . . .	\$286,701	\$—	\$—	\$286,701
<b>Liabilities:</b>				
Other Financial Instruments:				
Futures contracts . . . . .	\$1,519,905	\$—	\$—	\$1,519,905
Total Other Financial Instruments . . . . .	\$1,519,905	\$—	\$—	\$1,519,905

**11. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

**Abbreviations****Selected Portfolio**

<b>ADR</b>	American Depositary Receipt
<b>FNMA</b>	Federal National Mortgage Association
<b>FRN</b>	Floating Rate Note
<b>REIT</b>	Real Estate Investment Trust

## VIP SA1 07/23

**SUPPLEMENT DATED JULY 10, 2023**  
**TO THE STATEMENT OF ADDITIONAL INFORMATION**  
**DATED MAY 1, 2023 OF**  
**FRANKLIN ALLOCATION VIP FUND**  
**FRANKLIN DYNATECH VIP FUND**  
**FRANKLIN GLOBAL REAL ESTATE VIP FUND**  
**FRANKLIN GROWTH AND INCOME VIP FUND**  
**FRANKLIN INCOME VIP FUND**  
**FRANKLIN LARGE CAP GROWTH VIP FUND**  
**FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND**  
**FRANKLIN MUTUAL SHARES VIP FUND**  
**FRANKLIN RISING DIVIDENDS VIP FUND**  
**FRANKLIN SMALL CAP VALUE VIP FUND**  
**FRANKLIN SMALL-MID CAP GROWTH VIP FUND**  
**FRANKLIN STRATEGIC INCOME VIP FUND**  
**FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND**  
**FRANKLIN VOLSMART ALLOCATION VIP FUND**  
**TEMPLETON DEVELOPING MARKETS VIP FUND**  
**TEMPLETON FOREIGN VIP FUND**  
**TEMPLETON GLOBAL BOND VIP FUND**  
**TEMPLETON GROWTH VIP FUND**  
**(a series of Franklin Templeton Variable Insurance Products Trust)**

The Statement of Additional Information is amended as follows:

I. All references to "The Bank of New York Mellon" under the heading "Policies and Procedures Regarding the Release of Portfolio Holdings" are removed.

II. The following replaces in its entirety the "Custodian" section under "Management and Other Services":

Custodian JPMorgan Chase Bank, at its principal office at 270 Park Avenue, New York, NY 10017-2070, and at the offices of its branches and agencies throughout the world, acts as custodian of the Fund's securities and assets. As foreign custody manager, the bank selects and monitors foreign sub-custodian banks, selects and evaluates non-compulsory foreign depositories, and furnishes information relevant to the selection of compulsory depositories. Millennium Trust Company, LLC, 2001 Spring Road, Oak Brook, Illinois, 60523, acts as the custodian of the Strategic Income Fund's marketplace loans.

*Please keep this supplement with your SAI for future reference.*

## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

##### Franklin Income VIP Fund (Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of the Fund. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Fund to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

### **Fund Performance**

The Board reviewed and considered the performance results of the Fund over various time periods ended December 31, 2022. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all flexible portfolio funds underlying VIPs. The Board noted that the Fund's annualized income return and annualized total return for the one-, three-, five- and 10-year periods were above the medians and in the first quintile (best) of its Performance Universe. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was satisfactory.

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from the fund's most recent annual or semi-annual

report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and 11 other flexible portfolio funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians of its respective Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

### **Profitability**

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the fund during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's



expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Fund, which operate generally to share any economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing the fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SHAREHOLDER INFORMATION

number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov).

gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

# Franklin Mutual Shares VIP Fund

This semiannual report for Franklin Mutual Shares VIP Fund covers the period ended June 30, 2023.

## Fund Overview

### Fund Goal and Main Investments

The Fund seeks capital appreciation. Its secondary goal is income. Under normal market conditions, the Fund invests primarily in equity securities of U.S. and foreign companies that we believe are available at market prices less than their fundamental value. The equity securities in which the Fund invests are primarily common stock, and generally companies with market capitalizations greater than \$5 billion, with a portion or significant amount in smaller companies. To a lesser extent, the Fund also invests in merger arbitrage securities and the debt and equity of distressed companies. The Fund may invest up to 35% of its assets in foreign securities, which may include sovereign debt and participations in foreign government debt.

### Geographic Composition

6/30/23

	% of Total Net Assets
United States	88.3%
United Kingdom	3.6%
Switzerland	2.2%
Other <sup>†</sup>	0.0%
Short-Term Investments & Other Net Assets	5.9%

<sup>†</sup>Includes financial instruments determined to have no value.

<sup>†</sup>Rounds to less than 0.1%.

### Performance Overview

You can find the Fund's six-month total return for all share classes in the Performance Summary. In comparison, the Fund's benchmark, the Russell 1000<sup>®</sup> Value Index, posted a +5.12% total return for the period under review.<sup>1</sup>

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

1. Source: Morningstar. The Russell 1000<sup>®</sup> Value Index is market capitalization weighted and measures the performance of those Russell 1000<sup>®</sup> Index companies with relatively lower price-to-book ratios and lower forecasted growth rates. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell<sup>®</sup> is a trademark of Frank Russell Company.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).**

### Top 10 Industries

6/30/23

	% of Total Net Assets
Pharmaceuticals	7.5%
Financial Services	6.2%
Oil, Gas & Consumable Fuels	5.8%
Software	5.5%
Health Care Providers & Services	5.3%
Banks	4.9%
Professional Services	4.1%
Entertainment	3.9%
Media	3.9%
Insurance	3.6%

### Top 10 Holdings

6/30/23

Company Industry, Country	% of Total Net Assets
JPMorgan Chase & Co. Banks, United States	2.9%
Fiserv, Inc. Financial Services, United States	2.7%
CBRE Group, Inc. Real Estate Management & Development, United States	2.4%
Schlumberger NV Energy Equipment & Services, United States	2.3%
Williams Cos., Inc. (The) Oil, Gas & Consumable Fuels, United States	2.3%
Tapestry, Inc. Textiles, Apparel & Luxury Goods, United States	2.3%
Kraft Heinz Co. (The) Food Products, United States	2.3%
Flex Ltd. Electronic Equipment, Instruments & Components, United States	2.2%
Meta Platforms, Inc. Interactive Media & Services, United States	2.2%
Novartis AG Pharmaceuticals, Switzerland	2.2%

Thank you for your participation in Franklin Mutual Shares VIP Fund. We look forward to serving your future investment needs.



## Performance Summary as of June 30, 2023<sup>1</sup>

Share Class	6-Month Total Return
1	+5.41%
2	+5.34%
4	+5.28%

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** The **investment style** may become out of favor, which may have a negative impact on performance. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. Investments in companies engaged in **mergers, reorganizations or liquidations** also involve special risks as pending deals may not be completed on time or on favorable terms. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. The Fund's prospectus also includes a description of the main investment risks.

## Your Fund's Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	
1	\$1,000	\$1,054.10	\$3.51	\$1,021.38	\$3.45	0.69%
2	\$1,000	\$1,053.40	\$4.78	\$1,020.14	\$4.70	0.94%
4	\$1,000	\$1,052.80	\$5.28	\$1,019.65	\$5.20	1.04%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

## Financial Highlights

### Franklin Mutual Shares VIP Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$15.53	\$19.62	\$16.93	\$19.19	\$17.71	\$20.71
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.16	0.32	0.27	0.55 <sup>c</sup>	0.46	0.36
Net realized and unrealized gains (losses)	0.68	(1.99)	3.02	(1.68)	3.39	(2.04)
Total from investment operations . . . . .	0.84	(1.67)	3.29	(1.13)	3.85	(1.68)
Less distributions from:						
Net investment income . . . . .	—	(0.40)	(0.60)	(0.50)	(0.42)	(0.55)
Net realized gains . . . . .	—	(2.02)	—	(0.63)	(1.95)	(0.77)
Total distributions . . . . .	—	(2.42)	(0.60)	(1.13)	(2.37)	(1.32)
Net asset value, end of period . . . . .	\$16.37	\$15.53	\$19.62	\$16.93	\$19.19	\$17.71
Total return <sup>d</sup> . . . . .	5.41%	(7.15)%	19.52%	(4.85)%	22.92%	(8.86)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f,g,h</sup> . . . . .	0.69%	0.66%	0.73%	0.73%	0.71%	0.71%
Expenses - incurred in connection with securities sold short . . . . .	— <sup>i</sup>	— <sup>i</sup>	0.02%	0.01%	0.02%	0.01%
Net investment income . . . . .	2.03%	1.82%	1.44%	3.48% <sup>c</sup>	2.35%	1.77%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$112,413	\$105,334	\$116,861	\$157,734	\$158,431	\$537,324
Portfolio turnover rate . . . . .	24.65%	59.99%	47.31% <sup>j</sup>	36.96%	38.50%	24.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Net investment income per share includes approximately \$0.19 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.27%.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>h</sup>Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e).

<sup>i</sup>Rounds to less than 0.01%.

<sup>j</sup>Excludes the value of portfolio securities delivered as a result of redemption in-kind.

## Franklin Mutual Shares VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 2</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$15.16	\$19.20	\$16.59	\$18.81	\$17.40	\$20.36
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.14	0.27	0.22	0.51 <sup>c</sup>	0.40	0.31
Net realized and unrealized gains (losses)	0.67	(1.95)	2.95	(1.65)	3.32	(2.00)
Total from investment operations . . . . .	0.81	(1.68)	3.17	(1.14)	3.72	(1.69)
Less distributions from:						
Net investment income . . . . .	—	(0.34)	(0.56)	(0.45)	(0.36)	(0.50)
Net realized gains . . . . .	—	(2.02)	—	(0.63)	(1.95)	(0.77)
Total distributions . . . . .	—	(2.36)	(0.56)	(1.08)	(2.31)	(1.27)
Net asset value, end of period . . . . .	\$15.97	\$15.16	\$19.20	\$16.59	\$18.81	\$17.40
Total return <sup>d</sup> . . . . .	5.34%	(7.43)%	19.17%	(5.04)%	22.57%	(9.07)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f,g,h</sup> . . . . .	0.94%	0.91%	0.98%	0.98%	0.96%	0.96%
Expenses - incurred in connection with securities sold short . . . . .	—% <sup>i</sup>	—% <sup>i</sup>	0.02%	0.01%	0.02%	0.01%
Net investment income . . . . .	1.79%	1.55%	1.17%	3.25% <sup>c</sup>	2.10%	1.52%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,886,512	\$1,786,501	\$2,517,899	\$2,620,645	\$2,931,753	\$2,516,834
Portfolio turnover rate . . . . .	24.65%	59.99%	47.31% <sup>j</sup>	36.96%	38.50%	24.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Net investment income per share includes approximately \$0.19 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 2.04%.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>h</sup>Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e).

<sup>i</sup>Rounds to less than 0.01%.

<sup>j</sup>Excludes the value of portfolio securities delivered as a result of redemption in-kind.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Franklin Mutual Shares VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 4</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$15.34	\$19.39	\$16.75	\$18.99	\$17.55	\$20.53
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.13	0.26	0.20	0.49 <sup>c</sup>	0.38	0.29
Net realized and unrealized gains (losses)	0.68	(1.97)	2.98	(1.66)	3.36	(2.02)
Total from investment operations . . . . .	0.81	(1.71)	3.18	(1.17)	3.74	(1.73)
Less distributions from:						
Net investment income . . . . .	—	(0.32)	(0.54)	(0.44)	(0.35)	(0.48)
Net realized gains . . . . .	—	(2.02)	—	(0.63)	(1.95)	(0.77)
Total distributions . . . . .	—	(2.34)	(0.54)	(1.07)	(2.30)	(1.25)
Net asset value, end of period . . . . .	\$16.15	\$15.34	\$19.39	\$16.75	\$18.99	\$17.55
Total return <sup>d</sup> . . . . .	5.28%	(7.47)%	19.06%	(5.17)%	22.44%	(9.16)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f,g,h</sup> . . . . .	1.04%	1.01%	1.08%	1.08%	1.06%	1.06%
Expenses - incurred in connection with securities sold short . . . . .	— <sup>i</sup>	— <sup>i</sup>	0.02%	0.01%	0.02%	0.01%
Net investment income . . . . .	1.68%	1.47%	1.06%	3.13% <sup>c</sup>	2.00%	1.42%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$101,539	\$99,603	\$120,424	\$116,704	\$120,345	\$105,047
Portfolio turnover rate . . . . .	24.65%	59.99%	47.31% <sup>j</sup>	36.96%	38.50%	24.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Net investment income per share includes approximately \$0.19 per share related to income received in the form of special dividends and EU reclaims in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.92%.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>h</sup>Includes dividends and/or interest expense on securities sold short and security borrowing fees, if any. See below for the ratios of such expenses to average net assets for the periods presented. See Note 1(e).

<sup>i</sup>Rounds to less than 0.01%.

<sup>j</sup>Excludes the value of portfolio securities delivered as a result of redemption in-kind.

## Schedule of Investments (unaudited), June 30, 2023

## Franklin Mutual Shares VIP Fund

	Country	Shares	Value
<b>Common Stocks 90.2%</b>			
<b>Air Freight &amp; Logistics 1.5%</b>			
United Parcel Service, Inc., B .....	United States	172,844	\$30,982,287
<b>Automobile Components 0.0%<sup>†</sup></b>			
<sup>a,b,c</sup> International Automotive Components Group Brazil LLC .....	Brazil	1,730,515	55,190
<b>Automobiles 1.9%</b>			
General Motors Co. ....	United States	1,053,147	40,609,348
<b>Banks 4.9%</b>			
Bank of America Corp. ....	United States	1,457,935	41,828,155
JPMorgan Chase & Co. ....	United States	417,316	60,694,439
			102,522,594
<b>Biotechnology 0.8%</b>			
<sup>b</sup> Horizon Therapeutics plc. ....	United States	170,386	17,524,200
<b>Building Products 2.1%</b>			
Johnson Controls International plc. ....	United States	643,293	43,833,985
<b>Capital Markets 1.8%</b>			
BlackRock, Inc. ....	United States	54,287	37,519,917
<b>Consumer Finance 2.3%</b>			
Bread Financial Holdings, Inc. ....	United States	247,460	7,767,770
Capital One Financial Corp. ....	United States	363,779	39,786,509
			47,554,279
<b>Containers &amp; Packaging 1.6%</b>			
International Paper Co. ....	United States	1,084,030	34,482,994
<b>Diversified Telecommunication Services 0.3%</b>			
<sup>a,b,c</sup> Windstream Holdings, Inc. ....	United States	643,835	5,797,752
<b>Electronic Equipment, Instruments &amp; Components 2.2%</b>			
<sup>b</sup> Flex Ltd. ....	United States	1,711,785	47,313,737
<b>Energy Equipment &amp; Services 2.3%</b>			
Schlumberger NV .....	United States	1,003,136	49,274,040
<b>Entertainment 3.9%</b>			
<sup>b</sup> Activision Blizzard, Inc. ....	United States	513,714	43,306,090
<sup>b</sup> Walt Disney Co. (The) .....	United States	429,948	38,385,758
			81,691,848
<b>Financial Services 6.2%</b>			
<sup>b</sup> Fiserv, Inc. ....	United States	449,163	56,661,912
Global Payments, Inc. ....	United States	394,635	38,879,440
Voya Financial, Inc. ....	United States	497,787	35,696,306
			131,237,658
<b>Food Products 2.3%</b>			
Kraft Heinz Co. (The) .....	United States	1,341,178	47,611,819
<b>Health Care Equipment &amp; Supplies 2.2%</b>			
Medtronic plc .....	United States	518,262	45,658,882
<b>Health Care Providers &amp; Services 5.3%</b>			
CVS Health Corp. ....	United States	632,629	43,733,643
Elevance Health, Inc. ....	United States	81,710	36,302,936
Humana, Inc. ....	United States	70,333	31,447,994
			111,484,573

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Mutual Shares VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Household Durables 2.0%</b>			
DR Horton, Inc. . . . .	United States	337,318	\$41,048,227
<b>Insurance 3.6%</b>			
Everest Re Group Ltd. . . . .	United States	105,654	36,118,876
Willis Towers Watson plc. . . . .	United States	168,488	39,678,924
			75,797,800
<b>Interactive Media &amp; Services 2.7%</b>			
<sup>b</sup> Match Group, Inc. . . . .	United States	259,623	10,865,222
<sup>b</sup> Meta Platforms, Inc., A . . . . .	United States	161,921	46,468,089
			57,333,311
<b>Machinery 1.9%</b>			
Parker-Hannifin Corp. . . . .	United States	104,316	40,687,413
<b>Media 3.9%</b>			
<sup>b</sup> Charter Communications, Inc., A . . . . .	United States	115,107	42,286,858
Comcast Corp., A . . . . .	United States	936,852	38,926,201
			81,213,059
<b>Metals &amp; Mining 1.1%</b>			
Alcoa Corp. . . . .	United States	651,801	22,115,608
<b>Oil, Gas &amp; Consumable Fuels 5.8%</b>			
BP plc. . . . .	United Kingdom	6,069,640	35,339,738
Chevron Corp. . . . .	United States	239,994	37,763,056
Williams Cos., Inc. (The) . . . . .	United States	1,485,202	48,462,141
			121,564,935
<b>Personal Care Products 0.8%</b>			
<sup>b</sup> Kenvue, Inc. . . . .	United States	654,414	17,289,618
<b>Pharmaceuticals 7.4%</b>			
Eli Lilly & Co. . . . .	United States	66,947	31,396,804
GSK plc . . . . .	United States	2,091,651	37,069,414
Merck & Co., Inc. . . . .	United States	354,805	40,940,949
Novartis AG, ADR . . . . .	Switzerland	456,102	46,025,253
			155,432,420
<b>Professional Services 3.8%</b>			
KBR, Inc. . . . .	United States	630,428	41,015,646
SS&C Technologies Holdings, Inc. . . . .	United States	627,395	38,020,137
			79,035,783
<b>Real Estate Management &amp; Development 2.4%</b>			
<sup>b</sup> CBRE Group, Inc., A . . . . .	United States	626,826	50,591,127
<b>Retail REITs 2.2%</b>			
Brixmor Property Group, Inc. . . . .	United States	2,063,566	45,398,452
<b>Software 3.4%</b>			
Gen Digital, Inc. . . . .	United States	1,679,486	31,154,466
Oracle Corp. . . . .	United States	340,091	40,501,437
			71,655,903
<b>Specialty Retail 0.0%</b>			
<sup>a,b,c</sup> Wayne Services Legacy, Inc. . . . .	United States	2,039	—



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Mutual Shares VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Textiles, Apparel &amp; Luxury Goods 2.3%</b>			
Tapestry, Inc. ....	United States	1,131,209	\$48,415,745
<b>Tobacco 1.9%</b>			
British American Tobacco plc. ....	United Kingdom	1,223,009	40,635,019
<b>Trading Companies &amp; Distributors 1.5%</b>			
Ferguson plc. ....	United States	199,368	31,362,580
<b>Wireless Telecommunication Services 1.9%</b>			
<sup>b</sup> T-Mobile US, Inc. ....	United States	281,153	39,052,152
<b>Total Common Stocks (Cost \$1,472,815,570)</b> .....			<b>1,893,784,255</b>
		<b>Principal Amount*</b>	
<b>Corporate Bonds 1.8%</b>			
<b>Hotels, Restaurants &amp; Leisure 0.2%</b>			
<sup>c</sup> Carnival Holdings Bermuda Ltd., Senior Note, 144A, 10.375%, 5/01/28 .....	United States	2,650,200	2,901,104
<b>Pharmaceuticals 0.1%</b>			
<sup>d</sup> Bausch Health Americas, Inc., Senior Note, 144A, 8.5%, 1/31/27 ..	United States	3,434,000	1,884,270
<sup>d</sup> Bausch Health Cos., Inc., Senior Note, 144A, 9%, 12/15/25. ....	United States	340,000	297,002
			2,181,272
<b>Software 0.8%</b>			
<sup>d</sup> Veritas US, Inc. / Veritas Bermuda Ltd., Senior Secured Note, 144A, 7.5%, 9/01/25 .....	United States	21,124,000	17,170,342
<b>Specialty Retail 0.7%</b>			
<sup>e</sup> Staples, Inc., Senior Note, 144A, 10.75%, 4/15/27 .....	United States	17,148,000	9,985,984
Senior Secured Note, 144A, 7.5%, 4/15/26 .....	United States	6,229,000	5,153,052
			15,139,036
<b>Total Corporate Bonds (Cost \$46,935,505)</b> .....			<b>37,391,754</b>
<b><sup>e</sup>Senior Floating Rate Interests 2.1%</b>			
<b>Commercial Services &amp; Supplies 0.5%</b>			
<sup>f</sup> Neptune BidCo US, Inc., First Lien, CME Term Loan, A, 9.754%, (3-month SOFR + 4.75%), 10/11/28 .....	United States	11,293,600	9,832,490
<b>Professional Services 0.3%</b>			
<sup>f</sup> CoreLogic, Inc., First Lien, Initial Term Loan, 8.75%, (1-month USD LIBOR + 3.5%), 6/02/28. ....	United States	7,946,157	7,193,258
<b>Software 1.3%</b>			
Banff Guarantor, Inc., Second Lien, Initial Term Loan, 10.717%, (1-month SOFR + 5.5%), 2/27/26 .....	United States	6,640,700	6,491,285
Quest Software US Holdings, Inc., Second Lien, Initial CME Term Loan, 12.695%, (3-month SOFR + 7.5%), 2/01/30 .....	United States	13,032,127	8,731,525
Veritas US, Inc., 2021 Dollar Term Loan, B, 10.217%, (1-month SOFR + 5%), 9/01/25. ....	United States	14,716,208	12,069,571
			27,292,381
<b>Total Senior Floating Rate Interests (Cost \$51,041,543)</b> .....			<b>44,318,129</b>



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Mutual Shares VIP Fund (continued)

	Country	Shares	Value
<b>Companies in Liquidation 0.0%</b>			
<sup>a,b,h</sup> Bosgen Liquidating Trust c/o Verdolino and Lowey P.C., Contingent Distribution . . . . .	Netherlands	347,093	\$—
<sup>a,b,h</sup> Walter Energy, Inc., Litigation Trust, Contingent Distribution . . . . .	United States	6,301,000	—
<b>Total Companies in Liquidation (Cost \$—)</b> . . . . .			—
<b>Total Long Term Investments (Cost \$1,570,792,618)</b> . . . . .			<b>1,975,494,138</b>
<b>Short Term Investments 6.0%</b>			
	Country	Principal Amount <sup>†</sup>	Value
<b>U.S. Government and Agency Securities 6.0%</b>			
<sup>†</sup> FHLB, 7/03/23 . . . . .	United States	125,988,000	125,988,000
<b>Total U.S. Government and Agency Securities (Cost \$125,954,403)</b> . . . . .			<b>125,988,000</b>
<b>Total Short Term Investments (Cost \$125,954,403)</b> . . . . .			<b>125,988,000</b>
<b>Total Investments (Cost \$1,696,747,021) 100.1%</b> . . . . .			<b>\$2,101,482,138</b>
<b>Other Assets, less Liabilities (0.1%)</b> . . . . .			<b>(1,017,977)</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$2,100,464,161</b>

<sup>†</sup>The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>Fair valued using significant unobservable inputs. See Note 11 regarding fair value measurements.

<sup>b</sup>Non-income producing.

<sup>c</sup>See Note 8 regarding restricted securities.

<sup>d</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2023, the aggregate value of these securities was \$37,391,754, representing 1.8% of net assets.

<sup>e</sup>See Note 1(f) regarding senior floating rate interests.

<sup>f</sup>A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

<sup>g</sup>The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.

<sup>h</sup>Contingent distributions represent the right to receive additional distributions, if any, during the reorganization of the underlying company. Shares represent total underlying principal of debt securities.

<sup>i</sup>The security was issued on a discount basis with no stated coupon rate.

**Franklin Mutual Shares VIP Fund** (continued)

At June 30, 2023, the Fund had the following futures contracts outstanding. See Note 1(d).

**Futures Contracts**

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Foreign exchange contracts</b>					
Foreign Exchange GBP/USD .....	Short	125	\$9,921,094	9/18/23	\$(81,559)
Total Futures Contracts .....					\$(81,559)

\*As of period end.

At June 30, 2023, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

**Forward Exchange Contracts**

Currency	Counter-party <sup>a</sup>	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
<b>OTC Forward Exchange Contracts</b>							
British Pound .....	BOFA	Buy	229,077	288,736	7/17/23	\$2,216	\$—
British Pound .....	BOFA	Sell	738,000	920,655	7/17/23	—	(16,680)
British Pound .....	HSBK	Buy	89,263	110,783	7/17/23	2,590	—
British Pound .....	HSBK	Sell	148,550	185,321	7/17/23	—	(3,353)
British Pound .....	UBSW	Buy	131,645	164,966	7/17/23	2,236	—
British Pound .....	UBSW	Sell	4,369,182	5,481,443	7/17/23	—	(67,863)
Total Forward Exchange Contracts .....						\$7,042	\$(87,896)
Net unrealized appreciation (depreciation) .....							\$(80,854)

\*In U.S. dollars unless otherwise indicated.

<sup>a</sup>May be comprised of multiple contracts with the same counterparty, currency and settlement date.

See Note 9 regarding other derivative information.

See Abbreviations on page 61.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statement of Assets and Liabilities

June 30, 2023 (unaudited)

	<b>Franklin Mutual Shares VIP Fund</b>
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$1,696,747,021
Value - Unaffiliated issuers . . . . .	\$2,101,482,138
Cash . . . . .	4,009,875
Receivables:	
Investment securities sold . . . . .	3,913,279
Capital shares sold . . . . .	5,590,299
Dividends and interest . . . . .	4,219,661
Deposits with brokers for:	
Futures contracts . . . . .	328,250
Unrealized appreciation on OTC forward exchange contracts . . . . .	7,042
Total assets . . . . .	<u>2,119,550,544</u>
<b>Liabilities:</b>	
Payables:	
Investment securities purchased . . . . .	15,605,475
Capital shares redeemed . . . . .	1,309,938
Management fees . . . . .	1,128,322
Distribution fees . . . . .	403,595
Trustees' fees and expenses . . . . .	3,245
Variation margin on futures contracts . . . . .	64,063
Unrealized depreciation on OTC forward exchange contracts . . . . .	87,896
Accrued expenses and other liabilities . . . . .	483,849
Total liabilities . . . . .	<u>19,086,383</u>
Net assets, at value . . . . .	<u>\$2,100,464,161</u>
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$1,514,610,493
Total distributable earnings (losses) . . . . .	585,853,668
Net assets, at value . . . . .	<u>\$2,100,464,161</u>
	<b>Franklin Mutual Shares VIP Fund</b>
<b>Class 1:</b>	
Net assets, at value . . . . .	\$112,413,402
Shares outstanding . . . . .	6,865,294
Net asset value and maximum offering price per share . . . . .	<u>\$16.37</u>
<b>Class 2:</b>	
Net assets, at value . . . . .	\$1,886,511,662
Shares outstanding . . . . .	118,114,445
Net asset value and maximum offering price per share . . . . .	<u>\$15.97</u>
<b>Class 4:</b>	
Net assets, at value . . . . .	\$101,539,097
Shares outstanding . . . . .	6,287,188
Net asset value and maximum offering price per share . . . . .	<u>\$16.15</u>

## Statement of Operations

for the six months ended June 30, 2023 (unaudited)

Franklin Mutual  
Shares VIP  
Fund

Investment income:	
Dividends: (net of foreign taxes of \$303,981)	
Unaffiliated issuers . . . . .	\$19,893,965
Interest:	
Unaffiliated issuers . . . . .	7,818,445
Total investment income . . . . .	27,712,410
Expenses:	
Management fees (Note 3a) . . . . .	6,866,082
Distribution fees: (Note 3c)	
Class 2 . . . . .	2,285,706
Class 4 . . . . .	173,698
Custodian fees (Note 4) . . . . .	4,991
Reports to shareholders fees . . . . .	7,217
Professional fees . . . . .	20,981
Trustees' fees and expenses . . . . .	15,101
Dividends on securities sold short . . . . .	27,210
Other . . . . .	70,923
Total expenses . . . . .	9,471,909
Expense reductions (Note 4) . . . . .	(7,747)
Net expenses . . . . .	9,464,162
Net investment income . . . . .	18,248,248
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	(29,072,998)
Foreign currency transactions . . . . .	46,051
Forward exchange contracts . . . . .	(1,518,299)
Futures contracts . . . . .	(268,850)
Securities sold short . . . . .	275,320
Net realized gain (loss) . . . . .	(30,538,776)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	108,986,846
Translation of other assets and liabilities denominated in foreign currencies . . . . .	8,193
Forward exchange contracts . . . . .	1,105,638
Futures contracts . . . . .	(192,905)
Net change in unrealized appreciation (depreciation) . . . . .	109,907,772
Net realized and unrealized gain (loss) . . . . .	79,368,996
Net increase (decrease) in net assets resulting from operations . . . . .	\$97,617,244

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statements of Changes in Net Assets

	Franklin Mutual Shares VIP Fund	
	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$18,248,248	\$35,065,739
Net realized gain (loss) . . . . .	(30,538,776)	173,243,573
Net change in unrealized appreciation (depreciation) . . . . .	109,907,772	(401,747,852)
Net increase (decrease) in net assets resulting from operations . . . . .	97,617,244	(193,438,540)
Distributions to shareholders:		
Class 1 . . . . .	—	(13,963,701)
Class 2 . . . . .	—	(244,802,646)
Class 4 . . . . .	—	(13,410,832)
Total distributions to shareholders . . . . .	—	(272,177,179)
Capital share transactions: (Note 2)		
Class 1 . . . . .	1,251,814	10,288,541
Class 2 . . . . .	13,466,699	(309,666,229)
Class 4 . . . . .	(3,309,485)	1,247,512
Total capital share transactions . . . . .	11,409,028	(298,130,176)
Net increase (decrease) in net assets . . . . .	109,026,272	(763,745,895)
Net assets:		
Beginning of period . . . . .	1,991,437,889	2,755,183,784
End of period . . . . .	\$2,100,464,161	\$1,991,437,889

# Notes to Financial Statements (unaudited)

## Franklin Mutual Shares VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Mutual Shares VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock

exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

Certain derivative financial instruments trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the



**Franklin Mutual Shares VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**a. Financial Instrument Valuation** (continued)

inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At June 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

**b. Foreign Currency Translation**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will

decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Securities Purchased on a Delayed Delivery Basis**

The Fund purchases securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Funds will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

**d. Derivative Financial Instruments**

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in

**Franklin Mutual Shares VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**d. Derivative Financial Instruments** (continued)

excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement. At June 30, 2023, the Fund had OTC derivatives in a net liability position of \$80,854.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each

day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into exchange traded futures contracts primarily to manage exposure to certain foreign currencies. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities.

The Fund entered into OTC forward exchange contracts primarily to manage exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

See Note 9 regarding other derivative information.

**e. Securities Sold Short**

The Fund is engaged in selling securities short, which obligates the Fund to replace a borrowed security with the same security at current fair value. The Fund incurs a loss if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund realizes a gain if the price of the security declines between those dates. Gains are limited to the price at which the Fund sold the security short, while losses are potentially unlimited in size.

The Fund is required to establish a margin account with the broker lending the security sold short. While the short sale is outstanding, the broker retains the proceeds of the short sale to the extent necessary to meet margin requirements until the short position is closed out. A deposit must also be maintained with the Fund's custodian/counterparty broker consisting of cash and/or securities having a value equal to a specified percentage of the value of the securities sold



**Franklin Mutual Shares VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**e. Securities Sold Short** (continued)

short. The Fund is obligated to pay fees for borrowing the securities sold short and is required to pay the counterparty any dividends and/or interest due on securities sold short. Such dividends and/or interest and any security borrowing fees are recorded as an expense to the Fund. At June 30, 2023, the Fund had no securities sold short.

**f. Senior Floating Rate Interests**

The Fund invests in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank, the London Interbank Offered Rate (LIBOR) or the Senior Overnight Financing Rate (SOFR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Fund invests are generally readily marketable, but may be subject to certain restrictions on resale.

**g. Income and Deferred Taxes**

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities

based on its technical merits. As of June 30, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**h. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income. Facility fees are recognized as income over the expected term of the loan. Dividend income and dividends declared on securities sold short are recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**Franklin Mutual Shares VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**i. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**j. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is

unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

**2. Shares of Beneficial Interest**

At June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	410,730	\$6,527,323	393,296	\$6,327,171
Shares issued in reinvestment of distributions	—	—	997,407	13,963,701
Shares redeemed	(329,114)	(5,275,509)	(564,521)	(10,002,331)
Net increase (decrease)	81,616	\$1,251,814	826,182	\$10,288,541
<b>Class 2 Shares:</b>				
Shares sold	18,760,112	\$294,164,952	6,305,441	\$105,384,367
Shares issued in reinvestment of distributions	—	—	17,894,930	244,802,646
Shares redeemed	(18,451,892)	(280,698,253)	(37,562,712)	(659,853,242)
Net increase (decrease)	308,220	\$13,466,699	(13,362,341)	\$(309,666,229)
<b>Class 4 Shares:</b>				
Shares sold	343,320	\$5,346,609	365,503	\$6,240,405
Shares issued in reinvestment of distributions	—	—	968,991	13,410,832
Shares redeemed	(548,468)	(8,656,094)	(1,051,773)	(18,403,725)
Net increase (decrease)	(205,148)	\$(3,309,485)	282,721	\$1,247,512

**Franklin Mutual Shares VIP Fund** (continued)**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Mutual Advisers, LLC (Franklin Mutual)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.675%	Up to and including \$5 billion
0.645%	Over \$5 billion, up to and including \$10 billion
0.625%	Over \$10 billion, up to and including \$15 billion
0.595%	Over \$15 billion, up to and including \$20 billion
0.585%	Over \$20 billion, up to and including \$25 billion
0.565%	Over \$25 billion, up to and including \$30 billion
0.555%	Over \$30 billion, up to and including \$35 billion
0.545%	In excess of \$35 billion

For the period ended June 30, 2023, the annualized gross effective investment management fee rate was 0.675% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Franklin Mutual, FT Services provides administrative services to the Fund. The fee is paid by Franklin Mutual based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**Franklin Mutual Shares VIP Fund** (continued)**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended June 30, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

**5. Income Taxes**

At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	\$1,717,078,750
Unrealized appreciation	\$452,550,299
Unrealized depreciation	(68,309,324)
Net unrealized appreciation (depreciation)	\$384,240,975

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions and wash sales.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities and securities sold short) for the period ended June 30, 2023, aggregated 488,684,501 and 550,709,721, respectively.

**7. Credit Risk and Defaulted Securities**

The Fund may purchase the pre-default or defaulted debt of distressed companies. Distressed companies are financially troubled and could be or are already involved in financial restructuring or bankruptcy. Risks associated with purchasing these securities include the possibility that the bankruptcy or other restructuring process takes longer than expected, or that distributions in restructuring are less than anticipated, either or both of which may result in unfavorable consequences to the Fund. If it becomes probable that the income on debt securities, including those of distressed companies, will not be collected, the Fund discontinues accruing income and recognizes an adjustment for uncollectible interest.

At June 30, 2023, the Fund did not hold any distressed company securities for which interest recognition has been discontinued.

**8. Restricted Securities**

The Fund invests in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Fund may have registration rights for restricted securities. The issuer generally incurs all registration costs.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Franklin Mutual Shares VIP Fund** (continued)**8. Restricted Securities** (continued)

At June 30, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
<b>Franklin Mutual Shares VIP Fund</b>				
1,730,515	International Automotive Components Group Brazil LLC	4/13/06 - 12/26/08	\$1,149,241	\$55,190
2,039	Wayne Services Legacy, Inc. . . . .	1/22/20	—	—
643,835	Windstream Holdings, Inc. . . . .	9/21/20 - 6/09/23	5,263,806	5,797,752
<b>Total Restricted Securities</b> (Value is 0.3% of Net Assets). . . . .			<u>\$6,413,047</u>	<u>\$5,852,942</u>

**9. Other Derivative Information**

At June 30, 2023, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
<b>Franklin Mutual Shares VIP Fund</b>				
Foreign exchange contracts . . .				
	Variation margin on futures contracts	\$—	Variation margin on futures contracts	\$81,559 <sup>a</sup>
	Unrealized appreciation on OTC forward exchange contracts	7,042	Unrealized depreciation on OTC forward exchange contracts	87,896
Total . . . . .		<u>\$7,042</u>		<u>\$169,455</u>

<sup>a</sup>This amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the period ended June 30, 2023, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
<b>Franklin Mutual Shares VIP Fund</b>				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Foreign exchange contracts . . . . .				
	Futures contracts	\$(268,850)	Futures contracts	\$(192,905)
	Forward exchange contracts	(1,518,299)	Forward exchange contracts	1,105,638
Total . . . . .		<u>\$(1,787,149)</u>		<u>\$912,733</u>

**Franklin Mutual Shares VIP Fund** (continued)**9. Other Derivative Information** (continued)

For the period ended June 30, 2023, the average month end notional amount of futures contracts represented \$11,502,646. The average month end contract value of forward exchange contracts was \$20,627,758.

See Note 1(d) regarding derivative financial instruments.

**10. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2023, the Fund did not use the Global Credit Facility.

**11. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of June 30, 2023, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Mutual Shares VIP Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Air Freight & Logistics . . . . .	\$30,982,287	\$—	\$—	\$30,982,287
Automobile Components . . . . .	—	—	55,190	55,190
Automobiles . . . . .	40,609,348	—	—	40,609,348
Banks . . . . .	102,522,594	—	—	102,522,594
Biotechnology . . . . .	17,524,200	—	—	17,524,200
Building Products . . . . .	43,833,985	—	—	43,833,985
Capital Markets . . . . .	37,519,917	—	—	37,519,917
Consumer Finance . . . . .	47,554,279	—	—	47,554,279
Containers & Packaging . . . . .	34,482,994	—	—	34,482,994
Diversified Telecommunication Services . . . . .	—	—	5,797,752	5,797,752



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

**Franklin Mutual Shares VIP Fund** (continued)

**11. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Mutual Shares VIP Fund</b> (continued)				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Electronic Equipment, Instruments & Components	\$47,313,737	\$—	\$—	\$47,313,737
Energy Equipment & Services	49,274,040	—	—	49,274,040
Entertainment	81,691,848	—	—	81,691,848
Financial Services	131,237,658	—	—	131,237,658
Food Products	47,611,819	—	—	47,611,819
Health Care Equipment & Supplies	45,658,882	—	—	45,658,882
Health Care Providers & Services	111,484,573	—	—	111,484,573
Household Durables	41,048,227	—	—	41,048,227
Insurance	75,797,800	—	—	75,797,800
Interactive Media & Services	57,333,311	—	—	57,333,311
Machinery	40,687,413	—	—	40,687,413
Media	81,213,059	—	—	81,213,059
Metals & Mining	22,115,608	—	—	22,115,608
Oil, Gas & Consumable Fuels	86,225,197	35,339,738	—	121,564,935
Personal Care Products	17,289,618	—	—	17,289,618
Pharmaceuticals	118,363,006	37,069,414	—	155,432,420
Professional Services	79,035,783	—	—	79,035,783
Real Estate Management & Development	50,591,127	—	—	50,591,127
Retail REITs	45,398,452	—	—	45,398,452
Software	71,655,903	—	—	71,655,903
Specialty Retail	—	—	— <sup>a</sup>	—
Textiles, Apparel & Luxury Goods	48,415,745	—	—	48,415,745
Tobacco	—	40,635,019	—	40,635,019
Trading Companies & Distributors	31,362,580	—	—	31,362,580
Wireless Telecommunication Services	39,052,152	—	—	39,052,152
Corporate Bonds	—	37,391,754	—	37,391,754
Senior Floating Rate Interests	—	44,318,129	—	44,318,129
Companies in Liquidation	—	—	— <sup>a</sup>	—
Short Term Investments	—	125,988,000	—	125,988,000
Total Investments in Securities	\$1,774,887,142	\$320,742,054 <sup>b</sup>	\$5,852,942	\$2,101,482,138
Other Financial Instruments:				
Forward exchange contracts	\$—	\$7,042	\$—	\$7,042
Total Other Financial Instruments	\$—	\$7,042	\$—	\$7,042
<b>Liabilities:</b>				
Other Financial Instruments:				
Forward exchange contracts	\$—	\$87,896	\$—	\$87,896
Futures contracts	81,559	—	—	81,559
Total Other Financial Instruments	\$81,559	\$87,896	\$—	\$169,455

<sup>a</sup>Includes financial instruments determined to have no value.

<sup>b</sup>Includes foreign securities valued at \$113,044,171, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period.

**Franklin Mutual Shares VIP Fund** (continued)**12. New Accounting Pronouncements**

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the LIBOR and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

**13. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure, other than those already disclosed in the financial statements.

**Abbreviations****Counterparty**

<b>BOFA</b>	Bank of America N.A.
<b>HSBK</b>	HSBC Bank plc
<b>UBSW</b>	UBS AG

**Currency**

<b>GBP</b>	British Pound
<b>USD</b>	United States Dollar

**Selected Portfolio**

<b>ADR</b>	American Depositary Receipt
<b>CME</b>	Chicago Mercantile Exchange
<b>FHLB</b>	Federal Home Loan Banks
<b>LIBOR</b>	London Interbank Offered Rate
<b>SOFR</b>	Secured Overnight Financing Rate



## VIP SA1 07/23

**SUPPLEMENT DATED JULY 10, 2023**  
**TO THE STATEMENT OF ADDITIONAL INFORMATION**  
**DATED MAY 1, 2023 OF**  
**FRANKLIN ALLOCATION VIP FUND**  
**FRANKLIN DYNATECH VIP FUND**  
**FRANKLIN GLOBAL REAL ESTATE VIP FUND**  
**FRANKLIN GROWTH AND INCOME VIP FUND**  
**FRANKLIN INCOME VIP FUND**  
**FRANKLIN LARGE CAP GROWTH VIP FUND**  
**FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND**  
**FRANKLIN MUTUAL SHARES VIP FUND**  
**FRANKLIN RISING DIVIDENDS VIP FUND**  
**FRANKLIN SMALL CAP VALUE VIP FUND**  
**FRANKLIN SMALL-MID CAP GROWTH VIP FUND**  
**FRANKLIN STRATEGIC INCOME VIP FUND**  
**FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND**  
**FRANKLIN VOLSMART ALLOCATION VIP FUND**  
**TEMPLETON DEVELOPING MARKETS VIP FUND**  
**TEMPLETON FOREIGN VIP FUND**  
**TEMPLETON GLOBAL BOND VIP FUND**  
**TEMPLETON GROWTH VIP FUND**  
**(a series of Franklin Templeton Variable Insurance Products Trust)**

The Statement of Additional Information is amended as follows:

I. All references to "The Bank of New York Mellon" under the heading "Policies and Procedures Regarding the Release of Portfolio Holdings" are removed.

II. The following replaces in its entirety the "Custodian" section under "Management and Other Services":

**Custodian** JPMorgan Chase Bank, at its principal office at 270 Park Avenue, New York, NY 10017-2070, and at the offices of its branches and agencies throughout the world, acts as custodian of the Fund's securities and assets. As foreign custody manager, the bank selects and monitors foreign sub-custodian banks, selects and evaluates non-compulsory foreign depositories, and furnishes information relevant to the selection of compulsory depositories. Millennium Trust Company, LLC, 2001 Spring Road, Oak Brook, Illinois, 60523, acts as the custodian of the Strategic Income Fund's marketplace loans.

*Please keep this supplement with your SAI for future reference.*

## Shareholder Information

### BOARD APPROVAL OF INVESTMENT MANAGEMENT AGREEMENTS

#### FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

##### Franklin Mutual Shares VIP Fund (Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Mutual Advisers, LLC (Manager) and the Trust, on behalf of the Fund. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### **Nature, Extent and Quality of Services**

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

### **Fund Performance**

The Board reviewed and considered the performance results of the Fund over various time periods ended December 31, 2022. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all multi-cap value funds underlying VIPs. The Board noted that the Fund's annualized total return for the one-, three-, five and 10-year periods was below the median of its respective Performance Universe. The Board then discussed the Fund's performance with management and management explained that the Fund is more value oriented in comparison to its peers in the Performance Universe. Management also explained that this value orientation adversely impacted the Fund's relative performance during various periods over the past five calendar years when value significantly underperformed growth. Management further explained that the Fund's performance had improved over the one-year period when value outperformed growth, noting that the Fund outperformed its benchmark, the Russell 1000 Value Index, during this period. Management then discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund, including ongoing enhancements to the Fund's investment team and processes. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and management's efforts should continue to be closely monitored.

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support

payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from the fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and 12 other multi-cap value funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for the Fund were above the medians of its respective Expense Group. The Board further noted management's explanation that the Fund's expense group included quantitative rules-based strategies which are less expensive than the strategies of the Fund and that once these funds are excluded from the Performance Universe, the Fund's actual total expense ratio is equal to the median of the modified Performance Universe. After consideration of the above, the Board concluded that the Management Rate charged to the Fund is reasonable.

### **Profitability**

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to the fund during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years.

The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Fund which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing the fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board

concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SHAREHOLDER INFORMATION

representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton

Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

# Franklin Rising Dividends VIP Fund

This semiannual report for Franklin Rising Dividends VIP Fund covers the period ended June 30, 2023.

## Fund Overview

### Fund Goal and Main Investments

The Fund seeks long-term capital appreciation. Preservation of capital, while not a goal, is also an important consideration. Under normal market conditions, the Fund invests at least 80% of its net assets in equity securities, mostly common stocks, of financially sound companies that have paid consistently rising dividends. The Fund may invest up to 25% of its total assets in foreign securities.

### Performance Overview

You can find the Fund's six-month total return for all share classes in the Performance Summary. In comparison, the Standard & Poor's® 500 Index (S&P 500®) posted a +16.89% total return for the same period.<sup>1</sup> Please note the Fund employs a bottom-up stock selection process, and the managers invest in securities without regard to benchmark comparisons.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Portfolio Composition

6/30/23

	% of Total Net Assets
Software	12.9%
Health Care Equipment & Supplies	9.5%
Chemicals	9.4%
Semiconductors & Semiconductor Equipment	5.5%
Aerospace & Defense	3.9%
Specialty Retail	3.6%
Health Care Providers & Services	3.2%
Oil, Gas & Consumable Fuels	3.1%
Consumer Staples Distribution & Retail	3.0%
Building Products	2.7%
Household Products	2.7%
Life Sciences Tools & Services	2.6%
IT Services	2.6%
Financial Services	2.6%
Other*	28.7%
Short-Term Investments & Other Net Assets	4.0%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

### Top 10 Holdings

6/30/23

Company Industry	% of Total Net Assets
Microsoft Corp. Software	9.3%
Linde plc Chemicals	3.7%
Roper Technologies, Inc. Software	3.6%
Stryker Corp. Health Care Equipment & Supplies	3.6%
Analog Devices, Inc. Semiconductors & Semiconductor Equipment	2.8%
UnitedHealth Group, Inc. Health Care Providers & Services	2.8%
Accenture plc IT Services	2.6%
Texas Instruments, Inc. Semiconductors & Semiconductor Equipment	2.6%
Visa, Inc. Financial Services	2.6%
Raytheon Technologies Corp. Aerospace & Defense	2.6%

Thank you for your participation in Franklin Rising Dividends VIP Fund. We look forward to serving your future investment needs.

1. Source: Morningstar. The Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

## Performance Summary as of June 30, 2023<sup>1</sup>

Share Class	6-Month Total Return
1	+8.65%
2	+8.50%
4	+8.50%

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

## Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** The **investment style** may become out of favor, which may have a negative impact on performance. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. The Fund's prospectus also includes a description of the main investment risks.

## Your Fund's Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	
1	\$1,000	\$1,086.50	\$3.30	\$1,021.63	\$3.20	0.64%
2	\$1,000	\$1,085.00	\$4.59	\$1,020.39	\$4.45	0.89%
4	\$1,000	\$1,085.00	\$5.11	\$1,019.90	\$4.95	0.99%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.



## Financial Highlights

## Franklin Rising Dividends VIP Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$28.18	\$36.74	\$30.17	\$27.90	\$25.75	\$29.21
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.19	0.35	0.30	0.32	0.37	0.39
Net realized and unrealized gains (losses)	2.22	(4.55)	7.68	3.76	6.77	(1.65)
Total from investment operations . . . . .	2.41	(4.20)	7.98	4.08	7.14	(1.26)
Less distributions from:						
Net investment income . . . . .	(0.33)	(0.35)	(0.35)	(0.41)	(0.45)	(0.44)
Net realized gains . . . . .	(2.97)	(4.01)	(1.06)	(1.40)	(4.54)	(1.76)
Total distributions . . . . .	(3.30)	(4.36)	(1.41)	(1.81)	(4.99)	(2.20)
Net asset value, end of period . . . . .	\$27.29	\$28.18	\$36.74	\$30.17	\$27.90	\$25.75
Total return <sup>c</sup> . . . . .	8.65%	(10.34)%	27.10%	16.23%	29.58%	(4.84)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.65%	0.64%	0.63%	0.65%	0.63%	0.62%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.64%	0.63%	0.63% <sup>f</sup>	0.65% <sup>f</sup>	0.63% <sup>f</sup>	0.62% <sup>f</sup>
Net investment income . . . . .	1.33%	1.18%	0.90%	1.20%	1.34%	1.38%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$119,179	\$114,787	\$141,433	\$156,585	\$150,864	\$157,838
Portfolio turnover rate . . . . .	2.09%	12.59%	3.92%	12.83%	7.26% <sup>g</sup>	3.09% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions.

## Franklin Rising Dividends VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 2</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$27.03	\$35.42	\$29.14	\$26.99	\$25.04	\$28.46
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.15	0.27	0.21	0.24	0.29	0.31
Net realized and unrealized gains (losses) . . . . .	2.12	(4.40)	7.41	3.65	6.57	(1.61)
Total from investment operations . . . . .	2.27	(4.13)	7.62	3.89	6.86	(1.30)
Less distributions from:						
Net investment income . . . . .	(0.26)	(0.25)	(0.28)	(0.33)	(0.37)	(0.36)
Net realized gains . . . . .	(2.97)	(4.01)	(1.06)	(1.41)	(4.54)	(1.76)
Total distributions . . . . .	(3.23)	(4.26)	(1.34)	(1.74)	(4.91)	(2.12)
Net asset value, end of period . . . . .	\$26.07	\$27.03	\$35.42	\$29.14	\$26.99	\$25.04
Total return <sup>c</sup> . . . . .	8.50%	(10.57)%	26.79%	15.97%	29.23%	(5.07)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.90%	0.89%	0.88%	0.90%	0.88%	0.87%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.89%	0.88%	0.88% <sup>f</sup>	0.90% <sup>f</sup>	0.88% <sup>f</sup>	0.87% <sup>f</sup>
Net investment income . . . . .	1.08%	0.92%	0.66%	0.95%	1.09%	1.13%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,274,131	\$1,211,909	\$1,513,905	\$1,365,745	\$1,387,688	\$1,106,334
Portfolio turnover rate . . . . .	2.09%	12.59%	3.92%	12.83%	7.26% <sup>g</sup>	3.09% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Franklin Rising Dividends VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 4</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$27.06	\$35.49	\$29.22	\$27.08	\$25.11	\$28.54
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.13	0.24	0.18	0.22	0.26	0.29
Net realized and unrealized gains (losses)	2.14	(4.41)	7.42	3.65	6.60	(1.62)
Total from investment operations . . . . .	2.27	(4.17)	7.60	3.87	6.86	(1.33)
Less distributions from:						
Net investment income . . . . .	(0.24)	(0.25)	(0.27)	(0.32)	(0.35)	(0.34)
Net realized gains . . . . .	(2.97)	(4.01)	(1.06)	(1.41)	(4.54)	(1.76)
Total distributions . . . . .	(3.21)	(4.26)	(1.33)	(1.73)	(4.89)	(2.10)
Net asset value, end of period . . . . .	\$26.12	\$27.06	\$35.49	\$29.22	\$27.08	\$25.11
Total return <sup>c</sup> . . . . .	8.50%	(10.68)%	26.63%	15.85%	29.16%	(5.16)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.00%	0.99%	0.98%	1.00%	0.98%	0.97%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.99%	0.98%	0.98% <sup>f</sup>	1.00% <sup>f</sup>	0.98% <sup>f</sup>	0.97% <sup>f</sup>
Net investment income . . . . .	0.98%	0.84%	0.56%	0.85%	0.99%	1.03%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$80,110	\$70,696	\$72,589	\$51,137	\$46,539	\$32,825
Portfolio turnover rate . . . . .	2.09%	12.59%	3.92%	12.83%	7.26% <sup>g</sup>	3.09% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions.

## Schedule of Investments (unaudited), June 30, 2023

## Franklin Rising Dividends VIP Fund

	Country	Shares	Value
<b>Common Stocks 96.0%</b>			
<b>Aerospace &amp; Defense 3.9%</b>			
General Dynamics Corp. . . . .	United States	87,252	\$18,772,268
Raytheon Technologies Corp. . . . .	United States	389,246	38,130,538
			<u>56,902,806</u>
<b>Air Freight &amp; Logistics 2.0%</b>			
United Parcel Service, Inc., B . . . . .	United States	163,717	29,346,272
<b>Banks 1.4%</b>			
JPMorgan Chase & Co. . . . .	United States	142,325	20,699,748
<b>Beverages 1.9%</b>			
PepsiCo, Inc. . . . .	United States	148,630	27,529,249
<b>Biotechnology 1.3%</b>			
AbbVie, Inc. . . . .	United States	145,136	19,554,173
<b>Building Products 2.7%</b>			
Carlisle Cos., Inc. . . . .	United States	60,902	15,623,190
Johnson Controls International plc. . . . .	United States	364,710	24,851,339
			<u>40,474,529</u>
<b>Capital Markets 1.0%</b>			
Nasdaq, Inc. . . . .	United States	300,500	14,979,925
<b>Chemicals 9.4%</b>			
Air Products and Chemicals, Inc. . . . .	United States	122,867	36,802,352
Albemarle Corp. . . . .	United States	79,410	17,715,577
Ecolab, Inc. . . . .	United States	105,709	19,734,813
Linde plc. . . . .	United States	142,932	54,468,527
Sherwin-Williams Co. (The). . . . .	United States	35,800	9,505,616
			<u>138,226,885</u>
<b>Commercial Services &amp; Supplies 1.7%</b>			
Cintas Corp. . . . .	United States	49,172	24,442,418
<b>Consumer Staples Distribution &amp; Retail 3.0%</b>			
Target Corp. . . . .	United States	169,237	22,322,360
Walmart, Inc. . . . .	United States	139,108	21,864,996
			<u>44,187,356</u>
<b>Electrical Equipment 1.0%</b>			
nVent Electric plc . . . . .	United States	282,226	14,582,617
<b>Financial Services 2.6%</b>			
Visa, Inc., A. . . . .	United States	162,462	38,581,476
<b>Food Products 2.5%</b>			
McCormick & Co., Inc. . . . .	United States	223,994	19,538,997
Mondelez International, Inc., A. . . . .	United States	230,400	16,805,376
			<u>36,344,373</u>
<b>Ground Transportation 2.1%</b>			
JB Hunt Transport Services, Inc. . . . .	United States	73,330	13,274,930
Norfolk Southern Corp. . . . .	United States	77,947	17,675,262
			<u>30,950,192</u>
<b>Health Care Equipment &amp; Supplies 9.5%</b>			
Abbott Laboratories. . . . .	United States	246,795	26,905,591
Becton Dickinson & Co. . . . .	United States	132,715	35,038,087
Medtronic plc . . . . .	United States	283,254	24,954,677

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Rising Dividends VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Health Care Equipment &amp; Supplies</b> (continued)			
Stryker Corp. . . . .	United States	175,545	\$53,557,024
			<u>140,455,379</u>
<b>Health Care Providers &amp; Services 3.2%</b>			
CVS Health Corp. . . . .	United States	73,193	5,059,832
UnitedHealth Group, Inc. . . . .	United States	86,300	41,479,232
			<u>46,539,064</u>
<b>Hotels, Restaurants &amp; Leisure 2.6%</b>			
McDonald's Corp. . . . .	United States	100,399	29,960,066
Starbucks Corp. . . . .	United States	77,500	7,677,150
			<u>37,637,216</u>
<b>Household Products 2.7%</b>			
Colgate-Palmolive Co. . . . .	United States	200,640	15,457,306
Procter & Gamble Co. (The) . . . . .	United States	157,894	23,958,835
			<u>39,416,141</u>
<b>Industrial Conglomerates 2.3%</b>			
Honeywell International, Inc. . . . .	United States	165,675	34,377,562
<b>Insurance 0.7%</b>			
Erie Indemnity Co., A. . . . .	United States	47,870	10,053,179
<b>IT Services 2.6%</b>			
Accenture plc, A . . . . .	United States	125,578	38,750,859
<b>Life Sciences Tools &amp; Services 2.6%</b>			
Danaher Corp. . . . .	United States	34,600	8,304,000
West Pharmaceutical Services, Inc. . . . .	United States	79,701	30,483,241
			<u>38,787,241</u>
<b>Machinery 2.0%</b>			
Donaldson Co., Inc. . . . .	United States	140,297	8,769,966
Dover Corp. . . . .	United States	139,088	20,536,343
			<u>29,306,309</u>
<b>Oil, Gas &amp; Consumable Fuels 3.1%</b>			
Chevron Corp. . . . .	United States	123,994	19,510,456
EOG Resources, Inc. . . . .	United States	117,561	13,453,681
Exxon Mobil Corp. . . . .	United States	122,361	13,123,217
			<u>46,087,354</u>
<b>Pharmaceuticals 2.5%</b>			
Johnson & Johnson . . . . .	United States	160,329	26,537,656
Pfizer, Inc. . . . .	United States	272,315	9,988,514
			<u>36,526,170</u>
<b>Semiconductors &amp; Semiconductor Equipment 5.5%</b>			
Analog Devices, Inc. . . . .	United States	215,494	41,980,386
Texas Instruments, Inc. . . . .	United States	215,068	38,716,542
			<u>80,696,928</u>
<b>Software 12.9%</b>			
Microsoft Corp. . . . .	United States	402,528	137,076,885
Roper Technologies, Inc. . . . .	United States	111,483	53,601,027
			<u>190,677,912</u>
<b>Specialty Retail 3.6%</b>			
Lowe's Cos., Inc. . . . .	United States	137,800	31,101,460

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Rising Dividends VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Specialty Retail</b> (continued)			
Ross Stores, Inc. ....	United States	202,030	\$22,653,624
			53,755,084
<b>Technology Hardware, Storage &amp; Peripherals 0.3%</b>			
Apple, Inc. ....	United States	23,400	4,538,898
<b>Textiles, Apparel &amp; Luxury Goods 1.7%</b>			
NIKE, Inc., B. ....	United States	224,384	24,765,262
<b>Trading Companies &amp; Distributors 1.7%</b>			
WW Grainger, Inc. ....	United States	31,493	24,835,065
<b>Total Common Stocks (Cost \$538,637,108)</b> .....			<b>1,414,007,642</b>
 <b>Short Term Investments 4.1%</b>			
<b>Money Market Funds 4.1%</b>			
<sup>a,b</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.699% . . . .	United States	60,419,981	60,419,981
<b>Total Money Market Funds (Cost \$60,419,981)</b> .....			<b>60,419,981</b>
<b>Total Short Term Investments (Cost \$60,419,981)</b> .....			<b>60,419,981</b>
<b>Total Investments (Cost \$599,057,089) 100.1%</b> .....			<b>\$1,474,427,623</b>
<b>Other Assets, less Liabilities (0.1)%</b> .....			<b>(1,007,290)</b>
<b>Net Assets 100.0%</b> .....			<b>\$1,473,420,333</b>

<sup>a</sup> See Note 3(e) regarding investments in affiliated management investment companies.<sup>b</sup> The rate shown is the annualized seven-day effective yield at period end.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statement of Assets and Liabilities

June 30, 2023 (unaudited)

	<b>Franklin Rising Dividends VIP Fund</b>
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$538,637,108
Cost - Non-controlled affiliates (Note 3e) . . . . .	60,419,981
Value - Unaffiliated issuers . . . . .	\$1,414,007,642
Value - Non-controlled affiliates (Note 3e) . . . . .	60,419,981
Receivables:	
Capital shares sold . . . . .	297,098
Dividends . . . . .	939,190
Total assets . . . . .	1,475,663,911
<b>Liabilities:</b>	
Payables:	
Capital shares redeemed . . . . .	1,079,288
Management fees . . . . .	718,570
Distribution fees . . . . .	273,501
Trustees' fees and expenses . . . . .	1,964
Accrued expenses and other liabilities . . . . .	170,255
Total liabilities . . . . .	2,243,578
Net assets, at value . . . . .	\$1,473,420,333
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$573,712,713
Total distributable earnings (losses) . . . . .	899,707,620
Net assets, at value . . . . .	\$1,473,420,333
	<b>Franklin Rising Dividends VIP Fund</b>
<b>Class 1:</b>	
Net assets, at value . . . . .	\$119,179,235
Shares outstanding . . . . .	4,367,434
Net asset value and maximum offering price per share . . . . .	\$27.29
<b>Class 2:</b>	
Net assets, at value . . . . .	\$1,274,130,664
Shares outstanding . . . . .	48,872,740
Net asset value and maximum offering price per share . . . . .	\$26.07
<b>Class 4:</b>	
Net assets, at value . . . . .	\$80,110,434
Shares outstanding . . . . .	3,067,590
Net asset value and maximum offering price per share . . . . .	\$26.12

## Statement of Operations

for the six months ended June 30, 2023 (unaudited)

	<b>Franklin Rising Dividends VIP Fund</b>
Investment income:	
Dividends:	
Unaffiliated issuers . . . . .	\$12,515,219
Non-controlled affiliates (Note 3e) . . . . .	1,201,102
Total investment income . . . . .	<u>13,716,321</u>
Expenses:	
Management fees (Note 3a) . . . . .	4,420,542
Distribution fees: (Note 3c)	
Class 2 . . . . .	1,512,160
Class 4 . . . . .	127,114
Custodian fees (Note 4) . . . . .	3,217
Reports to shareholders fees . . . . .	9,106
Professional fees . . . . .	29,464
Trustees' fees and expenses . . . . .	10,006
Other . . . . .	77,284
Total expenses . . . . .	<u>6,188,893</u>
Expense reductions (Note 4) . . . . .	(526)
Expenses waived/paid by affiliates (Note 3e) . . . . .	<u>(96,274)</u>
Net expenses . . . . .	6,092,093
Net investment income . . . . .	<u>7,624,228</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	20,244,551
Foreign currency transactions . . . . .	(412)
Net realized gain (loss) . . . . .	<u>20,244,139</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	87,713,327
Net realized and unrealized gain (loss) . . . . .	<u>107,957,466</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$115,581,694</u>



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statements of Changes in Net Assets

	<b>Franklin Rising Dividends VIP Fund</b>	
	<b>Six Months Ended June 30, 2023 (unaudited)</b>	<b>Year Ended December 31, 2022</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$7,624,228	\$13,041,568
Net realized gain (loss) . . . . .	20,244,139	148,983,389
Net change in unrealized appreciation (depreciation) . . . . .	87,713,327	(353,422,116)
Net increase (decrease) in net assets resulting from operations . . . . .	115,581,694	(191,397,159)
Distributions to shareholders:		
Class 1 . . . . .	(12,866,402)	(16,307,359)
Class 2 . . . . .	(140,577,078)	(157,005,061)
Class 4 . . . . .	(8,704,113)	(9,292,634)
Total distributions to shareholders . . . . .	(162,147,593)	(182,605,054)
Capital share transactions: (Note 2)		
Class 1 . . . . .	7,652,648	4,783,970
Class 2 . . . . .	102,894,648	23,522,172
Class 4 . . . . .	12,047,189	15,160,023
Total capital share transactions . . . . .	122,594,485	43,466,165
Net increase (decrease) in net assets . . . . .	76,028,586	(330,536,048)
Net assets:		
Beginning of period . . . . .	1,397,391,747	1,727,927,795
End of period . . . . .	\$1,473,420,333	\$1,397,391,747

# Notes to Financial Statements (unaudited)

## Franklin Rising Dividends VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services - Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Rising Dividends VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is

primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day

**Franklin Rising Dividends VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**a. Financial Instrument Valuation** (continued)

of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

**b. Foreign Currency Translation**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Income and Deferred Taxes**

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**d. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These

**Franklin Rising Dividends VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**d. Security Transactions, Investment Income, Expenses and Distributions** (continued)

reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**2. Shares of Beneficial Interest**

At June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	134,491	\$3,880,927	302,160	\$9,036,236
Shares issued in reinvestment of distributions	476,357	12,866,401	600,459	15,485,835
Shares redeemed	(316,947)	(9,094,680)	(678,695)	(19,738,101)
Net increase (decrease)	293,901	\$7,652,648	223,924	\$4,783,970
<b>Class 2 Shares:</b>				
Shares sold	2,008,810	\$55,818,551	9,317,862	\$275,753,134
Shares issued in reinvestment of distributions	5,446,613	140,577,077	6,338,517	157,005,061
Shares redeemed	(3,424,184)	(93,500,980)	(13,561,372)	(409,236,023)
Net increase (decrease)	4,031,239	\$102,894,648	2,095,007	\$23,522,172
<b>Class 4 Shares:</b>				
Shares sold	290,053	\$8,059,117	508,852	\$14,897,164
Shares issued in reinvestment of distributions	336,716	8,704,113	374,401	9,292,634
Shares redeemed	(171,335)	(4,716,041)	(316,486)	(9,029,775)
Net increase (decrease)	455,434	\$12,047,189	566,767	\$15,160,023

**Franklin Rising Dividends VIP Fund** (continued)**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

<b>Subsidiary</b>	<b>Affiliation</b>
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

<b>Annualized Fee Rate</b>	<b>Net Assets</b>
0.750%	Up to and including \$500 million
0.625%	Over \$500 million, up to and including \$1 billion
0.500%	Over \$1 billion, up to and including \$5 billion
0.490%	In excess of \$5 billion

For the period ended June 30, 2023, the annualized gross effective investment management fee rate was 0.633% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended June 30, 2023, the Fund held investments in affiliated management investment companies as follows:



**Franklin Rising Dividends VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**e. Investments in Affiliated Management Investment Companies** (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin Rising Dividends VIP Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$61,564,833	\$74,794,044	\$(75,938,896)	\$—	\$—	\$60,419,981	60,419,981	\$1,201,102
<b>Total Affiliated Securities . . .</b>	<b>\$61,564,833</b>	<b>\$74,794,044</b>	<b>\$(75,938,896)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$60,419,981</b>		<b>\$1,201,102</b>

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended June 30, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

**5. Income Taxes**

At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments . . . . .	\$601,566,332
Unrealized appreciation. . . . .	\$876,456,627
Unrealized depreciation. . . . .	(3,595,336)
Net unrealized appreciation (depreciation). . . . .	\$872,861,291

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of corporate actions and wash sales.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2023, aggregated \$28,362,957 and \$59,101,184, respectively.

**7. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

**Franklin Rising Dividends VIP Fund** (continued)**7. Credit Facility** (continued)

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2023, the Fund did not use the Global Credit Facility.

**8. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

At June 30, 2023, all of the Fund's investments in financial instruments carried at fair value were valued using Level 1 inputs. For detailed categories, see the accompanying Schedule of Investments.

**9. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

## VIP SA1 07/23

**SUPPLEMENT DATED JULY 10, 2023**  
**TO THE STATEMENT OF ADDITIONAL INFORMATION**  
**DATED MAY 1, 2023 OF**  
**FRANKLIN ALLOCATION VIP FUND**  
**FRANKLIN DYNATECH VIP FUND**  
**FRANKLIN GLOBAL REAL ESTATE VIP FUND**  
**FRANKLIN GROWTH AND INCOME VIP FUND**  
**FRANKLIN INCOME VIP FUND**  
**FRANKLIN LARGE CAP GROWTH VIP FUND**  
**FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND**  
**FRANKLIN MUTUAL SHARES VIP FUND**  
**FRANKLIN RISING DIVIDENDS VIP FUND**  
**FRANKLIN SMALL CAP VALUE VIP FUND**  
**FRANKLIN SMALL-MID CAP GROWTH VIP FUND**  
**FRANKLIN STRATEGIC INCOME VIP FUND**  
**FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND**  
**FRANKLIN VOLSMART ALLOCATION VIP FUND**  
**TEMPLETON DEVELOPING MARKETS VIP FUND**  
**TEMPLETON FOREIGN VIP FUND**  
**TEMPLETON GLOBAL BOND VIP FUND**  
**TEMPLETON GROWTH VIP FUND**  
**(a series of Franklin Templeton Variable Insurance Products Trust)**

The Statement of Additional Information is amended as follows:

I. All references to "The Bank of New York Mellon" under the heading "Policies and Procedures Regarding the Release of Portfolio Holdings" are removed.

II. The following replaces in its entirety the "Custodian" section under "Management and Other Services":

**Custodian** JPMorgan Chase Bank, at its principal office at 270 Park Avenue, New York, NY 10017-2070, and at the offices of its branches and agencies throughout the world, acts as custodian of the Fund's securities and assets. As foreign custody manager, the bank selects and monitors foreign sub-custodian banks, selects and evaluates non-compulsory foreign depositories, and furnishes information relevant to the selection of compulsory depositories. Millennium Trust Company, LLC, 2001 Spring Road, Oak Brook, Illinois, 60523, acts as the custodian of the Strategic Income Fund's marketplace loans.

*Please keep this supplement with your SAI for future reference.*



**FRANKLIN RISING DIVIDENDS VIP FUND****REPORT OF INSPECTOR OF ELECTION**

I, the undersigned Inspector of Election at the reconvened Special Meeting of Shareholders of Franklin Rising Dividends VIP Fund (a series of Franklin Templeton Variable Insurance Products Trust), held on March 9, 2023, have duly canvassed the vote of the Shareholders for the Proposals set forth in the Notice of Meeting and report thereon, as follows:

I hereby submit a list of Shareholders, together with proxies representing a total of 51,032,014 shares or 99.26% of those eligible to vote (51,413,276 shares) on the record date, January 5, 2023, representing a quorum.

Of the above, the following is noted:

1. To eliminate the criterion related to the pricing of rising dividends companies that is used to identify “rising dividends” companies for purposes of the Fund’s fundamental investment policy to invest at least 65% of its net assets in securities of certain companies (the “65% Policy”):

	<b>Shares Voted</b>	<b>% of Outstanding Shares</b>	<b>% of Shares Present</b>
For	44,035,343	85.65%	86.29%
Against	3,232,662	6.29%	6.33%
Abstain	3,764,008	7.32%	7.38%

2. To modify the criteria related to reinvestment of earnings by, and levels of debt of, rising dividend companies for purposes of the 65% Policy to exclude utility companies from the application of such criteria:

	<b>Shares Voted</b>	<b>% of Outstanding Shares</b>	<b>% of Shares Present</b>
For	44,037,794	85.65%	86.29%
Against	3,211,911	6.25%	6.29%
Abstain	3,782,308	7.36%	7.41%

3. To reclassify the 65% Policy as non-fundamental:

	<b>Shares Voted</b>	<b>% of Outstanding Shares</b>	<b>% of Shares Present</b>
For	43,205,997	84.04%	84.66%
Against	3,448,854	6.71%	6.76%
Abstain	4,377,163	8.51%	8.58%

Dated: March 9, 2023

San Mateo, California

/s/Aivy Castillo

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Aivy Castillo  
Inspector of Election

## Shareholder Information

### BOARD APPROVAL OF INVESTMENT MANAGEMENT AGREEMENTS

#### FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

##### Franklin Rising Dividends VIP Fund (Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of the Fund. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### **Nature, Extent and Quality of Services**

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by each Manager and its affiliates to the Fund and its shareholders.

### **Fund Performance**

The Board reviewed and considered the performance results of the Fund over various time periods ended December 31, 2022. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all large-cap core funds underlying VIPs. The Board noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from the fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate

measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and 12 other large-cap core funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for the Fund were above the medians of its respective Expense Group. The Board further noted that the Fund's Management Rate was approximately three and one-half basis points above the median of its Expense Group. After consideration of the above, the Board concluded that the Management Rate charged to the Fund is reasonable.

### **Profitability**

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to the fund during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided

to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Fund which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares

issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.



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Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

# Franklin Small Cap Value VIP Fund

This semiannual report for Franklin Small Cap Value VIP Fund covers the period ended June 30, 2023.

## Fund Overview

### Fund Goal and Main Investments

The Fund seeks long-term total return. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of small-capitalization companies. For this Fund, small-capitalization companies are those with market capitalizations not exceeding either the highest market capitalization in the Russell 2000® Index or the 12-month average of the highest market capitalization in the Russell 2000® Index, whichever is greater, at the time of purchase. The Fund generally invests in equity securities of companies that the Fund's investment manager believes are undervalued at the time of purchase and have the potential for capital appreciation.

### Portfolio Composition

6/30/23

	% of Total Net Assets
Banks	10.7%
Electronic Equipment, Instruments & Components	6.5%
Insurance	6.1%
Building Products	5.7%
Hotels, Restaurants & Leisure	5.6%
Health Care Equipment & Supplies	5.0%
Trading Companies & Distributors	4.4%
Oil, Gas & Consumable Fuels	4.3%
Food Products	4.1%
Automobile Components	3.7%
Software	3.6%
Semiconductors & Semiconductor Equipment	3.2%
Chemicals	3.0%
Communications Equipment	2.8%
Other*	29.0%
Short-Term Investments & Other Net Assets	2.3%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

## Performance Overview

You can find the Fund's six-month total return for all share classes in the Performance Summary. In comparison, the Fund's benchmark, the Russell 2000® Value Index, posted a +2.50% total return for the same period.<sup>1</sup> Please note the Fund employs a bottom-up stock selection process, and the managers invest in securities without regard to benchmark comparisons.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Top 10 Holdings

6/30/23

Company Industry	% of Total Net Assets
ACI Worldwide, Inc. Software	3.6%
Coherent Corp. Electronic Equipment, Instruments & Components	3.2%
Hanover Insurance Group, Inc. (The) Insurance	2.9%
UFP Industries, Inc. Building Products	2.9%
McGrath RentCorp Trading Companies & Distributors	2.8%
Envista Holdings Corp. Health Care Equipment & Supplies	2.8%
Glanbia plc Food Products, Ireland	2.8%
Crescent Point Energy Corp. Oil, Gas & Consumable Fuels, Canada	2.3%
Knowles Corp. Electronic Equipment, Instruments & Components	2.3%
Integer Holdings Corp. Health Care Equipment & Supplies	2.3%

Thank you for your participation in Franklin Small Cap Value VIP Fund. We look forward to serving your future investment needs.

1. Source: Morningstar. The Russell 2000® Value Index is market capitalization weighted and measures the performance of those Russell 2000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

## Performance Summary as of June 30, 2023<sup>1</sup>

Share Class	6-Month Total Return
1	+5.44%
2	+5.35%
4	+5.29%

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

## Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal. Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. The Fund's prospectus also includes a description of the main investment risks.

## Your Fund's Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	
1	\$1,000	\$1,054.40	\$3.30	\$1,021.58	\$3.25	0.65%
2	\$1,000	\$1,053.50	\$4.57	\$1,020.35	\$4.49	0.90%
4	\$1,000	\$1,052.90	\$5.08	\$1,019.85	\$5.00	1.00%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.



## Financial Highlights

## Franklin Small Cap Value VIP Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$13.32	\$18.43	\$15.20	\$15.73	\$15.14	\$20.43
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.08	0.12	0.19	0.20	0.24 <sup>c</sup>	0.21
Net realized and unrealized gains (losses)	0.64	(2.06)	3.71	0.31	3.35	(2.29)
Total from investment operations . . . . .	0.72	(1.94)	3.90	0.51	3.59	(2.08)
Less distributions from:						
Net investment income . . . . .	(0.10)	(0.21)	(0.21)	(0.23)	(0.22)	(0.23)
Net realized gains . . . . .	(0.73)	(2.96)	(0.46)	(0.81)	(2.78)	(2.98)
Total distributions . . . . .	(0.83)	(3.17)	(0.67)	(1.04)	(3.00)	(3.21)
Net asset value, end of period . . . . .	\$13.21	\$13.32	\$18.43	\$15.20	\$15.73	\$15.14
Total return <sup>d</sup> . . . . .	5.44%	(9.82)%	25.67%	5.41%	26.72%	(12.69)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.66%	0.63%	0.66%	0.68%	0.67%	0.66%
Expenses net of waiver and payments by affiliates . . . . .	0.65% <sup>f</sup>	0.62% <sup>f</sup>	0.66% <sup>g</sup>	0.68% <sup>g</sup>	0.67% <sup>g</sup>	0.65% <sup>f</sup>
Net investment income . . . . .	1.17%	0.82%	1.07%	1.54%	1.58% <sup>c</sup>	1.13%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$69,131	\$66,574	\$73,715	\$50,572	\$46,980	\$40,644
Portfolio turnover rate . . . . .	38.08%	54.83%	60.41%	69.40%	54.36%	47.82%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Net investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 1.23%.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Franklin Small Cap Value VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 2</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$12.53	\$17.54	\$14.50	\$15.05	\$14.60	\$19.80
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.06	0.08	0.14	0.16	0.20 <sup>c</sup>	0.16
Net realized and unrealized gains (losses)	0.61	(1.97)	3.53	0.30	3.20	(2.20)
Total from investment operations . . . . .	0.67	(1.89)	3.67	0.46	3.40	(2.04)
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.16)	(0.17)	(0.19)	(0.17)	(0.18)
Net realized gains . . . . .	(0.73)	(2.96)	(0.46)	(0.82)	(2.78)	(2.98)
Total distributions . . . . .	(0.80)	(3.12)	(0.63)	(1.01)	(2.95)	(3.16)
Net asset value, end of period . . . . .	\$12.40	\$12.53	\$17.54	\$14.50	\$15.05	\$14.60
Total return <sup>d</sup> . . . . .	5.35%	(10.06)%	25.37%	5.19%	26.35%	(12.88)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.91%	0.88%	0.91%	0.93%	0.92%	0.91%
Expenses net of waiver and payments by affiliates . . . . .	0.90% <sup>f</sup>	0.87% <sup>f</sup>	0.91% <sup>g</sup>	0.93% <sup>f,g</sup>	0.92% <sup>f,g</sup>	0.90% <sup>f</sup>
Net investment income . . . . .	0.92%	0.56%	0.83%	1.28%	1.33% <sup>c</sup>	0.88%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$970,781	\$943,928	\$1,135,623	\$1,103,373	\$1,123,093	\$978,675
Portfolio turnover rate . . . . .	38.08%	54.83%	60.41%	69.40%	54.36%	47.82%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Net investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.98%.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Franklin Small Cap Value VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 4</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$13.07	\$18.14	\$14.99	\$15.51	\$14.96	\$20.22
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.05	0.07	0.13	0.15	0.19 <sup>c</sup>	0.15
Net realized and unrealized gains (losses)	0.63	(2.03)	3.64	0.32	3.30	(2.28)
Total from investment operations . . . . .	0.68	(1.96)	3.77	0.47	3.49	(2.13)
Less distributions from:						
Net investment income . . . . .	(0.06)	(0.15)	(0.16)	(0.18)	(0.16)	(0.15)
Net realized gains . . . . .	(0.73)	(2.96)	(0.46)	(0.81)	(2.78)	(2.98)
Total distributions . . . . .	(0.79)	(3.11)	(0.62)	(0.99)	(2.94)	(3.13)
Net asset value, end of period . . . . .	\$12.96	\$13.07	\$18.14	\$14.99	\$15.51	\$14.96
Total return <sup>d</sup> . . . . .	5.29%	(10.11)%	25.17%	5.13%	26.23%	(13.01)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.01%	0.98%	1.01%	1.03%	1.02%	1.01%
Expenses net of waiver and payments by affiliates . . . . .	1.00% <sup>f</sup>	0.97% <sup>f</sup>	1.01% <sup>g</sup>	1.03% <sup>g</sup>	1.02% <sup>g</sup>	1.00% <sup>f</sup>
Net investment income . . . . .	0.83%	0.47%	0.73%	1.18%	1.23% <sup>c</sup>	0.78%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$39,238	\$35,519	\$38,148	\$29,461	\$29,238	\$24,592
Portfolio turnover rate . . . . .	38.08%	54.83%	60.41%	69.40%	54.36%	47.82%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Net investment income per share includes approximately \$0.05 per share related to income received in the form of special dividends in connection with certain Fund holdings. Excluding this amount, the ratio of net investment income to average net assets would have been 0.88%.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Schedule of Investments (unaudited), June 30, 2023

## Franklin Small Cap Value VIP Fund

	Country	Shares	Value
<b>Common Stocks 97.7%</b>			
<b>Aerospace &amp; Defense 2.5%</b>			
Melrose Industries plc . . . . .	United Kingdom	849,847	\$5,475,641
QinetiQ Group plc . . . . .	United Kingdom	2,847,794	12,835,716
Senior plc . . . . .	United Kingdom	3,679,134	8,195,565
			26,506,922
<b>Automobile Components 3.7%</b>			
<sup>a</sup> Adient plc . . . . .	United States	497,299	19,056,498
<sup>a</sup> Atmus Filtration Technologies, Inc. . . . .	United States	399,814	8,779,915
LCI Industries . . . . .	United States	98,388	12,432,308
			40,268,721
<b>Banks 10.7%</b>			
Atlantic Union Bankshares Corp. . . . .	United States	97,582	2,532,253
Camden National Corp. . . . .	United States	215,383	6,670,412
Columbia Banking System, Inc. . . . .	United States	1,072,523	21,750,767
First Bancorp . . . . .	United States	115,414	3,433,567
First Commonwealth Financial Corp. . . . .	United States	83,956	1,062,043
First Interstate BancSystem, Inc., A. . . . .	United States	615,861	14,682,126
German American Bancorp, Inc. . . . .	United States	201,906	5,487,805
Peoples Bancorp, Inc. . . . .	United States	284,466	7,552,572
Seacoast Banking Corp. of Florida . . . . .	United States	244,632	5,406,367
SouthState Corp. . . . .	United States	314,139	20,670,346
TriCo Bancshares . . . . .	United States	255,070	8,468,324
WSFS Financial Corp. . . . .	United States	459,745	17,341,581
			115,058,163
<b>Building Products 5.7%</b>			
Insteel Industries, Inc. . . . .	United States	78,741	2,450,420
<sup>a</sup> Masonite International Corp. . . . .	United States	149,995	15,365,488
UFP Industries, Inc. . . . .	United States	320,002	31,056,194
Zurn Elkay Water Solutions Corp. . . . .	United States	463,882	12,473,787
			61,345,889
<b>Chemicals 3.0%</b>			
Ashland, Inc. . . . .	United States	6,149	534,410
Avient Corp. . . . .	United States	376,087	15,381,958
<sup>a</sup> Elementis plc . . . . .	United Kingdom	10,185,228	13,193,944
Minerals Technologies, Inc. . . . .	United States	37,711	2,175,548
Tronox Holdings plc . . . . .	United States	128,934	1,638,751
			32,924,611
<b>Communications Equipment 2.8%</b>			
<sup>a</sup> Clearfield, Inc. . . . .	United States	259,093	12,268,054
<sup>a</sup> NetScout Systems, Inc. . . . .	United States	567,201	17,554,871
			29,822,925
<b>Construction &amp; Engineering 2.7%</b>			
Primoris Services Corp. . . . .	United States	526,839	16,052,784
Stantec, Inc. . . . .	Canada	195,433	12,759,870
<sup>a</sup> WillScot Mobile Mini Holdings Corp. . . . .	United States	12,073	576,969
			29,389,623
<b>Construction Materials 1.2%</b>			
<sup>a</sup> Summit Materials, Inc., A. . . . .	United States	345,449	13,075,245
<b>Consumer Finance 0.6%</b>			
Bread Financial Holdings, Inc. . . . .	United States	205,241	6,442,515

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small Cap Value VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Diversified REITs 1.0%</b>			
Alexander & Baldwin, Inc. . . . .	United States	579,394	\$10,765,141
<b>Electric Utilities 0.9%</b>			
IDACORP, Inc. . . . .	United States	95,679	9,816,665
<b>Electrical Equipment 1.6%</b>			
Regal Rexnord Corp. . . . .	United States	113,372	17,447,951
<b>Electronic Equipment, Instruments &amp; Components 6.5%</b>			
Benchmark Electronics, Inc. . . . .	United States	414,754	10,713,096
<sup>a</sup> Coherent Corp. . . . .	United States	674,974	34,410,174
CTS Corp. . . . .	United States	12,208	520,427
<sup>a</sup> Knowles Corp. . . . .	United States	1,366,929	24,686,738
			70,330,435
<b>Energy Equipment &amp; Services 2.1%</b>			
<sup>a</sup> TechnipFMC plc . . . . .	United Kingdom	1,363,030	22,653,559
<b>Food Products 4.1%</b>			
Glanbia plc . . . . .	Ireland	1,991,806	29,779,112
Maple Leaf Foods, Inc. . . . .	Canada	762,293	14,892,536
			44,671,648
<b>Ground Transportation 0.1%</b>			
<sup>a</sup> Saia, Inc. . . . .	United States	3,890	1,331,975
<b>Health Care Equipment &amp; Supplies 5.0%</b>			
<sup>a</sup> Envista Holdings Corp. . . . .	United States	881,271	29,822,211
<sup>a</sup> Integer Holdings Corp. . . . .	United States	277,573	24,595,743
			54,417,954
<b>Hotel &amp; Resort REITs 1.7%</b>			
Sunstone Hotel Investors, Inc. . . . .	United States	1,829,859	18,518,173
<b>Hotels, Restaurants &amp; Leisure 5.6%</b>			
Boyd Gaming Corp. . . . .	United States	72,767	5,047,847
<sup>a</sup> Brinker International, Inc. . . . .	United States	435,479	15,938,531
<sup>a</sup> Dalata Hotel Group plc . . . . .	Ireland	1,655,539	8,395,216
<sup>a</sup> Denny's Corp. . . . .	United States	233,819	2,880,650
<sup>a</sup> Hilton Grand Vacations, Inc. . . . .	United States	451,209	20,502,937
Jack in the Box, Inc. . . . .	United States	79,622	7,765,534
			60,530,715
<b>Household Durables 0.8%</b>			
Century Communities, Inc. . . . .	United States	36,343	2,784,600
<sup>a</sup> M/I Homes, Inc. . . . .	United States	34,872	3,040,490
Meritage Homes Corp. . . . .	United States	15,247	2,169,191
<sup>a</sup> Taylor Morrison Home Corp., A . . . . .	United States	15,701	765,738
			8,760,019
<b>Industrial REITs 0.8%</b>			
STAG Industrial, Inc. . . . .	United States	254,999	9,149,364
<b>Insurance 6.1%</b>			
CNO Financial Group, Inc. . . . .	United States	799,849	18,932,426
Hanover Insurance Group, Inc. (The). . . . .	United States	276,929	31,301,285
Horace Mann Educators Corp. . . . .	United States	449,526	13,332,941
Selective Insurance Group, Inc. . . . .	United States	24,083	2,310,764
			65,877,416

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small Cap Value VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Leisure Products 2.8%</b>			
Brunswick Corp. ....	United States	150,707	\$13,057,254
<sup>a</sup> Mattel, Inc. ....	United States	855,657	16,719,538
			29,776,792
<b>Machinery 2.7%</b>			
Columbus McKinnon Corp. ....	United States	430,640	17,505,516
Mueller Water Products, Inc., A ....	United States	671,847	10,904,077
Timken Co. (The) ....	United States	6,663	609,864
			29,019,457
<b>Metals &amp; Mining 1.2%</b>			
Alcoa Corp. ....	United States	15,655	531,174
Commercial Metals Co. ....	United States	113,801	5,992,761
Ryerson Holding Corp. ....	United States	139,364	6,045,610
			12,569,545
<b>Multi-Utilities 0.8%</b>			
Black Hills Corp. ....	United States	139,676	8,416,876
<b>Office REITs 0.8%</b>			
Highwoods Properties, Inc. ....	United States	343,186	8,205,577
<b>Oil, Gas &amp; Consumable Fuels 4.3%</b>			
Crescent Point Energy Corp. ....	Canada	3,749,795	25,249,620
<sup>a</sup> Green Plains, Inc. ....	United States	645,841	20,821,914
			46,071,534
<b>Paper &amp; Forest Products 1.1%</b>			
Louisiana-Pacific Corp. ....	United States	151,995	11,396,585
<b>Professional Services 1.1%</b>			
ICF International, Inc. ....	United States	52,290	6,504,353
Kforce, Inc. ....	United States	84,708	5,307,803
			11,812,156
<b>Semiconductors &amp; Semiconductor Equipment 3.2%</b>			
<sup>a</sup> Cohu, Inc. ....	United States	408,975	16,997,001
<sup>a</sup> Onto Innovation, Inc. ....	United States	146,922	17,112,005
			34,109,006
<b>Software 3.6%</b>			
<sup>a</sup> ACI Worldwide, Inc. ....	United States	1,671,539	38,729,559
<b>Specialty Retail 0.6%</b>			
<sup>a</sup> Children's Place, Inc. (The) ....	United States	226,368	5,254,001
Group 1 Automotive, Inc. ....	United States	6,189	1,597,381
			6,851,382
<b>Textiles, Apparel &amp; Luxury Goods 1.9%</b>			
<sup>a</sup> Capri Holdings Ltd. ....	United States	160,879	5,773,948
Carter's, Inc. ....	United States	142,340	10,333,884
Dr. Martens plc ....	United Kingdom	2,830,200	4,406,777
			20,514,609
<b>Trading Companies &amp; Distributors 4.4%</b>			
Herc Holdings, Inc. ....	United States	126,141	17,262,396

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small Cap Value VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Trading Companies &amp; Distributors</b> (continued)			
McGrath RentCorp .....	United States	330,103	\$30,527,925
			47,790,321
<b>Total Common Stocks (Cost \$920,401,266)</b> .....			<b>1,054,369,028</b>
 <b>Short Term Investments 2.7%</b>			
	Country	Shares	Value
<b>Money Market Funds 2.7%</b>			
<sup>b,c</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.699% .....	United States	29,423,187	29,423,187
<b>Total Money Market Funds (Cost \$29,423,187)</b> .....			<b>29,423,187</b>
<b>Total Short Term Investments (Cost \$29,423,187)</b> .....			<b>29,423,187</b>
<b>Total Investments (Cost \$949,824,453) 100.4%</b> .....			<b>\$1,083,792,215</b>
<b>Other Assets, less Liabilities (0.4%)</b> .....			<b>(4,641,661)</b>
<b>Net Assets 100.0%</b> .....			<b>\$1,079,150,554</b>

<sup>a</sup>Non-income producing.<sup>b</sup>See Note 3(e) regarding investments in affiliated management investment companies.<sup>c</sup>The rate shown is the annualized seven-day effective yield at period end.

## Statement of Assets and Liabilities

June 30, 2023 (unaudited)

Franklin Small  
Cap Value VIP  
Fund

## Assets:

## Investments in securities:

Cost - Unaffiliated issuers . . . . .	\$920,401,266
Cost - Non-controlled affiliates (Note 3e) . . . . .	29,423,187

Value - Unaffiliated issuers . . . . .	\$1,054,369,028
Value - Non-controlled affiliates (Note 3e) . . . . .	29,423,187

Foreign currency, at value (cost \$957) . . . . .	960
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## Receivables:

Investment securities sold . . . . .	7,798,378
Capital shares sold . . . . .	721,366
Dividends . . . . .	1,049,054

Total assets . . . . .	1,093,361,973
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## Liabilities:

## Payables:

Investment securities purchased . . . . .	12,575,398
Capital shares redeemed . . . . .	820,455
Management fees . . . . .	543,952
Distribution fees . . . . .	202,886

Accrued expenses and other liabilities . . . . .	68,728
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Total liabilities . . . . .	14,211,419
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Net assets, at value . . . . .	\$1,079,150,554
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## Net assets consist of:

Paid-in capital . . . . .	\$929,173,686
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Total distributable earnings (losses) . . . . .	149,976,868
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Net assets, at value . . . . .	\$1,079,150,554
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Franklin Small  
Cap Value VIP  
Fund

## Class 1:

Net assets, at value . . . . .	\$69,131,419
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Shares outstanding . . . . .	5,233,360
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Net asset value and maximum offering price per share . . . . .	\$13.21
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## Class 2:

Net assets, at value . . . . .	\$970,781,209
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Shares outstanding . . . . .	78,313,696
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Net asset value and maximum offering price per share . . . . .	\$12.40
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## Class 4:

Net assets, at value . . . . .	\$39,237,926
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Shares outstanding . . . . .	3,026,451
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Net asset value and maximum offering price per share . . . . .	\$12.96
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FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statement of Operations

for the six months ended June 30, 2023 (unaudited)

	<b>Franklin Small Cap Value VIP Fund</b>
Investment income:	
Dividends: (net of foreign taxes of \$170,981)	
Unaffiliated issuers . . . . .	\$8,848,484
Non-controlled affiliates (Note 3e) . . . . .	711,781
Total investment income. . . . .	<u>9,560,265</u>
Expenses:	
Management fees (Note 3a) . . . . .	3,390,243
Distribution fees: (Note 3c)	
Class 2 . . . . .	1,183,966
Class 4 . . . . .	63,936
Custodian fees (Note 4) . . . . .	5,732
Reports to shareholders fees . . . . .	17,178
Professional fees . . . . .	27,722
Trustees' fees and expenses . . . . .	6,000
Other . . . . .	<u>14,903</u>
Total expenses . . . . .	4,709,680
Expense reductions (Note 4) . . . . .	(1,017)
Expenses waived/paid by affiliates (Note 3e) . . . . .	<u>(57,146)</u>
Net expenses . . . . .	4,651,517
Net investment income . . . . .	<u>4,908,748</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	16,351,802
Foreign currency transactions . . . . .	50,859
Net realized gain (loss) . . . . .	<u>16,402,661</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	33,330,238
Translation of other assets and liabilities denominated in foreign currencies . . . . .	6,169
Net change in unrealized appreciation (depreciation). . . . .	<u>33,336,407</u>
Net realized and unrealized gain (loss) . . . . .	<u>49,739,068</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$54,647,816</u>

## Statements of Changes in Net Assets

	<b>Franklin Small Cap Value VIP Fund</b>	
	<b>Six Months Ended June 30, 2023 (unaudited)</b>	<b>Year Ended December 31, 2022</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$4,908,748	\$6,261,371
Net realized gain (loss) . . . . .	16,402,661	60,690,650
Net change in unrealized appreciation (depreciation) . . . . .	33,336,407	(191,281,353)
Net increase (decrease) in net assets resulting from operations . . . . .	54,647,816	(124,329,332)
Distributions to shareholders:		
Class 1 . . . . .	(4,074,896)	(12,921,313)
Class 2 . . . . .	(58,616,647)	(192,841,212)
Class 4 . . . . .	(2,235,401)	(6,602,855)
Total distributions to shareholders . . . . .	(64,926,944)	(212,365,380)
Capital share transactions: (Note 2)		
Class 1 . . . . .	3,009,840	13,087,805
Class 2 . . . . .	36,418,140	114,308,909
Class 4 . . . . .	3,979,947	7,833,350
Total capital share transactions . . . . .	43,407,927	135,230,064
Net increase (decrease) in net assets . . . . .	33,128,799	(201,464,648)
Net assets:		
Beginning of period . . . . .	1,046,021,755	1,247,486,403
End of period . . . . .	\$1,079,150,554	\$1,046,021,755

# Notes to Financial Statements (unaudited)

## Franklin Small Cap Value VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Small Cap Value VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is

primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At June 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

**Franklin Small Cap Value VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**a. Financial Instrument Valuation** (continued)

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

**b. Foreign Currency Translation**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Income and Deferred Taxes**

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**d. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Dividend income and capital gain distributions are recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications

**Franklin Small Cap Value VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**d. Security Transactions, Investment Income, Expenses and Distributions** (continued)

have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**2. Shares of Beneficial Interest**

At June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	315,184	\$4,253,680	559,337	\$8,439,708
Shares issued in reinvestment of distributions	309,878	4,074,896	986,475	12,607,150
Shares redeemed	(390,707)	(5,318,736)	(545,857)	(7,959,053)
Net increase (decrease)	234,355	\$3,009,840	999,955	\$13,087,805
<b>Class 2 Shares:</b>				
Shares sold	3,957,117	\$50,462,941	6,016,538	\$85,234,670
Shares issued in reinvestment of distributions	4,750,133	58,616,647	16,016,712	192,841,212
Shares redeemed	(5,732,922)	(72,661,448)	(11,441,905)	(163,766,973)
Net increase (decrease)	2,974,328	\$36,418,140	10,591,345	\$114,308,909
<b>Class 4 Shares:</b>				
Shares sold	399,784	\$5,281,561	604,120	\$8,725,654
Shares issued in reinvestment of distributions	173,153	2,235,401	525,705	6,602,855
Shares redeemed	(264,884)	(3,537,015)	(513,829)	(7,495,159)
Net increase (decrease)	308,053	\$3,979,947	615,996	\$7,833,350

**e. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**f. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.



**Franklin Small Cap Value VIP Fund** (continued)**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

<b>Subsidiary</b>	<b>Affiliation</b>
Franklin Mutual Advisers, LLC (Franklin Mutual)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Franklin Mutual based on the average daily net assets of the Fund as follows:

<b>Annualized Fee Rate</b>	<b>Net Assets</b>
0.750%	Up to and including \$200 million
0.635%	Over \$200 million, up to and including \$700 million
0.600%	Over \$700 million, up to and including \$1.2 billion
0.575%	Over \$1.2 billion, up to and including \$1.3 billion
0.475%	In excess of \$1.3 billion

For the period ended June 30, 2023, the annualized gross effective investment management fee rate was 0.645% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Franklin Mutual, FT Services provides administrative services to the Fund. The fee is paid by Franklin Mutual based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Franklin Small Cap Value VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**e. Investments in Affiliated Management Investment Companies** (continued)

are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended June 30, 2023, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin Small Cap Value VIP Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$42,407,898	\$144,353,168	\$(157,337,879)	\$—	\$—	\$29,423,187	29,423,187	\$711,781
<b>Total Affiliated Securities . . .</b>	<b>\$42,407,898</b>	<b>\$144,353,168</b>	<b>\$(157,337,879)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$29,423,187</b>		<b>\$711,781</b>

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended June 30, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

**5. Income Taxes**

At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments . . . . .	\$954,711,705
Unrealized appreciation . . . . .	\$196,571,619
Unrealized depreciation . . . . .	(67,491,109)
Net unrealized appreciation (depreciation) . . . . .	\$129,080,510

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2023, aggregated \$393,021,532 and \$391,973,342, respectively.

**Franklin Small Cap Value VIP Fund** (continued)**7. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2023, the Fund did not use the Global Credit Facility.

**8. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of June 30, 2023, in valuing the Fund's assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Small Cap Value VIP Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense . . . . .	\$8,195,565	\$18,311,357	\$—	\$26,506,922
Automobile Components . . . . .	40,268,721	—	—	40,268,721
Banks . . . . .	115,058,163	—	—	115,058,163
Building Products . . . . .	61,345,889	—	—	61,345,889
Chemicals . . . . .	32,924,611	—	—	32,924,611
Communications Equipment . . . . .	29,822,925	—	—	29,822,925
Construction & Engineering . . . . .	29,389,623	—	—	29,389,623
Construction Materials . . . . .	13,075,245	—	—	13,075,245
Consumer Finance . . . . .	6,442,515	—	—	6,442,515
Diversified REITs . . . . .	10,765,141	—	—	10,765,141
Electric Utilities . . . . .	9,816,665	—	—	9,816,665
Electrical Equipment . . . . .	17,447,951	—	—	17,447,951
Electronic Equipment, Instruments & Components . . . . .	70,330,435	—	—	70,330,435
Energy Equipment & Services . . . . .	22,653,559	—	—	22,653,559
Food Products . . . . .	44,671,648	—	—	44,671,648
Ground Transportation . . . . .	1,331,975	—	—	1,331,975
Health Care Equipment & Supplies . . . . .	54,417,954	—	—	54,417,954



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
 NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

**Franklin Small Cap Value VIP Fund** (continued)

**8. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Small Cap Value VIP Fund</b> (continued)				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Hotel & Resort REITs	\$18,518,173	\$—	\$—	\$18,518,173
Hotels, Restaurants & Leisure	52,135,499	8,395,216	—	60,530,715
Household Durables	8,760,019	—	—	8,760,019
Industrial REITs	9,149,364	—	—	9,149,364
Insurance	65,877,416	—	—	65,877,416
Leisure Products	29,776,792	—	—	29,776,792
Machinery	29,019,457	—	—	29,019,457
Metals & Mining	12,569,545	—	—	12,569,545
Multi-Utilities	8,416,876	—	—	8,416,876
Office REITs	8,205,577	—	—	8,205,577
Oil, Gas & Consumable Fuels	46,071,534	—	—	46,071,534
Paper & Forest Products	11,396,585	—	—	11,396,585
Professional Services	11,812,156	—	—	11,812,156
Semiconductors & Semiconductor Equipment	34,109,006	—	—	34,109,006
Software	38,729,559	—	—	38,729,559
Specialty Retail	6,851,382	—	—	6,851,382
Textiles, Apparel & Luxury Goods	16,107,832	4,406,777	—	20,514,609
Trading Companies & Distributors	47,790,321	—	—	47,790,321
Short Term Investments	29,423,187	—	—	29,423,187
Total Investments in Securities	<u>\$1,052,678,865</u>	<u>\$31,113,350<sup>a</sup></u>	<u>\$—</u>	<u>\$1,083,792,215</u>

<sup>a</sup>Includes foreign securities valued at \$31,113,350, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

**9. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

## VIP SA1 07/23

**SUPPLEMENT DATED JULY 10, 2023**  
**TO THE STATEMENT OF ADDITIONAL INFORMATION**  
**DATED MAY 1, 2023 OF**  
**FRANKLIN ALLOCATION VIP FUND**  
**FRANKLIN DYNATECH VIP FUND**  
**FRANKLIN GLOBAL REAL ESTATE VIP FUND**  
**FRANKLIN GROWTH AND INCOME VIP FUND**  
**FRANKLIN INCOME VIP FUND**  
**FRANKLIN LARGE CAP GROWTH VIP FUND**  
**FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND**  
**FRANKLIN MUTUAL SHARES VIP FUND**  
**FRANKLIN RISING DIVIDENDS VIP FUND**  
**FRANKLIN SMALL CAP VALUE VIP FUND**  
**FRANKLIN SMALL-MID CAP GROWTH VIP FUND**  
**FRANKLIN STRATEGIC INCOME VIP FUND**  
**FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND**  
**FRANKLIN VOLSMART ALLOCATION VIP FUND**  
**TEMPLETON DEVELOPING MARKETS VIP FUND**  
**TEMPLETON FOREIGN VIP FUND**  
**TEMPLETON GLOBAL BOND VIP FUND**  
**TEMPLETON GROWTH VIP FUND**  
**(a series of Franklin Templeton Variable Insurance Products Trust)**

The Statement of Additional Information is amended as follows:

I. All references to "The Bank of New York Mellon" under the heading "Policies and Procedures Regarding the Release of Portfolio Holdings" are removed.

II. The following replaces in its entirety the "Custodian" section under "Management and Other Services":

**Custodian** JPMorgan Chase Bank, at its principal office at 270 Park Avenue, New York, NY 10017-2070, and at the offices of its branches and agencies throughout the world, acts as custodian of the Fund's securities and assets. As foreign custody manager, the bank selects and monitors foreign sub-custodian banks, selects and evaluates non-compulsory foreign depositories, and furnishes information relevant to the selection of compulsory depositories. Millennium Trust Company, LLC, 2001 Spring Road, Oak Brook, Illinois, 60523, acts as the custodian of the Strategic Income Fund's marketplace loans.

*Please keep this supplement with your SAI for future reference.*

## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

##### Franklin Small Cap Value VIP Fund (Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Mutual Advisers, LLC (Manager) and the Trust, on behalf of the Fund. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the

Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

### **Fund Performance**

The Board reviewed and considered the performance results of the Fund over various time periods ended December 31, 2022. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all small-cap value funds underlying VIPs. The Board noted that the Fund's annualized total return for the one-, five and 10-year periods was above the median of its respective Performance Universe, but for the three-year period was below the median of its respective Performance Universe. The Board concluded that the Fund's performance was satisfactory.

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from the fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease

as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and seven other small-cap value funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians of its respective Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

### **Profitability**

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to the fund during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.



The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Fund which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing the fund is inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity

risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

SEMIANNUAL REPORT

# FRANKLIN SMALL-MID CAP GROWTH VIP FUND

A Series of Franklin Templeton Variable Insurance  
Products Trust

June 30, 2023



FRANKLIN  
TEMPLETON

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your insurance company or your financial intermediary (such as a broker-dealer or bank).

**Not FDIC Insured | May Lose Value | No Bank Guarantee**





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# Franklin Small-Mid Cap Growth VIP Fund

This semiannual report for Franklin Small-Mid Cap Growth VIP Fund covers the period ended June 30, 2023.

## Fund Overview

### Fund Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in investments of small-capitalization (small-cap) and mid-capitalization (mid-cap) companies. For this Fund, small-cap companies are those within the market capitalization range of companies in the Russell 2500™ Index at the time of purchase, and mid-cap companies are those within the market capitalization range of companies in the Russell Midcap® Index, at the time of purchase.

### Performance Overview

You can find the Fund's six-month total return for all share classes in the Performance Summary. In comparison, the Fund's narrow benchmark, the Russell Midcap® Growth Index, posted a +15.94% total return for the same period.<sup>1</sup> The Fund's broad benchmark, the Standard & Poor's® 500 Index (S&P 500®), posted a +16.89% total return.<sup>1</sup>

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Portfolio Composition

6/30/23

	% of Total Net Assets
Software	12.7%
Hotels, Restaurants & Leisure	7.3%
Health Care Equipment & Supplies	6.0%
Capital Markets	5.2%
Life Sciences Tools & Services	5.0%
Professional Services	4.8%
Semiconductors & Semiconductor Equipment	4.8%
Specialty Retail	4.7%
Biotechnology	2.7%
Oil, Gas & Consumable Fuels	2.7%
Aerospace & Defense	2.5%
IT Services	2.4%
Textiles, Apparel & Luxury Goods	2.2%
Interactive Media & Services	2.1%
Other*	30.3%
Short-Term Investments & Other Net Assets	4.6%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

### Top 10 Holdings

6/30/23

Company Industry	% of Total Net Assets
Synopsys, Inc. Software	3.0%
Chipotle Mexican Grill, Inc. Hotels, Restaurants & Leisure	2.5%
Lululemon Athletica, Inc. Textiles, Apparel & Luxury Goods	2.2%
Dexcom, Inc. Health Care Equipment & Supplies	2.0%
Fastenal Co. Trading Companies & Distributors	2.0%
Delta Air Lines, Inc. Passenger Airlines	1.9%
TransDigm Group, Inc. Aerospace & Defense	1.8%
Fanatics Holdings, Inc. Leisure Products	1.8%
Arista Networks, Inc. Communications Equipment	1.8%
Old Dominion Freight Line, Inc. Ground Transportation	1.7%

1. Source: Morningstar. The Russell Midcap® Growth Index is market capitalization weighted and measures the performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates. The Standard & Poor's® 500 Index (S&P 500®) is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

Thank you for your participation in Franklin Small-Mid Cap Growth VIP Fund. We look forward to serving your future investment needs.

## Performance Summary as of June 30, 2023<sup>1</sup>

Share Class	6-Month Total Return
1	+15.42%
2	+15.22%
4	+15.21%

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal.** The **investment style** may become out of favor, which may have a negative impact on performance. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. To the extent the Fund invests in **privately held companies** they present certain challenges and involve incremental risks as opposed to investments in public companies, such as dealing with the lack of available information about these companies as well as their general lack of liquidity. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. The Fund's prospectus also includes a description of the main investment risks.

## Your Fund's Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	
1	\$1,000	\$1,154.20	\$4.32	\$1,020.78	\$4.06	0.81%
2	\$1,000	\$1,152.20	\$5.66	\$1,019.54	\$5.31	1.06%
4	\$1,000	\$1,152.10	\$6.19	\$1,019.04	\$5.81	1.16%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

## Financial Highlights

### Franklin Small-Mid Cap Growth VIP Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$13.42	\$26.72	\$26.99	\$19.74	\$17.04	\$19.71
Income from investment operations <sup>a</sup> :						
Net investment income (loss) <sup>b</sup> . . . . .	— <sup>c</sup>	(0.03)	(0.15)	(0.07)	(0.04)	(0.05)
Net realized and unrealized gains (losses) . . . . .	2.07	(9.01)	2.79	9.96	5.31	(0.70)
Total from investment operations . . . . .	2.07	(9.04)	2.64	9.89	5.27	(0.75)
Less distributions from:						
Net realized gains . . . . .	—	(4.26)	(2.91)	(2.64)	(2.57)	(1.92)
Net asset value, end of period . . . . .	\$15.49	\$13.42	\$26.72	\$26.99	\$19.74	\$17.04
Total return <sup>d</sup> . . . . .	15.42%	(33.52)%	10.25%	55.52%	31.80%	(5.15)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.83%	0.79%	0.83%	0.85%	0.84%	0.86%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.81%	0.77%	0.82%	0.84%	0.83%	0.85%
Net investment income (loss) . . . . .	0.03%	(0.16)%	(0.55)%	(0.33)%	(0.19)%	(0.24)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$65,865	\$60,901	\$79,526	\$72,039	\$43,169	\$33,518
Portfolio turnover rate . . . . .	17.45%	41.30%	43.35%	48.93%	59.07%	44.78%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Amount rounds to less than \$0.01 per share.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Franklin Small-Mid Cap Growth VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 2</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$10.51	\$22.39	\$23.11	\$17.29	\$15.22	\$17.83
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.01)	(0.06)	(0.19)	(0.11)	(0.08)	(0.09)
Net realized and unrealized gains (losses)	1.61	(7.56)	2.38	8.57	4.72	(0.60)
Total from investment operations . . . . .	1.60	(7.62)	2.19	8.46	4.64	(0.69)
Less distributions from:						
Net realized gains . . . . .	—	(4.26)	(2.91)	(2.64)	(2.57)	(1.92)
Net asset value, end of period . . . . .	\$12.11	\$10.51	\$22.39	\$23.11	\$17.29	\$15.22
Total return <sup>c</sup> . . . . .	15.22%	(33.69)%	10.01%	55.09%	31.44%	(5.37)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.08%	1.04%	1.08%	1.10%	1.09%	1.11%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.06%	1.02%	1.07%	1.09%	1.08%	1.10%
Net investment (loss) . . . . .	(0.22)%	(0.43)%	(0.80)%	(0.61)%	(0.44)%	(0.49)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$331,982	\$293,545	\$472,565	\$503,032	\$372,442	\$310,300
Portfolio turnover rate . . . . .	17.45%	41.30%	43.35%	48.93%	59.07%	44.78%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Franklin Small-Mid Cap Growth VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 4</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$11.31	\$23.62	\$24.26	\$18.04	\$15.81	\$18.47
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.02)	(0.07)	(0.22)	(0.14)	(0.10)	(0.11)
Net realized and unrealized gains (losses) . . . . .	1.74	(7.98)	2.49	9.00	4.90	(0.63)
Total from investment operations . . . . .	1.72	(8.05)	2.27	8.86	4.80	(0.74)
Less distributions from:						
Net realized gains . . . . .	—	(4.26)	(2.91)	(2.64)	(2.57)	(1.92)
Net asset value, end of period . . . . .	\$13.03	\$11.31	\$23.62	\$24.26	\$18.04	\$15.81
Total return <sup>c</sup> . . . . .	15.21%	(33.76)%	9.86%	55.01%	31.26%	(5.46)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.18%	1.14%	1.18%	1.20%	1.19%	1.21%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.16%	1.12%	1.17%	1.19%	1.18%	1.20%
Net investment (loss) . . . . .	(0.32)%	(0.52)%	(0.90)%	(0.71)%	(0.54)%	(0.59)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$19,128	\$17,786	\$26,518	\$25,580	\$17,662	\$13,759
Portfolio turnover rate . . . . .	17.45%	41.30%	43.35%	48.93%	59.07%	44.78%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.



## Schedule of Investments (unaudited), June 30, 2023

## Franklin Small-Mid Cap Growth VIP Fund

	Country	Shares	Value
<b>Common Stocks 94.2%</b>			
<b>Aerospace &amp; Defense 2.5%</b>			
<sup>a</sup> Axon Enterprise, Inc. . . . .	United States	14,700	\$2,868,264
TransDigm Group, Inc. . . . .	United States	8,600	7,689,862
			10,558,126
<b>Automobile Components 0.3%</b>			
<sup>a</sup> Mobileye Global, Inc., A. . . . .	Israel	33,700	1,294,754
<b>Beverages 0.9%</b>			
Brown-Forman Corp., B . . . . .	United States	54,800	3,659,544
<b>Biotechnology 2.7%</b>			
<sup>a</sup> Alnylam Pharmaceuticals, Inc. . . . .	United States	13,700	2,602,178
<sup>a</sup> Horizon Therapeutics plc. . . . .	United States	25,965	2,670,500
<sup>a</sup> Neurocrine Biosciences, Inc. . . . .	United States	14,900	1,405,070
<sup>a</sup> PTC Therapeutics, Inc. . . . .	United States	53,600	2,179,912
<sup>a</sup> Seagen, Inc. . . . .	United States	13,700	2,636,702
			11,494,362
<b>Building Products 1.6%</b>			
Trane Technologies plc . . . . .	United States	34,000	6,502,840
<b>Capital Markets 5.2%</b>			
Ares Management Corp., A. . . . .	United States	68,500	6,599,975
LPL Financial Holdings, Inc. . . . .	United States	19,500	4,239,885
MSCI, Inc., A. . . . .	United States	12,700	5,959,983
Nasdaq, Inc. . . . .	United States	37,300	1,859,405
Tradeweb Markets, Inc., A. . . . .	United States	42,200	2,889,856
			21,549,104
<b>Chemicals 0.8%</b>			
Albemarle Corp. . . . .	United States	14,900	3,324,041
<b>Commercial Services &amp; Supplies 1.4%</b>			
Republic Services, Inc., A . . . . .	United States	38,500	5,897,045
<b>Communications Equipment 1.8%</b>			
<sup>a</sup> Arista Networks, Inc. . . . .	United States	46,900	7,600,614
<b>Containers &amp; Packaging 0.7%</b>			
Avery Dennison Corp. . . . .	United States	18,000	3,092,400
<b>Electrical Equipment 1.6%</b>			
AMETEK, Inc. . . . .	United States	15,500	2,509,140
Rockwell Automation, Inc. . . . .	United States	12,200	4,019,290
			6,528,430
<b>Electronic Equipment, Instruments &amp; Components 1.6%</b>			
Amphenol Corp., A . . . . .	United States	37,600	3,194,120
<sup>a</sup> Zebra Technologies Corp., A . . . . .	United States	11,200	3,313,296
			6,507,416
<b>Energy Equipment &amp; Services 0.4%</b>			
Halliburton Co. . . . .	United States	54,200	1,788,058
<b>Entertainment 0.7%</b>			
<sup>a</sup> ROBLOX Corp., A. . . . .	United States	72,900	2,937,870
<b>Financial Services 1.3%</b>			
<sup>a,b</sup> Adyen NV, 144A, Reg S . . . . .	Netherlands	1,900	3,290,470

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Financial Services</b> (continued)			
<sup>a</sup> Toast, Inc., A . . . . .	United States	89,900	\$2,029,043
			5,319,513
<b>Food Products 1.1%</b>			
<sup>a</sup> Freshpet, Inc. . . . .	United States	36,300	2,388,903
Lamb Weston Holdings, Inc. . . . .	United States	19,900	2,287,505
			4,676,408
<b>Ground Transportation 1.7%</b>			
Old Dominion Freight Line, Inc. . . . .	United States	19,650	7,265,588
<b>Health Care Equipment &amp; Supplies 6.0%</b>			
<sup>a</sup> Dexcom, Inc. . . . .	United States	64,452	8,282,727
<sup>a</sup> IDEXX Laboratories, Inc. . . . .	United States	13,150	6,604,324
<sup>a</sup> Inari Medical, Inc. . . . .	United States	34,700	2,017,458
<sup>a</sup> Insulet Corp. . . . .	United States	15,700	4,526,938
<sup>a</sup> Penumbra, Inc. . . . .	United States	10,400	3,578,224
			25,009,671
<b>Health Care Providers &amp; Services 0.6%</b>			
<sup>a</sup> HealthEquity, Inc. . . . .	United States	38,300	2,418,262
<b>Health Care Technology 1.7%</b>			
<sup>a</sup> Certara, Inc. . . . .	United States	39,900	726,579
<sup>a</sup> Veeva Systems, Inc., A . . . . .	United States	32,700	6,465,771
			7,192,350
<b>Hotels, Restaurants &amp; Leisure 7.3%</b>			
<sup>a</sup> Cava Group, Inc. . . . .	United States	23,400	958,230
<sup>a</sup> Chipotle Mexican Grill, Inc., A . . . . .	United States	4,930	10,545,270
Darden Restaurants, Inc. . . . .	United States	33,800	5,647,304
<sup>a</sup> DoorDash, Inc., A . . . . .	United States	27,400	2,093,908
<sup>a</sup> Expedia Group, Inc. . . . .	United States	47,200	5,163,208
Vail Resorts, Inc. . . . .	United States	14,800	3,726,048
Wynn Resorts Ltd. . . . .	United States	23,300	2,460,713
			30,594,681
<b>Household Durables 1.2%</b>			
<sup>a</sup> NVR, Inc. . . . .	United States	782	4,966,185
<b>Industrial REITs 0.7%</b>			
Terreno Realty Corp. . . . .	United States	49,150	2,953,915
<b>Interactive Media &amp; Services 2.1%</b>			
<sup>a</sup> Match Group, Inc. . . . .	United States	110,024	4,604,504
<sup>a</sup> Pinterest, Inc., A . . . . .	United States	149,800	4,095,532
			8,700,036
<b>IT Services 2.4%</b>			
<sup>a</sup> Cloudflare, Inc., A . . . . .	United States	45,700	2,987,409
<sup>a</sup> Gartner, Inc. . . . .	United States	10,300	3,608,193
<sup>a</sup> MongoDB, Inc., A . . . . .	United States	8,000	3,287,920
			9,883,522
<b>Leisure Products 1.8%</b>			
<sup>a,c,d</sup> Fanatics Holdings, Inc. . . . .	United States	94,539	7,636,783
<b>Life Sciences Tools &amp; Services 5.0%</b>			
<sup>a</sup> 10X Genomics, Inc., A . . . . .	United States	48,800	2,724,992

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Life Sciences Tools &amp; Services</b> (continued)			
Agilent Technologies, Inc. . . . .	United States	41,700	\$5,014,425
<sup>a</sup> Mettler-Toledo International, Inc. . . . .	United States	4,680	6,138,475
West Pharmaceutical Services, Inc. . . . .	United States	17,800	6,807,966
			20,685,858
<b>Machinery 1.0%</b>			
IDEX Corp. . . . .	United States	16,950	3,648,657
<sup>a</sup> Proterra, Inc. . . . .	United States	313,300	375,960
			4,024,617
<b>Oil, Gas &amp; Consumable Fuels 2.7%</b>			
Cheniere Energy, Inc. . . . .	United States	24,400	3,717,584
Coterra Energy, Inc. . . . .	United States	77,200	1,953,160
Hess Corp. . . . .	United States	25,100	3,412,345
Targa Resources Corp. . . . .	United States	28,000	2,130,800
			11,213,889
<b>Passenger Airlines 1.9%</b>			
<sup>a</sup> Delta Air Lines, Inc. . . . .	United States	164,900	7,839,346
<b>Personal Care Products 1.0%</b>			
<sup>a</sup> BellRing Brands, Inc. . . . .	United States	109,800	4,018,680
<b>Pharmaceuticals 0.7%</b>			
<sup>a</sup> Jazz Pharmaceuticals plc . . . . .	United States	25,100	3,111,647
<b>Professional Services 4.8%</b>			
<sup>a</sup> CoStar Group, Inc. . . . .	United States	39,550	3,519,950
Paychex, Inc. . . . .	United States	63,100	7,058,997
<sup>a</sup> Paycity Holding Corp. . . . .	United States	20,950	3,865,904
TransUnion . . . . .	United States	70,600	5,530,098
			19,974,949
<b>Residential REITs 0.9%</b>			
Equity LifeStyle Properties, Inc. . . . .	United States	58,800	3,933,132
<b>Semiconductors &amp; Semiconductor Equipment 4.8%</b>			
<sup>a</sup> Enphase Energy, Inc. . . . .	United States	13,400	2,244,232
KLA Corp. . . . .	United States	3,900	1,891,578
<sup>a</sup> Lattice Semiconductor Corp. . . . .	United States	52,455	5,039,352
Monolithic Power Systems, Inc. . . . .	United States	11,150	6,023,564
<sup>a</sup> SiTime Corp. . . . .	United States	26,600	3,138,002
<sup>a</sup> Wolfspeed, Inc. . . . .	United States	29,300	1,628,787
			19,965,515
<b>Software 11.7%</b>			
<sup>a</sup> Alkami Technology, Inc. . . . .	United States	120,625	1,977,044
<sup>a</sup> ANSYS, Inc. . . . .	United States	17,500	5,779,725
<sup>a</sup> Arteris, Inc. . . . .	United States	145,100	989,582
<sup>a</sup> Atlassian Corp., A . . . . .	United States	17,800	2,987,018
<sup>a</sup> BILL Holdings, Inc. . . . .	United States	26,048	3,043,709
<sup>a</sup> CrowdStrike Holdings, Inc., A . . . . .	United States	44,300	6,506,341
<sup>a</sup> Datadog, Inc., A . . . . .	United States	36,600	3,600,708
<sup>a</sup> Fair Isaac Corp. . . . .	United States	5,700	4,612,497
<sup>a</sup> HubSpot, Inc. . . . .	United States	2,300	1,223,807
<sup>a</sup> Monday.com Ltd. . . . .	United States	14,600	2,499,812
<sup>a</sup> Synopsys, Inc. . . . .	United States	28,850	12,561,577

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small-Mid Cap Growth VIP Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Software (continued)</b>			
<sup>a</sup> Workday, Inc., A .....	United States	13,600	\$3,072,104
			48,853,924
<b>Specialized REITs 0.7%</b>			
SBA Communications Corp., A .....	United States	12,157	2,817,506
<b>Specialty Retail 4.7%</b>			
<sup>a</sup> AutoZone, Inc. ....	United States	2,300	5,734,728
<sup>a</sup> Burlington Stores, Inc. ....	United States	22,200	3,494,058
<sup>a</sup> Five Below, Inc. ....	United States	18,550	3,645,817
<sup>a</sup> Petco Health & Wellness Co., Inc., A .....	United States	133,700	1,189,930
Tractor Supply Co. ....	United States	25,537	5,646,231
			19,710,764
<b>Textiles, Apparel &amp; Luxury Goods 2.2%</b>			
<sup>a</sup> Lululemon Athletica, Inc. ....	United States	23,800	9,008,300
<b>Trading Companies &amp; Distributors 2.0%</b>			
Fastenal Co. ....	United States	138,500	8,170,115
<b>Total Common Stocks (Cost \$287,279,896)</b> .....			<b>392,679,760</b>
<b>Convertible Preferred Stocks 1.2%</b>			
<b>Diversified Consumer Services 0.2%</b>			
<sup>a,c,d</sup> Newsela, Inc., D .....	United States	48,915	834,527
<b>Software 1.0%</b>			
<sup>a,c,d</sup> Benchling, Inc., F .....	United States	35,200	596,051
<sup>a,c,d</sup> Blaize, Inc., D .....	United States	11,970	18,750
<sup>a,c,d</sup> Blaize, Inc., D .....	United States	194,302	304,350
<sup>a,c,d</sup> Blaize, Inc., D-2 .....	United States	82,758	61,717
<sup>a,c,d</sup> Databricks, Inc., G .....	United States	25,878	1,953,271
<sup>a,c,d</sup> OneTrust LLC, C. ....	United States	82,367	1,234,681
			4,168,820
<b>Total Convertible Preferred Stocks (Cost \$7,884,932)</b> .....			<b>5,003,347</b>
<b>Warrants</b>			
<b>Warrants 0.0%</b>			
<b>Software 0.0%</b>			
<sup>a,c,d</sup> Blaize, Inc., .....	United States	1	—
<sup>a,c,d</sup> Blaize, Inc., 9/19/25 .....	United States	8,275	—
<sup>a,c,d</sup> Blaize, Inc., D, 2/28/24 .....	United States	26,474	—
			—
<b>Total Warrants (Cost \$7)</b> .....			<b>—</b>
<b>Principal Amount<sup>†</sup></b>			
<b>Corporate Bonds 0.0%<sup>†</sup></b>			
<sup>c,d</sup> Blaize, Inc., 10%, 12/09/24 .....	United States	64,369	64,375
<b>Total Corporate Bonds (Cost \$64,368)</b> .....			<b>64,375</b>
<b>Total Long Term Investments (Cost \$295,229,203)</b> .....			<b>397,747,482</b>

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Franklin Small-Mid Cap Growth VIP Fund (continued)

## Short Term Investments 5.4%

	Country	Shares	Value
<b>Money Market Funds 5.4%</b>			
<sup>e,f</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.699% . . . . .	United States	22,457,572	\$22,457,572
<b>Total Money Market Funds (Cost \$22,457,572)</b> . . . . .			<b>22,457,572</b>
<b>Total Short Term Investments (Cost \$22,457,572)</b> . . . . .			<b>22,457,572</b>
<b>Total Investments (Cost \$317,686,775) 100.8%</b> . . . . .			<b>\$420,205,054</b>
<b>Other Assets, less Liabilities (0.8)%</b> . . . . .			<b>(3,231,190)</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$416,973,864</b>

<sup>†</sup>The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2023, the value of this security was \$3,290,470, representing 0.8% of net assets.

<sup>c</sup>Fair valued using significant unobservable inputs. See Note 9 regarding fair value measurements.

<sup>d</sup>See Note 7 regarding restricted securities.

<sup>e</sup>See Note 3(e) regarding investments in affiliated management investment companies.

<sup>f</sup>The rate shown is the annualized seven-day effective yield at period end.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statement of Assets and Liabilities

June 30, 2023 (unaudited)

	<b>Franklin Small- Mid Cap Growth VIP Fund</b>
<b>Assets:</b>	
Investments in securities:	
Cost - Unaffiliated issuers . . . . .	\$295,229,203
Cost - Non-controlled affiliates (Note 3e) . . . . .	22,457,572
Value - Unaffiliated issuers . . . . .	\$397,747,482
Value - Non-controlled affiliates (Note 3e) . . . . .	22,457,572
<b>Receivables:</b>	
Investment securities sold . . . . .	137,181
Capital shares sold . . . . .	182,346
Dividends and interest . . . . .	143,092
Total assets . . . . .	420,667,673
<b>Liabilities:</b>	
<b>Payables:</b>	
Investment securities purchased . . . . .	3,090,017
Capital shares redeemed . . . . .	214,452
Management fees . . . . .	259,839
Distribution fees . . . . .	71,642
Trustees' fees and expenses . . . . .	843
Accrued expenses and other liabilities . . . . .	57,016
Total liabilities . . . . .	3,693,809
Net assets, at value . . . . .	\$416,973,864
<b>Net assets consist of:</b>	
Paid-in capital . . . . .	\$344,637,971
Total distributable earnings (losses) . . . . .	72,335,893
Net assets, at value . . . . .	\$416,973,864
	<b>Franklin Small- Mid Cap Growth VIP Fund</b>
<b>Class 1:</b>	
Net assets, at value . . . . .	\$65,864,704
Shares outstanding . . . . .	4,252,982
Net asset value and maximum offering price per share . . . . .	\$15.49
<b>Class 2:</b>	
Net assets, at value . . . . .	\$331,981,599
Shares outstanding . . . . .	27,409,314
Net asset value and maximum offering price per share . . . . .	\$12.11
<b>Class 4:</b>	
Net assets, at value . . . . .	\$19,127,561
Shares outstanding . . . . .	1,467,760
Net asset value and maximum offering price per share . . . . .	\$13.03

## Statement of Operations

for the six months ended June 30, 2023 (unaudited)

Franklin Small-  
Mid Cap Growth  
VIP Fund

Investment income:	
Dividends:	
Unaffiliated issuers . . . . .	\$1,153,945
Non-controlled affiliates (Note 3e) . . . . .	497,569
Income from securities loaned:	
Unaffiliated entities (net of fees and rebates) . . . . .	(153)
Non-controlled affiliates (Note 3e) . . . . .	1,704
Total investment income . . . . .	<u>1,653,065</u>
Expenses:	
Management fees (Note 3a) . . . . .	1,573,578
Distribution fees: (Note 3c)	
Class 2 . . . . .	392,607
Class 4 . . . . .	31,964
Custodian fees (Note 4) . . . . .	818
Reports to shareholders fees . . . . .	13,444
Professional fees . . . . .	30,230
Trustees' fees and expenses . . . . .	2,629
Other . . . . .	13,582
Total expenses . . . . .	<u>2,058,852</u>
Expense reductions (Note 4) . . . . .	5
Expenses waived/paid by affiliates (Note 3e) . . . . .	<u>(40,132)</u>
Net expenses . . . . .	<u>2,018,725</u>
Net investment income (loss) . . . . .	<u>(365,660)</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	(2,461,019)
Foreign currency transactions . . . . .	274
Net realized gain (loss) . . . . .	<u>(2,460,745)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	58,621,004
Net realized and unrealized gain (loss) . . . . .	<u>56,160,259</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$55,794,599</u>

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statements of Changes in Net Assets

	<b>Franklin Small-Mid Cap Growth VIP Fund</b>	
	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
	<b>(unaudited)</b>	
Increase (decrease) in net assets:		
Operations:		
Net investment income (loss) . . . . .	\$(365,660)	\$(1,629,759)
Net realized gain (loss) . . . . .	(2,460,745)	(27,503,917)
Net change in unrealized appreciation (depreciation) . . . . .	58,621,004	(163,693,691)
Net increase (decrease) in net assets resulting from operations . . . . .	55,794,599	(192,827,367)
Distributions to shareholders:		
Class 1 . . . . .	—	(13,727,212)
Class 2 . . . . .	—	(86,996,421)
Class 4 . . . . .	—	(4,892,046)
Total distributions to shareholders . . . . .	—	(105,615,679)
Capital share transactions: (Note 2)		
Class 1 . . . . .	(4,115,925)	22,252,629
Class 2 . . . . .	(5,672,097)	64,583,757
Class 4 . . . . .	(1,264,982)	5,230,808
Total capital share transactions . . . . .	(11,053,004)	92,067,194
Net increase (decrease) in net assets . . . . .	44,741,595	(206,375,852)
Net assets:		
Beginning of period . . . . .	372,232,269	578,608,121
End of period . . . . .	\$416,973,864	\$372,232,269



# Notes to Financial Statements (unaudited)

## Franklin Small-Mid Cap Growth VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Small-Mid Cap Growth VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is

primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Fund's portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At June 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

**Franklin Small-Mid Cap Growth VIP Fund** (continued)**1. Organization and Significant Accounting Policies**

(continued)

**a. Financial Instrument Valuation** (continued)

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

**b. Foreign Currency Translation**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Securities Lending**

The Fund participates in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Fund. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statement of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At June 30, 2023, the Fund had no securities on loan.

**d. Income and Deferred Taxes**

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

**Franklin Small-Mid Cap Growth VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**d. Income and Deferred Taxes** (continued)

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**e. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the

relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**f. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**g. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Franklin Small-Mid Cap Growth VIP Fund** (continued)**2. Shares of Beneficial Interest**

At June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold . . . . .	258,043	\$3,751,956	821,804	\$13,714,783
Shares issued in reinvestment of distributions . . . . .	—	—	1,042,309	13,727,212
Shares redeemed . . . . .	(542,330)	(7,867,881)	(303,137)	(5,189,366)
Net increase (decrease) . . . . .	(284,287)	\$(4,115,925)	1,560,976	\$22,252,629
<b>Class 2 Shares:</b>				
Shares sold . . . . .	1,548,736	\$17,737,581	1,666,536	\$23,136,529
Shares issued in reinvestment of distributions . . . . .	—	—	8,421,725	86,996,421
Shares redeemed . . . . .	(2,067,924)	(23,409,678)	(3,269,675)	(45,549,193)
Net increase (decrease) . . . . .	(519,188)	\$(5,672,097)	6,818,586	\$64,583,757
<b>Class 4 Shares:</b>				
Shares sold . . . . .	55,173	\$685,715	222,601	\$3,473,405
Shares issued in reinvestment of distributions . . . . .	—	—	439,932	4,892,046
Shares redeemed . . . . .	(159,389)	(1,950,697)	(213,169)	(3,134,643)
Net increase (decrease) . . . . .	(104,216)	\$(1,264,982)	449,364	\$5,230,808

**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**Franklin Small-Mid Cap Growth VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

<b>Annualized Fee Rate</b>	<b>Net Assets</b>
0.800%	Up to and including \$500 million
0.700%	Over \$500 million, up to and including \$1 billion
0.650%	Over \$1 billion, up to and including \$1.5 billion
0.600%	Over \$1.5 billion, up to and including \$6.5 billion
0.575%	Over \$6.5 billion, up to and including \$11.5 billion
0.550%	Over \$11.5 billion, up to and including \$16.5 billion
0.540%	Over \$16.5 billion, up to and including \$19 billion
0.530%	Over \$19 billion, up to and including \$21.5 billion
0.520%	In excess of \$21.5 billion

For the period ended June 30, 2023, the annualized gross effective investment management fee rate was 0.800% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.35% per year of its average daily net assets of each class. The Board has agreed to limit the current rate to 0.25% per year for Class 2. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended June 30, 2023, the Fund held investments in affiliated management investment companies as follows:

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Franklin Small-Mid Cap Growth VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**e. Investments in Affiliated Management Investment Companies** (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin Small-Mid Cap Growth VIP Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$23,592,470	\$37,049,534	\$(38,184,432)	\$—	\$—	\$22,457,572	22,457,572	\$497,569
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$204,218	\$4,036,537	\$(4,240,755)	\$—	\$—	\$—	—	\$1,704
<b>Total Affiliated Securities . . .</b>	<b>\$23,796,688</b>	<b>\$41,086,071</b>	<b>\$(42,425,187)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$22,457,572</b>		<b>\$499,273</b>

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended June 30, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

**5. Income Taxes**

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2022, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term . . . . .	<u>\$24,488,751</u>
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At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments . . . . .	<u>\$320,554,005</u>
Unrealized appreciation . . . . .	\$126,610,960
Unrealized depreciation . . . . .	(26,959,911)
Net unrealized appreciation (depreciation) . . . . .	<u>\$99,651,049</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales.

**Franklin Small-Mid Cap Growth VIP Fund** (continued)**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2023, aggregated 65,422,915 and 74,390,534 respectively.

**7. Restricted Securities**

The Fund invests in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Fund may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At June 30, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Principal Amount*/ Shares/ Warrants	Issuer	Acquisition Date	Cost	Value
<b>Franklin Small-Mid Cap Growth VIP Fund</b>				
35,200	Benchling, Inc., F	10/20/21	\$1,150,910	\$596,051
1	Blaize, Inc.	1/19/23	6	—
64,369	Blaize, Inc., 10%, 12/09/24	1/19/23	64,368	64,375
8,275	Blaize, Inc., 9/19/25	9/20/22 - 9/22/22	—	—
206,272	Blaize, Inc., D	3/02/21 - 11/09/21	2,154,000	323,100
26,474	Blaize, Inc., D, 2/28/24	3/01/21 - 11/09/21	—	—
82,758	Blaize, Inc., D-2	4/01/22 - 9/20/22	399,999	61,717
25,878	Databricks, Inc., G	2/01/21	1,529,975	1,953,271
94,539	Fanatics Holdings, Inc.	8/13/20 - 3/22/21	1,669,739	7,636,783
48,915	Newsela, Inc., D	1/21/21	1,034,807	834,527
82,367	OneTrust LLC, C	4/01/21	1,615,242	1,234,681
	<b>Total Restricted Securities</b> (Value is 3.0% of Net Assets)		<b>\$9,619,046</b>	<b>\$12,704,505</b>

The Principal amount is stated in U.S. dollars unless otherwise stated.

**8. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2023, the Fund did not use the Global Credit Facility.



**Franklin Small-Mid Cap Growth VIP Fund** (continued)**9. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of June 30, 2023, in valuing the Fund's assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin Small-Mid Cap Growth VIP Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$10,558,126	\$—	\$—	\$10,558,126
Automobile Components	1,294,754	—	—	1,294,754
Beverages	3,659,544	—	—	3,659,544
Biotechnology	11,494,362	—	—	11,494,362
Building Products	6,502,840	—	—	6,502,840
Capital Markets	21,549,104	—	—	21,549,104
Chemicals	3,324,041	—	—	3,324,041
Commercial Services & Supplies	5,897,045	—	—	5,897,045
Communications Equipment	7,600,614	—	—	7,600,614
Containers & Packaging	3,092,400	—	—	3,092,400
Electrical Equipment	6,528,430	—	—	6,528,430
Electronic Equipment, Instruments & Components	6,507,416	—	—	6,507,416
Energy Equipment & Services	1,788,058	—	—	1,788,058
Entertainment	2,937,870	—	—	2,937,870
Financial Services	2,029,043	3,290,470	—	5,319,513
Food Products	4,676,408	—	—	4,676,408
Ground Transportation	7,265,588	—	—	7,265,588
Health Care Equipment & Supplies	25,009,671	—	—	25,009,671
Health Care Providers & Services	2,418,262	—	—	2,418,262
Health Care Technology	7,192,350	—	—	7,192,350
Hotels, Restaurants & Leisure	30,594,681	—	—	30,594,681
Household Durables	4,966,185	—	—	4,966,185
Industrial REITs	2,953,915	—	—	2,953,915
Interactive Media & Services	8,700,036	—	—	8,700,036
IT Services	9,883,522	—	—	9,883,522
Leisure Products	—	—	7,636,783	7,636,783
Life Sciences Tools & Services	20,685,858	—	—	20,685,858
Machinery	4,024,617	—	—	4,024,617
Oil, Gas & Consumable Fuels	11,213,889	—	—	11,213,889
Passenger Airlines	7,839,346	—	—	7,839,346
Personal Care Products	4,018,680	—	—	4,018,680
Pharmaceuticals	3,111,647	—	—	3,111,647
Professional Services	19,974,949	—	—	19,974,949
Residential REITs	3,933,132	—	—	3,933,132



**Franklin Small-Mid Cap Growth VIP Fund** (continued)**9. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Small-Mid Cap Growth VIP Fund</b> (continued)				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Semiconductors & Semiconductor Equipment . . . . .	\$19,965,515	\$—	\$—	\$19,965,515
Software . . . . .	48,853,924	—	—	48,853,924
Specialized REITs . . . . .	2,817,506	—	—	2,817,506
Specialty Retail . . . . .	19,710,764	—	—	19,710,764
Textiles, Apparel & Luxury Goods . . . . .	9,008,300	—	—	9,008,300
Trading Companies & Distributors . . . . .	8,170,115	—	—	8,170,115
Convertible Preferred Stocks . . . . .	—	—	5,003,347	5,003,347
Warrants . . . . .	—	—	— <sup>a</sup>	—
Corporate Bonds . . . . .	—	—	64,375	64,375
Short Term Investments . . . . .	22,457,572	—	—	22,457,572
Total Investments in Securities . . . . .	\$404,210,079	\$3,290,470 <sup>b</sup>	\$12,704,505	\$420,205,054

<sup>a</sup> Includes financial instruments determined to have no value.

<sup>b</sup> Includes foreign securities valued at \$3,290,470, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period. At June 30, 2023, the reconciliation is as follows:

	Balance at Beginning of Period	Purchases <sup>a</sup>	Sales <sup>b</sup>	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortization)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Period	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End
<b>Franklin Small-Mid Cap Growth VIP Fund</b>										
<b>Assets:</b>										
Investments in Securities:										
Common Stocks:										
Leisure Products . . . . .	\$7,201,036	\$—	\$—	\$—	\$—	\$—	\$—	\$435,747	\$7,636,783	\$435,747
Software . . . . .	—	6	(6)	—	—	—	6	(6)	— <sup>c</sup>	(6)
Convertible Preferred Stocks:										
Diversified Consumer Services . . . . .	679,820	—	—	—	—	—	—	154,707	834,527	154,707
Software . . . . .	3,620,472	—	—	—	—	—	—	548,348	4,168,820	548,348
Warrants:										
Software . . . . .	1,365	—	—	—	—	—	—	(1,365)	— <sup>c</sup>	(1,365)
Corporate Bonds:										
Software . . . . .	—	64,369	—	—	—	—	—	6	64,375	6
Total Investments in Securities . . . . .	\$11,502,693	\$64,375	\$(6)	\$—	\$—	\$—	\$6	\$1,137,437	\$12,704,505	\$1,137,437

<sup>a</sup>Purchases include all purchases of securities and securities received in corporate actions.

<sup>b</sup>Sales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

<sup>c</sup>Includes financial instruments determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of June 30, 2023, are as follows:

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Franklin Small-Mid Cap Growth VIP Fund** (continued)**9. Fair Value Measurements** (continued)

Description	Fair Value at End of Period	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases <sup>a</sup>
<b>Franklin Small-Mid Cap Growth VIP Fund</b>					
<b>Assets:</b>					
Investments in Securities:					
Common Stocks:					
Leisure Products . . . . .	\$7,636,783	Recovery	Discount of lack of marketability	11.6%	Decrease
			EV / revenue multiple	5.2x	Increase
All Other Investments . . . . .	5,067,722 <sup>b,c</sup>				
Total . . . . .	\$12,704,505				

<sup>a</sup>Represents the directional change in the fair value of the Level 3 financial instruments that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

<sup>b</sup>Includes fair value of immaterial assets and/or liabilities developed using various valuation techniques and unobservable inputs. May also include values derived using recent transactions, private transaction prices or non-public third-party pricing information which is unobservable.

<sup>c</sup>Includes financial instruments determined to have no value.

**Abbreviations List**

EV - Enterprise value

**10. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

## VIP SA1 07/23

**SUPPLEMENT DATED JULY 10, 2023  
TO THE STATEMENT OF ADDITIONAL INFORMATION  
DATED MAY 1, 2023 OF  
FRANKLIN ALLOCATION VIP FUND  
FRANKLIN DYNATECH VIP FUND  
FRANKLIN GLOBAL REAL ESTATE VIP FUND  
FRANKLIN GROWTH AND INCOME VIP FUND  
FRANKLIN INCOME VIP FUND  
FRANKLIN LARGE CAP GROWTH VIP FUND  
FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND  
FRANKLIN MUTUAL SHARES VIP FUND  
FRANKLIN RISING DIVIDENDS VIP FUND  
FRANKLIN SMALL CAP VALUE VIP FUND  
FRANKLIN SMALL-MID CAP GROWTH VIP FUND  
FRANKLIN STRATEGIC INCOME VIP FUND  
FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND  
FRANKLIN VOLSMART ALLOCATION VIP FUND  
TEMPLETON DEVELOPING MARKETS VIP FUND  
TEMPLETON FOREIGN VIP FUND  
TEMPLETON GLOBAL BOND VIP FUND  
TEMPLETON GROWTH VIP FUND  
(a series of Franklin Templeton Variable Insurance Products Trust)**

The Statement of Additional Information is amended as follows:

I. All references to "The Bank of New York Mellon" under the heading "Policies and Procedures Regarding the Release of Portfolio Holdings" are removed.

II. The following replaces in its entirety the "Custodian" section under "Management and Other Services":

Custodian JPMorgan Chase Bank, at its principal office at 270 Park Avenue, New York, NY 10017-2070, and at the offices of its branches and agencies throughout the world, acts as custodian of the Fund's securities and assets. As foreign custody manager, the bank selects and monitors foreign sub-custodian banks, selects and evaluates non-compulsory foreign depositories, and furnishes information relevant to the selection of compulsory depositories. Millennium Trust Company, LLC, 2001 Spring Road, Oak Brook, Illinois, 60523, acts as the custodian of the Strategic Income Fund's marketplace loans.

*Please keep this supplement with your SAI for future reference.*

## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

#### Franklin Small-Mid Cap Growth VIP Fund (Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of the Fund. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that

the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager’s parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

## Fund Performance

The Board reviewed and considered the performance results of the Fund over various time periods ended December 31, 2022. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all mid-cap growth funds underlying VIPs. The Board noted that the Fund's annualized total return for the one-, five- and 10-year periods was below the median of its Performance Universe, but for the three-year period was above the median of its Performance Universe. The Board discussed this performance with management and management reported that the Fund's three-year performance ended December 31, 2022 exceeded that of its benchmark, the Russell Mid-Cap Growth Index. Management explained that the Fund's relative underperformance for the one-year period was primarily due to stock selection across multiple sectors and an underweight position in the energy sector, which was the top performing sector in 2022. The Board noted management's representation that the Fund's performance had improved since November 2022, outperforming its benchmark and the Performance Universe median year-to-date 2023. Management then discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund, including enhancements to its investment processes. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and management's efforts should continue to be monitored.

## Comparative Fees and Expenses

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately,

the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from the fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and 13 other mid-cap growth funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians of its respective Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

## Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to the fund during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses

allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Fund which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the



number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov).

gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

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Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**Semiannual Report**  
**Franklin Small-Mid Cap Growth VIP Fund**

**Investment Manager**  
Franklin Advisers, Inc.

**Fund Administrator**  
Franklin Templeton Services, LLC

**Distributor**  
Franklin  
Distributors, LLC

# Templeton Global Bond VIP Fund

This semiannual report for Templeton Global Bond VIP Fund covers the period ended June 30, 2023.

## Fund Overview

### Fund Goal and Main Investments

The Fund seeks high current income, consistent with preservation of capital. Capital appreciation is a secondary consideration. Under normal market conditions, the Fund invests at least 80% of its net assets in bonds, which include debt securities of any maturity, such as bonds, notes, bills and debentures.

### Performance Overview

You can find the Fund's six-month total return for all classes in the Performance Summary. For comparison, the J.P. Morgan Global Government Bond Index posted a +0.80% total return, and the FTSE World Government Bond Index posted a +1.66% total return for the same period.<sup>1</sup>

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

### Geographic Composition

6/30/23

	<b>% of Total Net Assets</b>
Asia	38.6%
Latin America & Caribbean	17.1%
North America	13.7%
Australia & New Zealand	8.8%
Europe	6.7%
Other	0.5%
Short-Term Investments & Other Net Assets	14.6%

Thank you for your participation in Templeton Global Bond VIP Fund. We look forward to serving your future investment needs.

<sup>1</sup>Source: Morningstar. The J.P. Morgan (JPM) Global Government Bond Index (GGBI) tracks total returns for liquid, fixed-rate, domestic government bonds with maturities greater than one year issued by developed countries globally. The FTSE World Government Bond Index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds and is stated in U.S. dollar terms.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).**

## Performance Summary as of June 30, 2023<sup>1</sup>

Share Class	6-Month Total Return
1	-0.53%
2	-0.80%
4	-0.78%

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual fees may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 4/30/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

*Performance reflects the Fund's class operating expenses, but does **not** include any contract fees, expenses or sales charges. If they had been included, performance would be lower. These charges and deductions, particularly for variable life policies, can have a significant effect on contract values and insurance benefits. See the contract prospectus for a complete description of these expenses, including sales charges.*

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Inception date of the Fund may have preceded the effective dates of the subaccounts, contracts or their availability in all states.*

## Fund Risks

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

**All investments involve risks, including possible loss of principal. Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. Changes in the **credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

## Your Fund's Expenses

As an investor in a variable insurance contract (Contract) that indirectly provides for investment in an underlying mutual fund, you can incur transaction and/or ongoing expenses at both the Fund level and the Contract Level: (1) transaction expenses can include sales charges (loads) on purchases, surrender fees, transfer fees and premium taxes; and (2) ongoing expenses can include management fees, distribution and service (12b-1) fees, contract fees, annual maintenance fees, mortality and expense risk fees and other fees and expenses. All mutual funds and Contracts have some types of ongoing expenses. The table below shows Fund-level ongoing expenses and can help you understand these costs and compare them with those of other mutual funds offered through the Contract. The table assumes a \$1,000 investment held for the six months indicated. Please refer to the Fund prospectus for additional information on operating expenses.

### Actual Fund Expenses

The table below provides information about the actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of ongoing Fund expenses but does not include the effect of ongoing Contract expenses, is used to calculate the "Ending Account Value." You can estimate the Fund-level expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number under the headings "Actual" and "Fund-Level Expenses Paid During Period" (*if Fund-Level Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the estimated expenses paid this period at the Fund level are \$64.50.

### Hypothetical Example for Comparison with Other Mutual Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other mutual funds offered through the Contract. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds offered through the Contract.

*Please note that expenses shown in the table are meant to highlight ongoing costs at the Fund level only and do not reflect any ongoing expenses at the Contract level, or transaction expenses at either the Fund or Contract levels. In addition, while the Fund does not have transaction expenses, if the transaction and ongoing expenses at the Contract level were included, the expenses shown below would be higher. You should consult your Contract prospectus or disclosure document for more information.*

Share Class	Beginning Account Value 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	Ending Account Value 6/30/23	Fund-Level Expenses Paid During Period 1/1/23–6/30/23 <sup>1,2</sup>	
1	\$1,000	\$994.70	\$2.32	\$1,022.47	\$2.35	0.47%
2	\$1,000	\$992.00	\$3.55	\$1,021.23	\$3.60	0.72%
4	\$1,000	\$992.20	\$4.04	\$1,020.74	\$4.10	0.82%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 181/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include any ongoing expenses of the Contract for which the Fund is an investment option or acquired fund fees and expenses.

## TGB P1 05/23

**SUPPLEMENT DATED MAY 8, 2023  
TO THE PROSPECTUS  
DATED MAY 1, 2023,  
OF  
TEMPLETON GLOBAL BOND VIP FUND**

(a series of Franklin Templeton Variable Insurance Products Trust)

The prospectus is amended as follows:

I. The following replaces the "Fund Summaries – Templeton Global Bond VIP Fund – Performance – Average Annual Total Returns" section on page TGB-S5 of the prospectus:

**Average Annual Total Returns**

For periods ended December 31, 2022

	1 Year	5 Years	10 Years
<b>Templeton Global Bond VIP Fund - Class 1</b>	-4.85%	-2.08%	-0.54%
<b>Templeton Global Bond VIP Fund - Class 2</b>	-4.95%	-2.32%	-0.78%
<b>Templeton Global Bond VIP Fund - Class 4</b>	-5.13%	-2.41%	-0.89%
JP Morgan Global Government Bond Index (index reflects no deduction for fees, expenses or taxes)	-17.22%	-2.21%	-0.96%
FTSE World Government Bond Index (index reflects no deduction for fees, expenses or taxes)	-18.26%	-2.54%	-1.22%

No one index is representative of the Fund's portfolio.

*Please keep this supplement with your SAI for future reference.*

## Financial Highlights

### Templeton Global Bond VIP Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$13.15	\$13.82	\$14.49	\$16.63	\$17.54	\$17.17
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.22	0.47	0.48	0.52	0.89	0.88
Net realized and unrealized gains (losses)	(0.29)	(1.14)	(1.15)	(1.31)	(0.54)	(0.51)
Total from investment operations . . . . .	(0.07)	(0.67)	(0.67)	(0.79)	0.35	0.37
Less distributions from:						
Net investment income and net foreign currency gains . . . . .	—	—	—	(1.35)	(1.26)	—
Tax return of capital . . . . .	—	—	—	(—) <sup>c</sup>	—	—
Total distributions . . . . .	—	—	—	(1.35)	(1.26)	—
Net asset value, end of period . . . . .	\$13.08	\$13.15	\$13.82	\$14.49	\$16.63	\$17.54
Total return <sup>d</sup> . . . . .	(0.53)%	(4.85)%	(4.62)%	(4.73)%	1.89%	2.15%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	0.51%	0.50%	0.51%	0.51%	0.53%	0.56%
Expenses net of waiver and payments by affiliates . . . . .	0.49%	0.48%	0.50%	0.46%	0.44%	0.47%
Expenses net of waiver and payments by affiliates and expense reduction . . . . .	0.47%	0.48% <sup>f</sup>	0.50% <sup>f</sup>	0.45%	0.42%	0.45%
Net investment income . . . . .	3.28%	3.56%	3.42%	3.43%	5.22%	5.09%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$151,679	\$153,423	\$204,318	\$224,704	\$322,794	\$285,046
Portfolio turnover rate . . . . .	87.36%	14.78%	27.65%	52.84%	22.58%	18.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Amount rounds to less than \$0.01 per share.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Templeton Global Bond VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 2</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$12.47	\$13.13	\$13.82	\$15.91	\$16.83	\$16.51
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.19	0.41	0.43	0.46	0.82	0.81
Net realized and unrealized gains (losses)	(0.28)	(1.07)	(1.12)	(1.24)	(0.53)	(0.49)
Total from investment operations . . . . .	(0.09)	(0.66)	(0.69)	(0.78)	0.29	0.32
Less distributions from:						
Net investment income and net foreign currency gains . . . . .	—	—	—	(1.31)	(1.21)	—
Tax return of capital . . . . .	—	—	—	(—) <sup>c</sup>	—	—
Total distributions . . . . .	—	—	—	(1.31)	(1.21)	—
Net asset value, end of period . . . . .	\$12.38	\$12.47	\$13.13	\$13.82	\$15.91	\$16.83
Total return <sup>d</sup> . . . . .	(0.80)%	(4.95)%	(4.99)%	(4.92)%	1.63%	1.94%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	0.76%	0.75%	0.76%	0.75%	0.78%	0.81%
Expenses net of waiver and payments by affiliates . . . . .	0.74%	0.73%	0.75%	0.71%	0.69%	0.72%
Expenses net of waiver and payments by affiliates and expense reduction . . . . .	0.72%	0.73% <sup>f</sup>	0.75% <sup>f</sup>	0.70%	0.67%	0.70%
Net investment income . . . . .	3.02%	3.31%	3.17%	3.16%	4.97%	4.84%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,418,349	\$1,527,997	\$1,859,619	\$2,022,487	\$2,389,610	\$2,544,900
Portfolio turnover rate . . . . .	87.36%	14.78%	27.65%	52.84%	22.58%	18.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Amount rounds to less than \$0.01 per share.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.



FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL HIGHLIGHTS

## Templeton Global Bond VIP Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
<b>Class 4</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$12.77	\$13.46	\$14.17	\$16.27	\$17.19	\$16.88
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.19	0.41	0.42	0.46	0.82	0.81
Net realized and unrealized gains (losses)	(0.29)	(1.10)	(1.13)	(1.27)	(0.55)	(0.50)
Total from investment operations . . . . .	(0.10)	(0.69)	(0.71)	(0.81)	0.27	0.31
Less distributions from:						
Net investment income and net foreign currency gains . . . . .	—	—	—	(1.29)	(1.19)	—
Tax return of capital . . . . .	—	—	—	(—) <sup>c</sup>	—	—
Total distributions . . . . .	—	—	—	(1.29)	(1.19)	—
Net asset value, end of period . . . . .	\$12.67	\$12.77	\$13.46	\$14.17	\$16.27	\$17.19
Total return <sup>d</sup> . . . . .	(0.78)%	(5.13)%	(5.01)%	(5.00)%	1.48%	1.84%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates and expense reduction . . . . .	0.86%	0.85%	0.86%	0.85%	0.88%	0.91%
Expenses net of waiver and payments by affiliates . . . . .	0.84%	0.83%	0.85%	0.81%	0.79%	0.82%
Expenses net of waiver and payments by affiliates and expense reduction . . . . .	0.82%	0.83% <sup>f</sup>	0.85% <sup>f</sup>	0.80%	0.77%	0.80%
Net investment income . . . . .	2.92%	3.21%	3.07%	3.06%	4.87%	4.74%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$50,878	\$55,577	\$71,454	\$76,771	\$90,272	\$94,312
Portfolio turnover rate . . . . .	87.36%	14.78%	27.65%	52.84%	22.58%	18.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned, adjustments to interest income for the inflation-indexed bonds, and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Amount rounds to less than \$0.01 per share.

<sup>d</sup>Total return does not include fees, charges or expenses imposed by the variable annuity and life insurance contracts for which Franklin Templeton Variable Insurance Products Trust serves as an underlying investment vehicle. Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), June 30, 2023

## Templeton Global Bond VIP Fund

	Principal Amount*		Value
<b>Foreign Government and Agency Securities 71.7%</b>			
<b>Australia 8.8%</b>			
New South Wales Treasury Corp.,			
Senior Bond, 2%, 3/08/33 . . . . .	48,446,000	AUD	\$25,507,989
<sup>a</sup> Senior Bond, Reg S, 1.75%, 3/20/34 . . . . .	43,382,000	AUD	21,541,137
Queensland Treasury Corp.,			
<sup>a</sup> Senior Bond, 144A, Reg S, 1.75%, 7/20/34 . . . . .	52,103,000	AUD	25,874,230
Senior Bond, 2%, 8/22/33 . . . . .	49,530,000	AUD	25,987,917
Treasury Corp. of Victoria,			
<sup>a</sup> Senior Bond, Reg S, 2.25%, 9/15/33 . . . . .	35,999,000	AUD	19,078,210
Senior Bond, 2.25%, 11/20/34 . . . . .	49,634,000	AUD	25,475,426
			143,464,909
<b>Brazil 6.7%</b>			
Brazil Notas do Tesouro Nacional,			
10%, 1/01/27 . . . . .	233,800,000	BRL	48,635,264
10%, 1/01/31 . . . . .	112,168,000	BRL	22,810,678
10%, 1/01/33 . . . . .	45,024,000	BRL	9,078,988
<sup>b</sup> F, 10%, 1/01/29 . . . . .	134,126,000	BRL	27,475,688
			108,000,618
<b>Colombia 6.3%</b>			
Colombia Government Bond, Senior			
Bond, 9.85%, 6/28/27 . . . . .	576,000,000	COP	132,951
Colombia Titulos de Tesoreria,			
B, 6.25%, 11/26/25 . . . . .	10,194,000,000	COP	2,256,351
B, 7.5%, 8/26/26 . . . . .	109,207,600,000	COP	24,513,089
B, 5.75%, 11/03/27 . . . . .	55,276,000,000	COP	11,379,012
B, 6%, 4/28/28 . . . . .	49,809,600,000	COP	10,210,682
B, 7.75%, 9/18/30 . . . . .	37,868,000,000	COP	8,055,908
B, 7%, 3/26/31 . . . . .	17,210,500,000	COP	3,470,408
B, 7%, 6/30/32 . . . . .	24,227,000,000	COP	4,750,961
B, 13.25%, 2/09/33 . . . . .	75,854,000,000	COP	21,281,684
B, 7.25%, 10/18/34 . . . . .	48,555,000,000	COP	9,369,358
B, 6.25%, 7/09/36 . . . . .	10,374,000,000	COP	1,795,814
B, 9.25%, 5/28/42 . . . . .	21,434,000,000	COP	4,588,551
			101,804,769
<b>Germany 2.7%</b>			
<sup>a</sup> Bundesobligation, Reg S, 10/18/24 . . . . .	9,999,000	EUR	10,454,667
<sup>a</sup> Bundesrepublik Deutschland, Reg S, 6.25%, 1/04/24 . . . . .	9,804,000	EUR	10,846,057
<sup>a</sup> Bundesschatzanweisungen, Reg S, 0.4%, 9/13/24 . . . . .	21,697,000	EUR	22,865,545
			44,166,269
<b>Ghana 0.5%</b>			
<sup>c</sup> Ghana Government Bond,			
PIK, 8.35%, 2/16/27 . . . . .	23,756,604	GHS	1,108,765
PIK, 8.5%, 2/15/28 . . . . .	23,756,604	GHS	969,227
PIK, 8.65%, 2/13/29 . . . . .	23,389,900	GHS	857,260
PIK, 8.8%, 2/12/30 . . . . .	23,389,900	GHS	781,697
PIK, 8.95%, 2/11/31 . . . . .	21,361,450	GHS	662,378
PIK, 9.1%, 2/10/32 . . . . .	21,361,450	GHS	624,808
PIK, 9.25%, 2/08/33 . . . . .	21,361,450	GHS	602,497
PIK, 9.4%, 2/07/34 . . . . .	16,227,603	GHS	441,309

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Templeton Global Bond VIP Fund (continued)

	Principal Amount*		Value
<b>Foreign Government and Agency Securities</b> (continued)			
<b>Ghana</b> (continued)			
°Ghana Government Bond, (continued)			
PIK, 9.55%, 2/06/35 . . . . .	16,227,603	GHS	\$429,587
PIK, 9.7%, 2/05/36 . . . . .	16,227,603	GHS	421,372
PIK, 9.85%, 2/03/37 . . . . .	16,227,603	GHS	415,779
PIK, 10%, 2/02/38 . . . . .	16,227,603	GHS	412,138
			<u>7,726,817</u>
<b>India 4.7%</b>			
India Government Bond,			
Senior Bond, 5.77%, 8/03/30 . . . . .	526,000,000	INR	5,948,149
Senior Bond, 7.26%, 8/22/32 . . . . .	1,877,900,000	INR	23,137,614
Senior Note, 7.1%, 4/18/29 . . . . .	3,794,000,000	INR	46,320,507
			<u>75,406,270</u>
<b>Indonesia 9.0%</b>			
Indonesia Government Bond,			
FR68, 8.375%, 3/15/34 . . . . .	283,972,000,000	IDR	21,715,667
FR73, 8.75%, 5/15/31 . . . . .	7,058,000,000	IDR	538,585
FR82, 7%, 9/15/30 . . . . .	7,166,000,000	IDR	495,202
FR87, 6.5%, 2/15/31 . . . . .	47,115,000,000	IDR	3,155,628
FR91, 6.375%, 4/15/32 . . . . .	132,268,000,000	IDR	8,823,447
FR95, 6.375%, 8/15/28 . . . . .	102,269,000,000	IDR	6,929,012
FR96, 7%, 2/15/33 . . . . .	1,498,234,000,000	IDR	104,709,307
			<u>146,366,848</u>
<b>Malaysia 7.3%</b>			
Malaysia Government Bond,			
3.9%, 11/30/26 . . . . .	68,750,000	MYR	14,892,897
3.892%, 3/15/27 . . . . .	5,820,000	MYR	1,257,419
3.502%, 5/31/27 . . . . .	9,330,000	MYR	1,988,328
3.899%, 11/16/27 . . . . .	209,830,000	MYR	45,413,171
3.519%, 4/20/28 . . . . .	16,340,000	MYR	3,489,797
3.733%, 6/15/28 . . . . .	112,390,000	MYR	24,185,189
3.885%, 8/15/29 . . . . .	17,610,000	MYR	3,793,124
4.498%, 4/15/30 . . . . .	43,070,000	MYR	9,648,510
3.582%, 7/15/32 . . . . .	67,880,000	MYR	14,242,469
			<u>118,910,904</u>
<b>Mexico 4.1%</b>			
Mexican Bonos,			
M, 10%, 11/20/36 . . . . .	39,180,000	MXN	2,531,573
M, Senior Bond, 7.75%, 11/23/34 . . . . .	121,750,000	MXN	6,643,922
Mexican Bonos Desarr Fixed Rate,			
M, 7.5%, 5/26/33 . . . . .	719,380,000	MXN	38,717,810
M, Senior Bond, 8.5%, 5/31/29 . . . . .	114,900,000	MXN	6,651,457
M, Senior Bond, 8.5%, 11/18/38 . . . . .	71,820,000	MXN	4,090,096
M, Senior Bond, 7.75%, 11/13/42 . . . . .	154,590,000	MXN	8,105,475
			<u>66,740,333</u>
<b>Norway 4.0%</b>			
ªNorway Government Bond,			
Senior Bond, 144A, Reg S, 3%, 3/14/24 . . . . .	562,122,000	NOK	51,995,599
Senior Bond, 144A, Reg S, 1.75%, 3/13/25 . . . . .	89,312,000	NOK	8,001,404

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Templeton Global Bond VIP Fund (continued)

	Principal Amount*	Value
<b>Foreign Government and Agency Securities (continued)</b>		
<b>Norway (continued)</b>		
<sup>a</sup> Norway Government Bond, (continued)		
Senior Bond, 144A, Reg S, 1.5%, 2/19/26 .....	52,969,000 NOK	\$4,629,128
		<u>64,626,131</u>
<b>Singapore 4.4%</b>		
Singapore Government Bond, 2.875%, 9/01/30 .....	7,560,000 SGD	5,514,800
2.625%, 8/01/32 .....	53,040,000 SGD	37,906,921
3.375%, 9/01/33 .....	35,730,000 SGD	27,147,244
		<u>70,568,965</u>
<b>South Korea 10.1%</b>		
Korea Treasury Bonds, 2.25%, 9/10/23 .....	36,742,000,000 KRW	27,817,655
0.875%, 12/10/23 .....	22,287,000,000 KRW	16,723,186
1.875%, 3/10/24 .....	33,811,000,000 KRW	25,375,872
1.375%, 9/10/24 .....	75,881,910,000 KRW	56,114,620
3%, 9/10/24 .....	18,500,000,000 KRW	13,942,839
Senior Note, 1.75%, 9/10/26 .....	34,133,000,000 KRW	24,418,979
		<u>164,393,151</u>
<b>Thailand 3.1%</b>		
Thailand Government Bond, 0.75%, 9/17/24 .....	745,020,000 THB	20,752,991
1%, 6/17/27 .....	570,140,000 THB	15,373,573
Senior Note, 0.66%, 11/22/23 .....	481,230,000 THB	13,557,655
		<u>49,684,219</u>
<b>Total Foreign Government and Agency Securities (Cost \$1,209,172,595) .....</b>		<b>1,161,860,203</b>
<b>U.S. Government and Agency Securities 13.7%</b>		
<b>United States 13.7%</b>		
U.S. Treasury Bonds, 3.125%, 2/15/43 .....	16,230,000	14,163,211
3.625%, 8/15/43 .....	56,190,000	52,770,312
U.S. Treasury Notes, 3.5%, 2/15/33 .....	159,100,000	154,998,204
		<u>221,931,727</u>
<b>Total U.S. Government and Agency Securities (Cost \$225,580,904) .....</b>		<b>221,931,727</b>
<b>Total Long Term Investments (Cost \$1,434,753,499) .....</b>		<b>1,383,791,930</b>
<b>Short Term Investments 15.8%</b>		
	Principal Amount*	Value
<b>Foreign Government and Agency Securities 6.4%</b>		
<b>Germany 2.0%</b>		
<sup>d</sup> Germany Treasury Bills, <sup>a</sup> Reg S, 9/20/23 .....	3,483,000 EUR	3,773,484

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Templeton Global Bond VIP Fund (continued)

## Short Term Investments (continued)

	Principal Amount <sup>*</sup>	Value
<b>Foreign Government and Agency Securities</b> (continued)		
<b>Germany</b> (continued)		
<sup>o</sup> Germany Treasury Bills, (continued)		
<sup>a</sup> Reg S, 10/18/23.....	26,962,000 EUR	\$29,128,109
		<u>32,901,593</u>
<b>Japan 4.4%</b>		
<sup>o</sup> Japan Treasury Bills,		
11/10/23 .....	2,248,200,000 JPY	15,591,626
12/20/23 .....	879,000,000 JPY	6,097,075
2/20/24 .....	7,151,000,000 JPY	49,614,587
		<u>71,303,288</u>
<b>Total Foreign Government and Agency Securities (Cost \$108,905,395)</b> .....		<b>104,204,881</b>
	<u>Shares</u>	
<b>Money Market Funds 9.4%</b>		
<b>United States 9.4%</b>		
<sup>e</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.699% .....	151,670,880	151,670,880
<b>Total Money Market Funds (Cost \$151,670,880)</b> .....		<b>151,670,880</b>
<b>Total Short Term Investments (Cost \$260,576,275)</b> .....		<b>255,875,761</b>
<b>Total Investments (Cost \$1,695,329,774) 101.2%</b> .....		<b>\$1,639,667,691</b>
<b>Other Assets, less Liabilities (1.2%)</b> .....		<b>(18,761,927)</b>
<b>Net Assets 100.0%</b> .....		<b>\$1,620,905,764</b>

<sup>\*</sup>The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>a</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2023, the aggregate value of these securities was \$208,187,570, representing 12.8% of net assets.

<sup>b</sup>A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

<sup>c</sup>Income may be received in additional securities and/or cash.

<sup>d</sup>The security was issued on a discount basis with no stated coupon rate.

<sup>e</sup>See Note 3(e) regarding investments in affiliated management investment companies.

<sup>f</sup>The rate shown is the annualized seven-day effective yield at period end.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)

## Templeton Global Bond VIP Fund (continued)

At June 30, 2023, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

## Forward Exchange Contracts

Currency	Counter-party <sup>a</sup>	Type	Quantity	Contract Amount*	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
<b>OTC Forward Exchange Contracts</b>							
Chilean Peso . . . . .	JPHQ	Buy	5,487,100,000	6,803,174	7/05/23	\$40,687	\$—
Chilean Peso . . . . .	JPHQ	Sell	5,487,100,000	6,881,394	7/05/23	37,533	—
Indian Rupee . . . . .	HSBK	Buy	241,380,400	2,919,524	7/10/23	21,546	—
Indian Rupee . . . . .	HSBK	Sell	241,380,400	2,940,794	7/10/23	—	(275)
Indian Rupee . . . . .	JPHQ	Buy	266,347,200	3,180,759	7/11/23	64,379	—
Chilean Peso . . . . .	GSCO	Buy	3,510,200,000	4,329,571	7/12/23	43,755	—
Chilean Peso . . . . .	GSCO	Sell	3,510,200,000	4,405,869	7/12/23	32,543	—
South Korean Won . . . . .	JPHQ	Buy	16,905,000,000	13,678,844	7/18/23	—	(840,714)
South Korean Won . . . . .	JPHQ	Sell	11,563,000,000	8,672,142	7/18/23	—	(109,124)
Chilean Peso . . . . .	GSCO	Buy	4,513,615,115	4,518,185	7/26/23	1,092,893	—
Chilean Peso . . . . .	GSCO	Sell	4,513,615,115	5,635,609	7/26/23	24,530	—
Chilean Peso . . . . .	GSCO	Buy	8,834,202,936	10,773,418	8/04/23	193,186	—
Chilean Peso . . . . .	JPHQ	Buy	3,325,454,736	4,053,208	8/04/23	74,945	—
Chilean Peso . . . . .	JPHQ	Sell	990,000,000	1,239,747	8/04/23	10,781	—
Mexican Peso . . . . .	MSCO	Buy	35,649,000	1,686,329	8/04/23	382,901	—
Mexican Peso . . . . .	MSCO	Sell	35,649,000	1,613,442	8/04/23	—	(455,788)
Indian Rupee . . . . .	HSBK	Buy	242,055,750	2,933,902	8/14/23	11,138	—
Chilean Peso . . . . .	MSCO	Buy	6,390,810,000	7,930,029	8/16/23	—	(7,322)
Japanese Yen . . . . .	JPHQ	Buy	2,202,609,690	15,866,488	8/21/23	—	(483,975)
Canadian Dollar . . . . .	BOFA	Buy	8,949,000	6,494,572	9/11/23	268,310	—
Canadian Dollar . . . . .	BOFA	Sell	8,949,000	6,631,836	9/11/23	—	(131,045)
Canadian Dollar . . . . .	CITI	Buy	7,054,790	5,120,014	9/11/23	211,387	—
Canadian Dollar . . . . .	CITI	Sell	7,054,790	5,224,455	9/11/23	—	(106,946)
Japanese Yen . . . . .	BOFA	Buy	7,460,672,540	54,279,175	9/15/23	—	(1,972,780)
Japanese Yen . . . . .	DBAB	Buy	9,711,052,240	70,566,815	9/15/23	—	(2,483,123)
Chilean Peso . . . . .	GSCO	Buy	6,192,106,619	7,573,979	9/20/23	72,740	—
Indian Rupee . . . . .	CITI	Buy	590,870,000	7,146,900	9/20/23	33,525	—
Indian Rupee . . . . .	JPHQ	Buy	1,431,342,200	17,281,772	9/20/23	112,320	—
Japanese Yen . . . . .	BNDF	Buy	14,877,674,660	108,273,709	9/20/23	—	(3,883,791)
Japanese Yen . . . . .	BOFA	Buy	4,218,690,870	30,542,006	9/20/23	—	(941,359)
Japanese Yen . . . . .	MSCO	Buy	2,196,400,000	15,745,085	9/20/23	—	(333,939)
New Zealand Dollar . . . . .	BOFA	Buy	10,600,000	6,487,624	9/20/23	15,449	—
New Zealand Dollar . . . . .	CITI	Buy	12,470,000	7,613,184	9/20/23	37,128	—
New Zealand Dollar . . . . .	JPHQ	Buy	47,380,000	28,933,545	9/20/23	133,963	—
Singapore Dollar . . . . .	CITI	Buy	4,670,000	3,477,290	9/20/23	—	(13,778)
Singapore Dollar . . . . .	MSCO	Buy	10,540,000	7,842,641	9/20/23	—	(25,635)
Australian Dollar . . . . .	HSBK	Buy	77,360,000	51,899,277	9/25/23	—	(252,890)
Indian Rupee . . . . .	HSBK	Buy	241,380,400	2,932,933	10/05/23	—	(787)
Chilean Peso . . . . .	JPHQ	Buy	3,325,445,264	4,053,691	10/16/23	42,476	—
Mexican Peso . . . . .	CITI	Buy	106,418,000	5,019,214	10/23/23	1,068,012	—
Mexican Peso . . . . .	CITI	Sell	106,418,000	4,633,013	10/23/23	—	(1,454,213)
Japanese Yen . . . . .	GSCO	Buy	6,951,000,000	51,136,614	12/15/23	—	(1,637,709)
Indian Rupee . . . . .	HSBK	Buy	875,000,000	10,540,899	12/20/23	53,324	—
Mexican Peso . . . . .	MSCO	Buy	107,315,000	4,723,862	9/03/24	1,115,261	—
Mexican Peso . . . . .	MSCO	Sell	107,315,000	4,562,422	9/03/24	—	(1,276,702)
Total Forward Exchange Contracts . . . . .						\$5,194,712	\$(16,411,895)
Net unrealized appreciation (depreciation) . . . . .							\$(11,217,183)

\*In U.S. dollars unless otherwise indicated.

<sup>a</sup>May be comprised of multiple contracts with the same counterparty, currency and settlement date.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
SCHEDULE OF INVESTMENTS (UNAUDITED)**Templeton Global Bond VIP Fund** (continued)

At June 30, 2023, the Fund had the following interest rate swap contracts outstanding. See Note 1(d).

**Interest Rate Swap Contracts**

Description	Payment Frequency	Counter-party	Maturity Date	Notional Amount*	Value	Upfront Payments (Receipts)	Unrealized Appreciation (Depreciation)
<b>Centrally Cleared Swap Contracts</b>							
Receive Fixed 3.285%	Annual						
Pay Floating 1-day SOFR	Annual		5/03/33	92,910,000	\$(2,384,805)	\$—	\$(2,384,805)
Total Interest Rate Swap Contracts					\$(2,384,805)	\$—	\$(2,384,805)

\*In U.S. dollars unless otherwise indicated.

See Note 9 regarding other derivative information.

See Abbreviations on page 144.

## Statement of Assets and Liabilities

June 30, 2023 (unaudited)

Templeton  
Global Bond  
VIP Fund

## Assets:

## Investments in securities:

Cost - Unaffiliated issuers . . . . .	\$1,543,658,894
Cost - Non-controlled affiliates (Note 3e) . . . . .	151,670,880

Value - Unaffiliated issuers . . . . .	\$1,487,996,811
Value - Non-controlled affiliates (Note 3e) . . . . .	151,670,880

Cash . . . . .	1,094
Foreign currency, at value (cost \$829,519) . . . . .	824,428

## Receivables:

Investment securities sold . . . . .	30,747,465
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Capital shares sold . . . . .	432,799
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Interest . . . . .	21,193,929
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## Deposits with brokers for:

OTC derivative contracts . . . . .	12,536,297
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Centrally cleared swap contracts . . . . .	4,239,597
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Variation margin on centrally cleared swap contracts . . . . .	201,690
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Unrealized appreciation on OTC forward exchange contracts . . . . .	5,194,712
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Total assets . . . . .	1,715,039,702
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## Liabilities:

## Payables:

Investment securities purchased . . . . .	75,603,008
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Capital shares redeemed . . . . .	644,373
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Management fees . . . . .	596,053
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Distribution fees . . . . .	309,307
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Trustees' fees and expenses . . . . .	32
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Unrealized depreciation on OTC forward exchange contracts . . . . .	16,411,895
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Deferred tax . . . . .	553,949
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Accrued expenses and other liabilities . . . . .	15,321
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Total liabilities . . . . .	94,133,938
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Net assets, at value . . . . .	\$1,620,905,764
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## Net assets consist of:

Paid-in capital . . . . .	\$2,053,409,748
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Total distributable earnings (losses) . . . . .	(432,503,984)
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Net assets, at value . . . . .	\$1,620,905,764
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FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

Statement of Assets and Liabilities (continued)

June 30, 2023 (unaudited)

	<b>Templeton Global Bond VIP Fund</b>
<b>Class 1:</b>	
Net assets, at value .....	\$151,679,179
Shares outstanding .....	11,600,110
Net asset value and maximum offering price per share .....	\$13.08
<b>Class 2:</b>	
Net assets, at value .....	\$1,418,348,994
Shares outstanding .....	114,522,278
Net asset value and maximum offering price per share .....	\$12.38
<b>Class 4:</b>	
Net assets, at value .....	\$50,877,591
Shares outstanding .....	4,016,188
Net asset value and maximum offering price per share .....	\$12.67

## Statement of Operations

for the six months ended June 30, 2023 (unaudited)

Templeton  
Global Bond  
VIP Fund

Investment income:	
Dividends:	
Non-controlled affiliates (Note 3e) . . . . .	\$2,616,180
Interest: (net of foreign taxes of \$643,098)	
Unaffiliated issuers . . . . .	28,668,453
Total investment income . . . . .	31,284,633
Expenses:	
Management fees (Note 3a) . . . . .	3,887,124
Distribution fees: (Note 3c)	
Class 2 . . . . .	1,836,097
Class 4 . . . . .	92,904
Custodian fees (Note 4) . . . . .	285,053
Reports to shareholders fees . . . . .	19,399
Professional fees . . . . .	63,497
Trustees' fees and expenses . . . . .	9,746
Other . . . . .	26,498
Total expenses . . . . .	6,220,318
Expense reductions (Note 4) . . . . .	(162,276)
Expenses waived/paid by affiliates (Note 3e) . . . . .	(211,965)
Net expenses . . . . .	5,846,077
Net investment income . . . . .	25,438,556
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments: (net of foreign taxes of \$237,108)	
Unaffiliated issuers . . . . .	(120,393,430)
Foreign currency transactions . . . . .	3,851,309
Forward exchange contracts . . . . .	(999,475)
Swap contracts . . . . .	(38,074)
Net realized gain (loss) . . . . .	(117,579,670)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	115,950,979
Translation of other assets and liabilities denominated in foreign currencies . . . . .	178,214
Forward exchange contracts . . . . .	(32,148,964)
Swap contracts . . . . .	(2,341,072)
Change in deferred taxes on unrealized appreciation . . . . .	(388,902)
Net change in unrealized appreciation (depreciation) . . . . .	81,250,255
Net realized and unrealized gain (loss) . . . . .	(36,329,415)
Net increase (decrease) in net assets resulting from operations . . . . .	\$(10,890,859)

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
FINANCIAL STATEMENTS

## Statements of Changes in Net Assets

	<b>Templeton Global Bond VIP Fund</b>	
	<b>Six Months Ended June 30, 2023 (unaudited)</b>	<b>Year Ended December 31, 2022</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$25,438,556	\$62,270,111
Net realized gain (loss) . . . . .	(117,579,670)	(253,888,402)
Net change in unrealized appreciation (depreciation) . . . . .	81,250,255	88,365,607
Net increase (decrease) in net assets resulting from operations . . . . .	(10,890,859)	(103,252,684)
Capital share transactions: (Note 2)		
Class 1 . . . . .	(859,517)	(41,188,071)
Class 2 . . . . .	(100,013,833)	(241,650,752)
Class 4 . . . . .	(4,327,450)	(12,302,406)
Total capital share transactions . . . . .	(105,200,800)	(295,141,229)
Net increase (decrease) in net assets . . . . .	(116,091,659)	(398,393,913)
Net assets:		
Beginning of period . . . . .	1,736,997,423	2,135,391,336
End of period . . . . .	\$1,620,905,764	\$1,736,997,423

# Notes to Financial Statements (unaudited)

## Templeton Global Bond VIP Fund

### 1. Organization and Significant Accounting Policies

Franklin Templeton Variable Insurance Products Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds. The Trust follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Templeton Global Bond VIP Fund (Fund) is included in this report. Shares of the Fund are generally sold only to insurance company separate accounts to fund the benefits of variable life insurance policies or variable annuity contracts. The Fund offers three classes of shares: Class 1, Class 2 and Class 4. Each class of shares may differ by its distribution fees, voting rights on matters affecting a single class and its exchange privilege.

The following summarizes the Fund's significant accounting policies.

#### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Debt securities generally trade in the over-the-counter (OTC) market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a

market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

Certain derivative financial instruments are centrally cleared or trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

#### b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may

**Templeton Global Bond VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**b. Foreign Currency Translation** (continued)

enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

**c. Securities Purchased on a Delayed Delivery Basis**

The Fund purchases securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

**d. Derivative Financial Instruments**

The Fund invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. The Fund attempts to reduce its exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Fund include failure of the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Fund of any net liability owed to that counterparty under the ISDA agreement.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or



**Templeton Global Bond VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**d. Derivative Financial Instruments** (continued)

securities. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to \$250,000, and can vary depending on the counterparty and the type of agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund for OTC derivatives, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Fund's investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

The Fund entered into interest rate swap contracts primarily to manage interest rate risk. An interest rate swap is an agreement between the Fund and a counterparty to exchange cash flows based on the difference between two interest rates, applied to a notional amount. These agreements may be privately negotiated in the over-the-counter market (OTC interest rate swaps) or may be executed on a registered exchange (centrally cleared interest rate swaps). For centrally cleared interest rate swaps, required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statement of Assets and Liabilities. Over the term of the contract, contractually required payments to be paid and to be received are accrued daily and recorded as unrealized appreciation or depreciation until the payments are made, at which time they are realized.

See Note 9 regarding other derivative information.

**e. Income and Deferred Taxes**

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and if applicable, excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of June 30, 2023, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

**f. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These

**Templeton Global Bond VIP Fund** (continued)**1. Organization and Significant Accounting Policies**  
(continued)**f. Security Transactions, Investment Income, Expenses and Distributions** (continued)

reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

Inflation-indexed bonds are adjusted for inflation through periodic increases or decreases in the security's interest accruals, face amount, or principal redemption value, by amounts corresponding to the rate of inflation as measured by an index. Any increase or decrease in the face amount or principal redemption value will be included as interest income in the Statement of Operations.

**g. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**h. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is

unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

**Templeton Global Bond VIP Fund** (continued)**2. Shares of Beneficial Interest**

At June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Shares	Amount	Shares	Amount
<b>Class 1 Shares:</b>				
Shares sold	753,395	\$9,924,372	1,493,687	\$19,745,561
Shares redeemed	(817,511)	(10,783,889)	(4,618,884)	(60,933,632)
Net increase (decrease)	(64,116)	\$(859,517)	(3,125,197)	\$(41,188,071)
<b>Class 2 Shares:</b>				
Shares sold	1,813,002	\$22,744,696	4,612,566	\$58,273,369
Shares redeemed	(9,785,831)	(122,758,529)	(23,697,756)	(299,924,121)
Net increase (decrease)	(7,972,829)	\$(100,013,833)	(19,085,190)	\$(241,650,752)
<b>Class 4 Shares:</b>				
Shares sold	76,164	\$980,999	218,921	\$2,837,434
Shares redeemed	(413,684)	(5,308,449)	(1,175,713)	(15,139,840)
Net increase (decrease)	(337,520)	\$(4,327,450)	(956,792)	\$(12,302,406)

**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

For the period ended June 30, 2023, the annualized gross effective investment management fee rate was 0.465% of the Fund's average daily net assets.



**Templeton Global Bond VIP Fund** (continued)**3. Transactions with Affiliates** (continued)**b. Administrative Fees**

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for Class 2 and Class 4 shares pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to 0.25% and 0.35% per year of its average daily net assets of Class 2 and Class 4, respectively. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

**d. Transfer Agent Fees**

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

**e. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended June 30, 2023, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Templeton Global Bond VIP Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	\$154,512,860	\$588,238,557	\$(591,080,537)	\$—	\$—	\$151,670,880	151,670,880	\$2,616,180
<b>Total Affiliated Securities . . .</b>	<b>\$154,512,860</b>	<b>\$588,238,557</b>	<b>\$(591,080,537)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$151,670,880</b>		<b>\$2,616,180</b>

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended June 30, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

**Templeton Global Bond VIP Fund** (continued)**5. Income Taxes**

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2022, the capital loss carryforwards were as follows:

Capital loss carryforwards not subject to expiration:

Short term .....	\$17,190,517
Long term .....	202,825,645
Total capital loss carryforwards .....	<u>\$220,016,162</u>

At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments .....	<u>\$1,725,391,523</u>
Unrealized appreciation .....	\$23,649,437
Unrealized depreciation .....	<u>(122,975,257)</u>
Net unrealized appreciation (depreciation) .....	<u>\$(99,325,820)</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of foreign currency transactions, bond discounts and premiums and tax straddles.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the period ended June 30, 2023, aggregated \$1,113,947,997 and \$1,098,056,752, respectively.

**7. Credit Risk**

At June 30, 2023, the Fund had 7.1% of its portfolio invested in high yield or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

**8. Concentration of Risk**

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local, regional and global economic, political and social conditions, which may result in greater market volatility. Political and financial uncertainty in many foreign regions may increase market volatility and the economic risk of investing in foreign securities. In addition, certain foreign securities may not be as liquid as U.S. securities.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Templeton Global Bond VIP Fund** (continued)**9. Other Derivative Information**

At June 30, 2023, investments in derivative contracts are reflected in the Statement of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
<b>Templeton Global Bond VIP Fund</b>				
Interest rate contracts . . . . .	Variation margin on centrally cleared swap contracts	\$—	Variation margin on centrally cleared swap contracts	\$2,384,805 <sup>a</sup>
Foreign exchange contracts . . . . .	Unrealized appreciation on OTC forward exchange contracts	5,194,712	Unrealized depreciation on OTC forward exchange contracts	16,411,895
Total . . . . .		<u>\$5,194,712</u>		<u>\$18,796,700</u>

<sup>a</sup>This amount reflects the cumulative appreciation (depreciation) of centrally cleared swap contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the period ended June 30, 2023, the effect of derivative contracts in the Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
<b>Templeton Global Bond VIP Fund</b>				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts . . . . .	Swap contracts	\$(38,074)	Swap contracts	\$(2,341,072)
Foreign exchange contracts . . . . .	Forward exchange contracts	(999,475)	Forward exchange contracts	(32,148,964)
Total . . . . .		<u>\$(1,037,549)</u>		<u>\$(34,490,036)</u>

For the period ended June 30, 2023, the average month end notional amount of swap contracts represented \$54,945,714. The average month end contract value of forward exchange contracts was \$935,033,073.

**Templeton Global Bond VIP Fund** (continued)**9. Other Derivative Information (continued)**

At June 30, 2023, OTC derivative assets and liabilities are as follows:

	<b>Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities</b>	
	<b>Assets<sup>a</sup></b>	<b>Liabilities<sup>a</sup></b>
<b>Templeton Global Bond VIP Fund</b>		
<b>Derivatives</b>		
Forward exchange contracts . . . . .	\$5,194,712	\$16,411,895
Total . . . . .	\$5,194,712	\$16,411,895

<sup>a</sup>Absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities.

At June 30, 2023, OTC derivative assets, which may be offset against OTC derivative liabilities and collateral received from the counterparty, are as follows:

	<b>Amounts Not Offset in the Statement of Assets and Liabilities</b>				<b>Net Amount (Not less than zero)</b>
	<b>Gross Amounts of Assets Presented in the Statement of Assets and Liabilities</b>	<b>Financial Instruments Available for Offset</b>	<b>Financial Instruments Collateral Received</b>	<b>Cash Collateral Received</b>	
<b>Templeton Global Bond VIP Fund</b>					
<b>Counterparty</b>					
BNDP . . . . .	\$—	\$—	\$—	\$—	\$—
BOFA . . . . .	283,759	(283,759)	—	—	—
CITI . . . . .	1,350,052	(1,350,052)	—	—	—
DBAB . . . . .	—	—	—	—	—
GSCO . . . . .	1,459,647	(1,459,647)	—	—	—
HSBK . . . . .	86,008	(86,008)	—	—	—
JPHQ . . . . .	517,084	(517,084)	—	—	—
MSCO . . . . .	1,498,162	(1,498,162)	—	—	—
Total . . . . .	\$5,194,712	\$(5,194,712)	\$—	\$—	\$—

**Templeton Global Bond VIP Fund** (continued)**9. Other Derivative Information (continued)**

At June 30, 2023, OTC derivative liabilities, which may be offset against OTC derivative assets and collateral pledged to the counterparty, are as follows:

	Gross Amounts of Liabilities Presented in the Statement of Assets and Liabilities	Amounts Not Offset in the Statement of Assets and Liabilities			Net Amount (Not less than zero)
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged	Cash Collateral Pledged <sup>a</sup>	
<b>Templeton Global Bond VIP Fund</b>					
<b>Counterparty</b>					
BNDP .....	\$3,883,791	\$—	\$—	\$(3,883,791)	\$—
BOFA .....	3,045,184	(283,759)	—	(2,761,425)	—
CITI .....	1,574,937	(1,350,052)	—	(150,000)	74,885
DBAB .....	2,483,123	—	—	(2,483,123)	—
GSCO .....	1,637,709	(1,459,647)	—	(178,062)	—
HSBK .....	253,952	(86,008)	—	(167,944)	—
JPHQ .....	1,433,813	(517,084)	—	(916,729)	—
MSCO .....	2,099,386	(1,498,162)	—	(566,907)	34,317
Total .....	\$16,411,895	\$(5,194,712)	\$—	\$(11,107,981)	\$109,202

<sup>a</sup>In some instances, the collateral amounts disclosed in the table above were adjusted due to the requirement to limit the collateral amounts to avoid the effect of overcollateralization. Actual collateral received and/or pledged may be more than the amounts disclosed herein.

See Note 1(d) regarding derivative financial instruments.

See Abbreviations on page 144.

**10. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended June 30, 2023, the Fund did not use the Global Credit Facility.

**11. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

**Templeton Global Bond VIP Fund** (continued)**11. Fair Value Measurements** (continued)

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of June 30, 2023, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Templeton Global Bond VIP Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Foreign Government and Agency Securities . . . . .	\$—	\$1,161,860,203	\$—	\$1,161,860,203
U.S. Government and Agency Securities . . . . .	—	221,931,727	—	221,931,727
Short Term Investments . . . . .	151,670,880	104,204,881	—	255,875,761
Total Investments in Securities . . . . .	\$151,670,880	\$1,487,996,811	\$—	\$1,639,667,691
Other Financial Instruments:				
Forward exchange contracts . . . . .	\$—	\$5,194,712	\$—	\$5,194,712
Total Other Financial Instruments . . . . .	\$—	\$5,194,712	\$—	\$5,194,712
<b>Liabilities:</b>				
Other Financial Instruments:				
Forward exchange contracts . . . . .	\$—	\$16,411,895	\$—	\$16,411,895
Swap contracts . . . . .	—	2,384,805	—	2,384,805
Total Other Financial Instruments . . . . .	\$—	\$18,796,700	\$—	\$18,796,700

**12. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST  
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**Templeton Global Bond VIP Fund** (continued)**Abbreviations****Counterparty**


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<b>BNDP</b>	BNP Paribas SA
<b>BOFA</b>	Bank of America Corp.
<b>CITI</b>	Citibank NA
<b>DBAB</b>	Deutsche Bank AG
<b>GSCO</b>	Goldman Sachs Group, Inc.
<b>HSBK</b>	HSBC Bank plc
<b>JPHQ</b>	JPMorgan Chase Bank NA
<b>MSCO</b>	Morgan Stanley

**Selected Portfolio**


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<b>PIK</b>	Payment-In-Kind
<b>SOFR</b>	Secured Overnight Financing Rate

**Currency**


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<b>AUD</b>	Australian Dollar
<b>BRL</b>	Brazilian Real
<b>COP</b>	Colombian Peso
<b>EUR</b>	Euro
<b>GHS</b>	Ghanaian Cedi
<b>IDR</b>	Indonesian Rupiah
<b>INR</b>	Indian Rupee
<b>JPY</b>	Japanese Yen
<b>KRW</b>	South Korean Won
<b>MXN</b>	Mexican Peso
<b>MYR</b>	Malaysian Ringgit
<b>NOK</b>	Norwegian Krone
<b>SGD</b>	Singapore Dollar
<b>THB</b>	Thai Baht

## VIP SA1 07/23

**SUPPLEMENT DATED JULY 10, 2023  
TO THE STATEMENT OF ADDITIONAL INFORMATION  
DATED MAY 1, 2023 OF  
FRANKLIN ALLOCATION VIP FUND  
FRANKLIN DYNATECH VIP FUND  
FRANKLIN GLOBAL REAL ESTATE VIP FUND  
FRANKLIN GROWTH AND INCOME VIP FUND  
FRANKLIN INCOME VIP FUND  
FRANKLIN LARGE CAP GROWTH VIP FUND  
FRANKLIN MUTUAL GLOBAL DISCOVERY VIP FUND  
FRANKLIN MUTUAL SHARES VIP FUND  
FRANKLIN RISING DIVIDENDS VIP FUND  
FRANKLIN SMALL CAP VALUE VIP FUND  
FRANKLIN SMALL-MID CAP GROWTH VIP FUND  
FRANKLIN STRATEGIC INCOME VIP FUND  
FRANKLIN U.S. GOVERNMENT SECURITIES VIP FUND  
FRANKLIN VOLSMART ALLOCATION VIP FUND  
TEMPLETON DEVELOPING MARKETS VIP FUND  
TEMPLETON FOREIGN VIP FUND  
TEMPLETON GLOBAL BOND VIP FUND  
TEMPLETON GROWTH VIP FUND  
(a series of Franklin Templeton Variable Insurance Products Trust)**

The Statement of Additional Information is amended as follows:

I. All references to "The Bank of New York Mellon" under the heading "Policies and Procedures Regarding the Release of Portfolio Holdings" are removed.

II. The following replaces in its entirety the "Custodian" section under "Management and Other Services":

Custodian JPMorgan Chase Bank, at its principal office at 270 Park Avenue, New York, NY 10017-2070, and at the offices of its branches and agencies throughout the world, acts as custodian of the Fund's securities and assets. As foreign custody manager, the bank selects and monitors foreign sub-custodian banks, selects and evaluates non-compulsory foreign depositories, and furnishes information relevant to the selection of compulsory depositories. Millennium Trust Company, LLC, 2001 Spring Road, Oak Brook, Illinois, 60523, acts as the custodian of the Strategic Income Fund's marketplace loans.

*Please keep this supplement with your SAI for future reference.*



## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST

##### Templeton Global Bond VIP Fund (Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Templeton Variable Insurance Products Trust (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of the Fund. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

#### Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Fund to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management’s continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Managers’ parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT’s commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

### **Fund Performance**

The Board reviewed and considered the performance results of the Fund over various time periods ended December 31, 2022. The Board considered the performance returns for the Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of the Fund's performance results is below.

The Performance Universe for the Fund included the Fund and all global income funds underlying VIPs. The Board noted that the Fund's annualized income return for the three-, five- and 10-year periods was above the median of its Performance Universe, but for the one-year period was below the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the three- and five-year periods was below the median of its Performance Universe, but for the 10-year period was equal to the median of its Performance Universe, and for the one-year period was above the median and in the first quintile (best) of its Performance Universe. The Board discussed the Fund's performance with management and management explained that the Fund's three- and five-year below median annualized total return performance was due, in part, to the Fund's long exposure to emerging market local currency and short exposure to US Treasury duration as compared to the Fund's peers in the Performance Universe. The Board noted that the Fund outperformed its benchmark, the JP Morgan Global Government Bond Index, for the one-, three- and five-year periods ended December 31, 2022. The Board also noted management's confidence in the current portfolio positioning of the Fund. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was acceptable.

### **Comparative Fees and Expenses**

The Board reviewed and considered information regarding the Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of the Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from the fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Fund included the Fund and ten other global income funds underlying VIPs. The Board noted that the Management Rate and actual total expense ratio for the Fund were below the medians of its respective Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

### **Profitability**

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services fund during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability

report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

### **Economies of Scale**

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints for the Fund, which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered management's view that any analyses of potential economies of scale in managing the fund is inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board also recognized that given the decline in assets over the past three calendar years for the Fund, this Fund is not

expected to experience additional economies of scale in the foreseeable future. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **Conclusion**

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement for an additional one-year period.

## **Liquidity Risk Management Program**

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes



representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

## Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton

Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Franklin Templeton Variable Insurance Products Trust (FTVIP) shares are not offered to the public; they are offered and sold only to: (1) insurance company separate accounts (Separate Account) to serve as the underlying investment vehicle for variable contracts; (2) certain qualified plans; and (3) other mutual funds (funds of funds).

Authorized for distribution to investors in Separate Accounts only when accompanied or preceded by the current prospectus for the applicable contract, which includes the Separate Account and the FTVIP prospectuses. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**Semiannual Report**  
**Franklin Templeton Variable Insurance Products Trust**

**Investment Managers**  
Franklin Advisers, Inc.  
Franklin Mutual Advisers, LLC

**Fund Administrator**  
Franklin Templeton Services, LLC

**Distributor**  
Franklin  
Distributors, LLC



Southern Farm Bureau Life Insurance Company

Jackson, Mississippi

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