

**Supplement to the  
Fidelity® Variable  
Insurance Products  
Initial Class, Ser-  
vice Class, and Service  
Class 2 Contrafund®  
Portfolio  
April 30, 2004  
Prospectus**

The following information replaces the similar information found in the "Valuing Shares" section on page 7.

The fund's assets are valued primarily on the basis of market quotations or official closing prices. Certain short-term securities are valued on the basis of amortized cost. If market quotations or official closing prices are not readily available or do not accurately reflect fair value for a security or if a security's value has been materially affected by events occurring after the close of the exchange or market on which the security is principally traded, that security will be valued by another method that the Board of Trustees believes accurately reflects fair value in accordance with the Board's fair value pricing policies. For example, arbitrage opportunities may exist when trading in a portfolio security or securities is halted and does not resume before the fund calculates its NAV. These arbitrage opportunities may enable short-term traders to dilute the NAV of long-term investors. Securities trading in

overseas markets present time zone arbitrage opportunities when events affecting portfolio security values occur after the close of the overseas market but prior to the close of the U.S. market. Fair value pricing may be used for high yield debt and floating rate loans when available pricing information is stale or is determined for other reasons not to accurately reflect fair value. To the extent the fund invests in other open-end funds, the fund will calculate its NAV using the NAV of the underlying funds in which it invests. The fund may invest in other Fidelity funds that use the same fair value pricing policies as the fund or in Fidelity money market funds. A security's valuation may differ depending on the method used for determining value. Fair valuation of a fund's portfolio securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of the fund's NAV by short-term traders. While the fund has policies regarding excessive trading, these too may not be effective to prevent short-term NAV arbitrage trading, particularly in regard to omnibus accounts.

The following information supplements the information found in the "Buying and Selling Shares" section on page 8.

Frequent purchases and sales of fund shares resulting from purchase, exchange, or withdrawal transactions can harm variable product owners in various ways, including reducing the returns to long-term variable product owners by increasing costs paid by the fund (such as brokerage commissions), disrupting portfolio management strategies, and diluting the value of the shares of long-term variable product owners in cases in which fluctuations in markets are not fully priced into the fund's NAV. Accordingly, the Board of Trustees has adopted policies and procedures designed to discourage frequent large-scale purchases and sales of shares at the separate account level, but has not adopted policies at the variable product owner level. Purchase and redemption transactions submitted to the fund by insurance company separate accounts reflect the transactions of multiple variable product owners whose individual transactions are not disclosed to the fund. Therefore, the fund generally cannot detect short-term trading by individual variable product owners and relies in large part on the rights, ability, and willingness of insurance companies to detect and deter short-term trading. The fund's policies are separate from, and in addition to, any policies and procedures applicable to variable

product owner transactions. The variable annuity or variable life insurance product prospectus will contain a description of the insurance company's policies and procedures, if any, with respect to short-term trading. However, there is the significant risk that the fund's and insurance company's policies and procedures will prove ineffective in whole or in part to detect or prevent frequent trading. The fund may alter its policies at any time without prior notice to shareholders.

The fund's Treasurer is authorized to suspend the fund's policies during periods of severe market turbulence or national emergency and to grant exemptions from the policy. There is no assurance that the fund's Treasurer will exercise this authority or that by exercising this authority the fund will be protected from the risks associated with frequent trading. The actions of the Treasurer are periodically reviewed with the Board of Trustees.

The following information replaces the similar information found in the "Buying and Selling Shares" section on page 8.

The fund may reject for any reason, or cancel as permitted or required by law, any purchase orders.

For example, the fund may reject any purchase orders from market timers or investors that, in FMR's opinion, may be disruptive to the fund.

The fund offers its shares only to separate accounts of insurance companies that offer variable annuity and variable life insurance products. The fund may not be available in your state due to various insurance regulations. Please check with your insurance company for availability. If the fund in this prospectus is not available in your state, this prospectus is not to be considered a solicitation. Please read this prospectus together with your variable annuity or variable life insurance product prospectus.

## **Fidelity® Variable Insurance Products**

### **Initial Class, Service Class, and Service Class 2**

## **Contrafund® Portfolio**

### **Prospectus**

**April 30, 2004**

Like securities of all mutual funds, these securities have not been approved or disapproved by the Securities and Exchange Commission, and the Securities and Exchange Commission has not determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.



82 Devonshire Street, Boston, MA 02109

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# Fund Summary

## Investment Summary

### Investment Objective

VIP Contrafund Portfolio seeks long-term capital appreciation.

### Principal Investment Strategies

Fidelity Management & Research Company (FMR)'s principal investment strategies include:

- Normally investing primarily in common stocks.
- Investing in securities of companies whose value it believes is not fully recognized by the public.
- Investing in domestic and foreign issuers.
- Investing in either "growth" stocks or "value" stocks or both.
- Using fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

### Principal Investment Risks

The fund is subject to the following principal investment risks:

- **Stock Market Volatility.** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments.

- **Foreign Exposure.** Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.

- **Issuer-Specific Changes.** The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

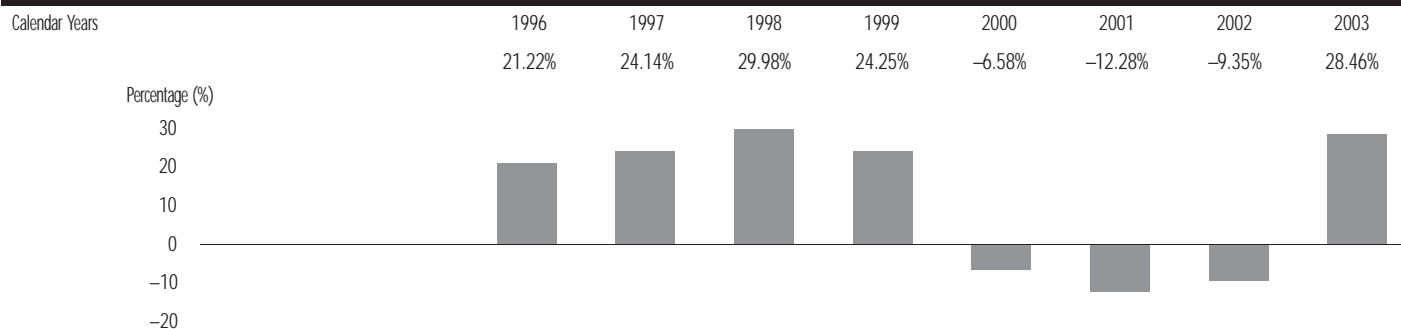
When a shareholder sells shares they may be worth more or less than what the shareholder paid for them, which means that the shareholder could lose money.

## Performance

The following information illustrates the changes in each class of the fund's performance from year to year and compares each class's performance to the performance of a market index and an average of the performance of similar funds over various periods of time. Returns for each class of the fund do not include the effect of any sales charges or other expenses of any variable annuity or variable life insurance product. Returns for each class of the fund would be lower if the effect of those sales charges and expenses were included. Returns are based on past results and are not an indication of future performance.

## Year-by-Year Returns

### VIP Contrafund – Initial Class



During the periods shown in the chart for Initial Class of VIP Contrafund:

Highest Quarter Return

Returns      Quarter ended  
23.56%      December 31, 1998

Lowest Quarter Return

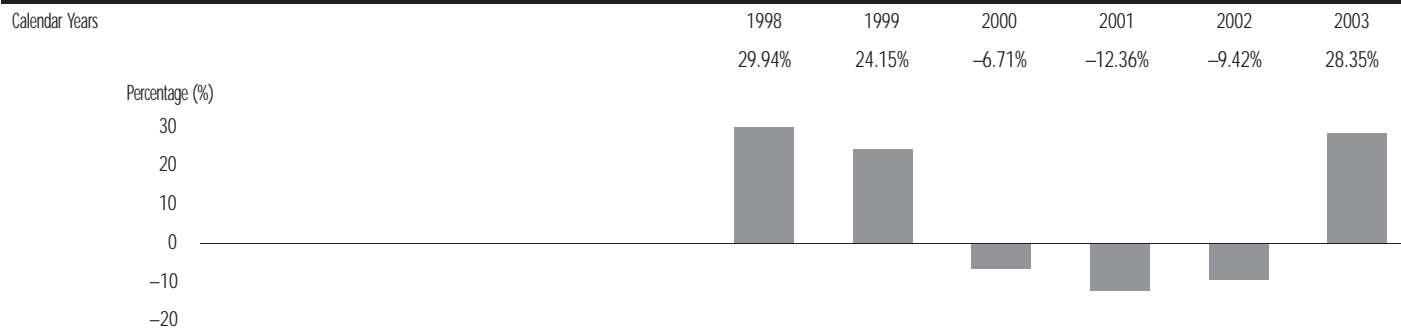
-13.07%      March 31, 2001

Year-to-Date Return

3.85%      March 31, 2004

## Fund Summary – continued

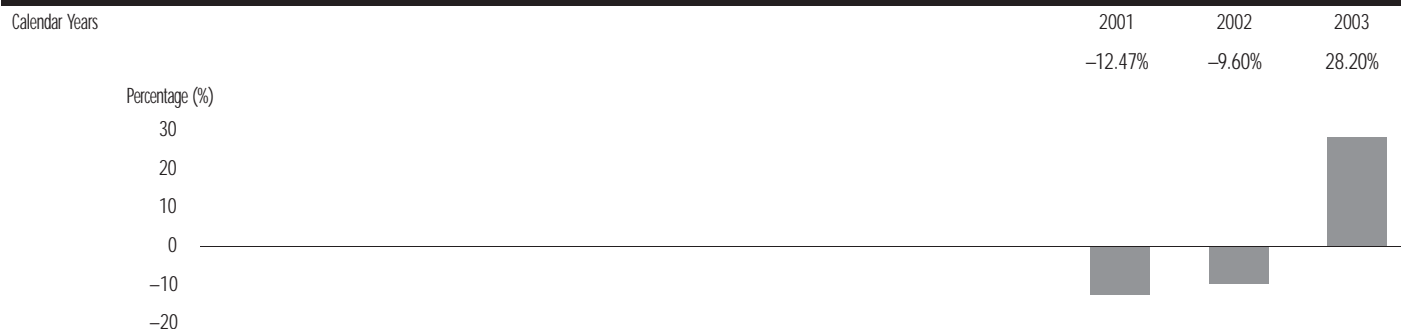
### VIP Contrafund – Service Class



During the periods shown in the chart for Service Class of VIP Contrafund:

	Returns	Quarter ended
Highest Quarter Return	23.52%	December 31, 1998
Lowest Quarter Return	-13.06%	March 31, 2001
Year-to-Date Return	3.82%	March 31, 2004

### VIP Contrafund – Service Class 2



During the periods shown in the chart for Service Class 2 of VIP Contrafund:

	Returns	Quarter ended
Highest Quarter Return	11.82%	June 30, 2003
Lowest Quarter Return	-13.08%	March 31, 2001
Year-to-Date Return	3.75%	March 31, 2004

## Average Annual Returns

For the periods ended	Past 1 year	Past 5 years	Life of class
December 31, 2003			
<b>VIP Contrafund</b>			
Initial Class	28.46%	3.47%	13.96% <sup>A</sup>
Service Class	28.35%	3.36%	7.13% <sup>B</sup>
Service Class 2	28.20%	—	-0.63% <sup>C</sup>
S&P 500 <sup>®</sup> Index	28.69%	-0.57%	12.21% <sup>A</sup>
Lipper <sup>SM</sup> Variable Annuity Growth Funds Average	30.23%	-0.75%	—

<sup>A</sup> From January 3, 1995.

<sup>B</sup> From November 3, 1997.

<sup>C</sup> From January 12, 2000.

If FMR were to reimburse certain expenses, returns would be higher during these periods.

Standard & Poor's 500<sup>SM</sup> Index (S&P 500<sup>®</sup>) is a market capitalization-weighted index of 500 common stocks chosen for market size,

liquidity, and industry group representation to represent U.S. equity performance.

The Lipper Funds Average reflects the performance (excluding sales charges) of mutual funds with similar objectives.

## Fee Table

The following table describes the fees and expenses that are incurred, directly or indirectly, when a variable product owner buys, holds, or redeems interests in a separate account that invests in a

### Fees (paid by the variable product owner directly)

	Initial Class	Service Class	Service Class 2
Sales charge (load) on purchases and reinvested distributions	Not Applicable	Not Applicable	Not Applicable
Deferred sales charge (load) on redemptions	Not Applicable	Not Applicable	Not Applicable

### Annual operating expenses (paid from class assets)

	Initial Class	Service Class	Service Class 2
Management fee	0.58%	0.58%	0.58%
Distribution and/or Service (12b-1) fees	None	0.10%	0.25%
Other expenses	0.09%	0.09%	0.10%
<b>Total annual class operating expenses<sup>A</sup></b>	<b>0.67%</b>	<b>0.77%</b>	<b>0.93%</b>

<sup>A</sup> FMR has voluntarily agreed to reimburse each class of the fund to the extent that total operating expenses (excluding interest, taxes, certain securities lending costs, brokerage commissions, and extraordinary expenses), as a percentage of their respective average net assets, exceed the following rates:

	Initial Class	Effective Date	Service Class	Effective Date	Service Class 2	Effective Date
VIP Contrafund	1.00%	1/3/95	1.10%	11/3/97	1.25%	1/12/00

These arrangements may be discontinued by FMR at any time.

A portion of the brokerage commissions that the fund pays may be reimbursed and used to reduce the fund's expenses. In addition, through arrangements with the fund's custodian, credits realized as a result of uninvested cash balances are used to reduce custodian

expenses. Including these reductions, the total Initial Class, Service Class, and Service Class 2 operating expenses are shown in the table below.

	Total Operating Expenses
VIP Contrafund – Initial Class	0.65%
VIP Contrafund – Service Class	0.75%
VIP Contrafund – Service Class 2	0.90%

This **example** helps compare the cost of investing in the fund with the cost of investing in other mutual funds.

Let's say, hypothetically, that each class's annual return is 5% and that the fees and each class's annual operating expenses are exactly as described in the fee table. This example illustrates the effect of fees and expenses, but is not meant to suggest actual or expected fees and expenses or returns, all of which may vary. This

example does not reflect the effect of any fees or other expenses of any variable annuity or variable life insurance product. For every \$10,000 invested, here's how much a variable product owner would pay in total expenses if all interests in the separate account that invests in a class of the fund were redeemed at the end of each time period indicated:

	Initial Class	Service Class	Service Class 2
1 year	\$ 68	\$ 79	\$ 95
3 years	\$ 214	\$ 246	\$ 296
5 years	\$ 373	\$ 428	\$ 515
10 years	\$ 835	\$ 954	\$ 1,143

# Fund Basics

## Investment Details

### *Investment Objective*

**VIP Contrafund Portfolio** seeks long-term capital appreciation.

### *Principal Investment Strategies*

FMR normally invests the fund's assets primarily in common stocks.

FMR invests the fund's assets in securities of companies whose value it believes is not fully recognized by the public. The types of companies in which the fund may invest include companies experiencing positive fundamental change, such as a new management team or product launch, a significant cost-cutting initiative, a merger or acquisition, or a reduction in industry capacity that should lead to improved pricing; companies whose earnings potential has increased or is expected to increase more than generally perceived; companies that have enjoyed recent market popularity but which appear to have fallen temporarily out of favor for reasons that are considered non-recurring or short-term; and companies that are undervalued in relation to securities of other companies in the same industry.

FMR may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers.

FMR is not constrained by any particular investment style. At any given time, FMR may tend to buy "growth" stocks or "value" stocks, or a combination of both types. In buying and selling securities for the fund, FMR relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position, and economic and market conditions. Factors considered include growth potential, earnings estimates, and management.

In addition to the principal investment strategies discussed above, FMR may lend the fund's securities to broker-dealers or other institutions to earn income for the fund.

FMR may also use various techniques, such as buying and selling futures contracts and exchange traded funds, to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. If FMR's strategies do not work as intended, the fund may not achieve its objective.

### *Description of Principal Security Types*

*Equity securities* represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Different types of equity securities provide different voting and dividend rights and priority in the event of the bankruptcy of the issuer. Equity securities include common stocks, preferred stocks, convertible securities, and warrants.

### *Principal Investment Risks*

Many factors affect the fund's performance. The fund's share price changes daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. The fund's reaction to these developments will be affected by the types of securities in which the fund invests, the

financial condition, industry and economic sector, and geographic location of an issuer, and the fund's level of investment in the securities of that issuer. When a shareholder sells shares they may be worth more or less than what the shareholder paid for them, which means that the shareholder could lose money.

The following factors can significantly affect the fund's performance:

*Stock Market Volatility.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. In the short term, equity prices can fluctuate dramatically in response to these developments. Different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole.

*Foreign Exposure.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers.

In response to market, economic, political, or other conditions, FMR may temporarily use a different investment strategy for defensive purposes. If FMR does so, different factors could affect the fund's performance and the fund may not achieve its investment objective.

## Fundamental Investment Policies

The policy discussed below is fundamental, that is, subject to change only by shareholder approval.

**VIP Contrafund Portfolio** seeks long-term capital appreciation.

## Valuing Shares

The fund is open for business each day the New York Stock Exchange (NYSE) is open.

A class's net asset value per share (NAV) is the value of a single share. Fidelity normally calculates each class's NAV as of the close of business of the NYSE, normally 4:00 p.m. Eastern time. However, NAV may be calculated earlier if trading on the NYSE is restricted or as permitted by the Securities and Exchange Commission (SEC).

The fund's assets are valued as of this time for the purpose of computing each class's NAV.

To the extent that the fund's assets are traded in other markets on days when the fund is not open for business, the value of the fund's assets may be affected on those days. In addition, trading in some of the fund's assets may not occur on days when the fund is open for business.

The fund's assets are valued primarily on the basis of market quotations or official closing prices. Certain short-term securities are valued on the basis of amortized cost. If market quotations or official closing prices are not readily available or do not accurately reflect fair value for a security or if a security's value has been materially affected by events occurring after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), that security may be valued by another method that the Board of Trustees believes accurately reflects fair value. A security's valuation may differ depending on the method used for determining value.

# Shareholder Information

## Buying and Selling Shares

Insurance companies offer variable annuity and variable life insurance products through separate accounts. Separate accounts – not variable product owners – are the shareholders of the fund. Variable product owners hold interests in separate accounts. The terms of the offering of interests in separate accounts are included in the variable annuity or variable life insurance product prospectus.

Only separate accounts of insurance companies that have signed the appropriate agreements with the fund can buy or sell shares of the fund.

The price to buy one share of each class is the class's NAV. Each class's shares are sold without a sales charge.

Shares will be bought at the next NAV calculated after an order is received in proper form.

The fund may reject or cancel any purchase orders for any reason.

For example, the fund does not permit market timing because short-term or other excessive trading into and out of the fund may harm performance by disrupting portfolio management strategies and by increasing expenses. Accordingly, the fund may reject any purchase orders, from market timers or investors that, in FMR's opinion, may be disruptive to the fund. For these purposes, FMR may consider an investor's trading history in the fund or other Fidelity funds, and accounts under common ownership or control.

The fund may stop offering shares completely or may offer shares only on a limited basis, for a period of time or permanently.

Under applicable anti-money laundering regulations and other federal regulations, purchase orders may be suspended, restricted, or canceled and the monies may be withheld.

The price to sell one share of each class is the class's NAV.

If appropriate to protect shareholders, the fund may impose a redemption fee (trading fee) on redemptions from the fund.

Shares will be sold at the next NAV calculated after an order is received in proper form. Normally, redemptions will be processed by the next business day, but it may take up to seven days to pay the redemption proceeds if making immediate payment would adversely affect the fund.

Redemptions may be suspended or payment dates postponed when the NYSE is closed (other than weekends or holidays), when trading on the NYSE is restricted, or as permitted by the SEC.

Under certain circumstances (for example, at the request of a shareholder), redemption proceeds may be paid in securities or other property rather than in cash if FMR determines it is in the best interests of the fund.

Under applicable anti-money laundering regulations and other federal regulations, redemption requests may be suspended, restricted, canceled, or processed and the proceeds may be withheld.

The fund offers its shares to separate accounts of insurance companies that may be affiliated or unaffiliated with FMR and/or each

other. The fund currently does not foresee any disadvantages to variable product owners arising out of the fact that the fund offers its shares to separate accounts of insurance companies that offer variable annuity and variable life insurance products. Nevertheless, the Board of Trustees that oversees the fund intends to monitor events to identify any material irreconcilable conflicts that may possibly arise and to determine what action, if any, should be taken in response.

Variable product owners may be asked to provide additional information in order for Fidelity to verify their identities in accordance with requirements under anti-money laundering regulations. Accounts may be restricted and/or closed, and the monies withheld, pending verification of this information or as otherwise required under these and other federal regulations.

## Dividends and Capital Gain Distributions

The fund earns dividends, interest, and other income from its investments, and distributes this income (less expenses) to shareholders as dividends. The fund also realizes capital gains from its investments, and distributes these gains (less any losses) to shareholders as capital gain distributions.

The fund normally pays dividends and capital gain distributions at least annually, in February.

Dividends and capital gain distributions will be automatically reinvested in additional shares of the same class of the fund.

## Tax Consequences

Variable product owners seeking to understand the tax consequences of their investment should consult with their tax advisers or the insurance company that issued their variable product, or refer to their variable annuity or variable life insurance product prospectus.

Insurance company separate accounts generally do not pay tax on dividends or capital gain distributions from the fund.

# Fund Services

## Fund Management

The fund is a mutual fund, an investment that pools shareholders' money and invests it toward a specified goal.

FMR is the fund's manager. The address of FMR and its affiliates, unless otherwise indicated below, is 82 Devonshire Street, Boston, Massachusetts 02109.

As of March 30, 2004, FMR had approximately \$8.8 billion in discretionary assets under management.

As the manager, FMR has overall responsibility for directing the fund's investments and handling its business affairs.

Affiliates assist FMR with foreign investments:

- Fidelity Management & Research (U.K.) Inc. (FMR U.K.), at 25 Lovat Lane, London, EC3R 8LL, England, serves as a sub-adviser for the fund. FMR U.K. was organized in 1986 to provide investment research and advice to FMR. FMR U.K. may provide investment research and advice on issuers based outside the United States and may also provide investment advisory services for the fund.
- Fidelity Management & Research (Far East) Inc. (FMR Far East), at Shiroyama JT Mori Bldg., 4-3-1 Toranomon Minato-ku, Tokyo 105, Japan, serves as a sub-adviser for the fund. FMR Far East was organized in 1986 to provide investment research and advice to FMR. FMR Far East may provide investment research and advice on issuers based outside the United States and may also provide investment advisory services for the fund.
- Fidelity International Investment Advisors (FIIA), at Pembroke Hall, 42 Crow Lane, Pembroke HM19, Bermuda, serves as a sub-adviser for the fund. As of September 26, 2003, FIIA had approximately \$8.9 billion in discretionary assets under management. FIIA may provide investment research and advice on issuers based outside the United States for the fund.
- Fidelity International Investment Advisors (U.K.) Limited (FIIA (U.K.)L), at 25 Cannon Street, London, EC4M 5TA, England, serves as a sub-adviser for the fund. As of September 26, 2003, FIIA (U.K.)L had approximately \$5.6 billion in discretionary assets under management. FIIA (U.K.)L may provide investment research and advice on issuers based outside the United States for the fund.
- Fidelity Investments Japan Limited (FIJ), at 8-8 Shinkawa, 1-Chome, Chuo-ku, Tokyo 104-0033, Japan, serves as a sub-adviser for the fund. As of September 26, 2003, FIJ had approximately \$38.1 billion in discretionary assets under management. FIJ may provide investment research and advice on issuers based outside the United States and may also provide investment advisory and order execution services for the fund from time to time.

FMR Co., Inc. (FMRC) serves as a sub-adviser for the fund. FMRC has day-to-day responsibility for choosing investments for the fund.

FMRC is an affiliate of FMR. As of March 30, 2004, FMRC had approximately \$601.2 billion in discretionary assets under management.

Will Danoff is vice president and manager of VIP Contrafund Portfolio, which he has managed since January 1995. He also manages other Fidelity funds. Since joining Fidelity Investments in 1986, Mr. Danoff has worked as a research analyst and manager.

From time to time a manager, analyst, or other Fidelity employee may express views regarding a particular company, security, industry, or market sector. The views expressed by any such person are the views of only that individual as of the time expressed and do not necessarily represent the views of Fidelity or any other person in the Fidelity organization. Any such views are subject to change at any time based upon market or other conditions and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund.

The fund pays a management fee to FMR. The management fee is calculated and paid to FMR every month. The fee is calculated by adding a group fee rate to an individual fund fee rate, dividing by twelve, and multiplying the result by the fund's average net assets throughout the month.

The group fee rate is based on the average net assets of all the mutual funds advised by FMR. This rate cannot rise above 0.52%, and it drops as total assets under management increase.

For December 2003, the group fee rate was 0.28%. The individual fund fee rate is 0.30%.

The total management fee for the fiscal year ended December 31, 2003, was 0.58% of the fund's average net assets.

FMR pays FMRC, FMR U.K., and FMR Far East for providing sub-advisory services. FMR pays FIIA for providing sub-advisory services, and FIIA in turn pays FIIA (U.K.)L. FIIA or FMR Far East in turn pays FIJ for providing sub-advisory services.

FMR may, from time to time, agree to reimburse a class for management fees and other expenses above a specified limit. FMR retains the ability to be repaid by a class if expenses fall below the specified limit prior to the end of the fiscal year. Reimbursement arrangements, which may be discontinued by FMR at any time, can decrease a class's expenses and boost its performance.

## Fund Distribution

The fund is composed of multiple classes of shares. All classes of the fund have a common investment objective and investment portfolio.

Fidelity Distributors Corporation (FDC) distributes each class's shares.

Initial Class has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the 1940 Act) that recognizes that FMR may use its management fee revenues, as well as its past profits or its resources from any other source, to pay FDC for expenses incurred in connection with providing services intended to result in the sale of Initial Class shares and/or support services that benefit variable product owners. FMR,

## Fund Services – continued

directly or through FDC, may pay significant amounts to intermediaries, such as insurance companies, broker-dealers, and other service-providers, that provide those services. Currently, the Board of Trustees has authorized such payments for Initial Class.

Service Class has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. Under the plan, Service Class is authorized to pay FDC a 12b-1 (service) fee as compensation for providing support services that benefit variable product owners. Service Class may pay this 12b-1 (service) fee at an annual rate of 0.25% of its average net assets, or such lesser amount as the Trustees may determine from time to time. Service Class currently pays FDC a 12b-1 (service) fee at an annual rate of 0.10% of its average net assets throughout the month. Service Class's 12b-1 (service) fee rate may be increased only when the Trustees believe that it is in the best interests of variable product owners to do so.

Service Class 2 has adopted a Distribution and Service Plan pursuant to Rule 12b-1 under the 1940 Act. Under the plan, Service Class 2 is authorized to pay FDC a 12b-1 (service) fee as compensation for providing support services that benefit variable product owners. Service Class 2 currently pays FDC a 12b-1 (service) fee at an annual rate of 0.25% of its average net assets throughout the month.

FDC may reallocate up to the full amount of these 12b-1 (service) fees to intermediaries (such as insurance companies, broker-dealers, and other service-providers), including its affiliates, for providing support services that benefit variable product owners.

In addition, each Service Class and Service Class 2 plan specifically recognizes that FMR may make payments from its management fee revenue, past profits, or other resources to FDC for expenses incurred in connection with providing services intended to result in the sale of Service Class and Service Class 2 shares and/or support services that benefit variable product owners, including payments of significant amounts made to intermediaries that provide those services. Currently, the Board of Trustees of the fund has authorized such payments for Service Class and Service Class 2.

If payments made by FMR to FDC or to intermediaries under Initial Class's Distribution and Service Plan were considered to be paid out of Initial Class's assets on an ongoing basis, they might increase the cost of a shareholder's investment and might cost a shareholder more than paying other types of sales charges.

Because 12b-1 fees are paid out of Service Class's and Service Class 2's assets on an ongoing basis, they will increase the cost of a shareholder's investment and may cost a shareholder more than paying other types of sales charges.

To receive payments made pursuant to a Distribution and Service Plan, intermediaries must sign the appropriate agreement with FDC in advance.

No dealer, sales representative, or any other person has been authorized to give any information or to make any representations, other than those contained in this prospectus and in the related statement of additional information (SAI), in connection with the

offer contained in this prospectus. If given or made, such other information or representations must not be relied upon as having been authorized by the fund or FDC. This prospectus and the related SAI do not constitute an offer by the fund or by FDC to sell shares of the fund to or to buy shares of the fund from any person to whom it is unlawful to make such offer.

# Appendix

## Financial Highlights

The financial highlights tables are intended to help you understand each class's financial history for the past 5 years or, if shorter, the period of the class's operations. Certain information reflects financial results for a single class share. The total returns in the table represent the rate that an investor would have earned (or lost) on

an investment in the class (assuming reinvestment of all dividends and distributions). This information has been audited by Deloitte & Touche LLP, independent accountants, whose report, along with the fund's financial highlights and financial statements, is included in the fund's annual report. A free copy of the annual report is available upon request.

### Contrafund Portfolio – Initial Class

Years ended December 31,	2003	2002	2001	2000	1999
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 18.10	\$ 20.13	\$ 23.75	\$ 29.15	\$ 24.44
Income from Investment Operations					
Net investment income (loss) <sup>C</sup>	.07	.10	.16	.17	.12
Net realized and unrealized gain (loss)	5.05	(1.97)	(3.01)	(1.84)	5.59
Total from investment operations	5.12	(1.87)	(2.85)	(1.67)	5.71
Distributions from net investment income	(.09)	(.16)	(.17)	(.11)	(.12)
Distributions from net realized gain	—	—	(.60)	(3.62)	(.88)
Total distributions	(.09)	(.16)	(.77)	(3.73)	(1.00)
Redemption fees added to paid in capital <sup>C,E</sup>	—	—	—	—	—
Net asset value, end of period	\$ 23.13	\$ 18.10	\$ 20.13	\$ 23.75	\$ 29.15
<b>Total Return<sup>A,B</sup></b>	28.46%	(9.35)%	(12.28)%	(6.58)%	24.25%
<b>Ratios to Average Net Assets<sup>D</sup></b>					
Expenses before expense reductions	.67%	.68%	.68%	.66%	.67%
Expenses net of voluntary waivers, if any	.67%	.68%	.68%	.66%	.67%
Expenses net of all reductions	.65%	.64%	.64%	.63%	.65%
Net investment income (loss)	.34%	.50%	.77%	.69%	.48%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$7,665,424	\$5,956,028	\$6,972,615	\$8,516,464	\$9,005,129
Portfolio turnover rate	66%	84%	140%	177%	172%

<sup>A</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>B</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown.

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

<sup>D</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of any voluntary waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>E</sup> Amount represents less than \$.01 per share.

## Appendix – continued

### Contrafund Portfolio – Service Class

Years ended December 31,	2003	2002	2001	2000	1999
<b>Selected Per-Share Data</b>					
Net asset value, beginning of period	\$ 18.04	\$ 20.06	\$ 23.67	\$ 29.10	\$ 24.42
Income from Investment Operations					
Net investment income (loss) <sup>C</sup>	.05	.08	.14	.15	.10
Net realized and unrealized gain (loss)	5.04	(1.96)	(3.00)	(1.85)	5.58
Total from investment operations	5.09	(1.88)	(2.86)	(1.70)	5.68
Distributions from net investment income	(.07)	(.14)	(.15)	(.11)	(.12)
Distributions from net realized gain	—	—	(.60)	(3.62)	(.88)
Total distributions	(.07)	(.14)	(.75)	(3.73)	(1.00)
Redemption fees added to paid in capital <sup>C,E</sup>	—	—	—	—	—
Net asset value, end of period	\$ 23.06	\$ 18.04	\$ 20.06	\$ 23.67	\$ 29.10
<b>Total Return<sup>A,B</sup></b>	28.35%	(9.42)%	(12.36)%	(6.71)%	24.15%
<b>Ratios to Average Net Assets<sup>D</sup></b>					
Expenses before expense reductions	.77%	.78%	.78%	.76%	.78%
Expenses net of voluntary waivers, if any	.77%	.78%	.78%	.76%	.78%
Expenses net of all reductions	.75%	.74%	.74%	.74%	.75%
Net investment income (loss)	.24%	.39%	.67%	.59%	.37%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$1,695,467	\$1,183,683	\$1,201,105	\$1,245,222	\$ 775,216
Portfolio turnover rate	66%	84%	140%	177%	172%

<sup>A</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>B</sup> Total returns would have been lower had certain expenses not been reduced during the periods shown.

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

<sup>D</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expenses net of any voluntary waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>E</sup> Amount represents less than \$.01 per share.

## Contrafund Portfolio – Service Class 2

Years ended December 31,	2003	2002	2001	2000 <sup>F</sup>
<b>Selected Per-Share Data</b>				
Net asset value, beginning of period	\$ 17.95	\$ 20.00	\$ 23.64	\$ 28.20
Income from Investment Operations				
Net investment income (loss) <sup>E</sup>	.02	.05	.10	.10
Net realized and unrealized gain (loss)	5.02	(1.96)	(2.98)	(.93)
Total from investment operations	5.04	(1.91)	(2.88)	(.83)
Distributions from net investment income	(.06)	(.14)	(.16)	(.11)
Distributions from net realized gain	—	—	(.60)	(3.62)
Total distributions	(.06)	(.14)	(.76)	(3.73)
Redemption fees added to paid in capital <sup>E,H</sup>	—	—	—	—
Net asset value, end of period	\$ 22.93	\$ 17.95	\$ 20.00	\$ 23.64
<b>Total Return<sup>B,C,D</sup></b>	28.20%	(9.60)%	(12.47)%	(3.86)%
<b>Ratios to Average Net Assets<sup>G</sup></b>				
Expenses before expense reductions	.93%	.93%	.94%	.92% <sup>A</sup>
Expenses net of voluntary waivers, if any	.93%	.93%	.94%	.92% <sup>A</sup>
Expenses net of all reductions	.90%	.90%	.90%	.90% <sup>A</sup>
Net investment income (loss)	.09%	.24%	.52%	.43% <sup>A</sup>
<b>Supplemental Data</b>				
Net assets, end of period (000 omitted)	\$ 910,341	\$ 439,157	\$ 231,686	\$ 81,950
Portfolio turnover rate	66%	84%	140%	177%

<sup>A</sup> Annualized

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

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

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

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

<sup>F</sup> For the period January 12, 2000 (commencement of sale of shares) to December 31, 2000.

<sup>G</sup> Expense ratios reflect operating expenses of the class. Expenses before reductions do not reflect amounts reimbursed by the investment adviser or reductions from brokerage service arrangements or other expense offset arrangements and do not represent the amount paid by the class during periods when reimbursements or reductions occur. Expense ratios before reductions for start-up periods may not be representative of longer-term operating periods. Expenses net of any voluntary waivers reflect expenses after reimbursement by the investment adviser but prior to reductions from brokerage service arrangements or other expense offset arrangements. Expenses net of all reductions represent the net expenses paid by the class.

<sup>H</sup> Amount represents less than \$ .01 per share.

## Appendix – continued

### Additional Performance Information

Lipper has created additional comparison categories that group funds according to portfolio characteristics and capitalization. The Lipper<sup>SM</sup> Variable Annuity Multi-Cap Growth Funds Average reflects

the performance (excluding sales charges) of mutual funds with similar portfolio characteristics and capitalization. The following information compares the performance of each class of the fund to an additional Lipper comparison category.

#### Average Annual Returns

For the periods ended December 31, 2003	Past 1 year	Past 5 years	Life of class
VIP Contrafund – Initial Class	28.46%	3.47%	13.96% <sup>A</sup>
VIP Contrafund – Service Class	28.35%	3.36%	7.13% <sup>B</sup>
VIP Contrafund – Service Class 2	28.20%	—	-0.63% <sup>C</sup>
Lipper Variable Annuity Multi-Cap Growth Funds Average	35.23%	-0.52%	—

<sup>A</sup> From January 3, 1995.

<sup>B</sup> From November 3, 1997.

<sup>C</sup> From January 12, 2000.

If FMR were to reimburse certain expenses, returns would be higher during these periods.

#### **IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT**

To help the government fight the funding of terrorism and money laundering activities, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT ACT), requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account.

**For variable product owners:** When you open an account, you will be asked for your name, address, date of birth, and other information that will allow Fidelity to identify you. You may also be asked to provide documents that may help to establish your identity, such as your driver's license.

**For insurance separate accounts:** When you open an account, you will be asked for the name of the entity, its principal place of business and taxpayer identification number (TIN) and may be requested to provide information on persons with authority or control over the account such as name, residential address, date of birth and social security number. You may also be asked to provide documents, such as driver's licenses, articles of incorporation, trust instruments or partnership agreements and other information that will help Fidelity identify the entity.

You can obtain additional information about the fund. The fund's SAI includes more detailed information about the fund and its investments. The SAI is incorporated herein by reference (legally forms a part of the prospectus). The fund's annual and semi-annual reports also include additional information. The fund's annual report includes a discussion of the fund's holdings and recent market conditions and the fund's investment strategies that affected performance.

For a free copy of any of these documents or to request other information or ask questions about the fund, call Fidelity at 1-800-221-5207.

The SAI, the fund's annual and semi-annual reports and other related materials are available from the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) Database on the SEC's web site (<http://www.sec.gov>). You can obtain copies of this information, after paying a duplicating fee, by sending a request by e-mail to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section of the SEC, Washington, D.C. 20549-0102. You can also review and copy information about the fund, including the fund's SAI, at the SEC's Public Reference Room in Washington, D.C. Call 1-202-942-8090 for information on the operation of the SEC's Public Reference Room.

*Investment Company Act of 1940, File Number, 811-05511*

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The term "VIP" as used in this document refers to Fidelity Variable Insurance Products.