

# Fidelity® Variable Insurance Products:

## Investment Grade Bond Portfolio

Annual Report  
December 31, 2021



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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.*

## Note to Shareholders:

Early in 2020, the outbreak and spread of COVID-19 emerged as a public health emergency that had a major influence on financial markets, primarily based on its impact on the global economy and corporate earnings. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, citing sustained risk of further global spread. The pandemic prompted a number of measures to limit the spread of COVID-19, including travel and border restrictions, quarantines, and restrictions on large gatherings. In turn, these resulted in lower consumer activity, diminished demand for a wide range of products and services, disruption in manufacturing and supply chains, and — given the wide variability in outcomes regarding the outbreak — significant market uncertainty and volatility. To help stem the turmoil, the U.S. government took unprecedented action — in concert with the U.S. Federal Reserve and central banks around the world — to help support consumers, businesses, and the broader economy, and to limit disruption to the financial system.

In general, the overall impact of the pandemic lessened in 2021, amid a resilient economy and widespread distribution of three COVID-19 vaccines granted emergency use authorization from the U.S. Food and Drug Administration (FDA) early in the year. Still, the situation remains dynamic, and the extent and duration of its influence on financial markets and the economy is highly uncertain, due in part to a recent spike in cases based on highly contagious variants of the coronavirus.

Extreme events such as the COVID-19 crisis are exogenous shocks that can have significant adverse effects on mutual funds and their investments. Although multiple asset classes may be affected by market disruption, the duration and impact may not be the same for all types of assets. Fidelity is committed to helping you stay informed amid news about COVID-19 and during increased market volatility, and we continue to take extra steps to be responsive to customer needs. We encourage you to visit us online, where we offer ongoing updates, commentary, and analysis on the markets and our funds.

**VIP Investment Grade Bond Portfolio**

**Performance: The Bottom Line**

Average annual total return reflects the change in the value of an investment, assuming reinvestment of distributions from dividend income and capital gains (the profits earned upon the sale of securities that have grown in value, if any) and assuming a constant rate of performance each year. During periods of reimbursement by Fidelity, a fund's total return will be greater than it would be had the reimbursement not occurred. Performance numbers are net of all underlying fund operating expenses, but do not include any insurance charges imposed by your insurance company's separate account. If performance information included the effect of these additional charges, the total returns would have been lower. How a fund did yesterday is no guarantee of how it will do tomorrow.

**Average Annual Total Returns**

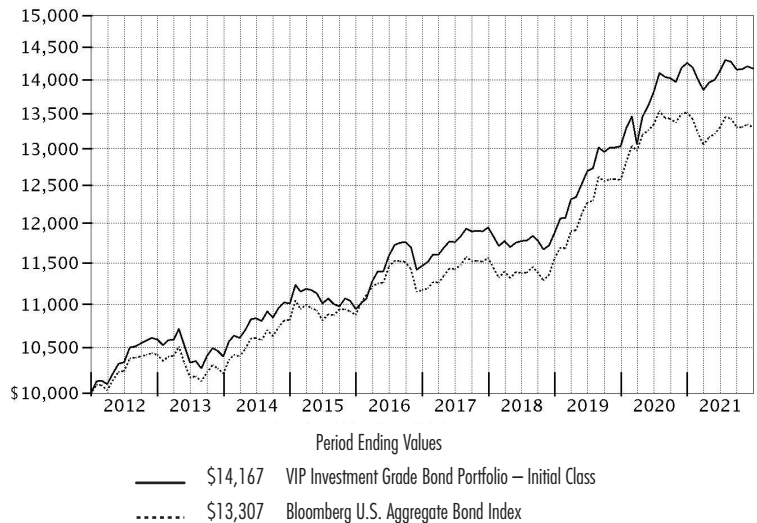
For the periods ended December 31, 2021

	Past 1 year	Past 5 years	Past 10 years
Initial Class	-0.61%	4.33%	3.54%
Service Class	-0.79%	4.23%	3.44%
Service Class 2	-0.90%	4.08%	3.29%
Investor Class	-0.64%	4.30%	3.51%

**\$10,000 Over 10 Years**

Let's say hypothetically that \$10,000 was invested in VIP Investment Grade Bond Portfolio – Initial Class on December 31, 2011.

The chart shows how the value of your investment would have changed, and also shows how the Bloomberg U.S. Aggregate Bond Index performed over the same period.



Effective August 24, 2021, all Bloomberg Barclays Indices were re-branded as Bloomberg Indices.

# Management's Discussion of Fund Performance

**Market Recap:** U.S. taxable investment-grade bonds posted a moderate decline in the year ending December 31, 2021, amid a broad risk-on and inflationary environment. The Bloomberg U.S. Aggregate Bond Index returned -1.54% for the full period. Longer-term bond yields rose early in the year, as a \$1.9 trillion COVID-relief bill offered hopes for a robust economic recovery. This led to rising inflation expectations that persisted through early April. Many investors preferred the potential for higher returns in riskier assets as the worst economic fears related to the spread of COVID-19 retreated. Bond yields fell from May through early August in response to weaker-than-expected economic data. Then in the fourth quarter, rising inflation and tighter monetary policy increased short-term yields and decreased longer-term yields. By early December, U.S. Federal Reserve Chair Jerome Powell stated it was time to retire the term “transitory” in describing U.S. inflation. Also in December, the Fed accelerated its tapering plans and raised the prospects for three quarter-point interest-rate hikes in 2022. Within the Aggregate index, corporate bonds returned -2.92% for the period, edging the -3.30% return of U.S. Treasuries. Securitized segments of the market also posted negative returns, including commercial mortgage-backed securities (-2.42%). Outside the index, U.S. corporate high-yield bonds added roughly 5% and Treasury Inflation-Protected Securities (TIPS) rose 6%.

**Comments from Co-Portfolio Managers Celso Munoz and Ford O’Neil:** For 2021, the fund’s share classes posted returns of -0.61% to -0.90% outpacing the -1.54% return of the benchmark Bloomberg U.S. Aggregate Bond Index. Positioning among investment-grade corporate bonds, including our decision to overweight this asset class for much of the year, added notable relative value. Within this segment, larger-than-benchmark exposure to real estate investment trusts (REITs) and banks boosted the fund’s relative return, led by standout holdings including Omega Healthcare Investors and Wells Fargo. Selections in the energy, consumer non-cyclical and communications segments also helped. Non-index exposure to investment-grade corporate bonds that had been downgraded to below-investment grade added value as well, particularly Ford Motor and Occidental Petroleum. Elsewhere, picks among government-related securities contributed, mostly due to investments in Illinois and California municipal bonds. Underweighting nominal U.S. Treasuries and mortgage-backed securities aided results for the period, as did non-benchmark exposure to Treasury Inflation-Protected Securities (TIPS). Lastly, the fund’s small exposure to asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) provided an additional boost to the relative return. Conversely, the fund’s positioning along the yield curve and allocations among industrial bonds detracted. In late 2021, the fund transitioned from investing most of its assets in a dedicated Fidelity central fund to an underlying subportfolio — both managed by the fund’s co-portfolio managers — for its investment-grade bond exposure.

*The views expressed above reflect those of the portfolio manager(s) only through the end of the period as stated on the cover of this report 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.*

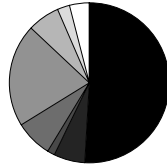
# VIP Investment Grade Bond Portfolio

## Investment Summary (Unaudited)

### Quality Diversification (% of fund's net assets)

As of December 31, 2021

■ U.S. Government and U.S. Government Agency Obligations	50.9%
■ AAA	6.3%
■ AA	1.5%
■ A	7.5%
■ BBB	20.8%
■ BB and Below	6.5%
□ Not Rated	2.5%
□ Short-Term Investments and Net Other Assets	4.0%

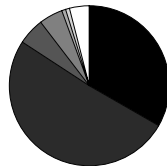


We have used ratings from Moody's Investors Service, Inc. Where Moody's® ratings are not available, we have used S&P® ratings. All ratings are as of the date indicated and do not reflect subsequent changes. Securities rated BB or below were rated investment grade at the time of acquisition. The information 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)

As of December 31, 2021\*,\*\*

■ Corporate Bonds	33.3%
■ U.S. Government and U.S. Government Agency Obligations	50.9%
■ Asset-Backed Securities	5.4%
■ CMOs and Other Mortgage Related Securities	4.8%
■ Municipal Bonds	0.8%
□ Other Investments	0.8%
□ Short-Term Investments and Net Other Assets (Liabilities)	4.0%



\* Foreign investments – 11.5%

\*\* Futures and Swaps – 0.4%

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.

Percentages in the above tables are adjusted for the effect of TBA Sale Commitments.

## Schedule of Investments December 31, 2021

Showing Percentage of Net Assets

## Nonconvertible Bonds – 31.9%

	Principal Amount	Value
<b>COMMUNICATION SERVICES – 2.9%</b>		
<b>Diversified Telecommunication Services – 1.0%</b>		
AT&T, Inc.:		
2.55% 12/1/33	\$10,360,000	\$ 10,132,516
3.8% 12/1/57	10,572,000	11,006,106
4.3% 2/15/30	1,940,000	2,183,451
4.45% 4/1/24	333,000	355,437
4.75% 5/15/46	10,884,000	13,143,903
Verizon Communications, Inc.:		
2.1% 3/22/28	4,146,000	4,153,897
2.55% 3/21/31	3,838,000	3,872,208
3% 3/22/27	898,000	948,894
4.862% 8/21/46	5,159,000	6,639,790
5.012% 4/15/49	200,000	264,726
		<u>52,700,928</u>
<b>Entertainment – 0.4%</b>		
The Walt Disney Co.:		
3.8% 3/22/30	15,959,000	17,900,884
4.7% 3/23/50	5,039,000	6,647,874
		<u>24,548,758</u>
<b>Media – 1.2%</b>		
Charter Communications Operating LLC/Charter Communications Operating Capital Corp.:		
4.464% 7/23/22	3,981,000	4,039,760
4.908% 7/23/25	2,676,000	2,946,566
5.375% 5/1/47	12,598,000	15,037,045
6.484% 10/23/45	1,902,000	2,597,347
Comcast Corp.:		
3.9% 3/1/38	743,000	840,852
4.65% 7/15/42	1,760,000	2,153,721
Discovery Communications LLC:		
3.625% 5/15/30	2,410,000	2,576,450
4.65% 5/15/50	6,516,000	7,643,954
Fox Corp.:		
3.666% 1/25/22	500,000	500,987
4.03% 1/25/24	879,000	928,304
4.709% 1/25/29	1,272,000	1,451,858
5.476% 1/25/39	1,254,000	1,617,236
5.576% 1/25/49	833,000	1,136,958
Time Warner Cable LLC:		
4.5% 9/15/42	641,000	698,826
5.5% 9/1/41	1,179,000	1,429,433
5.875% 11/15/40	1,040,000	1,297,829
6.55% 5/1/37	14,010,000	18,328,877
7.3% 7/1/38	2,621,000	3,709,535
		<u>68,935,538</u>
<b>Wireless Telecommunication Services – 0.3%</b>		
T-Mobile U.S.A., Inc.:		
3.75% 4/15/27	4,229,000	4,579,585
3.875% 4/15/30	6,115,000	6,688,303
4.375% 4/15/40	912,000	1,042,585
4.5% 4/15/50	1,793,000	2,098,533
		<u>14,409,006</u>
<b>TOTAL COMMUNICATION SERVICES</b>		<u>160,594,230</u>

	Principal Amount	Value
<b>CONSUMER DISCRETIONARY – 0.5%</b>		
<b>Automobiles – 0.2%</b>		
General Motors Financial Co., Inc. 4.25% 5/15/23		
	\$ 1,442,000	\$ 1,500,672
Volkswagen Group of America Finance LLC:		
2.9% 5/13/22 (a)	3,971,000	4,003,431
3.125% 5/12/23 (a)	3,459,000	3,555,947
		<u>9,060,050</u>
<b>Diversified Consumer Services – 0.0%</b>		
Ingersoll-Rand Global Holding Co. Ltd. 4.25% 6/15/23		
	2,033,000	2,125,212
<b>Hotels, Restaurants &amp; Leisure – 0.0%</b>		
McDonald's Corp.:		
3.5% 7/1/27	1,168,000	1,266,641
3.6% 7/1/30	1,390,000	1,536,031
		<u>2,802,672</u>
<b>Leisure Products – 0.1%</b>		
Hasbro, Inc. 3% 11/19/24		
	3,047,000	3,170,906
<b>Specialty Retail – 0.2%</b>		
AutoNation, Inc. 4.75% 6/1/30		
	530,000	605,415
AutoZone, Inc.:		
3.625% 4/15/25	792,000	844,559
4% 4/15/30	3,682,000	4,119,583
Lowe's Companies, Inc. 4.5% 4/15/30	2,645,000	3,070,322
O'Reilly Automotive, Inc. 4.2% 4/1/30	816,000	918,950
		<u>9,558,829</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<u>26,717,669</u>
<b>CONSUMER STAPLES – 2.4%</b>		
<b>Beverages – 1.5%</b>		
Anheuser-Busch InBev Finance, Inc.:		
4.7% 2/1/36	6,423,000	7,646,902
4.9% 2/1/46	7,980,000	10,017,986
Anheuser-Busch InBev Worldwide, Inc.:		
3.5% 6/1/30	2,565,000	2,811,372
4.35% 6/1/40	2,445,000	2,873,653
4.5% 6/1/50	3,466,000	4,272,948
4.6% 6/1/60	2,565,000	3,174,633
4.75% 4/15/58	3,986,000	4,928,152
5.45% 1/23/39	3,251,000	4,254,767
5.55% 1/23/49	7,428,000	10,276,325
5.8% 1/23/59 (Reg. S)	7,849,000	11,348,453
Molson Coors Beverage Co.:		
3% 7/15/26	5,200,000	5,443,081
5% 5/1/42	9,077,000	10,965,623
The Coca-Cola Co.:		
3.375% 3/25/27	3,937,000	4,252,604
3.45% 3/25/30	2,406,000	2,663,650
		<u>84,930,149</u>
<b>Food Products – 0.3%</b>		
General Mills, Inc. 2.875% 4/15/30		
	498,000	519,723
JBS Finance Luxembourg SARL:		
2.5% 1/15/27 (a)	6,111,000	6,042,312
3.625% 1/15/32 (a)	615,000	617,312
JBS U.S.A. LLC/JBS U.S.A. Finance, Inc. 6.75% 2/15/28 (a)	750,000	809,070

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

## Schedule of Investments – continued

### Nonconvertible Bonds – continued

	Principal Amount	Value
<b>CONSUMER STAPLES – continued</b>		
<b>Food Products – continued</b>		
JBS U.S.A. Lux SA / JBS Food Co.:		
3% 5/15/32 (a)	\$ 5,470,000	\$ 5,470,000
5.5% 1/15/30 (a)	745,000	810,188
6.5% 4/15/29 (a)	590,000	649,000
		<u>14,917,605</u>
<b>Tobacco – 0.6%</b>		
Altria Group, Inc.:		
4.25% 8/9/42	3,835,000	3,893,473
4.5% 5/2/43	2,570,000	2,663,568
4.8% 2/14/29	702,000	791,814
5.375% 1/31/44	2,329,000	2,688,225
5.95% 2/14/49	920,000	1,148,096
Imperial Tobacco Finance PLC:		
3.75% 7/21/22 (a)	3,330,000	3,366,776
4.25% 7/21/25 (a)	10,737,000	11,527,730
Reynolds American, Inc.:		
4.45% 6/12/25	1,623,000	1,752,831
5.7% 8/15/35	842,000	997,711
6.15% 9/15/43	2,773,000	3,395,751
7.25% 6/15/37	2,053,000	2,732,023
		<u>34,957,998</u>
TOTAL CONSUMER STAPLES		<u>134,805,752</u>
<b>ENERGY – 4.1%</b>		
<b>Energy Equipment &amp; Services – 0.1%</b>		
Halliburton Co.:		
3.8% 11/15/25	105,000	112,877
4.85% 11/15/35	1,493,000	1,754,677
		<u>1,867,554</u>
<b>Oil, Gas &amp; Consumable Fuels – 4.0%</b>		
Canadian Natural Resources Ltd.:		
3.8% 4/15/24	4,702,000	4,931,555
5.85% 2/1/35	1,731,000	2,150,866
Genovus Energy, Inc. 4.25% 4/15/27	4,437,000	4,836,288
Columbia Pipeline Group, Inc. 4.5% 6/1/25	926,000	1,008,602
DCP Midstream Operating LP:		
3.875% 3/15/23	1,228,000	1,258,061
5.6% 4/1/44	851,000	1,058,644
6.45% 11/3/36 (a)	1,717,000	2,247,004
Empresa Nacional de Petroleo 4.375% 10/30/24 (a)	2,454,000	2,607,835
Enable Midstream Partners LP 3.9% 5/15/24 (b)	917,000	957,497
Enbridge, Inc.:		
4% 10/1/23	1,950,000	2,035,904
4.25% 12/1/26	1,229,000	1,350,761
Energy Transfer LP:		
3.75% 5/15/30	1,605,000	1,700,748
4.2% 9/15/23	822,000	858,404
4.25% 3/15/23	705,000	724,452
4.5% 4/15/24	875,000	927,372
4.95% 6/15/28	2,806,000	3,156,469
5% 5/15/50	3,588,000	4,128,704
5.25% 4/15/29	1,423,000	1,629,904

	Principal Amount	Value
5.4% 10/1/47	\$ 935,000	\$ 1,097,188
5.8% 6/15/38	1,565,000	1,895,615
6% 6/15/48	1,019,000	1,265,933
6.25% 4/15/49	977,000	1,276,218
Enterprise Products Operating LP 3.7% 2/15/26	3,328,000	3,569,669
Exxon Mobil Corp. 3.482% 3/19/30	9,318,000	10,202,814
Hess Corp.:		
4.3% 4/1/27	3,390,000	3,691,886
5.6% 2/15/41	8,299,000	10,245,625
7.125% 3/15/33	695,000	928,611
7.3% 8/15/31	930,000	1,238,248
7.875% 10/1/29	3,041,000	4,115,038
Kinder Morgan Energy Partners LP:		
3.45% 2/15/23	1,179,000	1,203,969
6.55% 9/15/40	319,000	428,429
Kinder Morgan, Inc. 5.55% 6/1/45	1,689,000	2,135,440
MPLX LP:		
4.5% 7/15/23	1,369,000	1,425,180
4.8% 2/15/29	781,000	891,760
4.875% 12/1/24	1,897,000	2,058,995
5.5% 2/15/49	2,341,000	2,989,455
Occidental Petroleum Corp.:		
3.2% 8/15/26	421,000	433,849
3.5% 8/15/29	1,323,000	1,359,118
4.3% 8/15/39	193,000	192,473
4.4% 8/15/49	193,000	195,413
5.55% 3/15/26	3,587,000	3,993,407
6.2% 3/15/40	1,179,000	1,450,170
6.45% 9/15/36	3,190,000	4,067,266
6.6% 3/15/46	3,957,000	5,134,208
7.5% 5/1/31	5,324,000	7,004,388
Petroleos Mexicanos:		
4.5% 1/23/26	3,688,000	3,728,568
5.95% 1/28/31	1,054,000	1,022,986
6.35% 2/12/48	9,151,000	7,850,414
6.49% 1/23/27	2,655,000	2,830,230
6.5% 3/13/27	3,349,000	3,560,422
6.5% 1/23/29	3,855,000	3,990,648
6.7% 2/16/32 (a)	3,500,000	3,526,250
6.75% 9/21/47	8,392,000	7,405,940
6.84% 1/23/30	14,271,000	14,788,324
6.95% 1/28/60	5,462,000	4,820,215
7.69% 1/23/50	11,238,000	10,788,480
Phillips 66 Co.:		
3.7% 4/6/23	330,000	341,140
3.85% 4/9/25	426,000	454,228
Plains All American Pipeline LP/PAA Finance Corp.:		
3.55% 12/15/29	917,000	949,944
3.6% 11/1/24	963,000	1,006,603
3.65% 6/1/22	1,494,000	1,501,335
Sabine Pass Liquefaction LLC 4.5% 5/15/30	5,530,000	6,237,967
The Williams Companies, Inc.:		
3.5% 11/15/30	5,897,000	6,267,968
3.7% 1/15/23	837,000	855,458
3.9% 1/15/25	843,000	895,824

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



## Nonconvertible Bonds – continued

	Principal Amount	Value
<b>ENERGY – continued</b>		
<b>Oil, Gas &amp; Consumable Fuels – continued</b>		
The Williams Companies, Inc.: – continued		
4.3% 3/4/24	\$ 3,778,000	\$ 3,986,640
4.5% 11/15/23	1,214,000	1,278,945
4.55% 6/24/24	9,246,000	9,894,169
Transcontinental Gas Pipe Line Co. LLC:		
3.25% 5/15/30	705,000	743,076
3.95% 5/15/50	2,275,000	2,548,405
Valero Energy Corp. 2.85% 4/15/25	663,000	686,779
Western Gas Partners LP:		
3.95% 6/1/25	602,000	630,863
4.5% 3/1/28	1,387,000	1,508,363
4.65% 7/1/26	6,278,000	6,832,944
4.75% 8/15/28	801,000	885,105
		<u>223,877,668</u>
<b>TOTAL ENERGY</b>		<u>225,745,222</u>
<b>FINANCIALS – 14.8%</b>		
<b>Banks – 6.0%</b>		
Bank of America Corp.:		
2.299% 7/21/32 (b)	10,524,000	10,347,270
3.3% 1/11/23	3,010,000	3,092,386
3.419% 12/20/28 (b)	13,148,000	14,037,656
3.5% 4/19/26	3,483,000	3,751,846
3.864% 7/23/24 (b)	3,030,000	3,156,831
3.95% 4/21/25	2,860,000	3,057,057
4.2% 8/26/24	13,850,000	14,845,247
4.25% 10/22/26	2,954,000	3,259,449
4.45% 3/3/26	1,052,000	1,158,207
Barclays PLC:		
2.852% 5/7/26 (b)	5,610,000	5,785,910
4.375% 1/12/26	4,313,000	4,714,960
5.088% 6/20/30 (b)	5,094,000	5,778,289
5.2% 5/12/26	4,314,000	4,813,863
BNP Paribas SA 2.219% 6/9/26 (a) (b)	5,228,000	5,276,630
CIT Group, Inc. 3.929% 6/19/24 (b)	1,158,000	1,195,546
Citigroup, Inc.:		
2.7% 10/27/22	6,931,000	7,040,065
3.352% 4/24/25 (b)	3,438,000	3,589,784
3.875% 3/26/25	6,586,000	7,028,642
4.05% 7/30/22	1,248,000	1,273,430
4.3% 11/20/26	1,201,000	1,328,877
4.412% 3/31/31 (b)	7,364,000	8,410,127
4.45% 9/29/27	11,855,000	13,218,563
4.6% 3/9/26	1,522,000	1,678,540
5.5% 9/13/25	3,830,000	4,331,439
Citizens Financial Group, Inc. 2.638% 9/30/32	3,367,000	3,325,899
Commonwealth Bank of Australia 3.61% 9/12/34 (a) (b)	1,813,000	1,895,505
Credit Suisse Group Funding Guernsey Ltd. 3.8% 9/15/22	5,019,000	5,127,298
Discover Bank 4.2% 8/8/23	1,975,000	2,074,071
HSBC Holdings PLC:		
4.25% 3/14/24	1,525,000	1,610,280
4.95% 3/31/30	988,000	1,159,320

	Principal Amount	Value
Intesa Sanpaolo SpA:		
5.017% 6/26/24 (a)	\$ 3,007,000	\$ 3,222,692
5.71% 1/15/26 (a)	8,910,000	9,854,783
JPMorgan Chase & Co.:		
2.956% 5/13/31 (b)	2,994,000	3,099,909
3.797% 7/23/24 (b)	3,965,000	4,132,226
3.875% 9/10/24	30,332,000	32,172,245
4.125% 12/15/26	9,761,000	10,766,100
4.493% 3/24/31 (b)	8,874,000	10,269,068
NatWest Group PLC:		
3.073% 5/22/28 (b)	3,224,000	3,353,248
5.125% 5/28/24	14,227,000	15,343,464
6% 12/19/23	7,233,000	7,859,695
6.1% 6/10/23	9,268,000	9,880,265
6.125% 12/15/22	5,712,000	5,974,177
NatWest Markets PLC 2.375% 5/21/23 (a)	6,028,000	6,142,282
Rabobank Nederland 4.375% 8/4/25	5,166,000	5,596,289
Societe Generale:		
1.038% 6/18/25 (a) (b)	10,968,000	10,714,511
1.488% 12/14/26 (a) (b)	6,749,000	6,573,151
Synchrony Bank 3% 6/15/22	3,149,000	3,176,427
UniCredit SpA 6.572% 1/14/22 (a)	3,858,000	3,863,594
Wells Fargo & Co.:		
2.406% 10/30/25 (b)	3,163,000	3,241,980
4.478% 4/4/31 (b)	9,914,000	11,517,269
5.013% 4/4/51 (b)	14,623,000	19,968,204
Westpac Banking Corp. 4.11% 7/24/34 (b)	2,573,000	2,776,775
		<u>336,861,341</u>
<b>Capital Markets – 4.1%</b>		
Affiliated Managers Group, Inc.:		
3.5% 8/1/25	3,841,000	4,082,287
4.25% 2/15/24	2,972,000	3,155,972
Ares Capital Corp.:		
3.875% 1/15/26	8,639,000	9,104,589
4.2% 6/10/24	6,174,000	6,514,828
Credit Suisse Group AG:		
2.593% 9/11/25 (a) (b)	7,335,000	7,490,161
3.75% 3/26/25	3,231,000	3,428,428
3.8% 6/9/23	5,950,000	6,164,493
3.869% 1/12/29 (a) (b)	2,787,000	2,983,273
4.194% 4/1/31 (a) (b)	6,669,000	7,354,828
4.55% 4/17/26	1,785,000	1,966,607
Deutsche Bank AG 4.5% 4/1/25	8,292,000	8,826,321
Deutsche Bank AG New York Branch:		
3.3% 11/16/22	6,454,000	6,587,732
5% 2/14/22	6,296,000	6,324,540
Goldman Sachs Group, Inc.:		
2.383% 7/21/32 (b)	6,540,000	6,439,258
3.2% 2/23/23	4,957,000	5,083,779
3.691% 6/5/28 (b)	28,871,000	31,089,571
3.8% 3/15/30	10,739,000	11,821,666
4.25% 10/21/25	1,573,000	1,715,442
6.75% 10/1/37	1,557,000	2,207,668
Moody's Corp.:		
3.25% 1/15/28	1,654,000	1,773,132

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

## Schedule of Investments – continued

### Nonconvertible Bonds – continued

	Principal Amount	Value
<b>FINANCIALS – continued</b>		
<b>Capital Markets – continued</b>		
Moody's Corp.: – continued		
3.75% 3/24/25	\$ 3,518,000	\$ 3,758,195
4.875% 2/15/24	1,553,000	1,659,221
Morgan Stanley:		
3.125% 1/23/23	18,025,000	18,481,432
3.125% 7/27/26	15,227,000	16,130,303
3.622% 4/1/31 (b)	6,958,000	7,582,084
3.625% 1/20/27	7,626,000	8,267,793
3.737% 4/24/24 (b)	3,466,000	3,585,721
4.431% 1/23/30 (b)	3,047,000	3,472,232
4.875% 11/1/22	5,374,000	5,555,161
5% 11/24/25	10,147,000	11,358,934
Peachtree Corners Funding Trust 3.976% 2/15/25 (a)	3,466,000	3,691,639
State Street Corp. 2.825% 3/30/23 (b)	472,000	474,472
UBS Group AG:		
1.494% 8/10/27 (a) (b)	4,041,000	3,942,114
4.125% 9/24/25 (a)	3,647,000	3,937,489
		<u>226,011,365</u>
<b>Consumer Finance – 2.5%</b>		
AerCap Ireland Capital Ltd./AerCap Global Aviation Trust:		
1.65% 10/29/24	7,659,000	7,645,107
2.45% 10/29/26	2,795,000	2,817,919
2.875% 8/14/24	4,157,000	4,275,744
3% 10/29/28	2,927,000	2,968,375
3.3% 1/30/32	3,131,000	3,189,774
3.5% 5/26/22	348,000	351,077
3.5% 1/15/25	5,754,000	6,006,457
4.125% 7/3/23	2,906,000	3,018,215
4.45% 4/3/26	2,167,000	2,353,844
4.875% 1/16/24	3,477,000	3,697,641
6.5% 7/15/25	2,513,000	2,871,705
Ally Financial, Inc.:		
1.45% 10/2/23	1,531,000	1,538,025
3.05% 6/5/23	6,677,000	6,845,680
5.125% 9/30/24	1,482,000	1,619,258
5.8% 5/1/25	3,631,000	4,097,467
8% 11/1/31	1,874,000	2,652,776
Capital One Financial Corp.:		
2.6% 5/11/23	5,180,000	5,292,052
3.65% 5/11/27	9,345,000	10,066,861
3.8% 1/31/28	4,892,000	5,325,772
Discover Financial Services:		
3.85% 11/21/22	3,494,000	3,586,042
3.95% 11/6/24	1,974,000	2,099,412
4.1% 2/9/27	1,978,000	2,143,926
4.5% 1/30/26	3,249,000	3,557,979
Ford Motor Credit Co. LLC:		
4.063% 11/1/24	12,207,000	12,843,839
5.584% 3/18/24	4,330,000	4,665,575
5.596% 1/7/22	4,265,000	4,267,986
Synchrony Financial:		
2.85% 7/25/22	1,057,000	1,067,770
3.95% 12/1/27	5,325,000	5,718,088

	Principal Amount	Value
4.25% 8/15/24	\$ 4,637,000	\$ 4,911,189
4.375% 3/19/24	3,791,000	3,999,602
5.15% 3/19/29	5,824,000	6,692,975
Toyota Motor Credit Corp. 2.9% 3/30/23	5,372,000	5,520,766
		<u>137,708,898</u>
<b>Diversified Financial Services – 0.5%</b>		
Brixmor Operating Partnership LP:		
4.05% 7/1/30	3,511,000	3,831,145
4.125% 6/15/26	3,222,000	3,489,954
4.125% 5/15/29	3,502,000	3,879,622
Equitable Holdings, Inc.:		
3.9% 4/20/23	469,000	485,318
4.35% 4/20/28	2,946,000	3,302,507
Park Aerospace Holdings Ltd. 5.5% 2/15/24 (a)	4,229,000	4,534,862
Pine Street Trust I 4.572% 2/15/29 (a)	3,957,000	4,465,184
Pine Street Trust II 5.568% 2/15/49 (a)	3,952,000	5,210,795
		<u>29,199,387</u>
<b>Insurance – 1.7%</b>		
AIA Group Ltd.:		
3.2% 9/16/40 (a)	2,417,000	2,482,514
3.375% 4/7/30 (a)	5,101,000	5,511,586
American International Group, Inc.:		
2.5% 6/30/25	8,250,000	8,506,540
3.4% 6/30/30	8,250,000	8,921,245
3.75% 7/10/25	5,762,000	6,165,451
Five Corners Funding Trust II 2.85% 5/15/30 (a)	6,620,000	6,859,579
Liberty Mutual Group, Inc. 4.569% 2/1/29 (a)	2,838,000	3,261,151
Marsh & McLennan Companies, Inc.:		
4.375% 3/15/29	2,758,000	3,143,834
4.75% 3/15/39	1,265,000	1,577,437
Massachusetts Mutual Life Insurance Co. 3.729% 10/15/70 (a)	4,028,000	4,457,533
MetLife, Inc. 4.55% 3/23/30	7,973,000	9,422,578
Metropolitan Life Global Funding I 3% 1/10/23 (a)	1,827,000	1,870,530
Pacific LifeCorp 5.125% 1/30/43 (a)	3,641,000	4,592,707
Swiss Re Finance Luxembourg SA 5% 4/2/49 (a) (b)	1,600,000	1,790,000
Teachers Insurance & Annuity Association of America 4.9%		
9/15/44 (a)	3,707,000	4,758,808
TIAA Asset Management Finance LLC 4.125% 11/1/24 (a)	1,228,000	1,320,457
Unum Group:		
3.875% 11/5/25	3,369,000	3,595,462
4% 3/15/24	4,111,000	4,340,182
4% 6/15/29	3,057,000	3,374,174
5.75% 8/15/42	5,046,000	6,160,439
		<u>92,112,207</u>
<b>TOTAL FINANCIALS</b>		<u>821,893,198</u>
<b>HEALTH CARE – 1.4%</b>		
<b>Biotechnology – 0.1%</b>		
AbbVie, Inc. 3.45% 3/15/22	4,761,000	4,765,355
<b>Health Care Providers &amp; Services – 0.9%</b>		
Centene Corp.:		
2.45% 7/15/28	6,801,000	6,698,985
2.625% 8/1/31	3,172,000	3,108,560
3.375% 2/15/30	3,536,000	3,601,027
4.25% 12/15/27	3,983,000	4,152,278

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

## Nonconvertible Bonds – continued

	Principal Amount	Value
<b>HEALTH CARE – continued</b>		
<b>Health Care Providers &amp; Services – continued</b>		
Centene Corp.: – continued		
4.625% 12/15/29	\$ 6,187,000	\$ 6,672,432
Cigna Corp.:		
3.05% 10/15/27	2,218,000	2,354,476
4.375% 10/15/28	4,204,000	4,777,849
4.8% 8/15/38	2,618,000	3,220,142
4.9% 12/15/48	2,615,000	3,378,907
CVS Health Corp.:		
3% 8/15/26	433,000	457,211
3.625% 4/1/27	1,244,000	1,349,864
4.78% 3/25/38	4,137,000	5,035,759
HCA Holdings, Inc. 4.75% 5/1/23	149,000	156,058
Sabra Health Care LP 3.2% 12/1/31	6,486,000	6,338,383
Toledo Hospital 5.325% 11/15/28	1,462,000	1,638,360
		<u>52,940,291</u>
<b>Pharmaceuticals – 0.4%</b>		
Bayer U.S. Finance II LLC 4.25% 12/15/25 (a)	3,025,000	3,271,805
Elanco Animal Health, Inc. 5.9% 8/28/28 (b)	925,000	1,073,000
Mylan NV 4.55% 4/15/28	2,773,000	3,103,896
Utah Acquisition Sub, Inc. 3.95% 6/15/26	1,767,000	1,905,157
Viatris, Inc.:		
1.125% 6/22/22	2,120,000	2,124,750
1.65% 6/22/25	681,000	678,419
2.7% 6/22/30	3,464,000	3,476,291
3.85% 6/22/40	1,509,000	1,598,147
4% 6/22/50	2,606,000	2,775,613
Zoetis, Inc. 3.25% 2/1/23	1,143,000	1,164,732
		<u>21,171,810</u>
<b>TOTAL HEALTH CARE</b>		<u>78,877,456</u>
<b>INDUSTRIALS – 0.7%</b>		
<b>Aerospace &amp; Defense – 0.3%</b>		
BAE Systems PLC 3.4% 4/15/30 (a)	1,572,000	1,677,887
The Boeing Co.:		
5.04% 5/1/27	2,053,000	2,311,667
5.15% 5/1/30	2,053,000	2,391,952
5.705% 5/1/40	2,080,000	2,671,567
5.805% 5/1/50	2,080,000	2,816,582
5.93% 5/1/60	2,052,000	2,847,527
		<u>14,717,182</u>
<b>Professional Services – 0.0%</b>		
Thomson Reuters Corp. 3.85% 9/29/24	717,000	757,628
<b>Trading Companies &amp; Distributors – 0.3%</b>		
Air Lease Corp.:		
2.25% 1/15/23	919,000	930,377
3% 9/15/23	608,000	623,979
3.375% 7/1/25	4,468,000	4,662,001
3.875% 7/3/23	3,869,000	4,007,029
4.25% 2/1/24	3,979,000	4,192,120
4.25% 9/15/24	2,472,000	2,629,001
		<u>17,044,507</u>

	Principal Amount	Value
<b>Transportation Infrastructure – 0.1%</b>		
Avolon Holdings Funding Ltd.:		
3.95% 7/1/24 (a)	\$ 1,448,000	\$ 1,517,213
4.25% 4/15/26 (a)	1,095,000	1,160,366
4.375% 5/1/26 (a)	3,240,000	3,470,230
5.25% 5/15/24 (a)	2,643,000	2,835,392
		<u>8,983,201</u>
<b>TOTAL INDUSTRIALS</b>		<u>41,502,518</u>
<b>INFORMATION TECHNOLOGY – 1.2%</b>		
<b>Electronic Equipment &amp; Components – 0.1%</b>		
Dell International LLC/EMC Corp.:		
5.45% 6/15/23	1,200,000	1,265,872
5.85% 7/15/25	897,000	1,016,701
6.02% 6/15/26	1,084,000	1,252,943
6.1% 7/15/27	1,647,000	1,964,566
6.2% 7/15/30	1,425,000	1,798,164
		<u>7,298,246</u>
<b>Semiconductors &amp; Semiconductor Equipment – 0.6%</b>		
Broadcom, Inc.:		
1.95% 2/15/28 (a)	1,153,000	1,139,899
2.45% 2/15/31 (a)	9,811,000	9,619,814
2.6% 2/15/33 (a)	9,811,000	9,564,703
3.5% 2/15/41 (a)	7,923,000	8,129,144
3.75% 2/15/51 (a)	3,718,000	3,887,182
		<u>32,340,742</u>
<b>Software – 0.5%</b>		
Oracle Corp.:		
1.65% 3/25/26	4,502,000	4,467,190
2.3% 3/25/28	7,112,000	7,089,958
2.8% 4/1/27	4,061,000	4,186,829
2.875% 3/25/31	7,467,000	7,514,564
3.6% 4/1/40	4,063,000	4,074,598
		<u>27,333,139</u>
<b>TOTAL INFORMATION TECHNOLOGY</b>		<u>66,972,127</u>
<b>REAL ESTATE – 2.7%</b>		
<b>Equity Real Estate Investment Trusts (REITs) – 2.2%</b>		
Alexandria Real Estate Equities, Inc. 4.9% 12/15/30	2,889,000	3,470,208
American Homes 4 Rent LP 2.375% 7/15/31	522,000	511,578
Boston Properties, Inc.:		
3.25% 1/30/31	2,690,000	2,818,311
4.5% 12/1/28	2,698,000	3,040,592
Corporate Office Properties LP:		
2.25% 3/15/26	1,154,000	1,167,093
2.75% 4/15/31	842,000	837,176
Duke Realty LP 3.75% 12/1/24	1,093,000	1,158,740
Healthcare Trust of America Holdings LP:		
3.1% 2/15/30	910,000	939,322
3.5% 8/1/26	947,000	1,009,465
Healthpeak Properties, Inc.:		
3.25% 7/15/26	397,000	421,544
3.5% 7/15/29	455,000	493,374
Hudson Pacific Properties LP 4.65% 4/1/29	5,367,000	6,060,900

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

## Schedule of Investments – continued

### Nonconvertible Bonds – continued

	Principal Amount	Value
<b>REAL ESTATE – continued</b>		
<b>Equity Real Estate Investment Trusts (REITs) – continued</b>		
Kimco Realty Corp. 3.375% 10/15/22	\$ 563,000	\$ 570,264
Kite Realty Group Trust:		
4% 3/15/25	4,320,000	4,530,837
4.75% 9/15/30	6,734,000	7,448,631
LXP Industrial Trust (REIT):		
2.7% 9/15/30	1,267,000	1,254,975
4.4% 6/15/24	999,000	1,050,088
Omega Healthcare Investors, Inc.:		
3.25% 4/15/33	3,640,000	3,547,831
3.375% 2/1/31	2,321,000	2,337,820
3.625% 10/1/29	4,099,000	4,254,430
4.375% 8/1/23	860,000	897,377
4.5% 1/15/25	1,856,000	1,982,751
4.5% 4/1/27	11,228,000	12,279,428
4.75% 1/15/28	4,424,000	4,880,992
4.95% 4/1/24	939,000	1,002,663
5.25% 1/15/26	3,942,000	4,383,622
Piedmont Operating Partnership LP 2.75% 4/1/32	1,018,000	995,356
Realty Income Corp.:		
2.2% 6/15/28	553,000	558,174
2.85% 12/15/32	679,000	704,596
3.25% 1/15/31	707,000	760,211
3.4% 1/15/28	1,104,000	1,190,606
Retail Opportunity Investments Partnership LP:		
4% 12/15/24	678,000	712,170
5% 12/15/23	511,000	540,043
Simon Property Group LP 2.45% 9/13/29	1,129,000	1,136,688
SITE Centers Corp.:		
3.625% 2/1/25	1,568,000	1,641,490
4.25% 2/1/26	2,048,000	2,187,787
Store Capital Corp.:		
2.75% 11/18/30	6,048,000	5,997,692
4.625% 3/15/29	1,243,000	1,392,511
Ventas Realty LP:		
3% 1/15/30	5,289,000	5,458,521
3.5% 2/1/25	4,467,000	4,708,894
4% 3/1/28	1,555,000	1,720,602
4.125% 1/15/26	1,079,000	1,174,072
4.375% 2/1/45	529,000	619,565
4.75% 11/15/30	6,944,000	8,087,494
Vornado Realty LP 2.15% 6/1/26	1,306,000	1,305,029
WP Carey, Inc.:		
2.4% 2/1/31	2,634,000	2,588,232
3.85% 7/15/29	884,000	973,297
4% 2/1/25	3,716,000	3,952,928
		<u>120,755,970</u>
<b>Real Estate Management &amp; Development – 0.5%</b>		
Brandywine Operating Partnership LP:		
3.95% 2/15/23	3,820,000	3,911,016
3.95% 11/15/27	3,198,000	3,437,207
4.1% 10/1/24	3,515,000	3,712,237
4.55% 10/1/29	4,050,000	4,514,786
CBRE Group, Inc. 2.5% 4/1/31	3,859,000	3,881,222

	Principal Amount	Value
Post Apartment Homes LP 3.375% 12/1/22	\$ 274,000	\$ 278,392
Sun Communities Operating LP:		
2.3% 11/1/28	1,158,000	1,156,528
2.7% 7/15/31	2,990,000	2,965,669
Tanger Properties LP:		
2.75% 9/1/31	3,041,000	2,951,837
3.125% 9/1/26	4,235,000	4,374,722
		<u>31,183,616</u>
<b>TOTAL REAL ESTATE</b>		<u>151,939,586</u>
<b>UTILITIES – 1.2%</b>		
<b>Electric Utilities – 0.6%</b>		
Cleco Corporate Holdings LLC:		
3.375% 9/15/29	2,390,000	2,430,710
3.743% 5/1/26	9,137,000	9,742,914
Duke Energy Corp. 2.45% 6/1/30	1,929,000	1,915,128
Duquesne Light Holdings, Inc.:		
2.532% 10/1/30 (a)	916,000	895,420
2.775% 1/7/32 (a)	3,169,000	3,131,118
Entergy Corp. 2.8% 6/15/30	1,980,000	2,014,967
Eversource Energy 2.8% 5/1/23	3,543,000	3,604,781
Exelon Corp.:		
4.05% 4/15/30	1,206,000	1,339,940
4.7% 4/15/50	537,000	674,117
FirstEnergy Corp. 7.375% 11/15/31	3,718,000	5,017,069
IPALCO Enterprises, Inc. 3.7% 9/1/24	1,495,000	1,563,772
		<u>32,329,936</u>
<b>Gas Utilities – 0.0%</b>		
Nakilat, Inc. 6.067% 12/31/33 (a)	1,187,243	1,449,402
<b>Independent Power and Renewable Electricity Producers – 0.2%</b>		
Emera U.S. Finance LP 3.55% 6/15/26	1,311,000	1,394,382
The AES Corp.:		
3.3% 7/15/25 (a)	5,956,000	6,166,842
3.95% 7/15/30 (a)	5,194,000	5,533,688
		<u>13,094,912</u>
<b>Multi-Utilities – 0.4%</b>		
Berkshire Hathaway Energy Co. 4.05% 4/15/25	8,619,000	9,325,058
Consolidated Edison Co. of New York, Inc. 3.35% 4/1/30	548,000	589,324
NiSource, Inc. 2.95% 9/1/29	5,930,000	6,145,349
Puget Energy, Inc. 4.1% 6/15/30	2,331,000	2,519,687
WEC Energy Group, Inc. 3 month U.S. LIBOR + 2.110% 2.2685% 5/15/67 (b) (c)	989,000	918,534
		<u>19,497,952</u>
<b>TOTAL UTILITIES</b>		<u>66,372,202</u>
<b>TOTAL NONCONVERTIBLE BONDS</b>		<b>1,775,419,960</b>
(Cost \$1,769,903,837)		

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

## U.S. Government and Government Agency Obligations – 36.0%

	Principal Amount	Value
<b>U.S. Treasury Inflation-Protected Obligations – 0.1%</b>		
U.S. Treasury Inflation-Indexed Bonds 0.125% 2/15/51	\$ 2,141,525	\$ 2,541,143
<b>U.S. Treasury Obligations – 35.9%</b>		
<b>U.S. Treasury Bonds:</b>		
1.125% 5/15/40	27,923,100	24,474,161
1.75% 8/15/41	98,418,200	95,419,520
1.875% 11/15/51	58,998,200	58,528,058
2% 11/15/41	400,000	404,563
2% 8/15/51	253,059,800	257,962,834
3% 2/15/47	67,280,100	81,419,434
<b>U.S. Treasury Notes:</b>		
0.125% 8/15/23	79,149,300	78,503,120
0.125% 8/31/23	79,588,100	78,888,595
0.25% 5/15/24	15,451,000	15,240,359
0.25% 7/31/25	208,468,400	202,214,348
0.375% 12/31/25	39,399,600	38,189,909
0.625% 7/31/26	17,331,900	16,853,242
0.75% 3/31/26	117,696,800	115,462,399
0.75% 8/31/26	34,663,800	33,887,927
0.875% 9/30/26	20,798,300	20,427,018
1% 7/31/28	15,876,000	15,456,154
1.125% 10/31/26	41,596,600	41,320,373
1.125% 8/31/28	86,127,100	84,458,387
1.125% 2/15/31 (d)	170,849,300	165,810,580
1.25% 5/31/28	280,574,300	277,801,424
1.25% 9/30/28	44,563,800	44,039,827
1.375% 11/15/31	73,597,100	72,665,637
1.5% 11/30/28 (e) (f)	2,000,000	2,007,813
1.625% 9/30/26	71,350,100	72,562,494
2.125% 3/31/24	41,897,500	43,121,693
2.125% 11/30/24	8,032,300	8,300,253
2.5% 1/31/24	53,590,300	55,507,828
<b>TOTAL U.S. TREASURY OBLIGATIONS</b>		<u>2,000,927,950</u>

### TOTAL U.S. GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS

(Cost \$2,016,827,477)

**2,003,469,093**

## U.S. Government Agency – Mortgage Securities – 17.8%

### Fannie Mae – 4.9%

12 month U.S. LIBOR + 1.480% 1.855% 7/1/34 (b) (c)	5,184	5,408
12 month U.S. LIBOR + 1.550% 1.803% 6/1/36 (b) (c)	5,390	5,651
12 month U.S. LIBOR + 1.630% 1.925% 11/1/36 (b) (c)	77,285	81,031
12 month U.S. LIBOR + 1.700% 1.968% 6/1/42 (b) (c)	42,040	44,076
12 month U.S. LIBOR + 1.730% 2.023% 5/1/36 (b) (c)	41,369	43,659
12 month U.S. LIBOR + 1.750% 2.08% 7/1/35 (b) (c)	4,794	5,031
12 month U.S. LIBOR + 1.780% 2.163% 2/1/36 (b) (c)	27,561	29,048
12 month U.S. LIBOR + 1.800% 2.05% 7/1/41 (b) (c)	32,945	34,679
12 month U.S. LIBOR + 1.810% 2.068% 7/1/41 (b) (c)	37,158	39,281
12 month U.S. LIBOR + 1.810% 2.068% 9/1/41 (b) (c)	14,725	15,561

	Principal Amount	Value
12 month U.S. LIBOR + 1.820% 2.195% 12/1/35 (b) (c)	\$ 16,720	\$ 17,661
12 month U.S. LIBOR + 1.830% 2.08% 10/1/41 (b) (c)	13,403	13,759
12 month U.S. LIBOR + 1.950% 2.202% 7/1/37 (b) (c)	11,633	12,341
12 month U.S. LIBOR + 1.950% 2.246% 9/1/36 (b) (c)	34,800	36,333
6 month U.S. LIBOR + 1.310% 1.438% 5/1/34 (b) (c)	29,928	30,892
6 month U.S. LIBOR + 1.420% 1.41% 9/1/33 (b) (c)	44,812	46,182
6 month U.S. LIBOR + 1.550% 1.675% 10/1/33 (b) (c)	3,268	3,399
6 month U.S. LIBOR + 1.560% 1.71% 7/1/35 (b) (c)	4,874	5,089
U.S. TREASURY 1 YEAR INDEX + 1.940% 1.945% 10/1/33 (b) (c)	79,225	83,251
U.S. TREASURY 1 YEAR INDEX + 2.200% 2.333% 3/1/35 (b) (c)	4,096	4,326
U.S. TREASURY 1 YEAR INDEX + 2.220% 2.345% 8/1/36 (b) (c)	134,375	142,029
U.S. TREASURY 1 YEAR INDEX + 2.280% 2.41% 10/1/33 (b) (c)	9,053	9,502
U.S. TREASURY 1 YEAR INDEX + 2.420% 2.537% 5/1/35 (b) (c)	13,144	13,833
2% 7/1/50 to 12/1/51	53,385,846	53,469,994
2.5% 7/1/31 to 12/1/51	61,662,243	63,517,769
3% 8/1/32 to 12/1/51	61,700,039	64,829,164
3.5% 8/1/37 to 11/1/49	32,411,164	34,705,999
4% 7/1/39 to 11/1/49	30,000,078	32,429,589
4.5% to 4.5% 5/1/25 to 9/1/49	17,693,189	19,268,864
5% 3/1/23 to 5/1/44	782,596	872,317
6% 10/1/34 to 1/1/42	2,767,565	3,196,536
6.5% 12/1/23 to 8/1/36	510,410	588,841
7% to 7% 11/1/23 to 8/1/32	86,133	94,997
7.5% to 7.5% 9/1/22 to 11/1/31	101,385	114,550
8% 1/1/30	250	289
8.5% 3/1/25	66	71
<b>TOTAL FANNIE MAE</b>		<u>273,811,002</u>

### Freddie Mac – 3.2%

12 month U.S. LIBOR + 1.370% 1.666% 3/1/36 (b) (c)	38,344	39,951
12 month U.S. LIBOR + 1.880% 2.13% 4/1/41 (b) (c)	5,761	6,095
12 month U.S. LIBOR + 1.880% 2.13% 9/1/41 (b) (c)	21,073	22,194
12 month U.S. LIBOR + 1.910% 2.16% 5/1/41 (b) (c)	43,273	45,816
12 month U.S. LIBOR + 1.910% 2.16% 6/1/41 (b) (c)	56,463	59,774
12 month U.S. LIBOR + 1.910% 2.16% 6/1/41 (b) (c)	14,724	15,586
12 month U.S. LIBOR + 1.910% 2.197% 5/1/41 (b) (c)	41,174	43,620
12 month U.S. LIBOR + 2.030% 2.293% 3/1/33 (b) (c)	657	687
12 month U.S. LIBOR + 2.160% 2.41% 11/1/35 (b) (c)	10,378	10,956
6 month U.S. LIBOR + 1.650% 1.78% 4/1/35 (b) (c)	40,518	42,291
6 month U.S. LIBOR + 2.680% 2.812% 10/1/35 (b) (c)	7,252	7,664
U.S. TREASURY 1 YEAR INDEX + 2.240% 2.371% 1/1/35 (b) (c)	4,759	5,026
1.5% 12/1/51	6,100,003	5,905,400
2% 6/1/50 to 12/1/51	36,043,584	36,080,013
2.5% 8/1/32 to 12/1/51	41,967,140	43,112,280
3% 6/1/31 to 6/1/50	20,237,749	21,315,889
3.5% 3/1/32 to 10/1/49	35,056,748	37,447,614
4% 5/1/37 to 6/1/48	19,659,072	21,262,014
4.5% 7/1/25 to 10/1/48	12,240,203	13,378,910
5% 1/1/40 to 6/1/41	968,133	1,085,770
6% 4/1/32 to 8/1/37	275,781	313,749
7.5% 8/1/26 to 11/1/31	10,600	12,226

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

## Schedule of Investments – continued

### U.S. Government Agency – Mortgage Securities – continued

	Principal Amount	Value
<b>Freddie Mac – continued</b>		
8% 4/1/27 to 5/1/27	\$ 833	\$ 925
8.5% 5/1/27 to 1/1/28	1,782	1,973
<b>TOTAL FREDDIE MAC</b>		<u>180,216,423</u>
<b>Ginnie Mae – 3.9%</b>		
3% 12/20/42 to 6/20/51	18,087,799	18,848,487
3.5% 12/20/40 to 6/20/50	23,563,544	24,758,105
4% 2/15/40 to 4/20/48	18,517,323	19,963,104
4.5% 5/15/39 to 5/20/41	3,640,908	4,023,298
5% 3/15/39 to 4/20/48	2,198,167	2,424,767
6.5% 4/15/35 to 11/15/35	40,572	46,844
7% 1/15/28 to 7/15/32	284,990	322,055
7.5% to 7.5% 4/15/22 to 10/15/28	51,456	56,569
8% 3/15/30 to 9/15/30	5,404	6,226
2% 1/1/52 (g)	9,400,000	9,490,572
2% 1/1/52 (g)	3,950,000	3,988,059
2% 1/1/52 (g)	7,850,000	7,925,637
2% 1/1/52 (g)	3,900,000	3,937,578
2% 1/1/52 (g)	3,600,000	3,634,687
2% 1/1/52 (g)	2,050,000	2,069,752
2% 1/1/52 (g)	2,150,000	2,170,716
2% 1/1/52 (g)	1,800,000	1,817,344
2% 1/1/52 (g)	1,800,000	1,817,344
2% 2/1/52 (g)	2,800,000	2,821,838
2.5% 1/1/52 (g)	5,500,000	5,637,690
2.5% 1/1/52 (g)	7,900,000	8,097,773
2.5% 1/1/52 (g)	6,300,000	6,457,718
2.5% 1/1/52 (g)	7,800,000	7,995,270
2.5% 1/1/52 (g)	3,900,000	3,997,635
2.5% 1/1/52 (g)	1,650,000	1,691,307
2.5% 1/1/52 (g)	3,100,000	3,177,607
2.5% 1/1/52 (g)	2,000,000	2,050,069
3% 1/1/52 (g)	5,150,000	5,331,281
3% 1/1/52 (g)	1,250,000	1,294,000
3% 1/1/52 (g)	3,600,000	3,726,720
3% 1/1/52 (g)	5,000,000	5,176,001
3% 1/1/52 (g)	4,350,000	4,503,120
3% 2/1/52 (g)	4,350,000	4,495,134
3.5% 1/1/52 (g)	5,950,000	6,196,521
3.5% 1/1/52 (g)	3,550,000	3,697,084
3.5% 1/1/52 (g)	3,300,000	3,436,726
3.5% 1/1/52 (g)	7,050,000	7,342,096
3.5% 1/1/52 (g)	8,850,000	9,216,674
3.5% 1/1/52 (g)	4,800,000	4,998,874
3.5% 1/1/52 (g)	1,950,000	2,030,793
3.5% 1/1/52 (g)	4,400,000	4,582,301
<b>TOTAL GINNIE MAE</b>		<u>215,255,376</u>
<b>Uniform Mortgage Backed Securities – 5.8%</b>		
1.5% 1/1/52 (g)	3,500,000	3,385,799
1.5% 1/1/52 (g)	11,600,000	11,221,505

	Principal Amount	Value
1.5% 1/1/52 (g)	\$ 2,300,000	\$ 2,224,954
1.5% 1/1/52 (g)	8,000,000	7,738,969
1.5% 2/1/52 (g)	5,750,000	5,553,399
2% 1/1/52 (g)	21,000,000	20,949,470
2% 1/1/52 (g)	21,400,000	21,348,507
2% 1/1/52 (g)	13,700,000	13,667,035
2% 1/1/52 (g)	7,850,000	7,831,111
2% 1/1/52 (g)	11,750,000	11,721,727
2% 1/1/52 (g)	1,600,000	1,596,150
2% 1/1/52 (g)	10,250,000	10,225,336
2% 1/1/52 (g)	8,200,000	8,180,269
2% 1/1/52 (g)	14,650,000	14,614,749
2% 2/1/52 (g)	14,650,000	14,582,702
2% 2/1/52 (g)	12,550,000	12,492,349
2.5% 1/1/52 (g)	23,100,000	23,587,276
2.5% 1/1/52 (g)	14,750,000	15,061,139
2.5% 1/1/52 (g)	18,300,000	18,686,024
2.5% 1/1/52 (g)	1,500,000	1,531,641
2.5% 1/1/52 (g)	3,000,000	3,063,283
2.5% 1/1/52 (g)	3,000,000	3,063,283
2.5% 1/1/52 (g)	10,400,000	10,619,380
2.5% 1/1/52 (g)	1,450,000	1,480,587
2.5% 1/1/52 (g)	1,450,000	1,480,587
2.5% 1/1/52 (g)	2,000,000	2,042,188
3% 1/1/52 (g)	13,250,000	13,731,865
3% 1/1/52 (g)	11,050,000	11,451,858
3% 1/1/52 (g)	7,050,000	7,306,389
3% 1/1/52 (g)	5,650,000	5,855,475
3% 1/1/52 (g)	7,500,000	7,772,754
3% 1/1/52 (g)	3,900,000	4,041,832
3% 1/1/52 (g)	2,250,000	2,331,826
3% 1/1/52 (g)	50,000	51,818
3% 1/1/52 (g)	8,300,000	8,601,848
3% 1/1/52 (g)	5,000,000	5,181,836
3% 1/1/52 (g)	10,450,000	10,830,037
<b>TOTAL UNIFORM MORTGAGE BACKED SECURITIES</b>		<u>325,106,957</u>

### TOTAL U.S. GOVERNMENT AGENCY – MORTGAGE SECURITIES

(Cost \$994,731,688)

**994,389,758**

### Asset-Backed Securities – 5.4%

<b>AASET Trust:</b>		
Series 2018-1A Class A, 3.844% 1/16/38 (a)	2,075,354	1,809,361
Series 2019-1 Class A, 3.844% 5/15/39 (a)	2,215,782	2,003,311
<b>Series 2019-2:</b>		
Class A, 3.376% 10/16/39 (a)	3,862,117	3,677,521
Class B, 4.458% 10/16/39 (a)	713,637	589,374
Series 2021-1A Class A, 2.95% 11/16/41 (a)	4,613,994	4,522,536
Series 2021-2A Class A, 2.798% 1/15/47 (a)	8,152,000	8,091,731
<b>Aimco Series 2021-BA Class AR, 3 month U.S. LIBOR + 1.100%</b>		
1.2238% 1/15/32 (a) (b) (c)	1,196,595	1,196,611
<b>AIMCO CLO Ltd.:</b>		
Series 2021-11A Class AR, 3 month U.S. LIBOR + 1.130%		
1.253% 10/17/34 (a) (b) (c)	2,895,122	2,888,339

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

## Asset-Backed Securities – continued

	Principal Amount	Value		Principal Amount	Value
AIMCO CLO Ltd.: – continued					
Series 2021-12A Class A, 3 month U.S. LIBOR + 1.210% 1.3323% 1/17/32 (a) (b) (c)	\$4,610,287	\$ 4,607,064			
AIMCO CLO Ltd. / AIMCO CLO LLC Series 2021-14A Class A, 3 month U.S. LIBOR + 0.990% 1.1215% 4/20/34 (a) (b) (c)	7,080,431	7,011,206			
Allegany Park CLO, Ltd. / Allegany Series 2020-1A Class A, 3 month U.S. LIBOR + 1.330% 1.4615% 1/20/33 (a) (b) (c)	2,094,388	2,094,721			
Allegro CLO, Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.140% 1.2715% 7/20/34 (a) (b) (c)	3,462,915	3,457,049			
Apollo Aviation Securitization Equity Trust Series 2020-1A: Class A, 3.351% 1/16/40 (a)	1,672,332	1,569,471			
Class B, 4.335% 1/16/40 (a)	473,101	336,686			
Ares CLO Series 2019-54A Class A, 3 month U.S. LIBOR + 1.320% 1.4438% 10/15/32 (a) (b) (c)	3,790,141	3,790,721			
Ares CLO Ltd. Series 2020-58A Class A, 3 month U.S. LIBOR + 1.220% 1.3438% 1/15/33 (a) (b) (c)	5,580,874	5,581,560			
Ares LIX CLO Ltd. Series 2021-59A Class A, 3 month U.S. LIBOR + 1.030% 1.1539% 4/25/34 (a) (b) (c)	2,349,513	2,335,357			
Ares LV CLO Ltd. Series 2021-55A Class A1R, 3 month U.S. LIBOR + 1.130% 1.2538% 7/15/34 (a) (b) (c)	4,364,867	4,362,423			
Ares XLI CLO Ltd. / Ares XLI CLO LLC Series 2021-41A Class AR2, 3 month U.S. LIBOR + 1.070% 1.1938% 4/15/34 (a) (b) (c)	4,911,862	4,893,172			
Ares XXXIV CLO Ltd. Series 2020-2A Class AR2, 3 month U.S. LIBOR + 1.250% 1.3723% 4/17/33 (a) (b) (c)	1,505,103	1,505,460			
Babson CLO Ltd. Series 2021-1A Class AR, 3 month U.S. LIBOR + 1.150% 1.2738% 10/15/36 (a) (b) (c)	2,921,466	2,921,980			
Barings CLO Ltd.:					
Series 2021-1A Class A, 3 month U.S. LIBOR + 1.020% 1.1439% 4/25/34 (a) (b) (c)	5,159,362	5,125,780			
Series 2021-4A Class A, 3 month U.S. LIBOR + 1.220% 1.3515% 1/20/32 (a) (b) (c)	4,679,615	4,679,681			
Beechwood Park CLO Ltd. Series 2019-1A Class A1, 3 month U.S. LIBOR + 1.330% 1.4523% 1/17/33 (a) (b) (c)	3,567,600	3,568,253			
BETHP Series 2021-1A Class A, 3 month U.S. LIBOR + 1.130% 1.2698% 1/15/35 (a) (b) (c)	4,414,783	4,412,161			
Blackbird Capital Aircraft:					
Series 2016-1A:					
Class A, 4.213% 12/16/41 (a)	4,735,852	4,650,458			
Class AA, 2.487% 12/16/41 (a) (b)	677,177	666,379			
Series 2021-1A Class A, 2.443% 7/15/46 (a)	6,203,140	6,122,237			
Bristol Park CLO, Ltd. Series 2020-1A Class AR, 3 month U.S. LIBOR + 0.990% 1.1138% 4/15/29 (a) (b) (c)	4,500,750	4,492,482			
Cascade Funding Mortgage Trust Series 2021-HB6 Class A, 0.8983% 6/25/36 (a)	3,476,184	3,471,254			
Castlelake Aircraft Securitization Trust Series 2019-1A:					
Class A, 3.967% 4/15/39 (a)	3,263,199	3,216,852			
Class B, 5.095% 4/15/39 (a)	1,505,423	1,417,021			
Castlelake Aircraft Structured Trust:					
Series 2018-1 Class A, 4.125% 6/15/43 (a)	3,042,270	2,980,022			
Series 2021-1A Class A, 3.474% 1/15/46 (a)	1,368,830	1,384,480			
Cedar Funding Ltd. Series 2021-10A Class AR, 3 month U.S. LIBOR + 1.100% 1.1% 10/20/32 (a) (b) (c)	3,529,470	3,528,030			
Cedar Funding XII CLO Ltd. / Cedar Funding XII CLO LLC Series 2021-12A Class A1R, 3 month U.S. LIBOR + 1.130% 1.2626% 10/25/34 (a) (b) (c)	2,709,324	2,703,022			
CEDF Series 2021-6A Class ARR, 3 month U.S. LIBOR + 1.050% 1.1815% 4/20/34 (a) (b) (c)	\$4,267,116	\$ 4,238,799			
Cent CLO Ltd. / Cent CLO Series 2021-29A Class AR, 3 month U.S. LIBOR + 1.170% 1.3244% 10/20/34 (a) (b) (c)	4,393,985	4,393,976			
Columbia Cent CLO 31 Ltd. Series 2021-31A Class A1, 3 month U.S. LIBOR + 1.200% 1.3315% 4/20/34 (a) (b) (c)	4,714,279	4,716,457			
Columbia Cent CLO Ltd. / Columbia Cent CLO Corp. Series 2021-30A Class A1, 3 month U.S. LIBOR + 1.310% 1.4415% 1/20/34 (a) (b) (c)	6,170,159	6,181,395			
DB Master Finance LLC Series 2017-1A Class A2II, 4.03% 11/20/47 (a)	4,022,288	4,198,182			
Dryden CLO, Ltd.:					
Series 2021-76A Class A1R, 3 month U.S. LIBOR + 1.150% 1.31% 10/20/34 (a) (b) (c)	2,917,307	2,916,125			
Series 2021-83A Class A, 3 month U.S. LIBOR + 1.220% 1.3423% 1/18/32 (a) (b) (c)	3,577,306	3,577,585			
Dryden Senior Loan Fund:					
Series 2020-78A Class A, 3 month U.S. LIBOR + 1.180% 1.3023% 4/17/33 (a) (b) (c)	2,981,088	2,982,242			
Series 2021-85A Class AR, 3 month U.S. LIBOR + 1.150% 1.2738% 10/15/35 (a) (b) (c)	3,880,961	3,881,644			
Series 2021-90A Class A1A, 3 month U.S. LIBOR + 1.130% 1.2897% 2/20/35 (a) (b) (c)	2,307,917	2,306,502			
Eaton Vance CLO, Ltd.:					
Series 2021-1A Class AR, 3 month U.S. LIBOR + 1.100% 1.2238% 4/15/31 (a) (b) (c)	2,000,795	2,001,983			
Series 2021-2A Class AR, 3 month U.S. LIBOR + 1.150% 1.2598% 1/15/35 (a) (b) (c)	5,288,000	5,283,532			
Eaton Vance CLO, Ltd. / Eaton Vance CLO LLC Series 2021-1A Class A13R, 3 month U.S. LIBOR + 1.250% 1.3738% 1/15/34 (a) (b) (c)	1,005,251	1,005,776			
Flatiron CLO Ltd. Series 2021-1A:					
Class A1, 3 month U.S. LIBOR + 1.110% 1.2613% 7/19/34 (a) (b) (c)	3,148,168	3,137,530			
Class AR, 3 month U.S. LIBOR + 1.080% 0% 11/16/34 (a) (b) (c)	4,506,296	4,506,282			
Flatiron CLO Ltd. / Flatiron CLO LLC Series 2020-1A Class A, 3 month U.S. LIBOR + 1.300% 1.4596% 11/20/33 (a) (b) (c)	4,388,439	4,391,954			
Horizon Aircraft Finance I Ltd. Series 2018-1 Class A, 4.458% 12/15/38 (a)	1,697,339	1,646,597			
Horizon Aircraft Finance Ltd. Series 2019-1 Class A, 3.721% 7/15/39 (a)	1,768,800	1,733,115			
Invesco CLO Ltd. Series 2021-3A Class A, 3 month U.S. LIBOR + 1.130% 1.2485% 10/22/34 (a) (b) (c)	3,092,012	3,084,730			
Lucali CLO Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.210% 1.3338% 1/15/33 (a) (b) (c)	2,218,484	2,218,713			
Madison Park Funding Series 2020-19A Class A1R2, 3 month U.S. LIBOR + 0.920% 1.0483% 1/22/28 (a) (b) (c)	3,071,668	3,069,389			
Madison Park Funding L Ltd. / Madison Park Funding L LLC Series 2021-50A Class A, 3 month U.S. LIBOR + 1.140% 1.2636% 4/19/34 (a) (b) (c)	4,943,060	4,943,050			
Madison Park Funding LII Ltd. / Madison Park Funding LII LLC Series 2021-52A Class A, 3 month U.S. LIBOR + 1.100% 1.1926% 1/22/35 (a) (b) (c)	5,026,253	5,017,271			
Madison Park Funding XLV Ltd./Madison Park Funding XLV LLC Series 2021-45A Class AR, 3 month U.S. LIBOR + 1.120% 1.2438% 7/15/34 (a) (b) (c)	3,141,928	3,140,178			

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

## Schedule of Investments – continued

### Asset-Backed Securities – continued

	Principal Amount	Value
Madison Park Funding XXXII, Ltd. / Madison Park Funding XXXII LLC Series 2021-32A Class A2R, 3 month U.S. LIBOR + 1.200% 1.3283% 1/22/31 (a) (b) (c)	\$1,296,427	\$ 1,296,484
Madison Park Funding XXXIII Ltd. Series 2019-33A Class A, 3 month U.S. LIBOR + 1.330% 1.4538% 10/15/32 (a) (b) (c)	2,047,938	2,048,446
Magnetite CLO Ltd. Series 2021-27A Class AR, 3 month U.S. LIBOR + 1.140% 1.2715% 10/20/34 (a) (b) (c)	1,041,994	1,041,992
Magnetite IX, Ltd. / Magnetite IX LLC Series 2021-30A Class A, 3 month U.S. LIBOR + 1.130% 1.2622% 10/25/34 (a) (b) (c)	5,328,522	5,325,368
Magnetite XXI Ltd.:		
Series 2019-24A Class A, 3 month U.S. LIBOR + 1.330% 1.4538% 1/15/33 (a) (b) (c)	6,268,604	6,269,055
Series 2021-21A Class AR, 3 month U.S. LIBOR + 1.020% 1.1515% 4/20/34 (a) (b) (c)	4,120,834	4,094,168
Magnetite XXIX, Ltd. / Magnetite XXIX LLC Series 2021-29A Class A, 3 month U.S. LIBOR + 0.990% 1.1138% 1/15/34 (a) (b) (c)	4,305,246	4,306,705
Milos CLO, Ltd. Series 2020-1A Class AR, 3 month U.S. LIBOR + 1.070% 1.2015% 10/20/30 (a) (b) (c)	4,514,615	4,514,629
Park Place Securities, Inc. Series 2005-WCH1 Class M4, 1 month U.S. LIBOR + 1.240% 1.3469% 1/25/36 (b) (c)	190,263	190,439
Peace Park CLO, Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.130% 1.2682% 10/20/34 (a) (b) (c)	1,720,018	1,720,013
Planet Fitness Master Issuer LLC Series 2019-1A Class A2, 3.858% 12/5/49 (a)	3,292,800	3,384,350
Project Silver Series 2019-1 Class A, 3.967% 7/15/44 (a)	3,304,974	3,204,197
Rockland Park CLO Ltd. Series 2021-1A Class A, 3 month U.S. LIBOR + 1.120% 1.2515% 4/20/34 (a) (b) (c)	5,887,302	5,884,135
Sapphire Aviation Finance Series 2020-1A:		
Class A, 3.228% 3/15/40 (a)	3,487,526	3,386,570
Class B, 4.335% 3/15/40 (a)	521,805	450,792
SBA Tower Trust:		
Series 2019, 2.836% 1/15/50 (a)	4,299,000	4,411,425
1.884% 7/15/50 (a)	1,656,000	1,653,819
2.328% 7/15/52 (a)	1,266,000	1,292,311
Symphony CLO XXI, Ltd. Series 2021-21A Class AR, 3 month U.S. LIBOR + 1.060% 1.1836% 7/15/32 (a) (b) (c)	580,272	580,334
Symphony CLO XXV Ltd. / Symphony CLO XXV LLC Series 2021-25A Class A, 3 month U.S. LIBOR + 0.980% 1.1036% 4/19/34 (a) (b) (c)	5,230,076	5,207,304
Symphony CLO XXVI Ltd. / Symphony CLO XXVI LLC Series 2021-26A Class AR, 3 month U.S. LIBOR + 1.080% 1.2115% 4/20/33 (a) (b) (c)	3,750,625	3,742,426
Taconic Park CLO, Ltd. Series 2020-1A Class A1R, 3 month U.S. LIBOR + 1.000% 1.1315% 1/20/29 (a) (b) (c)	3,010,206	3,008,520
Terwin Mortgage Trust Series 2003-4HE Class A1, 1 month U.S. LIBOR + 0.860% 0.9619% 9/25/34 (b) (c)	6,068	6,008
Thunderbolt Aircraft Lease Ltd. Series 2018-A Class A, 4.147% 9/15/38 (a) (b)	4,197,474	4,119,962
Thunderbolt III Aircraft Lease Ltd. Series 2019-1 Class A, 3.671% 11/15/39 (a)	5,171,684	5,120,181
Voya CLO Ltd. Series 2019-2A Class A, 3 month U.S. LIBOR + 1.270% 1.4015% 7/20/32 (a) (b) (c)	4,542,346	4,542,460
Voya CLO Ltd./Voya CLO LLC:		
Series 2021-2A Class A1R, 3 month U.S. LIBOR + 1.160% 1.2836% 7/19/34 (a) (b) (c)	2,886,802	2,886,796
Series 2021-3A Class AR, 3 month U.S. LIBOR + 1.150% 1.2815% 10/20/34 (a) (b) (c)	5,908,100	5,901,188

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

	Principal Amount	Value
Voya CLO, Ltd. Series 2021-1A Class AR, 3 month U.S. LIBOR + 1.150% 1.2723% 7/16/34 (a) (b) (c)	\$2,915,227	\$ 2,911,959
<b>TOTAL ASSET-BACKED SECURITIES</b> (Cost \$299,877,946)		<b>298,738,809</b>

### Collateralized Mortgage Obligations – 0.1%

	Principal Amount	Value
<b>Private Sponsor – 0.1%</b>		
Preston Ridge Partners Mortgage Trust Series 2021-2 Class A1, 2.115% 3/25/26 (a)	4,850,493	4,845,215
Sequoia Mortgage Trust floater Series 2004-6 Class A3B, 6 month U.S. LIBOR + 0.880% 1.1915% 7/20/34 (b) (c)	1,380	1,351
<b>TOTAL PRIVATE SPONSOR</b>		<b>4,846,566</b>
<b>U.S. Government Agency – 0.0%</b>		
Fannie Mae planned amortization class:		
Series 1999-54 Class PH, 6.5% 11/18/29	46,699	49,249
Series 1999-57 Class PH, 6.5% 12/25/29	71,095	77,181
Ginnie Mae guaranteed REMIC pass-thru certificates:		
sequential payer Series 2013-HO6 Class HA, 1.65% 1/20/63 (h)	27,232	27,305
Series 2007-35 Class SC, 40.200%- 1 month U.S. LIBOR 39.555% 6/16/37 (b) (i)	11,537	19,411
<b>TOTAL U.S. GOVERNMENT AGENCY</b>		<b>173,146</b>
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b> (Cost \$5,003,973)		<b>5,019,712</b>

### Commercial Mortgage Securities – 4.8%

BAMLL Commercial Mortgage Securities Trust:		
sequential payer Series 2019-BPR Class ANM, 3.112% 11/5/32 (a)	2,673,000	2,725,330
Series 2019-BPR:		
Class BNM, 3.465% 11/5/32 (a)	600,000	604,439
Class CNM, 3.7186% 11/5/32 (a) (b)	248,000	245,451
BANK sequential payer:		
Series 2018-BN10 Class A5, 3.688% 2/15/61	266,911	291,958
Series 2019-BN21 Class A5, 2.851% 10/17/52	456,176	479,609
Benchmark Mortgage Trust:		
sequential payer:		
Series 2018-B4 Class A5, 4.121% 7/15/51	950,482	1,064,104
Series 2019-B10 Class A4, 3.717% 3/15/62	881,154	971,297
Series 2018-B8 Class A5, 4.2317% 1/15/52	6,516,104	7,375,132
BFLD Trust floater sequential payer Series 2020-OBK Class A, 1 month U.S. LIBOR + 2.050% 2.16% 11/15/28 (a) (b) (c)	2,439,000	2,440,904
BX Commercial Mortgage Trust:		
floater:		
Series 2018-BIOA:		
Class A, 1 month U.S. LIBOR + 0.670% 0.7811% 3/15/37 (a) (b) (c)	4,497,809	4,495,032
Class C, 1 month U.S. LIBOR + 1.120% 1.2311% 3/15/37 (a) (c)	483,948	482,431



## Commercial Mortgage Securities – continued

	Principal Amount	Value		Principal Amount	Value
BX Commercial Mortgage Trust: – continued					
floater: – continued					
Series 2018-BIOA: – continued					
Class D, 1 month U.S. LIBOR + 1.320% 1.4311% 3/15/37 (a) (b) (c)	\$ 3,373,115	\$ 3,359,308			
Series 2020-BXLP:					
Class B, 1 month U.S. LIBOR + 1.000% 1.11% 12/15/36 (a) (b) (c)	2,042,988	2,040,527			
Class C, 1 month U.S. LIBOR + 1.120% 1.23% 12/15/36 (a) (b) (c)	1,629,643	1,626,062			
Class D, 1 month U.S. LIBOR + 1.250% 1.36% 12/15/36 (a) (b) (c)	2,528,118	2,518,600			
Series 2021-PAC:					
Class A, 1 month U.S. LIBOR + 0.680% 0.7991% 10/15/36 (a) (b) (c)	6,127,747	6,105,153			
Class B, 1 month U.S. LIBOR + 0.890% 1.0088% 10/15/36 (a) (b) (c)	895,713	892,348			
Class C, 1 month U.S. LIBOR + 1.090% 1.2086% 10/15/36 (a) (b) (c)	1,198,675	1,193,632			
Class D, 1 month U.S. LIBOR + 1.290% 1.4083% 10/15/36 (a) (b) (c)	1,163,318	1,157,900			
Class E, 1 month U.S. LIBOR + 1.940% 2.0575% 10/15/36 (a) (b) (c)	4,045,267	4,026,572			
Series 2021-VINO Class A, 1 month U.S. LIBOR + 0.650% 0.7623% 5/15/38 (a) (b) (c)	450,000	448,036			
floater sequential payer:					
Series 2020-BXLP Class A, 1 month U.S. LIBOR + 0.800% 0.91% 12/15/36 (a) (b) (c)	12,615,917	12,608,329			
Series 2020-FOX Class A, 1 month U.S. LIBOR + 1.000% 1.11% 11/15/32 (a) (b) (c)	2,989,425	2,988,520			
BX Trust:					
floater:					
Series 2018-EXCL Class D, 1 month U.S. LIBOR + 2.620% 2.735% 9/15/37 (a) (b) (c)	1,211,474	1,032,898			
Series 2018-IND Class F, 1 month U.S. LIBOR + 1.800% 1.91% 11/15/35 (a) (b) (c)	1,419,968	1,419,112			
Series 2019-IMC:					
Class B, 1 month U.S. LIBOR + 1.300% 1.41% 4/15/34 (a) (b) (c)	2,276,719	2,262,554			
Class C, 1 month U.S. LIBOR + 1.600% 1.71% 4/15/34 (a) (b) (c)	1,505,103	1,489,999			
Class D, 1 month U.S. LIBOR + 1.900% 2.01% 4/15/34 (a) (b) (c)	1,579,977	1,560,155			
Series 2019-XL:					
Class B, 1 month U.S. LIBOR + 1.080% 1.19% 10/15/36 (a) (b) (c)	4,883,247	4,877,116			
Class C, 1 month U.S. LIBOR + 1.250% 1.36% 10/15/36 (a) (b) (c)	2,292,318	2,288,723			
Class D, 1 month U.S. LIBOR + 1.450% 1.56% 10/15/36 (a) (b) (c)	3,246,370	3,240,254			
Class E, 1 month U.S. LIBOR + 1.800% 1.91% 10/15/36 (a) (b) (c)	4,561,654	4,553,066			
Series 2020-BXLP Class E, 1 month U.S. LIBOR + 1.600% 1.71% 12/15/36 (a) (b) (c)	2,067,881	2,058,798			
floater sequential payer Series 2021-SOAR Class A, 0.78% 6/15/38 (a) (b)	8,415,000	8,367,763			
			floater, sequential payer Series 2019-IMC Class A, 1 month U.S. LIBOR + 1.000% 1.11% 4/15/34 (a) (b) (c)	\$ 6,596,864	\$ 6,584,445
			CF Hippolyta Issuer LLC sequential payer Series 2021-1A Class A1, 1.53% 3/15/61 (a)	6,750,879	6,625,472
			CHC Commercial Mortgage Trust floater Series 2019-CHC:		
			Class A, 1 month U.S. LIBOR + 1.120% 1.23% 6/15/34 (a) (b) (c)	5,470,232	5,463,633
			Class B, 1 month U.S. LIBOR + 1.500% 1.61% 6/15/34 (a) (b) (c)	1,077,115	1,070,407
			Class C, 1 month U.S. LIBOR + 1.750% 1.86% 6/15/34 (a) (b) (c)	1,216,830	1,206,135
			CIM Retail Portfolio Trust floater Series 2021-RETL:		
			Class A, 1 month U.S. LIBOR + 1.400% 1.51% 8/15/36 (a) (b) (c)	3,753,000	3,743,553
			Class B, 1 month U.S. LIBOR + 1.900% 2.01% 8/15/36 (a) (b) (c)	1,156,000	1,148,803
			Class C, 1 month U.S. LIBOR + 2.300% 2.41% 8/15/36 (a) (b) (c)	860,000	853,527
			Class D, 1 month U.S. LIBOR + 3.050% 3.16% 8/15/36 (a) (b) (c)	1,061,000	1,050,352
			COMM Mortgage Trust:		
			sequential payer Series 2014-CR18 Class A5, 3.828% 7/15/47	876,301	922,208
			Series 2013-CR13 Class AM, 4.449% 11/10/46	4,079,000	4,276,433
			Series 2013-LC13 Class AM, 4.557% 8/10/46 (a)	2,400,000	2,514,195
			Credit Suisse Mortgage Trust:		
			floater Series 2019-ICE4:		
			Class A, 1 month U.S. LIBOR + 0.980% 1.09% 5/15/36 (a) (b) (c)	495,000	494,851
			Class B, 1 month U.S. LIBOR + 1.230% 1.34% 5/15/36 (a) (b) (c)	2,282,000	2,279,511
			Class C, 1 month U.S. LIBOR + 1.430% 1.54% 5/15/36 (a) (b) (c)	549,000	547,293
			sequential payer Series 2020-NET Class A, 2.2569% 8/15/37 (a)	1,367,141	1,378,256
			Series 2018-SITE:		
			Class A, 4.284% 4/15/36 (a)	2,552,643	2,618,616
			Class B, 4.5349% 4/15/36 (a)	784,789	797,253
			Class C, 4.782% 4/15/36 (a) (b)	526,890	530,866
			Class D, 4.782% 4/15/36 (a) (b)	1,053,087	1,034,331
			ELP Commercial Mortgage Trust floater Series 2021-ELP Class A, 1 month U.S. LIBOR + 0.700% 0.8108% 11/15/38 (a) (b) (c)		
				8,268,706	8,219,794
			Extended Stay America Trust floater Series 2021-ESH:		
			Class A, 1 month U.S. LIBOR + 1.080% 1.19% 7/15/38 (a) (b) (c)	2,726,814	2,730,403
			Class B, 1 month U.S. LIBOR + 1.380% 1.49% 7/15/38 (a) (b) (c)	1,552,921	1,552,920
			Class C, 1 month U.S. LIBOR + 1.700% 1.81% 7/15/38 (a) (b) (c)	1,145,043	1,145,042
			Class D, 1 month U.S. LIBOR + 2.250% 2.36% 7/15/38 (a) (b) (c)	2,306,998	2,306,996
			Freddie Mac:		
			floater:		
			Series 2021-F108 Class A/S, U.S. 30-Day Avg. Secured Overnight Fin. Rate (SOFR) Indx + 0.250% 0.3% 2/25/31 (b) (c)	2,000,000	1,996,626

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

## Schedule of Investments – continued

### Commercial Mortgage Securities – continued

	Principal Amount	Value
Freddie Mac: – continued		
floater: – continued		
Series 2021-F109 Class A/S, U.S. 30-Day Avg. Secured Overnight Fin. Rate (SOFR) Indx + 0.240% 0.29% 3/25/31 (b) (c)	\$ 600,000	\$ 600,514
Series 2021-F112 Class A/S, U.S. 30-Day Avg. Secured Overnight Fin. Rate (SOFR) Indx + 0.230% 0.28% 4/25/31 (b) (c)	2,850,000	2,840,179
sequential payer Series 2021-K136 Class A2, 2.127% 11/25/31	4,030,000	4,144,598
GS Mortgage Securities Trust:		
floater:		
Series 2018-3PCK Class A, 1 month U.S. LIBOR + 1.700% 1.81% 9/15/31 (a) (b) (c)	2,737,705	2,721,073
Series 2021-IP:		
Class A, 1 month U.S. LIBOR + 0.950% 1.06% 10/15/36 (a) (b) (c)	3,525,310	3,523,074
Class B, 1 month U.S. LIBOR + 1.150% 1.26% 10/15/36 (a) (b) (c)	544,915	544,323
Class C, 1 month U.S. LIBOR + 1.550% 1.66% 10/15/36 (a) (b) (c)	449,243	448,555
Series 2013-GC12 Class A/S, 3.375% 6/10/46	3,922,000	4,013,279
JPMBB Commercial Mortgage Securities Trust Series 2013-C17 Class A/S, 4.4584% 1/15/47	5,700,000	5,988,995
JPMCC Commercial Mortgage Securities Trust Series 2016-JP4 Class ASB, 3.4743% 12/15/49	4,481,918	4,692,984
JPMorgan Chase Commercial Mortgage Securities Trust Series 2018-WPT:		
Class AFX, 4.2475% 7/5/33 (a)	277,000	287,399
Class CFX, 4.9498% 7/5/33 (a)	505,398	521,632
Class DFX, 5.3503% 7/5/33 (a)	874,221	899,645
Class EFX, 5.5422% 7/5/33 (a)	1,062,793	1,082,515
LIFE Mortgage Trust floater Series 2021-BMR:		
Class A, 1 month U.S. LIBOR + 0.700% 0.81% 3/15/38 (a) (b) (c)	6,816,757	6,801,942
Class B, 1 month U.S. LIBOR + 0.880% 0.99% 3/15/38 (a) (b) (c)	1,220,166	1,207,918
Class C, 1 month U.S. LIBOR + 1.100% 1.21% 3/15/38 (a) (b) (c)	767,457	759,752
Class D, 1 month U.S. LIBOR + 1.400% 1.51% 3/15/38 (a) (b) (c)	1,067,645	1,056,926
Class E, 1 month U.S. LIBOR + 1.750% 1.86% 3/15/38 (a) (b) (c)	933,150	923,784
Merit floater Series 2020-HILL Class A, 1 month U.S. LIBOR + 1.150% 1.26% 8/15/37 (a) (b) (c)	1,250,463	1,250,087
MHC Commercial Mortgage Trust floater sequential payer Series 2021-MHC Class A, 1 month U.S. LIBOR + 0.800% 0.9107% 4/15/38 (a) (b) (c)	5,705,000	5,692,489
Morgan Stanley Capital I Trust:		
floater Series 2018-BOP:		
Class B, 1 month U.S. LIBOR + 1.250% 1.36% 8/15/33 (a) (b) (c)	2,884,102	2,877,119
Class C, 1 month U.S. LIBOR + 1.500% 1.61% 8/15/33 (a) (b) (c)	6,946,424	6,908,225
sequential payer Series 2019-MEAD Class A, 3.17% 11/10/36 (a)	5,810,349	5,950,189

	Principal Amount	Value
Series 2018-H4 Class A4, 4.31% 12/15/51	\$ 4,283,754	\$ 4,873,949
Series 2019-MEAD:		
Class B, 3.1771% 11/10/36 (a) (b)	839,558	845,831
Class C, 3.1771% 11/10/36 (a) (b)	805,587	801,600
Natixis Commercial Mortgage Securities Trust sequential payer Series 2020-2PAC Class A, 2.966% 12/15/38 (a)	8,342,000	8,542,931
Prima Capital Ltd. floater sequential payer Series 2021-9A Class A, 1 month U.S. LIBOR + 1.450% 1.5539% 12/15/37 (a) (b) (c)	1,662,519	1,661,480
Providence Place Group Ltd. Partnership Series 2000-C1 Class A2, 7.75% 7/20/28 (a)	2,263,638	2,658,771
SREIT Trust floater Series 2021-MFP:		
Class A, 1 month U.S. LIBOR + 0.730% 0.8308% 11/15/38 (a) (b) (c)	5,583,647	5,557,524
Class B, 1 month U.S. LIBOR + 1.070% 1.1798% 11/15/38 (a) (b) (c)	3,198,083	3,175,651
Class C, 1 month U.S. LIBOR + 1.320% 1.429% 11/15/38 (a) (b) (c)	1,986,237	1,971,398
Class D, 1 month U.S. LIBOR + 1.570% 1.6782% 11/15/38 (a) (b) (c)	1,305,439	1,295,098
VLS Commercial Mortgage Trust:		
sequential payer Series 2020-LAB Class A, 2.13% 10/10/42 (a)	3,993,271	3,947,559
Series 2020-LAB Class B, 2.453% 10/10/42 (a)	256,512	253,913
Wells Fargo Commercial Mortgage Trust:		
floater Series 2021-FCMT Class A, 1 month U.S. LIBOR + 1.200% 1.31% 5/15/31 (a) (b) (c)	3,048,000	3,046,161
sequential payer Series 2015-C26 Class A4, 3.166% 2/15/48	2,321,089	2,424,354
Series 2018-C48 Class A5, 4.302% 1/15/52	1,922,455	2,181,916

### TOTAL COMMERCIAL MORTGAGE SECURITIES

(Cost \$265,663,461)

**265,358,365**

### Municipal Securities – 0.8%

California Gen. Oblig.:		
Series 2009:		
7.35% 11/1/39	560,000	883,830
7.55% 4/1/39	2,485,000	4,147,105
Series 2010, 6.65% 3/1/22	1,510,000	1,525,403
Chicago Gen. Oblig. (Taxable Proj.) Series 2010 C1, 7.781% 1/1/35	2,040,000	2,853,906
Illinois Gen. Oblig.:		
Series 2003:		
4.95% 6/1/23	1,746,182	1,813,086
5.1% 6/1/33	3,330,000	3,849,095
Series 2010-1, 6.63% 2/1/35	8,520,000	10,409,355
Series 2010-3:		
6.725% 4/1/35	6,570,000	8,080,151
7.35% 7/1/35	3,840,000	4,833,789
New Jersey Econ. Dev. Auth. State Pension Fdg. Rev. Series 1997, 7.425% 2/15/29 (Nat'l. Pub. Fin. Guarantee Corp. Insured)	5,019,000	6,308,040

### TOTAL MUNICIPAL SECURITIES

(Cost \$45,152,819)

**44,703,760**

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

### Foreign Government and Government Agency Obligations – 0.5%

	Principal Amount	Value
Emirate of Abu Dhabi:		
3.125% 4/16/30 (a)	\$4,576,000	\$ 4,953,520
3.875% 4/16/50 (a)	3,952,000	4,609,020
Kingdom of Saudi Arabia:		
2.9% 10/22/25 (a)	2,184,000	2,284,328
3.25% 10/22/30 (a)	2,184,000	2,348,892
4.5% 4/22/60 (a)	1,664,000	2,042,040
State of Qatar:		
3.4% 4/16/25 (a)	2,534,000	2,686,515
3.75% 4/16/30 (a)	5,155,000	5,783,910
4.4% 4/16/50 (a)	4,929,000	<u>6,099,638</u>
<b>TOTAL FOREIGN GOVERNMENT AND GOVERNMENT AGENCY OBLIGATIONS</b> (Cost \$30,382,058)		<b><u>30,807,863</u></b>

### Supranational Obligations – 0.1%

Corporacion Andina de Fomento 2.375% 5/12/23 (Cost \$4,175,019)	4,090,000	<u>4,164,911</u>
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### Bank Notes – 0.2%

Discover Bank:		
3.35% 2/6/23	2,223,000	2,276,173
4.682% 8/9/28 (b)	1,914,000	2,000,371
KeyBank NA 6.95% 2/1/28	800,000	1,006,458
Regions Bank 6.45% 6/26/37	5,352,000	<u>7,493,873</u>

### TOTAL BANK NOTES

(Cost \$12,855,377) **12,776,875**

### Fixed-Income Funds – 1.6%

	Shares	
Fidelity Specialized High Income Central Fund (j) (Cost \$82,333,503)	901,797	<u>87,005,374</u>

### Money Market Funds – 12.1%

Fidelity Cash Central Fund 0.08% (k)	515,305,729	515,408,790
Fidelity Securities Lending Cash Central Fund 0.08% (k) (l)	161,478,322	<u>161,494,470</u>

### TOTAL MONEY MARKET FUNDS

(Cost \$676,902,900) **676,903,260**

### TOTAL INVESTMENT IN SECURITIES – 111.3%

(Cost \$6,203,810,058) **6,198,757,740**

### NET OTHER ASSETS (LIABILITIES) – (11.3)%

**(627,971,359)**

### NET ASSETS – 100%

**\$5,570,786,381**

### TBA Sale Commitments

	Principal Amount	Value
<b>Ginnie Mae</b>		
2% 1/1/52	\$ (2,800,000)	\$ (2,826,979)
3% 1/1/52	(4,350,000)	(4,503,120)
3% 1/1/52	(4,350,000)	<u>(4,503,120)</u>
<b>TOTAL GINNIE MAE</b>		<u>(11,833,219)</u>
<b>Uniform Mortgage Backed Securities</b>		
1.5% 1/1/52	(5,750,000)	(5,562,384)
2% 1/1/52	(14,650,000)	(14,614,749)
2% 1/1/52	(5,900,000)	(5,885,803)
2% 1/1/52	(1,500,000)	(1,496,391)
2% 1/1/52	(12,550,000)	(12,519,802)
2% 1/1/52	(10,250,000)	(10,225,336)
2% 1/1/52	(8,200,000)	(8,180,269)
2% 1/1/52	(14,650,000)	(14,614,749)
2.5% 1/1/52	(12,200,000)	(12,457,349)
2.5% 1/1/52	(12,200,000)	(12,457,349)
2.5% 1/1/52	(2,000,000)	(2,042,188)
3% 1/1/52	(5,000,000)	(5,181,836)
3% 1/1/52	(6,150,000)	(6,373,658)
3% 1/1/52	(8,300,000)	(8,601,848)
3% 1/1/52	(10,500,000)	(10,881,856)
3% 1/1/52	(2,250,000)	(2,331,826)
3% 1/1/52	(50,000)	(51,818)
3% 1/1/52	(8,300,000)	(8,601,848)
3% 1/1/52	(5,000,000)	(5,181,836)
3% 1/1/52	(10,450,000)	<u>(10,830,040)</u>
<b>TOTAL UNIFORM MORTGAGE BACKED SECURITIES</b>		<u>(158,092,935)</u>
<b>TOTAL TBA SALE COMMITMENTS</b> (Proceeds \$169,748,987)		<b><u>\$(169,926,154)</u></b>

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

## Schedule of Investments – continued

### Futures Contracts

	Number of contracts	Expiration Date	Notional Amount	Value	Unrealized Appreciation/ (Depreciation)
<b>Purchased</b>					
<b>Treasury Contracts</b>					
CBOT 10-Year U.S. Treasury Note Contracts (United States)	295	March 2022	\$38,488,281	\$ (84,727)	\$ (84,727)
<b>Sold</b>					
<b>Treasury Contracts</b>					
CBOT 2-Year U.S. Treasury Note Contracts (United States)	50	March 2022	10,908,594	11,219	11,219
CBOT 5-Year U.S. Treasury Note Contracts (United States)	162	March 2022	19,598,203	15,094	15,094
CBOT Long Term U.S. Treasury Bond Contracts (United States)	184	March 2022	29,520,500	359,478	359,478
<b>TOTAL SOLD</b>					<u>385,791</u>
<b>TOTAL FUTURES CONTRACTS</b>					<b><u>\$301,064</u></b>

The notional amount of futures purchased as a percentage of Net Assets is 0.7%

The notional amount of futures sold as a percentage of Net Assets is 1.1%

### 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 \$787,156,988 or 14.1% of net assets.
- (b) Coupon rates for floating and adjustable rate securities reflect the rates in effect at period end.
- (c) Coupon is indexed to a floating interest rate which may be multiplied by a specified factor and/or subject to caps or floors.
- (d) Security or a portion of the security is on loan at period end.
- (e) 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 \$654,591.
- (f) 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 \$119,473.
- (g) Security or a portion of the security purchased on a delayed delivery or when-issued basis.
- (h) Represents an investment in an underlying pool of reverse mortgages which typically do not require regular principal and interest payments as repayment is deferred until a maturity event.
- (i) 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.
- (j) 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, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.
- (k) 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, which are not covered by the Fund's Report of Independent Registered Public Accounting Firm, are available on the SEC's website or upon request.
- (l) 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.

Fund	Value, beginning of period	Purchases	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain/Loss	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity Cash Central Fund 0.08%	\$ 55,052,793	\$1,160,593,517	\$ 700,237,756	\$ 62,738	\$ 248	\$ (12)	\$515,408,790	0.9%
Fidelity Securities Lending Cash Central Fund 0.08%	—	470,276,735	308,782,265	16,750	—	—	161,494,470	0.5%
Fidelity Specialized High Income Central Fund	244,314,420	7,007,374	160,000,000	7,007,412	4,061,141	(8,377,561)	87,005,374	23.9%

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

Fund	Value, beginning of period	Purchases	Sales Proceeds <sup>(a)</sup>	Dividend Income	Realized Gain/Loss	Change in Unrealized appreciation (depreciation)	Value, end of period	% ownership, end of period
Fidelity VIP Investment Grade Central Fund	\$4,998,183,586	\$ 630,800,579	\$5,426,666,950	\$189,100,495	\$209,980,501	\$ (412,297,716)	\$ —	0.0%
Total	<u>\$5,297,550,799</u>	<u>\$2,268,678,205</u>	<u>\$6,595,686,971</u>	<u>\$196,187,395</u>	<u>\$214,041,890</u>	<u>\$ (420,675,289)</u>	<u>\$763,908,634</u>	

(a) Includes the value of shares redeemed through in-kind transactions, if applicable.

Amounts in the 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. Amount 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.

## Investment Valuation

The following is a summary of the inputs used, as of December 31, 2021, 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>				
Corporate Bonds	\$1,775,419,960	\$ —	\$1,775,419,960	\$ —
U.S. Government and Government Agency Obligations	2,003,469,093	—	2,003,469,093	—
U.S. Government Agency — Mortgage Securities	994,389,758	—	994,389,758	—
Asset-Backed Securities	298,738,809	—	298,738,809	—
Collateralized Mortgage Obligations	5,019,712	—	5,019,712	—
Commercial Mortgage Securities	265,358,365	—	265,358,365	—
Municipal Securities	44,703,760	—	44,703,760	—
Foreign Government and Government Agency Obligations	30,807,863	—	30,807,863	—
Supranational Obligations	4,164,911	—	4,164,911	—
Bank Notes	12,776,875	—	12,776,875	—
Fixed-Income Funds	87,005,374	87,005,374	—	—
Money Market Funds	676,903,260	676,903,260	—	—
<b>Total Investments in Securities:</b>	<u>\$6,198,757,740</u>	<u>\$763,908,634</u>	<u>\$5,434,849,106</u>	<u>\$ —</u>
<b>Derivative Instruments:</b>				
<b>Assets</b>				
Futures Contracts	\$ 385,791	\$ 385,791	\$ —	\$ —
Total Assets	<u>\$ 385,791</u>	<u>\$ 385,791</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Futures Contracts	\$ (84,727)	\$ (84,727)	\$ —	\$ —
Total Liabilities	<u>\$ (84,727)</u>	<u>\$ (84,727)</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Total Derivative Instruments:</b>	<u>\$ 301,064</u>	<u>\$ 301,064</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Other Financial Instruments:</b>				
TBA Sale Commitments	\$ (169,926,154)	\$ —	\$ (169,926,154)	\$ —
<b>Total Other Financial Instruments:</b>	<u>\$ (169,926,154)</u>	<u>\$ —</u>	<u>\$ (169,926,154)</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 December 31, 2021. 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>Interest Rate Risk</b>		
Futures Contracts <sup>(a)</sup>	\$385,791	\$ (84,727)
<b>Total Interest Rate Risk</b>	<u>385,791</u>	<u>(84,727)</u>
<b>Total Value of Derivatives</b>	<u>\$385,791</u>	<u>\$ (84,727)</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

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

## Schedule of Investments – continued

payable for daily variation margin on futures contracts, and the net cumulative appreciation (depreciation) is included in Total accumulated earnings (loss).

### Other Information

Distribution of investments by country or territory of incorporation, as a percentage of Total Net Assets, is as follows (Unaudited):

United States of America	88.5%
Cayman Islands	4.2%
United Kingdom	1.6%
Mexico	1.4%
Others (Individually Less Than 1%)	4.3%
	<u>100.0%</u>

The information in the above tables is based on the combined investments of the fund and its pro-rata share of the investments of Fidelity's Fixed-Income Central Funds

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

# VIP Investment Grade Bond Portfolio

## Financial Statements

### Statement of Assets and Liabilities

December 31, 2021

#### Assets

Investment in securities, at value (including securities loaned of \$157,696,510) — See accompanying schedule:

Unaffiliated issuers (cost \$5,444,573,655)	\$ 5,434,849,106	
Fidelity Central Funds (cost \$759,236,403)	<u>763,908,634</u>	
Total Investment in Securities (cost \$6,203,810,058)		\$ 6,198,757,740
Cash		2,427,333
Receivable for investments sold		104,056
Receivable for TBA sale commitments		169,748,987
Receivable for fund shares sold		13,480,878
Interest receivable		28,488,262
Distributions receivable from Fidelity Central Funds		38,412
Prepaid expenses		5,463
Other receivables		<u>342</u>
<b>Total assets</b>		<u>6,413,051,473</u>

#### Liabilities

Payable for investments purchased		
Regular delivery	\$ 34,079,621	
Delayed delivery	469,480,750	
TBA sale commitments, at value	169,926,154	
Payable for fund shares redeemed	4,807,368	
Accrued management fee	1,374,957	
Distribution and service plan fees payable	506,435	
Payable for daily variation margin on futures contracts	103,469	
Other affiliated payables	453,751	
Other payables and accrued expenses	38,117	
Collateral on securities loaned	<u>161,494,470</u>	
<b>Total liabilities</b>		<u>842,265,092</u>

**Net Assets** \$ 5,570,786,381

Net Assets consist of:

Paid in capital	\$ 5,313,036,681
Total accumulated earnings (loss)	<u>257,749,700</u>

**Net Assets** \$ 5,570,786,381

#### Net Asset Value and Maximum Offering Price

##### Initial Class:

Net Asset Value, offering price and redemption price per share ( $\$1,347,145,291 \div 100,899,229$  shares) \$ 13.35

##### Service Class:

Net Asset Value, offering price and redemption price per share ( $\$732,761,516 \div 55,578,906$  shares) \$ 13.18

##### Service Class 2:

Net Asset Value, offering price and redemption price per share ( $\$2,135,985,669 \div 164,576,360$  shares) \$ 12.98

##### Investor Class:

Net Asset Value, offering price and redemption price per share ( $\$1,354,893,905 \div 101,940,508$  shares) \$ 13.29

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

## Financial Statements – continued

### Statement of Operations

		Year ended December 31, 2021
<b>Investment Income</b>		
Interest		\$ 9,688,340
Income from Fidelity Central Funds (including \$16,750 from security lending)		103,335,805
<b>Total income</b>		<u>113,024,145</u>
<b>Expenses</b>		
Management fee	\$ 16,374,471	
Transfer agent fees	4,218,344	
Distribution and service plan fees	5,922,379	
Accounting fees	1,192,969	
Custodian fees and expenses	10,455	
Independent trustees' fees and expenses	16,383	
Registration fees	66,350	
Audit	47,482	
Legal	9,438	
Miscellaneous	23,819	
Total expenses before reductions	<u>27,882,090</u>	
Expense reductions	(49,671)	
Total expenses after reductions		<u>27,832,419</u>
<b>Net investment income (loss)</b>		<u>85,191,726</u>
<b>Realized and Unrealized Gain (Loss)</b>		
Net realized gain (loss) on:		
Investment securities:		
Unaffiliated issuers	1,405,499	
Fidelity Central Funds	214,041,890	
Futures contracts	(14,419)	
Capital gain distributions from Fidelity Central Funds	<u>92,851,590</u>	
Total net realized gain (loss)		308,284,560
Change in net unrealized appreciation (depreciation) on:		
Investment securities:		
Unaffiliated issuers	(11,924,856)	
Fidelity Central Funds	(420,675,289)	
Futures contracts	301,064	
Delayed delivery commitments	<u>(177,167)</u>	
Total change in net unrealized appreciation (depreciation)		<u>(432,476,248)</u>
<b>Net gain (loss)</b>		<u>(124,191,688)</u>
<b>Net increase (decrease) in net assets resulting from operations</b>		<u>\$ (38,999,962)</u>

### Statement of Changes in Net Assets

	Year ended December 31, 2021	Year ended December 31, 2020
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net investment income (loss)	\$ 85,191,726	\$ 111,127,271
Net realized gain (loss)	308,284,560	74,370,588
Change in net unrealized appreciation (depreciation)	(432,476,248)	235,357,818
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>(38,999,962)</u>	<u>420,855,677</u>
Distributions to shareholders	(259,145,498)	(111,088,904)
Share transactions — net increase (decrease)	478,920,867	494,727,468
<b>Total increase (decrease) in net assets</b>	<u>180,775,407</u>	<u>804,494,241</u>
<b>Net Assets</b>		
Beginning of period	<u>5,390,010,974</u>	<u>4,585,516,733</u>
End of period	<u>\$ 5,570,786,381</u>	<u>\$ 5,390,010,974</u>

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



# Financial Highlights

## VIP Investment Grade Bond Portfolio Initial Class

Years ended December 31, Selected Per-Share Data	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$ 14.09	\$ 13.17	\$ 12.34	\$ 12.80	\$ 12.64
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.228	.328	.382	.311	.325
Net realized and unrealized gain (loss)	(.313)	.903	.806	(.381)	.204
Total from investment operations	(.085)	1.231	1.188	(.070)	.529
Distributions from net investment income	(.282)	(.306)	(.358)	(.313)	(.312)
Distributions from net realized gain	(.373)	(.005)	—	(.077)	(.057)
Total distributions	(.655)	(.311)	(.358)	(.390)	(.369)
Net asset value, end of period	\$ 13.35	\$ 14.09	\$ 13.17	\$ 12.34	\$ 12.80
<b>Total Return<sup>B,C</sup></b>	(.61)%	9.39%	9.67%	(.53)%	4.22%
<b>Ratios to Average Net Assets<sup>D,E</sup></b>					
Expenses before reductions	.39%	.39%	.40%	.40%	.41%
Expenses net of fee waivers, if any	.39%	.39%	.40%	.40%	.41%
Expenses net of all reductions	.39%	.39%	.40%	.40%	.41%
Net investment income (loss)	1.66%	2.38%	2.93%	2.49%	2.53%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 1,347,145	\$ 1,322,750	\$ 1,146,767	\$ 928,285	\$ 1,069,371
Portfolio turnover rate <sup>F</sup>	125%	11%	5%	8%	6%

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

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

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

## VIP Investment Grade Bond Portfolio Service Class

Years ended December 31, Selected Per-Share Data	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$ 13.93	\$ 13.02	\$ 12.20	\$ 12.66	\$ 12.50
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.212	.310	.364	.295	.309
Net realized and unrealized gain (loss)	(.322)	.899	.800	(.377)	.207
Total from investment operations	(.110)	1.209	1.164	(.082)	.516
Distributions from net investment income	(.267)	(.294)	(.344)	(.301)	(.299)
Distributions from net realized gain	(.373)	(.005)	—	(.077)	(.057)
Total distributions	(.640)	(.299)	(.344)	(.378)	(.356)
Net asset value, end of period	\$ 13.18	\$ 13.93	\$ 13.02	\$ 12.20	\$ 12.66
<b>Total Return<sup>B,C</sup></b>	(.79)%	9.33%	9.58%	(.63)%	4.16%
<b>Ratios to Average Net Assets<sup>D,E</sup></b>					
Expenses before reductions	.49%	.49%	.50%	.50%	.51%
Expenses net of fee waivers, if any	.49%	.49%	.50%	.50%	.51%
Expenses net of all reductions	.49%	.49%	.50%	.50%	.51%
Net investment income (loss)	1.56%	2.28%	2.83%	2.39%	2.43%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 732,762	\$ 692,787	\$ 582,182	\$ 553,442	\$ 587,652
Portfolio turnover rate <sup>F</sup>	125%	11%	5%	8%	6%

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

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

<sup>D</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>E</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>F</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 Investment Grade Bond Portfolio Service Class 2

Years ended December 31, Selected Per–Share Data	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$ 13.72	\$ 12.83	\$ 12.03	\$ 12.49	\$ 12.34
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.188	.285	.340	.272	.286
Net realized and unrealized gain (loss)	(.310)	.885	.787	(.372)	.203
Total from investment operations	(.122)	1.170	1.127	(.100)	.489
Distributions from net investment income	(.245)	(.275)	(.327)	(.283)	(.282)
Distributions from net realized gain	(.373)	(.005)	—	(.077)	(.057)
Total distributions	(.618)	(.280)	(.327)	(.360)	(.339)
Net asset value, end of period	\$ 12.98	\$ 13.72	\$ 12.83	\$ 12.03	\$ 12.49
<b>Total Return<sup>B,C</sup></b>	(.90)%	9.16%	9.40%	(.79)%	3.99%
<b>Ratios to Average Net Assets<sup>D,E</sup></b>					
Expenses before reductions	.64%	.64%	.65%	.65%	.66%
Expenses net of fee waivers, if any	.64%	.64%	.65%	.65%	.66%
Expenses net of all reductions	.64%	.64%	.65%	.65%	.66%
Net investment income (loss)	1.41%	2.13%	2.68%	2.24%	2.28%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 2,135,986	\$ 1,935,645	\$ 1,698,902	\$ 1,505,566	\$ 1,514,502
Portfolio turnover rate <sup>F</sup>	125%	11%	5%	8%	6%

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

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

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

### VIP Investment Grade Bond Portfolio Investor Class

Years ended December 31, Selected Per–Share Data	2021	2020	2019	2018	2017
Net asset value, beginning of period	\$ 14.03	\$ 13.12	\$ 12.29	\$ 12.75	\$ 12.59
Income from Investment Operations					
Net investment income (loss) <sup>A</sup>	.223	.322	.376	.305	.319
Net realized and unrealized gain (loss)	(.313)	.896	.808	(.380)	.206
Total from investment operations	(.090)	1.218	1.184	(.075)	.525
Distributions from net investment income	(.277)	(.303)	(.354)	(.308)	(.308)
Distributions from net realized gain	(.373)	(.005)	—	(.077)	(.057)
Total distributions	(.650)	(.308)	(.354)	(.385)	(.365)
Net asset value, end of period	\$ 13.29	\$ 14.03	\$ 13.12	\$ 12.29	\$ 12.75
<b>Total Return<sup>B,C</sup></b>	(.64)%	9.33%	9.67%	(.57)%	4.20%
<b>Ratios to Average Net Assets<sup>D,E</sup></b>					
Expenses before reductions	.42%	.43%	.43%	.44%	.44%
Expenses net of fee waivers, if any	.42%	.43%	.43%	.44%	.44%
Expenses net of all reductions	.42%	.43%	.43%	.44%	.44%
Net investment income (loss)	1.63%	2.34%	2.90%	2.46%	2.49%
<b>Supplemental Data</b>					
Net assets, end of period (000 omitted)	\$ 1,354,894	\$ 1,438,829	\$ 1,157,666	\$ 879,703	\$ 1,030,725
Portfolio turnover rate <sup>F</sup>	125%	11%	5%	8%	6%

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

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

<sup>D</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>E</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>F</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

For the period ended December 31, 2021

## 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.	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%

(a) 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.

An unaudited holdings listing for the investing 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. 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 delegated the day to day responsibility for the valuation of the Fund's investments to the Fair Value Committee (the Committee) established by the Fund's investment adviser. In accordance with valuation policies and procedures approved by the Board, the Fund attempts to obtain prices from one or more third party pricing vendors 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 procedures adopted by the Board. Factors used in determining fair value vary by investment type and may include market or investment specific events, changes in interest rates and credit quality. The frequency with which these procedures are used cannot be predicted and they may be utilized to a significant extent. The Committee oversees the Fund's valuation policies and procedures and reports to the Board on the Committee's activities and fair value determinations. The Board monitors the appropriateness of the procedures used in valuing the Fund's investments and ratifies the fair value determinations of the Committee.

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

Level 1 — quoted prices in active markets for identical investments

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

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

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 vendors or from brokers who make markets in such securities. Corporate bonds, bank notes, foreign government and government agency obligations, municipal securities, supranational obligations and U.S. government and government agency obligations are valued by pricing vendors 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

## Notes to Financial Statements – continued

mortgage obligations, commercial mortgage securities and U.S. government agency mortgage securities are valued by pricing vendors 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. 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 vendors. 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 December 31, 2021 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. 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. 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. 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. 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. As of December 31, 2021, the Fund did not have any unrecognized tax benefits in the financial statements; nor is the Fund aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. 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 the short-term gain distributions from the underlying mutual funds or exchange-traded funds (ETFs), futures contracts, 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	\$ 16,321,030
Gross unrealized depreciation	(21,575,940)
Net unrealized appreciation (depreciation)	<u>\$ (5,254,910)</u>
Tax Cost	<u>\$6,203,835,483</u>

The tax-based components of distributable earnings as of period end were as follows:

Undistributed long-term capital gain	<u>\$263,004,610</u>
Net unrealized appreciation (depreciation) on securities and other investments	<u>\$ (5,254,910)</u>

The tax character of distributions paid was as follows:

	December 31, 2021	December 31, 2020
Ordinary Income	\$167,565,613	\$111,088,904
Long-term Capital Gains	91,579,885	—
Total	<u>\$259,145,498</u>	<u>\$111,088,904</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 objective allows the Fund to enter into various types of derivative contracts, 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.

The Fund used derivatives 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 Fund may not achieve its objectives.

The Fund’s use of derivatives increased or decreased its exposure to the following risk:

**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.

The Fund is also exposed to additional risks from investing in derivatives, such as liquidity risk and counterparty credit risk. Liquidity risk is the risk that the 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 the Fund. Counterparty credit risk related to exchange-traded futures 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. The Fund used futures contracts to manage its exposure to the bond market and fluctuations in interest rates.

## Notes to Financial Statements – continued

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 (variation margin) 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. Securities deposited to meet initial margin requirements are identified in the Schedule of Investments.

### 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 Investment Grade Bond Portfolio	3,782,758,367	6,210,008,230

### 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 annual 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:

Service Class	\$ 686,818
Service Class 2	5,235,561
	<u>\$5,922,379</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
Initial Class	\$ 915,528	.07
Service Class	467,036	.07
Service Class 2	1,424,073	.07
Investor Class	1,411,707	.10
	<u>\$4,218,344</u>	

**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 annual rates:

VIP Investment Grade Bond Portfolio	% of Average Net Assets
	.02

**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.

**Affiliated Exchanges In-Kind.** During the period, the Fund redeemed 48,402,199 shares of Fidelity VIP Investment Grade Central Fund in exchange for investments, including accrued interest and cash, if any, with a value of \$5,391,666,950. The net realized gain of \$211,422,352 on the Fund’s redemptions of Fidelity VIP Investment Grade Central Fund shares is included in

“Net realized gain (loss) on Investment securities: Fidelity Central Funds” in the accompanying Statement of Operations. The Fund recognized net gain on the exchanges for federal income tax purposes.

## 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.

VIP Investment Grade Bond Portfolio	Amount \$9,874
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## 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 Investment Grade Bond Portfolio	\$1,826	\$—	\$—

## 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 \$7.

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 \$49,664.

## 10. Distributions to Shareholders.

Distributions to shareholders of each class were as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
VIP Investment Grade Bond Portfolio		
Distributions to shareholders		
Initial Class	\$ 63,573,154	\$ 28,048,946
Service Class	33,731,276	14,160,911
Service Class 2	96,642,003	38,501,835
Investor Class	65,199,065	30,377,212
Total	<u>\$259,145,498</u>	<u>\$111,088,904</u>

## 11. Share Transactions.

Transactions for each class of shares were as follows and may contain in-kind transactions:

## Notes to Financial Statements – continued

	Shares Year ended December 31, 2021	Shares Year ended December 31, 2020	Dollars Year ended December 31, 2021	Dollars Year ended December 31, 2020
<b>VIP Investment Grade Bond Portfolio</b>				
<b>Initial Class</b>				
Shares sold	23,787,330	30,483,697	\$ 326,447,227	\$ 422,064,639
Reinvestment of distributions	4,685,105	2,022,440	63,573,154	28,048,946
Shares redeemed	(21,419,922)	(25,700,849)	(294,255,196)	(350,518,289)
Net increase (decrease)	<u>7,052,513</u>	<u>6,805,288</u>	<u>\$ 95,765,185</u>	<u>\$ 99,595,296</u>
<b>Service Class</b>				
Shares sold	14,736,969	17,304,739	\$ 200,617,709	\$ 233,371,592
Reinvestment of distributions	2,517,896	1,033,506	33,731,276	14,160,911
Shares redeemed	(11,426,710)	(13,295,570)	(154,576,440)	(177,433,533)
Net increase (decrease)	<u>5,828,155</u>	<u>5,042,675</u>	<u>\$ 79,772,545</u>	<u>\$ 70,098,970</u>
<b>Service Class 2</b>				
Shares sold	29,363,179	28,919,035	\$ 392,701,313	\$ 386,078,627
Reinvestment of distributions	7,325,672	2,852,841	96,642,003	38,501,835
Shares redeemed	(13,231,365)	(23,047,687)	(177,343,438)	(301,721,522)
Net increase (decrease)	<u>23,457,486</u>	<u>8,724,189</u>	<u>\$ 311,999,878</u>	<u>\$ 122,858,940</u>
<b>Investor Class</b>				
Shares sold	11,506,591	28,051,409	\$ 157,377,309	\$ 386,506,351
Reinvestment of distributions	4,825,246	2,198,924	65,199,065	30,377,212
Shares redeemed	(16,917,270)	(15,954,766)	(231,193,115)	(214,709,301)
Net increase (decrease)	<u>(585,433)</u>	<u>14,295,567</u>	<u>\$ (8,616,741)</u>	<u>\$ 202,174,262</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	21%	1	32%

### 13. Coronavirus (COVID-19) Pandemic.

An outbreak of COVID-19 first detected in China during December 2019 has since spread globally and was declared a pandemic by the World Health Organization during March 2020. Developments that disrupt global economies and financial markets, such as the COVID-19 pandemic, may magnify factors that affect the Fund's performance.



# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Variable Insurance Products Fund V and Shareholders of VIP Investment Grade Bond Portfolio

## Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of VIP Investment Grade Bond Portfolio (the "Fund"), a fund of Variable Insurance Products Fund V, including the schedule of investments, as of December 31, 2021, the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2021, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
February 11, 2022

We have served as the auditor of one or more of the Fidelity investment companies since 1999.

# Trustees and Officers

The Trustees, Members of the Advisory Board (if any), and officers of the trust and fund, as applicable, are listed below. The Board of Trustees governs the fund and is responsible for protecting the interests of shareholders. The Trustees are experienced executives who meet periodically throughout the year to oversee the fund's activities, review contractual arrangements with companies that provide services to the fund, oversee management of the risks associated with such activities and contractual arrangements, and review the fund's performance. Each of the Trustees oversees 286 funds.

The Trustees hold office without limit in time except that (a) any Trustee may resign; (b) any Trustee may be removed by written instrument, signed by at least two-thirds of the number of Trustees prior to such removal; (c) any Trustee who requests to be retired or who has become incapacitated by illness or injury may be retired by written instrument signed by a majority of the other Trustees; and (d) any Trustee may be removed at any special meeting of shareholders by a two-thirds vote of the outstanding voting securities of the trust. Each Trustee who is not an interested person (as defined in the 1940 Act) of the trust and the fund is referred to herein as an Independent Trustee. Each Independent Trustee shall retire not later than the last day of the calendar year in which his or her 75th birthday occurs. The Independent Trustees may waive this mandatory retirement age policy with respect to individual Trustees. Officers and Advisory Board Members hold office without limit in time, except that any officer or Advisory Board Member may resign or may be removed by a vote of a majority of the Trustees at any regular meeting or any special meeting of the Trustees. Except as indicated, each individual has held the office shown or other offices in the same company for the past five years.

The fund's Statement of Additional Information (SAI) includes more information about the Trustees. To request a free copy, call Fidelity at 1-877-208-0098.

**Experience, Skills, Attributes, and Qualifications of the Trustees.** The Governance and Nominating Committee has adopted a statement of policy that describes the experience, qualifications, attributes, and skills that are necessary and desirable for potential Independent Trustee candidates (Statement of Policy). The Board believes that each Trustee satisfied at the time he or she was initially elected or appointed a Trustee, and continues to satisfy, the standards contemplated by the Statement of Policy. The Governance and Nominating Committee also engages professional search firms to help identify potential Independent Trustee candidates who have the experience, qualifications, attributes, and skills consistent with the Statement of Policy. From time to time, additional criteria based on the composition and skills of the current Independent Trustees, as well as experience or skills that may be appropriate in light of future changes to board composition, business conditions, and regulatory or other developments, have also been considered by the professional search firms and the Governance and Nominating Committee. In addition, the Board takes into account the Trustees' commitment and participation in Board and committee meetings, as well as their leadership of standing and ad hoc committees throughout their tenure.

In determining that a particular Trustee was and continues to be qualified to serve as a Trustee, the Board has considered a variety of criteria, none of which, in isolation, was controlling. The Board believes that, collectively, the Trustees have balanced and diverse experience, qualifications, attributes, and skills, which allow the Board to operate effectively in governing the fund and protecting the interests of shareholders. Information about the specific experience, skills, attributes, and qualifications of each Trustee, which in each case led to the Board's conclusion that the Trustee should serve (or continue to serve) as a trustee of the fund, is provided below.

**Board Structure and Oversight Function.** Abigail P. Johnson is an interested person and currently serves as Chairman. The Trustees have determined that an interested Chairman is appropriate and benefits shareholders because an interested Chairman has a personal and professional stake in the quality and continuity of services provided to the fund. Independent Trustees exercise their informed business judgment to appoint an individual of their choosing to serve as Chairman, regardless of whether the Trustee happens to be independent or a member of management. The Independent Trustees have determined that they can act independently and effectively without having an Independent Trustee serve as Chairman and that a key structural component for assuring that they are in a position to do so is for the Independent Trustees to constitute a substantial majority for the Board. The Independent Trustees also regularly meet in executive session. Arthur E. Johnson serves as Chairman of the Independent Trustees and as such (i) acts as a liaison between the Independent Trustees and management with respect to matters important to the Independent Trustees and (ii) with management prepares agendas for Board meetings.

Fidelity® funds are overseen by different Boards of Trustees. The fund's Board oversees Fidelity's investment-grade bond, money market, asset allocation and certain equity funds, and other Boards oversee Fidelity's high income and other equity funds. The asset allocation funds may invest in Fidelity® funds that are overseen by such other Boards. The use of separate Boards, each with its own committee structure, allows the Trustees of each group of Fidelity® funds to focus on the unique issues of the funds they oversee, including common research, investment, and operational issues. On occasion, the separate Boards establish joint committees to address issues of overlapping consequences for the Fidelity® funds overseen by each Board.

The Trustees operate using a system of committees to facilitate the timely and efficient consideration of all matters of importance to the Trustees, the fund, and fund shareholders and to facilitate compliance with legal and regulatory requirements and oversight of the fund's activities and associated risks. The Board, acting through its committees, has charged FMR and its affiliates with (i) identifying events or circumstances the occurrence of which could have demonstrably adverse effects on the fund's business and/or reputation; (ii) implementing processes and controls to lessen the possibility that such events or circumstances occur or to mitigate the effects of such events or circumstances if they do occur; and (iii) creating and maintaining a system designed to evaluate continuously business and market conditions in order to facilitate the identification and implementation processes described in (i) and (ii) above. Because the day-to-day operations and activities of the fund are carried out by or through FMR, its affiliates, and other service providers, the fund's exposure to risks is mitigated but not eliminated by the processes overseen by the Trustees. While each of the Board's committees has responsibility for overseeing different aspects of the fund's activities, oversight is exercised primarily through the Operations and Audit Committees. In addition, an ad hoc Board committee of Independent Trustees has worked with FMR to enhance the Board's oversight of investment and financial risks, legal and regulatory risks, technology risks, and operational risks, including the development of additional risk reporting to the Board. Appropriate personnel, including but not limited to the fund's Chief Compliance Officer (CCO), FMR's internal auditor, the independent accountants, the fund's Treasurer and portfolio management personnel, make periodic reports to the Board's committees, as appropriate, including an annual review of Fidelity's risk management program for the Fidelity® funds. The responsibilities of each standing committee, including their oversight responsibilities, are described further under "Standing Committees of the Trustees."

## Interested Trustees\*:

Correspondence intended for a Trustee who is an interested person may be sent to Fidelity Investments, 245 Summer Street, Boston, Massachusetts 02210.

Name, Year of Birth; Principal Occupations and Other Relevant Experience+

Abigail P. Johnson (1961)

Year of Election or Appointment: 2009

Trustee

Chairman of the Board of Trustees

Ms. Johnson also serves as Trustee of other Fidelity® funds. Ms. Johnson serves as Chairman (2016-present), Chief Executive Officer (2014-present), and Director (2007-present) of FMR LLC (diversified financial services company), President of Fidelity Financial Services (2012-present) and President of Personal, Workplace and Institutional Services (2005-present). Ms. Johnson is Chairman and Director of Fidelity Management & Research Company LLC (investment adviser firm, 2011-present). Previously, Ms. Johnson served as Chairman and Director of FMR Co., Inc. (investment adviser firm, 2011-2019), Vice Chairman (2007-2016) and President (2013-2016) of FMR LLC, President and a Director of Fidelity Management & Research Company (2001-2005), a Trustee of other investment companies advised by Fidelity Management & Research Company, Fidelity Investments Money Management, Inc. (investment adviser firm), and FMR Co., Inc. (2001-2005), Senior Vice President of the Fidelity® funds (2001-2005), and managed a number of Fidelity® funds. Ms. Abigail P. Johnson and Mr. Arthur E. Johnson are not related.

Jennifer Toolin McAuliffe (1959)

Year of Election or Appointment: 2016

Trustee

Ms. McAuliffe also serves as Trustee of other Fidelity® funds and as Trustee of Fidelity Charitable (2020-present). Previously, Ms. McAuliffe served as Co-Head of Fixed Income of Fidelity Investments Limited (now known as FIL Limited (FIL)) (diversified financial services company), Director of Research for FIL's credit and quantitative teams in London, Hong Kong and Tokyo and Director of Research for taxable and municipal bonds at Fidelity Investments Money Management, Inc. Ms. McAuliffe previously served as a member of the Advisory Board of certain Fidelity® funds (2016). Ms. McAuliffe was previously a lawyer at Ropes & Gray LLP and currently serves as director or trustee of several not-for-profit entities.

\* Determined to be an "Interested Trustee" by virtue of, among other things, his or her affiliation with the trust or various entities under common control with FMR.

+ The information includes the Trustee's principal occupation during the last five years and other information relating to the experience, attributes, and skills relevant to the Trustee's qualifications to serve as a Trustee, which led to the conclusion that the Trustee should serve as a Trustee for the fund.

Independent Trustees:

Correspondence intended for an Independent Trustee may be sent to Fidelity Investments, P.O. Box 55235, Boston, Massachusetts 02205-5235.

Name, Year of Birth; Principal Occupations and Other Relevant Experience+

Elizabeth S. Acton (1951)

Year of Election or Appointment: 2013

Trustee

Ms. Acton also serves as Trustee of other Fidelity® funds. Prior to her retirement, Ms. Acton served as Executive Vice President, Finance (2011-2012), Executive Vice President, Chief Financial Officer (2002-2011) and Treasurer (2004-2005) of Comerica Incorporated (financial services). Prior to joining Comerica, Ms. Acton held a variety of positions at Ford Motor Company (1983-2002), including Vice President and Treasurer (2000-2002) and Executive Vice President and Chief Financial Officer of Ford Motor Credit Company (1998-2000). Ms. Acton currently serves as a member of the Board and Audit and Finance Committees of Beazer Homes USA, Inc. (homebuilding, 2012-present). Ms. Acton previously served as a member of the Advisory Board of certain Fidelity® funds (2013-2016).

Ann E. Dunwoody (1953)

Year of Election or Appointment: 2018

Trustee

General Dunwoody also serves as Trustee of other Fidelity® funds. General Dunwoody (United States Army, Retired) was the first woman in U.S. military history to achieve the rank of four-star general and prior to her retirement in 2012 held a variety of positions within the U.S. Army, including Commanding General, U.S. Army Material Command (2008-2012). General Dunwoody currently serves as President of First to Four LLC (leadership and mentoring services, 2012-present), a member of the Board and Nomination and Corporate Governance Committees of Kforce Inc. (professional staffing services, 2016-present) and a member of the Board of Automatic Inc. (software engineering, 2018-present). Previously, General Dunwoody served as a member of the Advisory Board and Nominating and Corporate Governance Committee of L3 Technologies, Inc. (communication, electronic, sensor and aerospace systems, 2013-2019) and a member of the Board and Audit and Sustainability and Corporate Responsibility Committees of Republic Services, Inc. (waste collection, disposal and recycling, 2013-2016). Ms. Dunwoody also serves on several boards for non-profit organizations, including as a member of the Board, Chair of the Nomination and Governance Committee and a member of the Audit Committee of Logistics Management Institute (consulting non-profit, 2012-present), a member of the Council of Trustees for the Association of the United States Army (advocacy non-profit, 2013-present), a member of the Board of Florida Institute of Technology (2015-present) and a member of the Board of ThanksUSA (military family education non-profit, 2014-present). General Dunwoody previously served as a member of the Advisory Board of certain Fidelity® funds (2018).

## Trustees and Officers – continued

John Engler (1948)

Year of Election or Appointment: 2014

Trustee

Mr. Engler also serves as Trustee of other Fidelity® funds. Previously, Mr. Engler served as Governor of Michigan (1991-2003), President of the Business Roundtable (2011-2017) and interim President of Michigan State University (2018-2019). Mr. Engler currently serves as a member of the Board of Stride, Inc. (formerly K12 Inc.) (technology-based education company, 2012-present). Previously, Mr. Engler served as a member of the Board of Universal Forest Products (manufacturer and distributor of wood and wood-alternative products, 2003-2019) and Trustee of The Munder Funds (2003-2014). Mr. Engler previously served as a member of the Advisory Board of certain Fidelity® funds (2014-2016).

Robert F. Gartland (1951)

Year of Election or Appointment: 2010

Trustee

Mr. Gartland also serves as Trustee of other Fidelity® funds. Prior to his retirement, Mr. Gartland held a variety of positions at Morgan Stanley (financial services, 1979-2007), including Managing Director (1987-2007) and Chase Manhattan Bank (1975-1978). Mr. Gartland previously served as Chairman and an investor in Gartland & Mellina Group Corp. (consulting, 2009-2019), as a member of the Board of National Securities Clearing Corporation (1993-1996) and as Chairman of TradeWeb (2003-2004).

Arthur E. Johnson (1947)

Year of Election or Appointment: 2008

Trustee

Chairman of the Independent Trustees

Mr. Johnson also serves as Trustee of other Fidelity® funds. Prior to his retirement, Mr. Johnson served as Senior Vice President of Corporate Strategic Development of Lockheed Martin Corporation (defense contractor, 1999-2009). Mr. Johnson currently serves as a member of the Board of Booz Allen Hamilton (management consulting, 2011-present). Mr. Johnson previously served as a member of the Board of Eaton Corporation plc (diversified power management, 2009-2019) and a member of the Board of AGL Resources, Inc. (holding company, 2002-2016). Mr. Johnson previously served as Vice Chairman (2015-2018) of the Independent Trustees of certain Fidelity® funds. Mr. Arthur E. Johnson is not related to Ms. Abigail P. Johnson.

Michael E. Kennelly (1954)

Year of Election or Appointment: 2009

Trustee

Vice Chairman of the Independent Trustees

Mr. Kennelly also serves as Trustee of other Fidelity® funds. Prior to retirement, he was Chairman and Global Chief Executive Officer of Credit Suisse Asset Management. Previously, Mr. Kennelly was an Executive Vice President and the Chief Investment Officer for Bank of America. In this role, he was responsible for the investment management, strategy and products delivered to the bank's institutional, high-net-worth and retail clients. Earlier, Mr. Kennelly directed the organization's equity and quantitative research groups. He began his career in 1983 as a research analyst and then spent more than a dozen years as a portfolio manager for endowments, pension plans and mutual funds. He earned the Chartered Financial Analyst (CFA) designation in 1991.

Marie L. Knowles (1946)

Year of Election or Appointment: 2001

Trustee

Ms. Knowles also serves as Trustee of other Fidelity® funds. Prior to her retirement, Ms. Knowles held several positions at Atlantic Richfield Company (diversified energy), including Executive Vice President and Chief Financial Officer (1996-2000), Senior Vice President (1993-1996) and President of ARCO Transportation Company (pipeline and tanker operations, 1993-1996). Ms. Knowles currently serves as a member of the Board of McKesson Corporation (healthcare service, since 2002), a member of the Board of the Santa Catalina Island Company (real estate, 2009-present), a member of the Investment Company Institute Board of Governors and a member of the Governing Council of the Independent Directors Council (2014-present). Ms. Knowles also serves as a member of the Advisory Board for the School of Engineering of the University of Southern California. Ms. Knowles previously served as Chairman (2015-2018) and Vice Chairman (2012-2015) of the Independent Trustees of certain Fidelity® funds.

Mark A. Murray (1954)

Year of Election or Appointment: 2016

Trustee

Mr. Murray also serves as Trustee of other Fidelity® funds. Previously, Mr. Murray served as Co-Chief Executive Officer (2013-2016), President (2006-2013) and Vice Chairman (2013-2020) of Meijer, Inc. Mr. Murray serves as a member of the Board (2009-present) and Public Policy and Responsibility Committee (2009-present) and Chair of the Nuclear Review Committee (2019-present) of DTE Energy Company (diversified energy company). Mr. Murray previously served as a member of the Board of Spectrum Health (not-for-profit health system, 2015-2019) and as a member of the Board and Audit Committee and Chairman of the Nominating and Corporate Governance Committee of Universal Forest Products, Inc. (manufacturer and distributor of wood and wood-alternative products, 2004-2016). Mr. Murray also serves as a member of the Board of many community and professional organizations. Mr. Murray previously served as a member of the Advisory Board of certain Fidelity® funds (2016).

+ The information includes the Trustee's principal occupation during the last five years and other information relating to the experience, attributes, and skills relevant to the Trustee's qualifications to serve as a Trustee, which led to the conclusion that the Trustee should serve as a Trustee for the fund.

Advisory Board Members and Officers:

Correspondence intended for an officer may be sent to Fidelity Investments, 245 Summer Street, Boston, Massachusetts 02210. Officers appear below in alphabetical order.

Name, Year of Birth; Principal Occupation

Robert W. Helm (1957)

Year of Election or Appointment: 2021  
Member of the Advisory Board

Mr. Helm also serves as a Member of the Advisory Board of other Fidelity® funds. Mr. Helm was formerly Deputy Chairman (2003-2020), partner (1991-2020) and an associate (1984-1991) of Dechert LLP (formerly Dechert Price & Rhoads). Mr. Helm currently serves on boards and committees of several not-for-profit organizations.

Craig S. Brown (1977)

Year of Election or Appointment: 2019  
Assistant Treasurer

Mr. Brown also serves as an officer of other funds. Mr. Brown serves as Assistant Treasurer of FIMM, LLC (2021-present) and is an employee of Fidelity Investments (2013-present).

John J. Burke III (1964)

Year of Election or Appointment: 2018  
Chief Financial Officer

Mr. Burke also serves as Chief Financial Officer of other funds. Mr. Burke serves as Head of Investment Operations for Fidelity Fund and Investment Operations (2018-present) and is an employee of Fidelity Investments (1998-present). Previously Mr. Burke served as head of Asset Management Investment Operations (2012-2018).

David J. Carter (1973)

Year of Election or Appointment: 2020  
Assistant Secretary

Mr. Carter also serves as Assistant Secretary of other funds. Mr. Carter serves as Vice President, Associate General Counsel (2010-present) and is an employee of Fidelity Investments (2005-present).

Jonathan Davis (1968)

Year of Election or Appointment: 2010  
Assistant Treasurer

Mr. Davis also serves as an officer of other funds. Mr. Davis serves as Assistant Treasurer of FIMM, LLC (2021-present), FMR Capital, Inc. (2017-present), FD Funds GP LLC (2021-present), FD Funds Holding LLC (2021-present), and FD Funds Management LLC (2021-present); and is an employee of Fidelity Investments. Previously, Mr. Davis served as Vice President and Associate General Counsel of FMR LLC (diversified financial services company, 2003-2010).

Laura M. Del Prato (1964)

Year of Election or Appointment: 2018  
President and Treasurer

Ms. Del Prato also serves as an officer of other funds. Ms. Del Prato serves as Assistant Treasurer of FIMM, LLC (2021-present) and is an employee of Fidelity Investments (2017-present). Previously, Ms. Del Prato served as President and Treasurer of The North Carolina Capital Management Trust: Cash Portfolio and Term Portfolio (2018-2020). Prior to joining Fidelity Investments, Ms. Del Prato served as a Managing Director and Treasurer of the JPMorgan Mutual Funds (2014-2017). Prior to JPMorgan, Ms. Del Prato served as a partner at Cohen Fund Audit Services (accounting firm, 2012-2013) and KPMG LLP (accounting firm, 2004-2012).

Colm A. Hogan (1973)

Year of Election or Appointment: 2016  
Assistant Treasurer

Mr. Hogan also serves as an officer of other funds. Mr. Hogan serves as Assistant Treasurer of FIMM, LLC (2021-present) and FMR Capital, Inc. (2017-present) and is an employee of Fidelity Investments (2005-present). Previously, Mr. Hogan served as Deputy Treasurer of certain Fidelity® funds (2016-2020) and Assistant Treasurer of certain Fidelity® funds (2016-2018).

Cynthia Lo Bessette (1969)

Year of Election or Appointment: 2019  
Secretary and Chief Legal Officer (CLO)

Ms. Lo Bessette also serves as an officer of other funds. Ms. Lo Bessette serves as CLO, Secretary, and Senior Vice President of Fidelity Management & Research Company LLC (investment adviser firm, 2019-present); CLO of Fidelity Management & Research (Hong Kong) Limited, FMR Investment Management (UK) Limited, and Fidelity Management & Research (Japan) Limited (investment adviser firms, 2019-present); Secretary of FD Funds GP LLC (2021-present), FD Funds Holding LLC (2021-present), and FD Funds Management LLC (2021-present); and Assistant Secretary of FIMM, LLC (2019-present). She is a Senior Vice President and Deputy General Counsel of FMR LLC (diversified financial services company, 2019-present), and is an employee of Fidelity Investments. Previously, Ms. Lo Bessette served as CLO, Secretary, and Senior Vice President of FMR Co., Inc. (investment adviser firm, 2019); Secretary of Fidelity SelectCo, LLC and Fidelity Investments Money Management, Inc. (investment adviser firms, 2019). Prior to joining Fidelity Investments, Ms. Lo Bessette was Executive Vice President, General Counsel (2016-2019) and Senior Vice President, Deputy General Counsel (2015-2016) of OppenheimerFunds (investment management company) and Deputy Chief Legal Officer (2013-2015) of Jennison Associates LLC (investment adviser firm).

## Trustees and Officers – continued

Chris Maher (1972)

Year of Election or Appointment: 2013

Assistant Treasurer

Mr. Maher also serves as an officer of other funds. Mr. Maher serves as Assistant Treasurer of FIMM, LLC (2021-present) and FMR Capital, Inc. (2017-present), and is an employee of Fidelity Investments (2008-present). Previously, Mr. Maher served as Assistant Treasurer of certain funds (2013-2020); Vice President of Asset Management Compliance (2013), Vice President of the Program Management Group of FMR (investment adviser firm, 2010-2013), and Vice President of Valuation Oversight (2008-2010).

Jamie Pagliocco (1964)

Year of Election or Appointment: 2020

Vice President

Mr. Pagliocco also serves as Vice President of other funds. Mr. Pagliocco serves as President of Fixed Income (2020-present), and is an employee of Fidelity Investments (2001-present). Previously, Mr. Pagliocco served as Co-Chief Investment Officer – Bond (2017-2020), Global Head of Bond Trading (2016-2019), and as a portfolio manager.

Kenneth B. Robins (1969)

Year of Election or Appointment: 2020

Chief Compliance Officer

Mr. Robins also serves as an officer of other funds. Mr. Robins serves as Compliance Officer of Fidelity Management & Research Company LLC (investment adviser firm, 2016-present) and is an employee of Fidelity Investments (2004-present). Previously, Mr. Robins served as Compliance Officer of FMR Co., Inc. (investment adviser firm, 2016-2019), as Executive Vice President of Fidelity Investments Money Management, Inc. (investment adviser firm, 2013-2016) and served in other fund officer roles.

Brett Segaloff (1972)

Year of Election or Appointment: 2021

Anti-Money Laundering (AML) Officer

Mr. Segaloff also serves as an AML Officer of other funds and other related entities. He is Director, Anti-Money Laundering (2007-present) of FMR LLC (diversified financial services company) and is an employee of Fidelity Investments (1996-present).

Stacie M. Smith (1974)

Year of Election or Appointment: 2013

Assistant Treasurer

Ms. Smith also serves as an officer of other funds. Ms. Smith serves as Assistant Treasurer of FIMM, LLC (2021-present) and FMR Capital, Inc. (2017-present), is an employee of Fidelity Investments (2009-present), and has served in other fund officer roles. Prior to joining Fidelity Investments, Ms. Smith served as Senior Audit Manager of Ernst & Young LLP (accounting firm, 1996-2009). Previously, Ms. Smith served as Assistant Treasurer (2013-2019) and Deputy Treasurer (2013-2016) of certain Fidelity® funds.

Jim Wegmann (1979)

Year of Election or Appointment: 2021

Deputy Treasurer

Mr. Wegmann also serves as an officer of other funds. Mr. Wegmann serves as Assistant Treasurer of FIMM, LLC (2021-present) and is an employee of Fidelity Investments (2011-present). Previously, Mr. Wegmann served as Assistant Treasurer of certain Fidelity® funds (2019-2021).

# 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 (July 1, 2021 to December 31, 2021).

## 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 July 1, 2021	Ending Account Value December 31, 2021	Expenses Paid During Period- <sup>B</sup> July 1, 2021 to December 31, 2021
<b>VIP Investment Grade Bond Portfolio</b>				
Initial Class	.38%			
Actual		\$1,000.00	\$1,002.60	\$1.92
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.29	\$1.94
Service Class	.48%			
Actual		\$1,000.00	\$1,001.80	\$2.42
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,022.79	\$2.45
Service Class 2	.63%			
Actual		\$1,000.00	\$1,001.80	\$3.18
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,022.03	\$3.21
Investor Class	.42%			
Actual		\$1,000.00	\$1,002.40	\$2.12
Hypothetical- <sup>C</sup>		\$1,000.00	\$1,023.09	\$2.14

<sup>A</sup> Annualized expense ratio reflects expenses net of applicable fee waivers.

<sup>B</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period). The fees and expenses of any Underlying Funds are not included in each annualized expense ratio.

<sup>C</sup> 5% return per year before expenses

## Distributions (Unaudited)

The Board of Trustees of VIP Investment Grade Bond Portfolio voted to pay to shareholders of record at the opening of business on record date, the following distributions per share derived from capital gains realized from sales of portfolio securities:

	Pay Date	Record Date	Capital Gains
<b>VIP Investment Grade Bond Portfolio</b>			
Initial Class	02/04/22	02/04/22	\$0.628
Service Class	02/04/22	02/04/22	\$0.628
Service Class 2	02/04/22	02/04/22	\$0.628
Investor Class	02/04/22	02/04/22	\$0.628

The fund hereby designates as a capital gain dividend with respect to the taxable year ended December 31, 2021, \$356,092,422, or, if subsequently determined to be different, the net capital gain of such year.

A total of 14.50% of the dividends distributed during the fiscal year was derived from interest on U.S. Government securities which is generally exempt from state income tax.

The fund designates \$192,153,110 of distributions paid in the calendar year 2020 as qualifying to be taxed as section 163(i) interest dividends.



# Board Approval of Investment Advisory Contracts and Management Fees

## VIP Investment Grade Bond Portfolio

Each year, the Board of Trustees, including the Independent Trustees (together, the Board), votes on the renewal of the management contract with Fidelity Management & Research Company LLC (FMR) and the sub-advisory agreements (together, the Advisory Contracts) for the fund. FMR and the sub-advisers are referred to herein as the Investment Advisers. The Board, assisted by the advice of fund counsel and Independent Trustees' counsel, requests and considers a broad range of information relevant to the renewal of the Advisory Contracts throughout the year.

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 fund's Advisory Contracts, including the services and support provided to the fund and its shareholders. The Board has established four standing committees (Committees) — Operations, Audit, Fair Valuation, and Governance and Nominating — each composed of and chaired by Independent Trustees with varying backgrounds, to which the Board has assigned specific subject matter responsibilities in order to enhance effective decision-making by the Board. The Operations Committee, of which all of the Independent Trustees are members, meets regularly throughout the year and considers, among other matters, information specifically related to the annual consideration of the renewal of the fund's Advisory Contracts. The Board, acting directly and through its Committees, requests and receives information concerning the annual consideration of the renewal of the fund's Advisory Contracts. The Board also meets as needed to review matters specifically related to the Board's annual consideration of the renewal of the Advisory Contracts. Members of the Board may also meet with trustees of other Fidelity funds through joint ad hoc committees to discuss certain matters relevant to all of the Fidelity funds.

At its September 2021 meeting, the Board unanimously determined to renew the fund's Advisory Contracts. In reaching its determination, the Board considered all factors it believed relevant, including (i) the nature, extent, and quality of the services provided to the fund and its shareholders (including the investment performance of the fund); (ii) the competitiveness relative to peer funds of the fund's management fee and total expense ratio of a representative class (Initial Class); (iii) the total costs of the services provided by and the profits realized by Fidelity from its relationships with the fund; and (iv) the extent to which, if any, economies of scale exist and are realized as the fund grows, and whether any economies of scale are appropriately shared with fund shareholders.

In considering whether to renew the Advisory Contracts for the fund, the Board reached a determination, with the assistance of fund counsel and Independent Trustees' counsel and through the exercise of its business judgment, that the renewal of the Advisory Contracts was in the best interests of the fund and its shareholders and that the compensation payable under the Advisory Contracts was fair and reasonable. The Board's decision to renew the Advisory Contracts was not based on any single factor, but rather was based on a comprehensive consideration of all the information provided to the Board at its meetings throughout the year. The Board, in reaching its determination to renew the Advisory Contracts, was aware that shareholders of the fund have a broad range of investment choices available to them, including a wide choice among funds offered by Fidelity's competitors, and that the fund's shareholders, who have the opportunity to review and weigh the disclosure provided by the fund in its prospectus and other public disclosures, have chosen to invest in this fund, which is part of the Fidelity family of funds.

**Nature, Extent, and Quality of Services Provided.** The Board considered Fidelity's staffing as it relates to the fund, including the backgrounds of investment personnel of Fidelity, and also considered the fund's investment objective, strategies, and related investment philosophy. The Independent Trustees also had discussions with senior management of Fidelity's investment operations and investment groups. The Board considered the structure of the investment personnel compensation program and whether this structure provides appropriate incentives to act in the best interests of the fund. Additionally, the Board considered the portfolio managers' investments, if any, in the funds that they manage. The Board also considered the steps Fidelity had taken to ensure the continued provision of high quality services to the Fidelity funds during the COVID-19 pandemic, including the expansion of staff in client facing positions to maintain service levels in periods of high volumes and volatility.

**Resources Dedicated to Investment Management and Support Services.** The Board reviewed the general qualifications and capabilities of Fidelity's investment staff, including its size, education, experience, and resources, as well as Fidelity's approach to recruiting, training, managing, and compensating investment personnel. The Board noted the resources devoted to Fidelity's global investment organization, and that Fidelity's analysts have extensive resources, tools and capabilities that allow them to conduct sophisticated quantitative and fundamental analysis, as well as credit analysis of issuers, counterparties and guarantors. Further, the Board considered that Fidelity's investment professionals have sufficient access to global information and data so as to provide competitive investment results over time, and that those professionals also have access to sophisticated tools that permit them to assess portfolio construction and risk and performance attribution characteristics continuously, as well as to transmit new information and research conclusions rapidly around the world. Additionally, in its deliberations, the Board considered Fidelity's trading, risk management, compliance, cybersecurity, and technology and operations capabilities and resources, which are integral parts of the investment management process.

**Shareholder and Administrative Services.** The Board considered (i) the nature, extent, quality, and cost of advisory, administrative, and shareholder services performed by the Investment Advisers and their affiliates under the Advisory Contracts and under separate agreements covering transfer agency, pricing and bookkeeping, and securities lending services for the fund; (ii) the nature and extent of the supervision of third party service providers, principally custodians, subcustodians, and pricing vendors; and (iii) the resources devoted to, and the record of compliance with, the fund's compliance policies and procedures.

The Board noted that the growth of fund assets over time across the complex allows Fidelity to reinvest in the development of services designed to enhance the value and convenience of the Fidelity funds as investment vehicles. These services include 24-hour access to account information and market information over the Internet and through telephone representatives, investor education materials and asset allocation tools. The Board also considered that it reviews customer service metrics such as telephone response times, continuity of services on the website and metrics addressing services at Fidelity Investor Centers.

**Investment in a Large Fund Family.** The Board considered the benefits to shareholders of investing in a Fidelity fund, including the benefits of investing in a fund that is part of a large family of funds offering a variety of investment disciplines and providing a large variety of mutual fund investor services. The Board noted that Fidelity had taken, or had made recommendations to the Board that resulted in the Fidelity funds taking, a number of actions over the previous year that benefited particular funds, including: (i) continuing to dedicate additional resources to Fidelity's investment research process, which includes meetings with management of issuers of securities in which the funds invest; (ii) continuing efforts to enhance Fidelity's global research capabilities; (iii) launching new funds and ETFs with innovative structures, strategies and pricing and making other enhancements to meet client needs; (iv) launching new share classes of existing funds; (v) eliminating purchase minimums and broadening eligibility requirements for certain funds and share classes; (vi) reducing the holding period for the conversion of Class C shares to Class A shares; (vii) reducing management fees and total expenses for certain target date funds and classes and index funds; (viii) lowering expenses for certain existing funds and classes by implementing or lowering expense caps; (ix) rationalizing product lines and gaining increased efficiencies from fund mergers, liquidations, and share class consolidations; (x) continuing to develop, acquire and implement systems

## Board Approval of Investment Advisory Contracts and Management Fees – continued

and technology to improve services to the funds and shareholders, strengthen information security, and increase efficiency; and (xi) continuing to implement enhancements to further strengthen Fidelity's product line to increase investors' probability of success in achieving their investment goals, including their retirement income goals.

Investment Performance. The Board considered whether the fund has operated in accordance with its investment objective, as well as its record of compliance with its investment restrictions and its performance history.

The Board took into account discussions that occur at Board meetings throughout the year with representatives of the Investment Advisers about fund investment performance. In this regard the Board noted that as part of regularly scheduled fund reviews and other reports to the Board on fund performance, the Board considers annualized return information for the fund for different time periods, measured against an appropriate securities market index (benchmark index) and an appropriate peer group of funds with similar objectives (peer group). The Board also reviews and considers information about performance attribution. In its evaluation of fund investment performance at meetings throughout the year, the Board gave particular attention to information indicating underperformance of certain Fidelity funds for specific time periods and discussed with the Investment Advisers the reasons for such underperformance.

In addition to reviewing absolute and relative fund performance, the Independent Trustees periodically consider the appropriateness of fund performance metrics in evaluating the results achieved. In general, the Independent Trustees believe that fund performance should be evaluated based on gross performance (before fees and expenses but after transaction costs) compared to appropriate benchmark indices, over appropriate time periods that may include full market cycles, and on net performance (after fees and expenses) compared to appropriate peer groups, as applicable, over the same periods, taking into account relevant factors including the following: general market conditions; expectations for interest rate levels and credit conditions; issuer-specific information including credit quality; the potential for incremental return versus the fund's benchmark index weighed against the risks involved in obtaining that incremental return, including the risk of diminished or negative total returns; and fund cash flows and other factors. The Independent Trustees generally give greater weight to fund performance over longer time periods than over shorter time periods. Depending on the circumstances, the Independent Trustees may be satisfied with a fund's performance notwithstanding that it lags its benchmark index or peer group for certain periods.

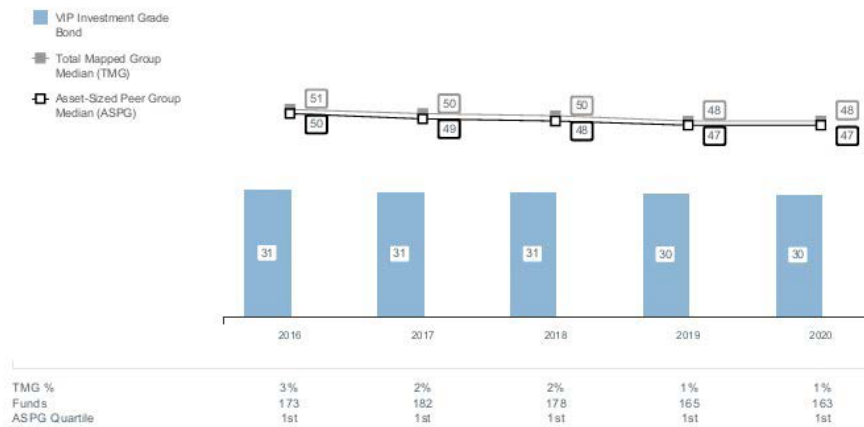
The Independent Trustees recognize that shareholders evaluate performance on a net basis over their own holding periods, for which one-, three-, and five-year periods are often used as a proxy. For this reason, the performance information reviewed by the Board also included net cumulative calendar year total return information for the fund and an appropriate benchmark index and peer group for the most recent one-, three-, and five-year periods. The Independent Trustees recognize that shareholders who are not investing through a tax-advantaged retirement account also consider tax consequences in evaluating performance.

Based on its review, the Board concluded that the nature, extent, and quality of services provided to the fund under the Advisory Contracts should continue to benefit the shareholders of the fund.

**Competitiveness of Management Fee and Total Expense Ratio.** The Board considered the fund's management fee and total expense ratio compared to "mapped groups" of competitive funds and classes created for the purpose of facilitating the Trustees' competitive analysis of management fees and total expenses. Fidelity creates "mapped groups" by combining similar Lipper investment objective categories that have comparable investment mandates. Combining Lipper investment objective categories aids the Board's management fee and total expense ratio comparisons by broadening the competitive group used for comparison.

Management Fee. The Board considered two proprietary management fee comparisons for the 12-month periods shown in basis points (BP) in the chart below. The group of Lipper funds used by the Board for management fee comparisons is referred to below as the "Total Mapped Group" and is broader than the Lipper peer group used by the Board for performance comparisons. The Total Mapped Group comparison focuses on a fund's standing in terms of gross management fees before expense reimbursements or caps relative to the total universe of funds with comparable investment mandates, regardless of whether their management fee structures also are comparable. Funds with comparable investment mandates offer exposure to similar types of securities. Funds with comparable management fee structures have similar management fee contractual arrangements (e.g., flat rate charged for advisory services, all-inclusive fee rate, etc.). "TMG %" represents the percentage of funds in the Total Mapped Group that had management fees that were lower than the fund's. For example, a hypothetical TMG % of 20% would mean that 80% of the funds in the Total Mapped Group had higher, and 20% had lower, management fees than the fund. The fund's actual TMG %s and the number of funds in the Total Mapped Group are in the chart below. The "Asset-Sized Peer Group" (ASPG) comparison focuses on a fund's standing relative to a subset of non-Fidelity funds within the Total Mapped Group that are similar in size and management fee structure. For example, if a fund is in the first quartile of the ASPG, the fund's management fee ranks in the least expensive or lowest 25% of funds in the ASPG. The ASPG represents at least 15% of the funds in the Total Mapped Group with comparable asset size and management fee structures, subject to a minimum of 50 funds (or all funds in the Total Mapped Group if fewer than 50). Additional information, such as the ASPG quartile in which the fund's management fee rate ranked, is also included in the chart and was considered by the Board.

Historical Management Fees (BP) vs. Competitive Medians (BP):



The Board noted that the fund's management fee rate ranked below the median of its Total Mapped Group and below the median of its ASPG for 2020.

Based on its review, the Board concluded that the fund's management fee is fair and reasonable in light of the services that the fund receives and the other factors considered.

**Total Expense Ratio.** In its review of the total expense ratio of the representative class (Initial Class) of the fund, the Board considered the fund's management fee rate as well as other fund or class expenses, as applicable, such as transfer agent fees, pricing and bookkeeping fees, fund-paid 12b-1 fees, and custodial, legal, and audit fees. The Board also noted that Fidelity may agree to waive fees or reimburse expenses from time to time, and the extent to which, if any, it has done so for the fund. The fund's representative class is compared to those funds and classes in the Total Mapped Group (used by the Board for management fee comparisons) that have a similar sales load structure. The Board also considered a total expense ASPG comparison for the representative class, which focuses on the total expenses relative to a subset of non-Fidelity funds within the similar sales load structure group. The total expense ASPG is limited to 15 larger and 15 smaller classes of different funds, where possible. The total expense ASPG comparison excludes performance adjustments and fund-paid 12b-1 fees to eliminate variability in expenses relating to these items.

The Board noted that the total expense ratio of Initial Class ranked below the similar sales load structure group competitive median for 2020 and below the ASPG competitive median for 2020.

**Fees Charged to Other Fidelity Clients.** The Board also considered Fidelity fee structures and other information with respect to clients of Fidelity, such as other funds advised or subadvised by Fidelity, pension plan clients, and other institutional clients with similar mandates. The Board noted that a joint ad hoc committee created by it and the boards of other Fidelity funds periodically reviews and compares Fidelity's institutional investment advisory business with its business of providing services to the Fidelity funds and also noted the most recent findings of the committee. The Board noted that the committee's review included a consideration of the differences in services provided, fees charged, and costs incurred, as well as competition in the markets serving the different categories of clients.

Based on its review of total expense ratios and fees charged to other Fidelity clients, the Board concluded that the total expense ratio of each class of the fund was reasonable in light of the services that the fund and its shareholders receive and the other factors considered.

**Costs of the Services and Profitability.** The Board considered the revenues earned and the expenses incurred by Fidelity in conducting the business of developing, marketing, distributing, managing, administering and servicing the fund and servicing the fund's shareholders. The Board also considered the level of Fidelity's profits in respect of all the Fidelity funds.

On an annual basis, Fidelity presents to the Board information about the profitability of its relationships with the fund. Fidelity calculates profitability information for each fund, as well as aggregate profitability information for groups of Fidelity funds and all Fidelity funds, using a series of detailed revenue and cost allocation methodologies which originate with the books and records of Fidelity on which Fidelity's audited financial statements are based. The Audit Committee of the Board reviews any significant changes from the prior year's methodologies and the full Board approves such changes.

A public accounting firm has been engaged annually by the Board as part of the Board's assessment of Fidelity's profitability analysis. The engagement includes the review and assessment of the methodologies used by Fidelity in determining the revenues and expenses attributable to Fidelity's mutual fund business, and completion of agreed-upon procedures in respect of the mathematical accuracy of certain fund profitability information and its conformity to established allocation methodologies. After considering the reports issued under the engagement and information provided by Fidelity, the Board concluded that while other allocation methods may also be reasonable, Fidelity's profitability methodologies are reasonable in all material respects.

The Board also reviewed Fidelity's non-fund businesses and potential indirect benefits such businesses may have received as a result of their association with Fidelity's mutual fund business (i.e., fall-out benefits) as well as cases where Fidelity's affiliates may benefit from the funds' business. The Board considered areas where potential indirect benefits to the Fidelity funds from their relationships with Fidelity may exist. The Board's consideration of these matters was informed by the findings of a joint ad hoc committee created by it and the boards of other Fidelity funds to evaluate potential fall-out benefits.

The Board considered the costs of the services provided by and the profits realized by Fidelity in connection with the operation of the fund and was satisfied that the profitability was not excessive.

**Economies of Scale.** The Board considered whether there have been economies of scale in respect of the management of the Fidelity funds, whether the Fidelity funds (including the fund) have appropriately benefited from any such economies of scale, and whether there is potential for realization of any further economies of scale. The Board considered the extent to which the fund will

## Board Approval of Investment Advisory Contracts and Management Fees – continued

benefit from economies of scale as assets grow through increased services to the fund, through waivers or reimbursements, or through fee or expense ratio reductions. The Board also noted that a committee (the Economies of Scale Committee) created by it and the boards of other Fidelity funds periodically analyzes whether Fidelity attains economies of scale in respect of the management and servicing of the Fidelity funds, whether the Fidelity funds have appropriately benefited from such economies of scale, and whether there is potential for realization of any further economies of scale.

The Board recognized that the fund's management contract incorporates a "group fee" structure, which provides for lower group fee rates as total "group assets" increase, and for higher group fee rates as total "group assets" decrease ("group assets" as defined in the management contract). FMR calculates the group fee rates based on a tiered asset "breakpoint" schedule that varies based on asset class. The Board considered that the group fee is designed to deliver the benefits of economies of scale to fund shareholders when total Fidelity fund assets increase, even if assets of any particular fund are unchanged or have declined, because some portion of Fidelity's costs are attributable to services provided to all Fidelity funds, and all funds benefit if those costs can be allocated among more assets. The Board also considered that Fidelity agreed to impose a temporary fee waiver in the form of additional breakpoints to the current breakpoint schedule. The Board concluded that, given the group fee structure, fund shareholders will benefit from lower management fees as "group assets" increase at the fund complex level, regardless of whether Fidelity achieves any such economies of scale.

The Board concluded, taking into account the analysis of the Economies of Scale Committee, that economies of scale, if any, are being appropriately shared between fund shareholders and Fidelity.

**Additional Information Requested by the Board.** In order to develop fully the factual basis for consideration of the Fidelity funds' advisory contracts, the Board requested and received additional information on certain topics, including: (i) Fidelity's fund profitability methodology, profitability trends for certain funds, the allocation of various costs to different funds, and the impact of certain factors on fund profitability results; (ii) portfolio manager changes that have occurred during the past year and the amount of the investment that each portfolio manager has made in the Fidelity fund(s) that he or she manages; (iii) the extent to which current market conditions have affected retention and recruitment of personnel; (iv) the arrangements with and compensation paid to certain fund sub-advisers on behalf of the Fidelity funds and the treatment of such compensation within Fidelity's fund profitability methodology; (v) the terms of the funds' various management fee structures, including the basic group fee and the terms of Fidelity's voluntary expense limitation arrangements; (vi) Fidelity's transfer agent fee, expense, and service structures for different funds and classes relative to competitive trends; (vii) the impact on fund profitability of recent industry trends, such as the growth in passively managed funds and the continued waiver of money market fund fees; (viii) the types of management fee and total expense comparisons provided, and the challenges and limitations associated with such information; and (ix) explanations regarding the relative total expense ratios of certain funds and classes, total expense competitive trends and methodologies for total expense competitive comparisons. In addition, the Board considered its discussions with Fidelity regarding Fidelity's efforts to maintain the continuous investment and shareholder services necessary for the funds during the current pandemic and economic circumstances.

Based on its evaluation of all of the conclusions noted above, and after considering all factors it believed relevant, the Board concluded that the advisory fee arrangements are fair and reasonable, and that the fund's Advisory Contracts should be renewed.







