

Fidelity VIP Equity-Income - Service Class 2R

Investment Strategy from investment's prospectus

The investment seeks reasonable income with consideration of the potential for capital appreciation.

The fund normally invests at least 80% of assets in equity securities. It primarily invests in income-producing equity securities, which tends to lead to investments in large cap "value" stocks. The fund potentially invests in other types of equity securities and debt securities, including lower-quality debt securities.

Category Description: Large Value

Large-value funds focus on big companies that are less expensive or growing more slowly than other large-cap stocks. These funds often feature investments in energy, financial, or manufacturing sectors.

Broad Asset Class: Large Cap Stocks

Shares of ownership in large corporations.

Notes

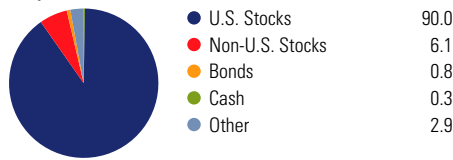
This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity and variable life insurance only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against a loss in a declining market.

Portfolio Analysis as of 08-31-08

Composition as of 08-31-08



Top 20 Holdings as of 08-31-08

Company	% Assets
ExxonMobil Corporation	5.35
AT&T, Inc.	3.33
Bank of America Corporation	2.91
J.P. Morgan Chase & Co.	2.31
Chevron Corporation	1.93
General Electric Company	1.89
ConocoPhillips	1.82
Wells Fargo Company	1.77
Verizon Communications Inc.	1.53
Pfizer Inc.	1.48
Schlumberger, Ltd.	1.46
Johnson & Johnson	1.31
American International Group	1.21
Bank of New York Mellon Corporation	1.13
Intel Corporation	1.11
Honeywell International, Inc.	1.10
Wachovia Corporation	1.10
Time Warner, Inc.	1.09
Wal-Mart Stores, Inc.	1.08
Morgan Stanley	1.05
Total Number of Stock Holdings	228
Total Number of Bond Holdings	11
Annual Turnover Ratio %	20
Total Fund Assets (\$mil)	7,207.00

Risk Classification as of 09-30-08

An investment's risk classification corresponds with the following ranges of standard deviation.

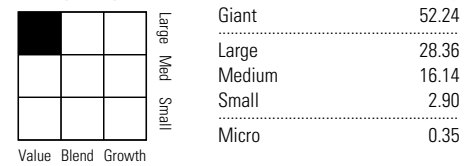
I	II	III	IV	V	VI
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- I Lowest: Money Market and Stable Value Funds
- II Very Low: 0.00-3.46
- III Low: 3.47-5.21
- IV Moderate: 5.22-9.95
- ▶ V High: 9.96-13.50
- VI Very High: 13.51 and above

Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Morningstar provides standard deviation and Nationwide provides the ranges.

Morningstar Style Box™ as of 08-31-08



Statistics as of 08-31-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.94	0.97	1.00
P/B Ratio	1.51	0.77	0.89
P/C Ratio	6.16	0.84	0.87
GeoAvgCap (\$mil)	42,593.24	0.94	1.15

Risk Measures as of 09-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	12.82	1.13	1.09
3 Yr Beta	1.10	—	1.13
3 Yr Sharpe Ratio	-0.40	1.43	1.18
3 Yr Alpha	-1.57	—	1.40
3 Yr R-squared	95.65	—	1.08

Morningstar Sectors as of 08-31-08

Sector	Fund%	S&P 500%
Information	17.21	19.27
Software	0.95	4.02
Hardware	6.56	9.48
Media	3.52	2.72
Telecommunication	6.18	3.05
Service	39.77	40.95
Healthcare Service	7.32	13.10
ConsumerService	6.37	7.45
Business Service	2.02	4.74
Financial Service	24.06	15.66
Manufacturing	43.02	39.79
Consumer Goods	6.57	10.65
Industrial Materials	13.97	12.22
Energy	19.04	13.43
Utilities	3.44	3.49

Operations

Expense Ratio	0.79% of fund assets
Fund Inception Date	04-24-02
Initial Share Class	10-09-86
Inception Date	
Advisor	Fidelity Mgmt & Research Company (FMR)
Subadvisor	FMR Co., Inc. (FMRC) Fidelity Management & Research (UK) Inc. Fidelity Intl Investment Adv, Inc Fidelity Intl Invest Advisors (uk) Ltd Fidelity Investment Japan Ltd. Fidelity Research & Analysis Co.

Portfolio Manager(s)

Stephen R. Petersen, CFA. B.A., U of Wisconsin. M.S., U of Wisconsin. Since 1997.