

**Annual Report**  
December 31, 2008



American Century  
Investments®

## **American Century Variable Portfolios**

**VP Value Fund**



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By Enrique Chang, Chief Investment Officer,  
American Century Investments

## An Historic Market Decline

In 2008, the U.S. stock market ended a five-year winning streak in history-making fashion, suffering its worst calendar-year loss since the Great Depression. The catalysts for this historic decline included a debilitating credit crisis, calamity in the financial sector, and a year-long recession.

The credit environment deteriorated steadily throughout the year, and a deepening liquidity crisis—ignited by the mortgage-market meltdown in 2007—led to an increasingly urgent need for capital at many financial companies. The crisis reached a tipping point in September as a number of venerable financial institutions faced bankruptcy, a federal government bailout, or takeover by a competitor.

The credit crunch exacerbated the weakness in the U.S. economy, which officially entered a recession in December 2007. Escalating job losses pushed the unemployment rate up to a 16-year high, consumer spending slowed dramatically, and mortgage foreclosures and delinquencies rose markedly. In addition, the financial crisis spread around the world, contributing to a global economic downturn.

The federal government responded decisively with extraordinary levels of fiscal and monetary assistance—including an unprecedented series of interest rate cuts by the Federal Reserve—to stimulate economic activity and prevent a collapse in the financial system. Other central banks and governments contributed additional stimulus in a globally coordinated effort.

## Sowing the Seeds of Recovery

Despite the exceptional government intervention, economic and credit conditions continued to worsen throughout the year, triggering a steep stock market decline and a dramatic increase in day-to-day market volatility. As the accompanying table illustrates, the broad equity indices fell by more than 35% in 2008—their worst performance in more than 70 years.

A market downturn of this magnitude plays the sometimes necessary role of correcting past market misbehavior and eliminating excesses and inefficiencies. The current downturn was years in the making, and it will take time for the financial relief and economic stimulus measures to reach fruition. However, we are confident that the pieces are in place to build the foundation of a sustainable market recovery.

### U.S. Stock Index Returns

For the 12 months ended December 31, 2008

<b>Russell 1000 Index (Large-Cap)</b>	<b>-37.60%</b>
Russell 1000 Value Index	-36.85%
Russell 1000 Growth Index	-38.44%
<b>Russell Midcap Index</b>	<b>-41.46%</b>
Russell Midcap Value Index	-38.44%
Russell Midcap Growth Index	-44.32%
<b>Russell 2000 Index (Small-Cap)</b>	<b>-33.79%</b>
Russell 2000 Value Index	-28.92%
Russell 2000 Growth Index	-38.54%

# Performance

## VP Value

Total Returns as of December 31, 2008

	Average Annual Returns				Inception Date
	1 year	5 years	10 years	Since Inception	
<b>Class I</b>	-26.78%	-0.21%	3.95%	6.37%	5/1/96
<b>Russell 3000 Value Index<sup>(1)</sup></b>	-36.25%	-0.72%	1.69%	5.92%	—
<b>S&amp;P 500 Index<sup>(1)</sup></b>	-37.00%	-2.19%	-1.38%	4.35%	—
<b>Lipper Multi-Cap Value Index<sup>(1)</sup></b>	-37.65%	-2.47%	1.28%	4.41%	—
<b>Class II</b>	-26.80%	-0.34%	—	1.82%	8/14/01
<b>Class III</b>	-26.78%	-0.21%	—	1.84%	5/6/02

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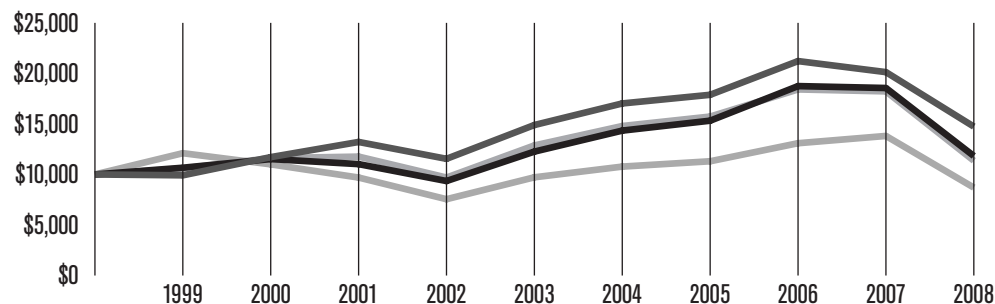
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Unless otherwise indicated, performance reflects Class I shares; performance for other share classes will vary due to differences in fee structure. For information about other share classes available, please consult the prospectus. Data assumes reinvestment of dividends and capital gains, and none of the charts reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Returns for the indices are provided for comparison. The fund's total returns include operating expenses (such as transaction costs and management fees) that reduce returns, while the total returns of the indices do not.

## VP Value

### Growth of \$10,000 Over 10 Years

\$10,000 investment made December 31, 1998



Value on December 31, 2008

Class I	— \$14,739
Russell 3000 Value Index	— \$11,828
Lipper Multi-Cap Value Index	— \$11,361
S&P 500 Index	— \$8,700

### One-Year Returns Over 10 Years

Periods ended December 31

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Class I</b>	-0.85%	18.14%	12.82%	-12.62%	28.96%	14.33%	5.03%	18.65%	-5.14%	-26.78%
<b>Russell 3000 Value Index</b>	6.65%	8.04%	-4.33%	-15.18%	31.14%	16.94%	6.85%	22.34%	-1.01%	-36.25%
<b>S&amp;P 500 Index</b>	21.04%	-9.10%	-11.89%	-22.10%	28.68%	10.88%	4.91%	15.79%	5.49%	-37.00%
<b>Lipper Multi-Cap Value Index</b>	5.94%	9.64%	1.30%	-17.61%	32.78%	14.91%	6.33%	17.07%	-1.04%	-37.65%

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# Portfolio Commentary

## VP Value

Portfolio Managers: Michael Liss, Kevin Toney, and Phil Davidson

### Performance Summary

VP Value declined  $-26.78\%^*$  for the 12 months ended December 31, 2008. By comparison, its benchmark, the Russell 3000 Value Index, declined  $-36.25\%$ . The Lipper Multi-Cap Value Index declined  $-37.65\%$  while the average return for Morningstar's Large Cap Value category (whose performance, like VP Value's, reflects fund operating expenses) was  $-37.25\%^{**}$ . The broader market, as measured by the S&P 500, declined  $-37.00\%$ . (The portfolio's returns reflect fund operating expenses, while the indices' returns do not.)

The volatile market environment described in the Market Perspective on page 2 hampered VP Value's absolute performance. Nevertheless, the portfolio outpaced its benchmark, largely because of its emphasis on less-risky businesses with sound balance sheets. U.S. equity indexes were universally down for the 12-month period, with value and growth stocks generally providing similar returns. VP Value benefited most from its positions in consumer staples, financials, and materials. Detractors were scattered across different sectors.

### Consumer Staples Boosted Results

The portfolio benefited from an overweight in consumer staples, a position we gradually reduced as relative valuations increased over the period.

Effective security selection, particularly among food and household products stocks, also contributed positively to relative results. Two top holdings were Kraft Foods and Kimberly-Clark Corp. Kraft, the largest branded food company in the U.S., has slimmed down its portfolio of products to concentrate more marketing resources behind fewer brands. It has also continued to cut costs and push more of its products into international markets. Kimberly-Clark, one of the largest makers of personal-care and paper products, benefited from cost-cutting and price increases. Lower commodity prices may also help the company's profit margins in the future.

### Financials Enhanced Performance

In general, we perceive more risk than reward in the financials sector, the benchmark's weakest performer of the period. As a result, we maintain a significant underweight. Furthermore, our focus on higher-quality companies with strong balance sheets and reliable funding sources helped us avoid several headline names, including financial giant Citigroup; government-sponsored mortgage lender Fannie Mae; bank holding company Wachovia Corp.; and investment bank Lehman Brothers, which declared bankruptcy during the period.

### Top Ten Holdings as of December 31, 2008

	% of net assets as of 12/31/08	% of net assets as of 6/30/08
Exxon Mobil Corp.	5.6%	5.1%
AT&T, Inc.	4.2%	3.6%
General Electric Co.	4.2%	5.5%
Kimberly-Clark Corp.	2.7%	4.5%
BP plc ADR	2.7%	3.1%
Pfizer, Inc.	2.7%	2.0%
Johnson & Johnson	2.7%	2.5%
JPMorgan Chase & Co.	2.6%	1.8%
Marsh & McLennan Cos., Inc.	2.5%	1.7%
Beckman Coulter, Inc.	2.3%	1.8%

\* All fund returns referenced in this commentary are for Class I shares.

\*\*The average returns for Morningstar's Large Cap Value category were  $-2.05\%$  and  $0.58\%$  for the five- and ten-year periods ended December 31, 2008, respectively. © 2009 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

## VP Value

### Materials Contributed

The materials sector was another source of relative outperformance. In the containers and packaging segment, effective security selection added to results. A top contributor was Bemis Co., one of the portfolio's larger holdings. Bemis, a major producer of flexible packaging, primarily for the food industry, reported an increase in profits from the sale of its flexible and dry-food packaging products.

### Detractors Were Isolated

VP Value's detractors were broadly distributed, with none of the 10 sectors in which it was invested providing negative relative performance.

Two notable detractors came from the financials sector. Wells Fargo & Company, in which the portfolio had a material underweight, hampered results when it outperformed for the benchmark. We believe the commercial bank was perceived by investors as a less-risky financial holding. Asset manager AllianceBernstein Holding LP experienced weak investment performance, compounding a decline in assets under management that accompanied the decline in the financial markets. We believe the stock will return to more reasonable valuations after performance issues are resolved.

In energy, we continue to focus on businesses with access to low-cost reserves and less-volatile earnings streams. However, performance was hindered by smaller-than-the-benchmark positions in Chevron and Exxon Mobil, both of which outperformed. In information technology, a notable detractor was Tyco Electronics, a global provider of engineered electronic components, network solutions, wireless systems, and undersea telecommunication systems. The company reported a drop in earnings in the global economic downturn as customer demand decreased in most of its key end markets.

### Outlook

We will continue to follow our disciplined, bottom-up process, selecting securities one at a time for the portfolio. We see opportunities in information technology, industrials, and health care stocks, reflected by our overweight positions in these sectors relative to the benchmark. Our fundamental analysis and valuation work is also directing us toward smaller weightings in financials and consumer discretionary stocks.

*Portfolio Manager Scott Moore has left American Century Investments to pursue another career opportunity. Michael Liss, who is also on the VP Mid Cap Value management team, continues to co-manage VP Value. Portfolio Manager Kevin Toney has joined the VP Value management team. Mr. Toney, a portfolio manager on the VP Mid Cap Value portfolio, previously served as a senior investment analyst for VP Value.*

### Top Five Industries as of December 31, 2008

	% of net assets as of 12/31/08	% of net assets as of 6/30/08
Oil, Gas & Consumable Fuels	14.6%	10.8%
Pharmaceuticals	9.4%	7.1%
Food Products	6.5%	9.9%
Insurance	6.5%	6.2%
Diversified Telecommunication Services	5.9%	5.0%

### Types of Investments in Portfolio

	% of net assets as of 12/31/08	% of net assets as of 6/30/08
Domestic Common Stocks	91.2%	88.2%
Foreign Common Stocks <sup>(1)</sup>	8.3%	8.3%
<b>Total Common Stocks</b>	<b>99.5%</b>	<b>96.5%</b>
Cash and Equivalents <sup>(2)</sup>	0.5%	3.5%

(1) Includes depository shares, dual listed securities and foreign ordinary shares.

(2) Includes temporary cash investments, securities lending collateral and other assets and liabilities.

## Shareholder Fee Example (Unaudited)

Fund shareholders may incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and redemption/exchange fees; and (2) ongoing costs, including management fees; distribution and service (12b-1) fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in your fund and to compare these costs with the ongoing cost of investing in other mutual funds.

The example is based on an investment of \$1,000 made at the beginning of the period and held for the entire period from July 1, 2008 to December 31, 2008.

### Actual Expenses

The table provides information about actual account values and actual expenses for each class. You may use the information, together with the amount you invested, to estimate the expenses that you paid over the period. First, identify the share class you own. Then simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The table also provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio of each class of your fund and an assumed rate of return of 5% per year before expenses, which is not the actual return of a fund's share class. 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 your 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.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or redemption/exchange fees. Therefore, 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.

	Beginning Account Value 7/1/08	Ending Account Value 12/31/08	Expenses Paid During Period* 7/1/08 – 12/31/08	Annualized Expense Ratio*
<b>Actual</b>				
Class I	\$1,000	\$841.70	\$4.44	0.96%
Class II	\$1,000	\$841.70	\$5.14	1.11%
Class III	\$1,000	\$841.70	\$4.44	0.96%
<b>Hypothetical</b>				
Class I	\$1,000	\$1,020.31	\$4.88	0.96%
Class II	\$1,000	\$1,019.56	\$5.63	1.11%
Class III	\$1,000	\$1,020.31	\$4.88	0.96%

\* Expenses are equal to the class's annualized expense ratio listed in the table above, multiplied by the average account value over the period, multiplied by 184, the number of days in the most recent fiscal half-year, divided by 366, to reflect the one-half year period.

# Schedule of Investments

## VP Value

DECEMBER 31, 2008

Shares		Value
<b>Common Stocks – 99.5%</b>		
<b>AEROSPACE &amp; DEFENSE – 0.9%</b>		
112,767	Honeywell International, Inc.	\$ 3,702,140
152,347	Northrop Grumman Corp.	6,861,709
		<b>10,563,849</b>
<b>AIR FREIGHT &amp; LOGISTICS – 0.8%</b>		
182,196	United Parcel Service, Inc., Class B	10,049,931
<b>AIRLINES – 0.5%</b>		
702,832	Southwest Airlines Co.	6,058,412
<b>AUTOMOBILES – 1.3%</b>		
167,300	Honda Motor Co. Ltd.	3,628,285
373,400	Toyota Motor Corp.	12,222,438
		<b>15,850,723</b>
<b>BEVERAGES – 0.7%</b>		
156,779	PepsiCo, Inc.	8,586,786
<b>BIOTECHNOLOGY – 0.9%</b>		
198,262	Amgen, Inc. <sup>(1)</sup>	11,449,630
<b>BUILDING PRODUCTS – 0.3%</b>		
347,543	Masco Corp.	3,868,154
<b>CAPITAL MARKETS – 2.5%</b>		
530,837	AllianceBernstein Holding LP	11,036,101
225,429	Ameriprise Financial, Inc.	5,266,022
49,802	Goldman Sachs Group, Inc. (The)	4,202,791
336,433	Legg Mason, Inc.	7,371,247
312,149	Merrill Lynch & Co., Inc.	3,633,414
		<b>31,509,575</b>
<b>CHEMICALS – 2.4%</b>		
70,627	Air Products & Chemicals, Inc.	3,550,419
236,453	Dow Chemical Co. (The)	3,568,076
319,437	E.I. du Pont de Nemours & Co.	8,081,756
33,883	Ecolab, Inc.	1,190,988
426,602	International Flavors & Fragrances, Inc.	12,678,611
29,722	Minerals Technologies, Inc.	1,215,630
		<b>30,285,480</b>
<b>COMMERCIAL BANKS – 3.0%</b>		
714,694	Associated Banc-Corp.	14,958,545
219,375	BB&T Corp.	6,024,037
91,631	Marshall & Ilsley Corp.	1,249,847
89,301	SunTrust Banks, Inc.	2,637,952
227,349	U.S. Bancorp.	5,685,998
219,824	Wells Fargo & Co.	6,480,412
		<b>37,036,791</b>

Shares		Value
<b>COMMERCIAL SERVICES &amp; SUPPLIES – 3.1%</b>		
490,172	Avery Dennison Corp.	\$ 16,043,330
291,930	Pitney Bowes, Inc.	7,438,376
287,639	Republic Services, Inc.	7,130,571
222,577	Waste Management, Inc.	7,376,202
		<b>37,988,479</b>
<b>COMMUNICATIONS EQUIPMENT – 0.2%</b>		
153,002	Nokia Oyj ADR	2,386,831
<b>COMPUTERS &amp; PERIPHERALS – 0.9%</b>		
393,415	Diebold, Inc.	11,051,027
<b>CONTAINERS &amp; PACKAGING – 1.9%</b>		
1,009,263	Bemis Co., Inc.	23,899,348
<b>DISTRIBUTORS – 0.9%</b>		
305,710	Genuine Parts Co.	11,574,181
<b>DIVERSIFIED FINANCIAL SERVICES – 5.1%</b>		
1,587,012	Bank of America Corp.	22,345,129
1,038,295	JPMorgan Chase & Co.	32,737,441
376,964	McGraw-Hill Cos., Inc. (The)	8,741,795
		<b>63,824,365</b>
<b>DIVERSIFIED TELECOMMUNICATION SERVICES – 5.9%</b>		
1,837,809	AT&T, Inc.	52,377,557
333,326	BCE, Inc.	6,785,324
408,819	Verizon Communications, Inc.	13,858,964
		<b>73,021,845</b>
<b>ELECTRIC UTILITIES – 2.5%</b>		
381,073	IDACORP, Inc.	11,222,600
947,816	Westar Energy, Inc.	19,439,706
		<b>30,662,306</b>
<b>ELECTRICAL EQUIPMENT – 1.7%</b>		
168,047	Emerson Electric Co.	6,152,201
470,417	Hubbell, Inc., Class B	15,373,227
		<b>21,525,428</b>
<b>ELECTRONIC EQUIPMENT &amp; INSTRUMENTS – 2.4%</b>		
1,267,081	Molex, Inc.	18,360,004
734,646	Tyco Electronics Ltd.	11,908,611
		<b>30,268,615</b>
<b>ENERGY EQUIPMENT &amp; SERVICES – 1.1%</b>		
340,562	Cameron International Corp. <sup>(1)</sup>	6,981,521
143,826	Schlumberger Ltd.	6,088,155
		<b>13,069,676</b>
<b>FOOD &amp; STAPLES RETAILING – 0.2%</b>		
50,592	Wal-Mart Stores, Inc.	2,836,187

## VP Value

Shares		Value
<b>FOOD PRODUCTS – 6.5%</b>		
264,469	Campbell Soup Co.	\$ 7,936,715
1,432,058	ConAgra Foods, Inc.	23,628,957
207,275	H.J. Heinz Co.	7,793,540
89,773	Kellogg Co.	3,936,546
984,305	Kraft Foods, Inc., Class A	26,428,589
480,353	Unilever NV CVA	11,639,016
		<b>81,363,363</b>
<b>GAS UTILITIES – 1.2%</b>		
221,514	Southwest Gas Corp.	5,586,583
270,173	WGL Holdings, Inc.	8,831,955
		<b>14,418,538</b>
<b>HEALTH CARE EQUIPMENT &amp; SUPPLIES – 3.1%</b>		
664,339	Beckman Coulter, Inc.	29,191,055
637,624	Boston Scientific Corp. <sup>(1)</sup>	4,935,210
108,045	Zimmer Holdings, Inc. <sup>(1)</sup>	4,367,179
		<b>38,493,444</b>
<b>HEALTH CARE PROVIDERS &amp; SERVICES – 0.4%</b>		
233,906	LifePoint Hospitals, Inc. <sup>(1)</sup>	5,342,413
<b>HOTELS, RESTAURANTS &amp; LEISURE – 2.1%</b>		
451,906	International Speedway Corp., Class A	12,983,260
832,420	Speedway Motorsports, Inc.	13,410,286
		<b>26,393,546</b>
<b>HOUSEHOLD DURABLES – 0.6%</b>		
193,890	Whirlpool Corp.	8,017,351
<b>HOUSEHOLD PRODUCTS – 3.2%</b>		
32,860	Clorox Co.	1,825,702
644,736	Kimberly-Clark Corp.	34,003,377
68,687	Procter & Gamble Co. (The)	4,246,230
		<b>40,075,309</b>
<b>INDUSTRIAL CONGLOMERATES – 4.7%</b>		
113,581	3M Co.	6,535,451
3,221,285	General Electric Co.	52,184,817
		<b>58,720,268</b>
<b>INSURANCE – 6.5%</b>		
370,155	Allstate Corp. (The)	12,126,278
235	Berkshire Hathaway, Inc., Class A <sup>(1)</sup>	22,701,000
191,686	Chubb Corp.	9,775,986
1,271,534	Marsh & McLennan Cos., Inc.	30,860,130
123,796	Travelers Cos., Inc. (The)	5,595,579
		<b>81,058,973</b>
<b>IT SERVICES – 0.3%</b>		
43,246	International Business Machines Corp.	3,639,583

Shares		Value
<b>LEISURE EQUIPMENT &amp; PRODUCTS – 0.2%</b>		
284,561	RC2 Corp. <sup>(1)</sup>	\$ 3,036,266
<b>MEDIA – 0.3%</b>		
150,169	Walt Disney Co. (The)	3,407,335
<b>MULTILINE RETAIL – 0.6%</b>		
223,303	Target Corp.	7,710,653
<b>MULTI-UTILITIES – 2.3%</b>		
87,130	Ameren Corp.	2,897,944
217,890	Puget Energy, Inc.	5,941,860
278,261	Wisconsin Energy Corp.	11,681,397
406,413	Xcel Energy, Inc.	7,538,961
		<b>28,060,162</b>
<b>OIL, GAS &amp; CONSUMABLE FUELS – 14.6%</b>		
143,965	Apache Corp.	10,729,711
724,128	BP plc ADR	33,845,743
202,744	Chevron Corp.	14,996,974
68,116	ConocoPhillips	3,528,409
126,698	Devon Energy Corp.	8,325,325
558,672	Equitable Resources, Inc.	18,743,446
876,773	Exxon Mobil Corp.	69,992,788
393,134	Total SA	21,432,762
		<b>181,595,158</b>
<b>PAPER &amp; FOREST PRODUCTS – 0.5%</b>		
204,859	Weyerhaeuser Co.	6,270,734
<b>PHARMACEUTICALS – 9.4%</b>		
402,884	Bristol-Myers Squibb Co.	9,367,053
301,632	Eli Lilly & Co.	12,146,721
560,433	Johnson & Johnson	33,530,706
452,496	Merck & Co., Inc.	13,755,879
1,910,478	Pfizer, Inc.	33,834,565
395,077	Wyeth	14,819,338
		<b>117,454,262</b>
<b>REAL ESTATE INVESTMENT TRUSTS (REITs) – 0.3%</b>		
24,469	Boston Properties, Inc.	1,345,795
195,467	Host Hotels & Resorts, Inc.	1,479,685
18,567	Public Storage	1,476,077
		<b>4,301,557</b>
<b>ROAD &amp; RAIL – 0.1%</b>		
116,439	Heartland Express, Inc.	1,835,079
<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT – 2.5%</b>		
487,090	Applied Materials, Inc.	4,934,222
786,806	Intel Corp.	11,534,576
234,038	KLA-Tencor Corp.	5,099,688
589,941	Texas Instruments, Inc.	9,155,884
		<b>30,724,370</b>

## VP Value

Shares	Value
<b>SPECIALTY RETAIL — 0.9%</b>	
525,853 Lowe's Cos., Inc.	\$ 11,316,357
<b>TOTAL COMMON STOCKS</b> (Cost \$1,488,485,715)	
	1,240,602,340
<b>Temporary Cash Investments — 0.3%</b>	
2,734 JPMorgan U.S. Treasury Plus Money Market Fund Agency Shares	2,734
Repurchase Agreement, Credit Suisse First Boston, Inc., (collateralized by various U.S. Treasury obligations, 8.125%, 8/15/19, valued at \$3,480,093), in a joint trading account at 0.02%, dated 12/31/08, due 1/2/09 (Delivery value \$3,400,004)	3,400,000
<b>TOTAL TEMPORARY CASH INVESTMENTS</b> (Cost \$3,402,734)	
	3,402,734
<b>TOTAL INVESTMENT SECURITIES — 99.8%</b> (Cost \$1,491,888,449)	
	1,244,005,074
<b>OTHER ASSETS AND LIABILITIES — 0.2%</b>	
	2,315,339
<b>TOTAL NET ASSETS — 100.0%</b>	
	\$1,246,320,413

### Forward Foreign Currency Exchange Contracts

Contracts to Sell	Settlement Date	Value	Unrealized Gain (Loss)
6,432,680 CAD for USD	1/30/09	\$ 5,208,648	\$ (13,635)
20,151,202 EUR for USD	1/30/09	27,979,272	(1,868,248)
18,115,567 GBP for USD	1/30/09	26,027,540	1,742,579
908,734,580 JPY for USD	1/30/09	10,029,917	(483,749)
		\$69,245,377	\$ (623,053)

(Value on Settlement Date \$68,622,324)

### Notes to Schedule of Investments

ADR = American Depositary Receipt

CAD = Canadian Dollar

CVA = Certificaten Van Aandelen

EUR = Euro

GBP = British Pound

JPY = Japanese Yen

USD = United States Dollar

(1) Non-income producing.

Industry classifications are unaudited.

See Notes to Financial Statements.

# Statement of Assets and Liabilities

DECEMBER 31, 2008

<b>Assets</b>	
Investment securities, at value (cost of \$1,491,888,449)	\$1,244,005,074
Cash	94,431
Receivable for investments sold	7,999,888
Receivable for forward foreign currency exchange contracts	1,742,579
Receivable for capital shares sold	221,707
Dividends and interest receivable	3,847,225
	<u>1,257,910,904</u>

<b>Liabilities</b>	
Payable for investments purchased	6,023,542
Payable for forward foreign currency exchange contracts	2,365,632
Payable for capital shares redeemed	2,159,640
Accrued management fees	950,885
Distribution fees payable	90,792
	<u>11,590,491</u>

<b>Net Assets</b>	<u><u>\$1,246,320,413</u></u>
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## Net Assets Consist of:

Capital (par value and paid-in surplus)	\$1,858,786,951
Undistributed net investment income	40,939,508
Accumulated net realized loss on investment and foreign currency transactions	(404,898,853)
Net unrealized depreciation on investments and translation of assets and liabilities in foreign currencies	(248,507,193)
	<u><u>\$1,246,320,413</u></u>

## Class I, \$0.01 Par Value

Net assets	\$797,196,418
Shares outstanding	170,294,446
Net asset value per share	\$4.68

## Class II, \$0.01 Par Value

Net assets	\$442,933,160
Shares outstanding	94,644,580
Net asset value per share	\$4.68

## Class III, \$0.01 Par Value

Net assets	\$6,190,835
Shares outstanding	1,322,326
Net asset value per share	\$4.68

See Notes to Financial Statements.

# Statement of Operations

YEAR ENDED DECEMBER 31, 2008

<b>Investment Income (Loss)</b>	
<b>Income:</b>	
Dividends (net of foreign taxes withheld of \$346,416)	\$ 57,733,919
Interest	203,727
Securities lending, net	378,510
	<u>58,316,156</u>
<b>Expenses:</b>	
Management fees	15,529,039
Distribution fees — Class II	1,473,680
Directors' fees and expenses	64,958
Other expenses	39,388
	<u>17,107,065</u>
<b>Net investment income (loss)</b>	<u>41,209,091</u>
<b>Realized and Unrealized Gain (Loss)</b>	
<b>Net realized gain (loss) on:</b>	
Investment transactions	(282,560,472)
Foreign currency transactions	14,255,507
	<u>(268,304,965)</u>
<b>Change in net unrealized appreciation (depreciation) on:</b>	
Investments	(284,353,759)
Translation of assets and liabilities in foreign currencies	141,974
	<u>(284,211,785)</u>
<b>Net realized and unrealized gain (loss)</b>	<u>(552,516,750)</u>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<u><u>\$(511,307,659)</u></u>

See Notes to Financial Statements.

# Statement of Changes in Net Assets

## YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

Increase (Decrease) in Net Assets	2008	2007
<b>Operations</b>		
Net investment income (loss)	\$ 41,209,091	\$ 43,139,269
Net realized gain (loss)	(268,304,965)	145,356,784
Change in net unrealized appreciation (depreciation)	(284,211,785)	(302,707,867)
Net increase (decrease) in net assets resulting from operations	(511,307,659)	(114,211,814)
<b>Distributions to Shareholders</b>		
From net investment income:		
Class I	(28,899,596)	(30,308,484)
Class II	(14,084,486)	(12,268,816)
Class III	(203,206)	(257,105)
From net realized gains:		
Class I	(153,427,939)	(157,170,511)
Class II	(79,903,650)	(70,106,125)
Class III	(1,078,818)	(1,333,266)
Decrease in net assets from distributions	(277,597,695)	(271,444,307)
<b>Capital Share Transactions</b>		
Net increase (decrease) in net assets from capital share transactions	(210,627,574)	(197,553,143)
<b>Net increase (decrease) in net assets</b>	<b>(999,532,928)</b>	<b>(583,209,264)</b>
<b>Net Assets</b>		
Beginning of period	2,245,853,341	2,829,062,605
End of period	\$1,246,320,413	\$2,245,853,341
Undistributed net investment income	\$40,939,508	\$43,144,237

See Notes to Financial Statements.

# Notes to Financial Statements

DECEMBER 31, 2008

## 1. Organization and Summary of Significant Accounting Policies

**Organization** — American Century Variable Portfolios, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act) as an open-end management investment company. VP Value Fund (the fund) is one fund in a series issued by the corporation. The fund is diversified under the 1940 Act. The fund's investment objective is to seek long-term capital growth. Income is a secondary objective. The fund pursues its investment objective by investing primarily in equity securities of companies that management believes to be undervalued at the time of purchase. The following is a summary of the fund's significant accounting policies.

**Multiple Class** — The fund is authorized to issue Class I, Class II and Class III. The share classes differ principally in their respective distribution and shareholder servicing expenses and arrangements. All shares of the fund represent an equal pro rata interest in the net assets of the class to which such shares belong, and have identical voting, dividend, liquidation and other rights and the same terms and conditions, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes. Income, non-class specific expenses, and realized and unrealized capital gains and losses of the fund are allocated to each class of shares based on their relative net assets.

**Security Valuations** — Securities traded primarily on a principal securities exchange are valued at the last reported sales price, or at the mean of the latest bid and asked prices where no last sales price is available. Depending on local convention or regulation, securities traded over-the-counter are valued at the mean of the latest bid and asked prices, the last sales price, or the official close price. Debt securities not traded on a principal securities exchange are valued through a commercial pricing service or at the mean of the most recent bid and asked prices. Discount notes may be valued through a commercial pricing service or at amortized cost, which approximates fair value. Securities traded on foreign securities exchanges and over-the-counter markets are normally completed before the close of business on days that the New York Stock Exchange (the Exchange) is open and may also take place on days when the Exchange is not open. If an event occurs after the value of a security was established but before the net asset value per share was determined that was likely to materially change the net asset value, that security would be valued as determined in accordance with procedures adopted by the Board of Directors. If the fund determines that the market price of a portfolio security is not readily available, or that the valuation methods mentioned above do not reflect the security's fair value, such security is valued as determined by the Board of Directors or its designee, in accordance with procedures adopted by the Board of Directors, if such determination would materially impact a fund's net asset value. Certain other circumstances may cause the fund to use alternative procedures to value a security such as: a security has been declared in default; trading in a security has been halted during the trading day; or there is a foreign market holiday and no trading will commence.

**Security Transactions** — For financial reporting purposes, security transactions are accounted for as of the trade date. Net realized gains and losses are determined on the identified cost basis, which is also used for federal income tax purposes.

**Investment Income** — Dividend income less foreign taxes withheld, if any, is recorded as of the ex-dividend date. Interest income is recorded on the accrual basis and includes accretion of discounts and amortization of premiums.

**Exchange Traded Funds** — The fund may invest in exchange traded funds (ETFs). ETFs are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track the performance and dividend yield of a particular domestic or foreign market index. A fund may purchase an ETF to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of liquidity on an ETF could result in it being more volatile. Additionally, ETFs have management fees, which increase their cost.

**Securities on Loan** — The fund may lend portfolio securities through its lending agent to certain approved borrowers in order to earn additional income. The income earned, net of any rebates or fees, is included in the Statement of Operations. The fund continues to recognize any gain or loss in the market price of the securities loaned and records any interest earned or dividends declared.

**Foreign Currency Transactions** — All assets and liabilities initially expressed in foreign currencies are translated into U.S. dollars at prevailing exchange rates at period end. Purchases and sales of investment securities, dividend and interest income, and certain expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. For assets and liabilities, other than investments in securities, net realized and unrealized gains and losses from foreign currency translations arise from changes in currency exchange rates.

Net realized and unrealized foreign currency exchange gains or losses occurring during the holding period of investment securities are a component of realized gain (loss) on investment transactions and unrealized appreciation (depreciation) on investments, respectively. Certain countries may impose taxes on the contract amount of purchases and sales of foreign currency contracts in their currency. The fund records the foreign tax expense, if any, as a reduction to the net realized gain (loss) on foreign currency transactions.

**Forward Foreign Currency Exchange Contracts** — The fund may enter into forward foreign currency exchange contracts to facilitate transactions of securities denominated in a foreign currency or to hedge the fund's exposure to foreign currency exchange rate fluctuations. The net U.S. dollar value of foreign currency underlying all contractual commitments held by the fund and the resulting unrealized appreciation or depreciation are determined daily using prevailing exchange rates. The fund bears the risk of an unfavorable change in the foreign currency exchange rate underlying the forward contract. Additionally, losses may arise if the counterparties do not perform under the contract terms.

**When-Issued and Forward Commitments** — The fund may engage in securities transactions on a when-issued or forward commitment basis. Under these arrangements, the securities' prices and yields are fixed on the date of the commitment, but payment and delivery are scheduled for a future date. During this period, securities are subject to market fluctuations. The fund will segregate cash, cash equivalents or other appropriate liquid securities on its records in amounts sufficient to meet the purchase price.

**Repurchase Agreements** — The fund may enter into repurchase agreements with institutions that American Century Investment Management, Inc. (ACIM) (the investment advisor) has determined are creditworthy pursuant to criteria adopted by the Board of Directors. Each repurchase agreement is recorded at cost. The fund requires that the collateral, represented by securities, received in a repurchase transaction be transferred to the custodian in a manner sufficient to enable the fund to obtain those securities in the event of a default under the repurchase agreement. ACIM monitors, on a daily basis, the securities transferred to ensure the value, including accrued interest, of the securities under each repurchase agreement is equal to or greater than amounts owed to the fund under each repurchase agreement.

**Joint Trading Account** — Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the fund, along with certain other funds in the American Century Investments family of funds, may transfer uninvested cash balances into a joint trading account. These balances are invested in one or more repurchase agreements that are collateralized by U.S. Treasury or Agency obligations.

**Income Tax Status** — It is the fund's policy to distribute substantially all net investment income and net realized gains to shareholders and to otherwise qualify as a regulated investment company under provisions of the Internal Revenue Code. The fund is no longer subject to examination by tax authorities for years prior to 2005. At this time, management believes there are no uncertain tax positions which, based on their technical merit, would not be sustained upon examination and for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. Accordingly, no provision has been made for federal or state income taxes. Interest and penalties associated with any federal or state income tax obligations, if any, are recorded as interest expense.

**Distributions to Shareholders** — Distributions to shareholders are recorded on the ex-dividend date. Distributions from net investment income and net realized gains, if any, are generally declared and paid annually.

The book-basis character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. These differences reflect the differing character of certain income items and net realized gains and losses for financial statement and tax purposes, and may result in reclassification among certain capital accounts on the financial statements.

As of December 31, 2008, the fund has accumulated net realized capital loss carryovers for federal income tax purposes of \$(260,702,193), which may be used to offset future taxable gains. The capital loss carryovers expire in 2016.

The fund has elected to treat \$(27,555,811) and \$(51,404) of net capital and foreign currency losses, respectively, incurred in the two-month period ended December 31, 2008, as having been incurred in the following fiscal year for federal income tax purposes.

**Redemption** — The fund may impose a 1.00% redemption fee on shares held less than 60 days. The fee may not be applicable to all classes. The redemption fee is recorded as a reduction in the cost of shares redeemed. The redemption fee is retained by the fund and helps cover transaction costs that long-term investors may bear when a fund sells securities to meet investor redemptions.

**Indemnifications** — Under the corporation's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the fund. In addition, in the normal course of business, the fund enters into contracts that provide general indemnifications. The fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the fund. The risk of material loss from such claims is considered by management to be remote.

**Use of Estimates** — The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from these estimates.

## **2. Fees and Transactions with Related Parties**

**Management Fees** — The corporation has entered into a Management Agreement with ACIM, under which ACIM provides the fund with investment advisory and management services in exchange for a single, unified management fee (the fee) per class. The Agreement provides that all expenses of the fund, except brokerage commissions, taxes, interest, fees and expenses of those directors who are not considered "interested persons" as defined in the 1940 Act (including counsel fees) and extraordinary expenses, will be paid by ACIM. The fee is computed and accrued daily based on the daily net assets of the specific class of shares of the fund and paid monthly in arrears. For funds with a stepped fee schedule, the rate of the fee is determined by applying a fee rate calculation formula. This formula takes into account each fund's assets as well as certain assets, if any, of other clients of the investment advisor outside the American Century Investments family of funds (such as subadvised funds and separate accounts) that have very similar investment teams and investment strategies (strategy assets). The annual management fee schedule for each class of the fund ranges from 0.90% to 1.00% for Class I and Class III and from 0.80% to 0.90% for Class II. The effective annual management fee for each class of the fund for the year ended December 31, 2008, was 0.94%, 0.84% and 0.94% for Class I, Class II and Class III, respectively.

**Distribution Fees** — The Board of Directors has adopted the Master Distribution Plan (the plan) for Class II, pursuant to Rule 12b-1 of the 1940 Act. The plan provides that Class II will pay American Century Investment Services, Inc. (ACIS) an annual distribution fee equal to 0.25%. The fee is computed and accrued daily based on the Class II daily net assets and paid monthly in arrears. The distribution fee provides compensation for expenses incurred in connection with distributing shares of Class II including, but not limited to, payments to brokers, dealers, and financial institutions that have entered into sales agreements with respect to shares of the fund. Fees incurred under the plan during the year ended December 31, 2008, are detailed in the Statement of Operations.

**Related Parties** — Certain officers and directors of the corporation are also officers and/or directors, and, as a group, controlling stockholders of American Century Companies, Inc. (ACC), the parent of the corporation's investment advisor, ACIM, the distributor of the corporation, ACIS, and the corporation's transfer agent, American Century Services, LLC.

The fund is eligible to invest in a money market fund for temporary purposes, which is managed by J.P. Morgan Investment Management, Inc. (JPMIM). JPMIM is a wholly owned subsidiary of JPMorgan Chase & Co. (JPM). JPM is an equity investor in ACC. The fund has a securities lending agreement with JPMorgan Chase Bank (JPMCB). JPMCB is a custodian of the fund and a wholly owned subsidiary of JPM.

### 3. Investment Transactions

Purchases and sales of investment securities, excluding short-term investments, for the year ended December 31, 2008, were \$1,900,513,708 and \$2,331,237,814, respectively.

As of December 31, 2008, the composition of unrealized appreciation and depreciation of investment securities based on the aggregate cost of investments for federal income tax purposes was as follows:

Federal tax cost of investments	<u>\$1,609,144,329</u>
Gross tax appreciation of investments	\$ 23,148,992
Gross tax depreciation of investments	(388,288,247)
Net tax appreciation (depreciation) of investments	<u>\$(365,139,255)</u>

The difference between book-basis and tax-basis cost and unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales.

### 4. Capital Share Transactions

Transactions in shares of the fund were as follows:

	Year ended December 31, 2008		Year ended December 31, 2007	
	Shares	Amount	Shares	Amount
<b>Class I/Shares Authorized</b>	<u>650,000,000</u>		<u>650,000,000</u>	
Sold	10,225,178	\$ 56,231,142	10,670,122	\$ 87,684,738
Issued in reinvestment of distributions	30,694,871	182,327,535	24,066,623	187,478,995
Redeemed	(67,500,099)	(397,449,335)	(63,539,788)	(518,128,418)
	<u>(26,580,050)</u>	<u>(158,890,658)</u>	<u>(28,803,043)</u>	<u>(242,964,685)</u>
<b>Class II/Shares Authorized</b>	<u>300,000,000</u>		<u>300,000,000</u>	
Sold	9,012,541	49,647,509	11,779,798	97,228,612
Issued in reinvestment of distributions	15,796,325	93,988,136	10,560,890	82,374,941
Redeemed	(32,704,890)	(194,852,954)	(16,067,534)	(129,735,817)
	<u>(7,896,024)</u>	<u>(51,217,309)</u>	<u>6,273,154</u>	<u>49,867,736</u>
<b>Class III/Shares Authorized</b>	<u>50,000,000</u>		<u>50,000,000</u>	
Sold	481,818	2,666,626	459,047	3,853,234
Issued in reinvestment of distributions	215,829	1,282,024	204,155	1,590,371
Redeemed	(765,465)	(4,468,257) <sup>(1)</sup>	(1,210,980)	(9,899,799) <sup>(2)</sup>
	<u>(67,818)</u>	<u>(519,607)</u>	<u>(547,778)</u>	<u>(4,456,194)</u>
<b>Net increase (decrease)</b>	<u>(34,543,892)</u>	<u>\$(210,627,574)</u>	<u>(23,077,667)</u>	<u>\$(197,553,143)</u>

(1) Net redemption fees of \$2,549.

(2) Net redemption fees of \$4,081.

## 5. Securities Lending

As of December 31, 2008, the fund did not have any securities on loan. JPMCB receives and maintains collateral in the form of cash and/or acceptable securities as approved by ACIM. Cash collateral is invested in authorized investments by the lending agent in a pooled account. The value of cash collateral received at period end is disclosed in the Statement of Assets and Liabilities and investments made with the cash by the lending agent are listed in the Schedule of Investments. Any deficiencies or excess of collateral must be delivered or transferred by the member firms no later than the close of business on the next business day. The fund's risks in securities lending are that the borrower may not provide additional collateral when required or return the securities when due. If the borrower defaults, receipt of the collateral by the fund may be delayed or limited. Investments made with cash collateral may decline in value.

## 6. Fair Value Measurements

The fund's securities valuation process is based on several considerations and may use multiple inputs to determine the fair value of the positions held by the fund. In conformity with accounting principles generally accepted in the United States of America, the inputs used to determine a valuation are classified into three broad levels as follows:

- Level 1 valuation inputs consist of actual quoted prices based on an active market;
- Level 2 valuation inputs consist of significant direct or indirect observable market data; or
- Level 3 valuation inputs consist of significant unobservable inputs such as a fund's own assumptions.

The level classification is based on the lowest level input that is significant to the fair valuation measurement. The valuation inputs are not an indication of the risks associated with investing in these securities or other financial instruments.

The following is a summary of the valuation inputs used to determine the fair value of the fund's securities and other financial instruments as of December 31, 2008:

Valuation Inputs	Value of Investment Securities	Unrealized Gain (Loss) on Other Financial Instruments*
Level 1 – Quoted Prices	\$1,184,897,249	–
Level 2 – Other Significant Observable Inputs	59,107,825	\$(623,053)
Level 3 – Significant Unobservable Inputs	–	–
	<b>\$1,244,005,074</b>	<b>\$(623,053)</b>

\*Includes forward foreign currency exchange contracts.

## 7. Bank Line of Credit

The fund, along with certain other funds in the American Century Investments family of funds, had a \$500,000,000 unsecured bank line of credit agreement with Bank of America, N.A. The line expired December 10, 2008, and was not renewed. The agreement allowed the fund to borrow money for temporary or emergency purposes to fund shareholder redemptions. Borrowings under the agreement were subject to interest at the Federal Funds rate plus 0.40%. The fund did not borrow from the line during the year ended December 31, 2008.

## **8. Interfund Lending**

The fund, along with certain other funds in the American Century Investments family of funds, may participate in an interfund lending program, pursuant to an Exemptive Order issued by the Securities and Exchange Commission (SEC). This program provides an alternative credit facility allowing the fund to borrow from or lend to other funds in the American Century Investments family of funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. The interfund loan rate earned/paid on interfund lending transactions is determined daily based on the average of certain current market rates. Interfund lending transactions normally extend only overnight, but can have a maximum duration of seven days. The program is subject to annual approval by the Board of Directors. During the year ended December 31, 2008, the fund did not utilize the program.

## **9. Recently Issued Accounting Standards**

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157), in September 2006, which is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands the required financial statement disclosures about fair value measurements. The adoption of FAS 157 did not materially impact the determination of fair value.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133" (FAS 161). FAS 161 is effective for interim periods beginning after November 15, 2008. FAS 161 amends and expands disclosures about derivative instruments and hedging activities. FAS 161 requires qualitative disclosures about the objectives and strategies of derivative instruments, quantitative disclosures about the fair value amounts of and gains and losses on derivative instruments, and disclosures of credit-risk-related contingent features in hedging activities. Management is currently evaluating the impact that adopting FAS 161 will have on the financial statement disclosures.

## **10. Other Tax Information (Unaudited)**

The following information is provided pursuant to provisions of the Internal Revenue Code.

For corporate taxpayers, the fund hereby designates \$57,056,117, or up to the maximum amount allowable, of ordinary income distributions paid during the fiscal year ended December 31, 2008 as qualified for the corporate dividends received deduction.

The fund hereby designates \$137,294,635, or up to the maximum amount allowable, of long-term capital gain distributions for the fiscal year ended December 31, 2008.

The fund hereby designates \$97,096,605 of distributions as qualified short-term capital gains for purposes of Internal Revenue Code Section 871.

# Financial Highlights

## VP Value

### Class I

For a Share Outstanding Throughout the Years Ended December 31					
	2008	2007	2006	2005	2004
<b>Per-Share Data</b>					
Net Asset Value, Beginning of Period	\$7.47	\$8.74	\$8.20	\$8.75	\$7.79
Income From Investment Operations					
Net Investment Income (Loss) <sup>(1)</sup>	0.14	0.13	0.13	0.13	0.09
Net Realized and Unrealized Gain (Loss)	(1.93)	(0.54)	1.26	0.28	1.01
Total From Investment Operations	(1.79)	(0.41)	1.39	0.41	1.10
Distributions					
From Net Investment Income	(0.16)	(0.14)	(0.12)	(0.08)	(0.08)
From Net Realized Gains	(0.84)	(0.72)	(0.73)	(0.88)	(0.06)
Total Distributions	(1.00)	(0.86)	(0.85)	(0.96)	(0.14)
Net Asset Value, End of Period	\$4.68	\$7.47	\$8.74	\$8.20	\$8.75
<b>Total Return<sup>(2)</sup></b>	<b>(26.78)%</b>	<b>(5.14)%</b>	<b>18.65%</b>	<b>5.03%</b>	<b>14.33%</b>
<b>Ratios/Supplemental Data</b>					
Ratio of Operating Expenses to Average Net Assets	0.95%	0.93%	0.93%	0.93%	0.93%
Ratio of Net Investment Income (Loss) to Average Net Assets	2.46%	1.65%	1.58%	1.66%	1.16%
Portfolio Turnover Rate	111%	152%	132%	133%	139%
Net Assets, End of Period (in thousands)	\$797,196	\$1,470,148	\$1,971,620	\$2,297,418	\$2,248,902

(1) Computed using average shares outstanding throughout the period.

(2) Total return assumes reinvestment of net investment income and capital gains distributions, if any. The total return of the classes may not precisely reflect the class expense differences because of the impact of calculating the net asset values to two decimal places. If net asset values were calculated to three decimal places, the total return differences would more closely reflect the class expense differences. The calculation of net asset values to two decimal places is made in accordance with SEC guidelines and does not result in any gain or loss of value between one class and another.

See Notes to Financial Statements.

# VP Value

## Class II

For a Share Outstanding Throughout the Years Ended December 31					
	2008	2007	2006	2005	2004
<b>Per-Share Data</b>					
Net Asset Value, Beginning of Period	\$7.46	\$8.73	\$8.19	\$8.74	\$7.78
Income From Investment Operations					
Net Investment Income (Loss) <sup>(1)</sup>	0.14	0.12	0.12	0.12	0.08
Net Realized and Unrealized Gain (Loss)	(1.93)	(0.54)	1.25	0.27	1.01
Total From Investment Operations	(1.79)	(0.42)	1.37	0.39	1.09
Distributions					
From Net Investment Income	(0.15)	(0.13)	(0.10)	(0.06)	(0.07)
From Net Realized Gains	(0.84)	(0.72)	(0.73)	(0.88)	(0.06)
Total Distributions	(0.99)	(0.85)	(0.83)	(0.94)	(0.13)
Net Asset Value, End of Period	\$4.68	\$7.46	\$8.73	\$8.19	\$8.74
<b>Total Return<sup>(2)</sup></b>	<b>(26.80)%</b>	<b>(5.31)%</b>	<b>18.46%</b>	<b>4.85%</b>	<b>14.17%</b>
<b>Ratios/Supplemental Data</b>					
Ratio of Operating Expenses to Average Net Assets	1.10%	1.08%	1.08%	1.08%	1.08%
Ratio of Net Investment Income (Loss) to Average Net Assets	2.31%	1.50%	1.43%	1.51%	1.01%
Portfolio Turnover Rate	111%	152%	132%	133%	139%
Net Assets, End of Period (in thousands)	\$442,933	\$765,324	\$840,512	\$648,071	\$433,465

(1) Computed using average shares outstanding throughout the period.

(2) Total return assumes reinvestment of net investment income and capital gains distributions, if any. The total return of the classes may not precisely reflect the class expense differences because of the impact of calculating the net asset values to two decimal places. If net asset values were calculated to three decimal places, the total return differences would more closely reflect the class expense differences. The calculation of net asset values to two decimal places is made in accordance with SEC guidelines and does not result in any gain or loss of value between one class and another.

See Notes to Financial Statements.

## VP Value

### Class III

For a Share Outstanding Throughout the Years Ended December 31					
	2008	2007	2006	2005	2004
<b>Per-Share Data</b>					
Net Asset Value, Beginning of Period	\$7.47	\$8.74	\$8.20	\$8.75	\$7.79
Income From Investment Operations					
Net Investment Income (Loss) <sup>(1)</sup>	0.14	0.13	0.13	0.13	0.09
Net Realized and Unrealized Gain (Loss)	(1.93)	(0.54)	1.26	0.28	1.01
Total From Investment Operations	(1.79)	(0.41)	1.39	0.41	1.10
Distributions					
From Net Investment Income	(0.16)	(0.14)	(0.12)	(0.08)	(0.08)
From Net Realized Gains	(0.84)	(0.72)	(0.73)	(0.88)	(0.06)
Total Distributions	(1.00)	(0.86)	(0.85)	(0.96)	(0.14)
Net Asset Value, End of Period	\$4.68	\$7.47	\$8.74	\$8.20	\$8.75
<b>Total Return<sup>(2)</sup></b>	<b>(26.78)%</b>	<b>(5.14)%</b>	<b>18.65%</b>	<b>5.03%</b>	<b>14.33%</b>
<b>Ratios/Supplemental Data</b>					
Ratio of Operating Expenses to Average Net Assets	0.95%	0.93%	0.93%	0.93%	0.93%
Ratio of Net Investment Income (Loss) to Average Net Assets	2.46%	1.65%	1.58%	1.66%	1.16%
Portfolio Turnover Rate	111%	152%	132%	133%	139%
Net Assets, End of Period (in thousands)	\$6,191	\$10,381	\$16,931	\$8,750	\$6,387

(1) Computed using average shares outstanding throughout the period.

(2) Total return assumes reinvestment of net investment income and capital gains distributions, if any. The total return of the classes may not precisely reflect the class expense differences because of the impact of calculating the net asset values to two decimal places. If net asset values were calculated to three decimal places, the total return differences would more closely reflect the class expense differences. The calculation of net asset values to two decimal places is made in accordance with SEC guidelines and does not result in any gain or loss of value between one class and another.

See Notes to Financial Statements.

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders,  
American Century Variable Portfolios, Inc.:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of VP Value Fund, one of the funds constituting American Century Variable Portfolios, Inc. (the "Corporation"), as of December 31, 2008, and the related statement of operations for the year then ended, the statements of changes in 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. These financial statements and financial highlights are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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. The Corporation is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of VP Value Fund, one of the funds constituting American Century Variable Portfolios, Inc., as of December 31, 2008, 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.

Deloitte & Touche LLP  
Kansas City, Missouri  
February 10, 2009

# Management

The individuals listed below serve as directors or officers of the fund. Each director serves until his or her successor is duly elected and qualified or until he or she retires. Mandatory retirement age for independent directors is 72. Those listed as interested directors are “interested” primarily by virtue of their engagement as directors and/or officers of, or ownership interest in, American Century Companies, Inc. (ACC) or its wholly owned, direct or indirect, subsidiaries, including the fund’s investment advisor, American Century Investment Management, Inc. (ACIM) or American Century Global Investment Management, Inc. (ACGIM); the fund’s principal underwriter, American Century Investment Services, Inc. (ACIS); and the fund’s transfer agent, American Century Services, LLC (ACS).

The other directors (more than three-fourths of the total number) are independent; that is, they have never been employees, directors or officers of, and have no financial interest in, ACC or any of its wholly owned, direct or indirect, subsidiaries, including ACIM, ACGIM, ACIS and ACS. The directors serve in this capacity for seven registered investment companies in the American Century Investments family of funds.

All persons named as officers of the fund also serve in similar capacities for the other 14 investment companies in the American Century Investments family of funds advised by ACIM or ACGIM, a wholly owned subsidiary of ACIM, unless otherwise noted. Only officers with policy-making functions are listed. No officer is compensated for his or her service as an officer of the fund. The listed officers are interested persons of the fund and are appointed or re-appointed on an annual basis.

## Interested Directors

James E. Stowers, Jr., 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1924

**Position(s) Held with Fund:** Director (since 1958) and Vice Chairman (since 2007)

**Principal Occupation(s) During Past 5 Years:** Founder, Co-Chairman, Director and Controlling Shareholder, ACC; Co-Vice Chairman, ACC (January 2005 to February 2007); Chairman, ACC (January 1995 to December 2004); Director, ACIM, ACGIM, ACS, ACIS and other ACC subsidiaries

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** None

Jonathan S. Thomas, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1963

**Position(s) Held with Fund:** Director (since 2007) and President (since 2007)

**Principal Occupation(s) During Past 5 Years:** President and Chief Executive Officer, ACC (March 2007 to present); Chief Administrative Officer, ACC (February 2006 to February 2007); Executive Vice President, ACC (November 2005 to February 2007). Also serves as: President, Chief Executive Officer and Director, ACS; Executive Vice President, ACIM and ACGIM; Director, ACIM, ACGIM, ACIS and other ACC subsidiaries. Managing Director, Morgan Stanley (March 2000 to November 2005)

**Number of Portfolios in Fund Complex Overseen by Director:** 111

**Other Directorships Held by Director:** None

## Independent Directors

Thomas A. Brown, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1940

**Position(s) Held with Fund:** Director (since 1980)

**Principal Occupation(s) During Past 5 Years:** Managing Member, Associated Investments, LLC (real estate investment company); Managing Member, Brown Cascade Properties, LLC (real estate investment company); Retired, Area Vice President, Applied Industrial Technologies (bearings and power transmission company)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** None

Andrea C. Hall, Ph.D., 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1945

**Position(s) Held with Fund:** Director (since 1997)

**Principal Occupation(s) During Past 5 Years:** Retired, Advisor to the President, Midwest Research Institute (not-for-profit, contract research organization)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** None

James A. Olson, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1942

**Position(s) Held with Fund:** Director (since 2007)

**Principal Occupation(s) During Past 5 Years:** Member, Plaza Belmont LLC (private equity fund manager); Chief Financial Officer, Plaza Belmont LLC (September 1999 to September 2006)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** Saia, Inc. and Entertainment Properties Trust

Donald H. Pratt, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1937

**Position(s) Held with Fund:** Director (since 1995) and Chairman of the Board (since 2005)

**Principal Occupation(s) During Past 5 Years:** Chairman and Chief Executive Officer, Western Investments, Inc. (real estate company); Retired Chairman of the Board, Butler Manufacturing Company (metal buildings producer)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** None

Gale E. Sayers, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1943

**Position(s) Held with Fund:** Director (since 2000)

**Principal Occupation(s) During Past 5 Years:** President, Chief Executive Officer and Founder, Sayers40, Inc. (technology products and services provider)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** None

M. Jeannine Strandjord, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1945

**Position(s) Held with Fund:** Director (since 1994)

**Principal Occupation(s) During Past 5 Years:** Retired, formerly Senior Vice President, Sprint Corporation (telecommunications company)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** DST Systems, Inc.; Euronet Worldwide, Inc. and Charming Shoppes, Inc.

John R. Whitten, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1946

**Position(s) Held with Fund:** Director (since 2008)

**Principal Occupation(s) During Past 5 Years:** Project Consultant, Celanese Corp. (industrial chemical company) (September 2004 to January 2005); Chief Financial Officer, Vice President and Treasurer, Applied Industrial Technologies, Inc. (bearings and power transmission company) (1995 to 2003)

**Number of Portfolios in Fund Complex Overseen by Director:** 70

**Other Directorships Held by Director:** Rudolph Technologies, Inc.

## Officers

Barry Fink, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1955

**Position(s) Held with Fund:** Executive Vice President (since 2007)

**Principal Occupation(s) During Past 5 Years:** Chief Operating Officer and Executive Vice President, ACC (September 2007 to present); President, ACS (October 2007 to present); Managing Director, Morgan Stanley (2000 to 2007); Global General Counsel, Morgan Stanley (2000 to 2006). Also serves as: Director, ACC, ACS, ACIS and other ACC subsidiaries

Maryanne Roepke, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1956

**Position(s) Held with Fund:** Chief Compliance Officer (since 2006) and Senior Vice President (since 2000)

**Principal Occupation(s) During Past 5 Years:** Chief Compliance Officer, ACIM, ACGIM and ACS (August 2006 to present); Assistant Treasurer, ACC (January 1995 to August 2006); and Treasurer and Chief Financial Officer, various American Century Investments funds (July 2000 to August 2006). Also serves as: Senior Vice President, ACS

Charles A. Etherington, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1957

**Position(s) Held with Fund:** General Counsel (since 2007) and Senior Vice President (since 2006)

**Principal Occupation(s) During Past 5 Years:** Attorney, ACC (February 1994 to present); Vice President, ACC (November 2005 to present); General Counsel, ACC (March 2007 to present). Also serves as: General Counsel, ACIM, ACGIM, ACS, ACIS and other ACC subsidiaries; and Senior Vice President, ACIM, ACGIM and ACS

Robert Leach, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1966

**Position(s) Held with Fund:** Vice President, Treasurer and Chief Financial Officer (all since 2006)

**Principal Occupation(s) During Past 5 Years:** Vice President, ACS (February 2000 to present); Controller, various American Century Investments funds (1997 to September 2006)

Jon Zindel, 4500 Main Street, Kansas City, MO 64111

**Year of Birth:** 1967

**Position(s) Held with Fund:** Tax Officer (since 1998)

**Principal Occupation(s) During Past 5 Years:** Chief Financial Officer and Chief Accounting Officer, ACC (March 2007 to present); Vice President, ACC (October 2001 to present); Vice President, certain ACC subsidiaries (October 2001 to August 2006); Vice President, Corporate Tax, ACS (April 1998 to August 2006). Also serves as: Chief Financial Officer, Chief Accounting Officer and Senior Vice President, ACIM, ACGIM, ACS and other ACC subsidiaries; and Chief Accounting Officer and Senior Vice President, ACIS

The SAI has additional information about the fund's directors and is available without charge, upon request, by calling 1-800-378-9878.

## **Additional Information**

### **Proxy Voting Guidelines**

American Century Investment Management, Inc., the fund's investment advisor, is responsible for exercising the voting rights associated with the securities purchased and/or held by the fund. A description of the policies and procedures the advisor uses in fulfilling this responsibility is available without charge, upon request, by calling 1-800-378-9878. It is also available on American Century Investments' website at [americancentury.com](http://americancentury.com) and on the Securities and Exchange Commission's website at [sec.gov](http://sec.gov). Information regarding how the investment advisor voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on the "About Us" page at [americancentury.com](http://americancentury.com). It is also available at [sec.gov](http://sec.gov).

### **Quarterly Portfolio Disclosure**

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available on the SEC's website at [sec.gov](http://sec.gov), and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The fund also makes its complete schedule of portfolio holdings for the most recent quarter of its fiscal year available on its website at [ipro.americancentury.com](http://ipro.americancentury.com) (for Investment Professionals) and, upon request, by calling 1-800-378-9878.

## Index Definitions

The following indices are used to illustrate investment market, sector, or style performance or to serve as fund performance comparisons. They are not investment products available for purchase.

The **Lipper Multi-Cap Value Index** is an equally-weighted index of, typically, the 30 largest mutual funds that use a value investment strategy to purchase securities of companies of all market capitalizations.

The **Russell 1000® Index** is a market-capitalization weighted, large-cap index created by Frank Russell Company to measure the performance of the 1,000 largest publicly traded U.S. companies, based on total market capitalization.

The **Russell 1000® Growth Index** measures the performance of those Russell 1000 Index companies (the 1,000 largest publicly traded U.S. companies, based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000® Value Index** measures the performance of those Russell 1000 Index companies (the 1,000 largest publicly traded U.S. companies, based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000® Index** is a market-capitalization weighted index created by Frank Russell Company to measure the performance of the 2,000 smallest of the 3,000 largest publicly traded U.S. companies, based on total market capitalization.

The **Russell 2000® Growth Index** measures the performance of those Russell 2000 Index companies (the 2,000 smallest of the 3,000 largest publicly traded U.S. companies, based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000® Value Index** measures the performance of those Russell 2000 Index companies (the 2,000 smallest of the 3,000 largest publicly traded U.S. companies, based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000® Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The **Russell 3000® Value Index** measures the performance of those Russell 3000 Index companies (the 3,000 largest U.S. companies based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values.

The **Russell Midcap® Index** measures the performance of the 800 smallest of the 1,000 largest publicly traded U.S. companies, based on total market capitalization.

The **Russell Midcap® Growth Index** measures the performance of those Russell Midcap Index companies (the 800 smallest of the 1,000 largest publicly traded U.S. companies, based on total market capitalization) with higher price-to-book ratios and higher forecasted growth values.

The **Russell Midcap® Value Index** measures the performance of those Russell Midcap Index companies (the 800 smallest of the 1,000 largest publicly traded U.S. companies, based on total market capitalization) with lower price-to-book ratios and lower forecasted growth values.

The **S&P 500 Index** is a market value-weighted index of the stocks of 500 publicly traded U.S. companies chosen for market size, liquidity, and industry group representation that are considered to be leading firms in dominant industries. Each stock's weight in the index is proportionate to its market value. Created by Standard & Poor's, it is considered to be a broad measure of U.S. stock market performance.

# Notes

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**Automated Information Line** ..... 1-800-345-8765

**Investment Professional Service Representatives** .... 1-800-345-6488

**Telecommunications Device for the Deaf** ..... 1-800-634-4113

**American Century Variable Portfolios, Inc.**

**Investment Advisor:**

American Century Investment Management, Inc.  
Kansas City, Missouri

This report and the statements it contains are submitted for the general information of our shareholders. The report is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.