

Investment Approach

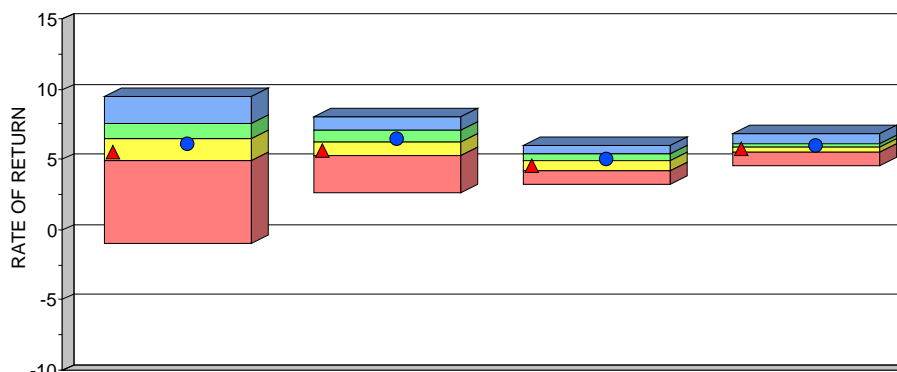
The Fidelity U.S. Bond Index Fund strives for total return investment results reflective of the bonds in the Barclays Capital U.S. Aggregate Bond Index. In this effort, the fund generally invests at least 80% of its assets in bonds comprising the Barclays Capital U.S. Aggregate Bond Index, including investment grade corporate bonds, mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, federal agency securities, U.S. Treasury securities and other government-related securities. The fund utilizes statistical sampling techniques based on duration, maturity, interest rate sensitivity, security structure and credit quality to replicate the returns of the Index while using a smaller number of securities than the Index.

Performance Commentary

For the 12-month period ending June 30, 2009, the Fidelity U.S. Bond Index Fund returned 5.45%, underperforming the Barclays Capital U.S. Aggregate Bond Index return of 6.05% by 0.6%.

Fund Characteristics	U.S. Bond Index Fund	
Total Fund Assets	\$9.6 billion	
Average Credit Quality	AAA	
Average Maturity	4.7 years	
Duration	4.1 years	
30 Day Yield	3.55%	
Quality	AAA	79.9%
	AA	2.9
	A	8.0
	BBB	8.0
	Below BBB	0.6
	Not Rated/Cash	0.6
Number of Holdings	940	
Turnover	117%	
Fees (Reflects Expense cap)	0.50% Annually	
Portfolio Manager (tenure)	Curtis Hollingsworth since February 2009 and Ford O'Neil since October 2001	

FIDELITY US BOND INDEX
 QUARTILE RANKING BAR
 PSN INVESTMENT GRADE FIXED INCOME INTERM
 JUNE 30, 1999 TO JUNE 30, 2009



	1 Year		3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ FIDELITY US Bond Index	5.45	70	5.59	63	4.53	64	5.74	59
● Barclays Capital Aggregate	6.06	58	6.43	44	5.02	46	5.98	38

	1 Year		3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
HIGH (0.05)	9.48		7.99		5.96		6.80	
FIRST QUARTILE	7.57		7.09		5.37		6.12	
MEDIAN	6.42		6.23		4.96		5.82	
THIRD QUARTILE	4.89		5.21		4.22		5.46	
LOW (0.95)	-0.96		2.61		3.22		4.50	
MEAN	5.98		6.06		4.81		5.74	
VALID COUNT	341		325		308		232	

Historical Returns

	Fidelity U.S. Bond Index Fund		Aggregate Bond Index		Return Difference
	Return	Rank *	Return	Rank *	
1999	-1.0	47	-0.8	44	-0.1
2000	11.4	22	11.6	18	-0.2
2001	8.1	41	8.4	26	-0.3
2002	10.2	13	10.3	12	0.0
2003	4.9	36	4.1	62	0.8
2004	4.4	32	4.3	30	0.0
2005	2.3	33	2.4	25	-0.2
2006	4.3	27	4.3	27	0.0
2007	5.4	72	7.0	42	-1.6
2008	3.8	56	5.2	33	-1.5
2009 (6 months)	2.5	67	1.9	80	0.6
Trailing 3-Year	5.6%	63	6.4%	44	-0.8
Trailing 5-Year	4.5	64	5.0	46	-0.5
Trailing 10-Year	5.7	59	6.0	38	-0.2

* Rank of 1 is best and 100 is worst.

Assessment

Relative performance of the Fidelity U.S. Bond Index Fund suffered during the recent credit crisis and has shown strong performance over the first six months of 2009. For the five- and ten-year time periods, underperformance has been primarily the result of fees. We recommend retention of this fund.