

Investment Approach

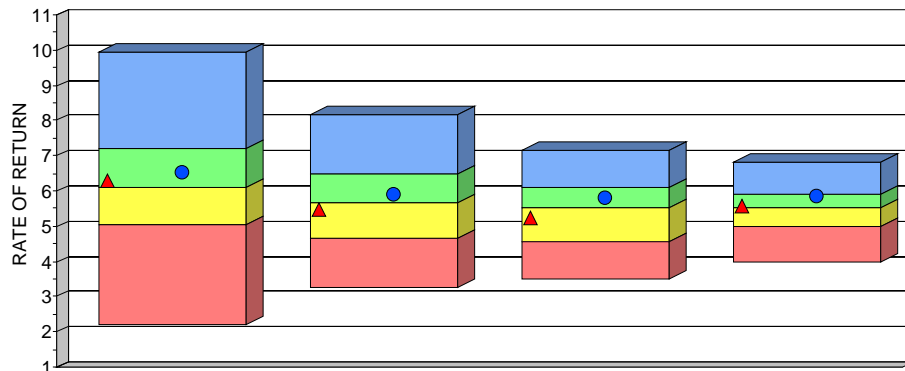
The Fidelity U.S. Bond Index Fund strives to attain investment results that coincide with the total return of the Barclays Capital U.S. Aggregate Bond Index. At least 80% of the fund’s investments represent bonds included in the Barclays Capital U.S. Aggregate Bond Index. The fund uses statistical sampling techniques to replicate the returns of the benchmark, utilizing a smaller number of securities than are in the Index.

Performance Commentary

For the twelve-month period ended December 31, 2010, the Fidelity U.S. Bond Index Fund return of 6.29% lagged the Barclays Capital U.S. Aggregate Bond Index return of 6.54% by 0.25%.

Fund Characteristics	U.S. Bond Index Fund												
Total Fund Assets	\$10.8 billion												
Average Maturity	6.1 years												
Duration	4.6 years												
30 Day Yield	2.57%												
Quality	<table> <tr> <td>AAA</td> <td>78.3%</td> </tr> <tr> <td>AA</td> <td>4.2</td> </tr> <tr> <td>A</td> <td>7.9</td> </tr> <tr> <td>BBB</td> <td>7.5</td> </tr> <tr> <td>Below BBB</td> <td>0.4</td> </tr> <tr> <td>Not Rated/Cash</td> <td>1.6</td> </tr> </table>	AAA	78.3%	AA	4.2	A	7.9	BBB	7.5	Below BBB	0.4	Not Rated/Cash	1.6
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Not Rated/Cash	1.6												
Number of Holdings	939												
Turnover	165%												
Fees (Reflects Expense cap)	0.36% Annually												
Portfolio Manager (tenure)	Ford O’Neil since October 2001 and Curtis Hollingsworth since February 2009												

FIDELITY US BOND INDEX
 QUARTILE RANKING BAR
 PSN INVESTMENT GRADE FIXED INCOME INTERM
 PERIODS ENDING DECEMBER 31, 2010



	1 Year	3 Years	5 Years	10 Years
HIGH (0.05)	9.93	8.15	7.13	6.79
FIRST QUARTILE	7.20	6.47	6.07	5.90
MEDIAN	6.08	5.67	5.51	5.51
THIRD QUARTILE	5.03	4.68	4.56	4.99
LOW (0.95)	2.19	3.25	3.48	4.00
MEAN	6.04	5.62	5.36	5.43
VALID COUNT	235	222	211	162

	1 Year		3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ FIDELITY US Bond Index	6.29	46	5.50	56	5.24	62	5.59	45
● Barclays Capital Aggregate	6.54	38	5.91	42	5.80	35	5.84	30

Historical Returns

	Fidelity U.S. Bond Index Fund		Aggregate Bond Index		Return Difference
	Return	Rank *	Return	Rank *	
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	6.4	74	5.9	82	0.5
2010	6.3	46	6.5	38	-0.2
Trailing 3-Year	5.5%	56	5.9%	42	-0.4
Trailing 5-Year	5.2	62	5.8	35	-0.6
Trailing 10-Year	5.6	45	5.8	30	-0.2

* Rank of 1 is best and 100 is worst.

Assessment

Performance of the Fidelity U.S. Bond Index Fund versus the benchmark improved in 2009 and 2010, with longer term performance lagging primarily due to fees. More than 70% of the Fund is invested in U.S. Treasury securities. We recommend retention of this fund.