

Managed Income Portfolio

Portfolio Information as of 12/31/09

Inception Date:	09/07/89
Total Net Assets (\$Millions):	\$9,219.96
Short-term Trading Fee /	-
Holding Period:	-
Number of Holdings:	799
Unit Price:	\$1.00
Management Fees:	0.55%

If portfolio has multiple share classes, Total Net Assets includes the net assets of all share classes.

Management fee does not include wrap fees, which are paid to third-party wrap providers and do not result in any additional compensation to Fidelity. The wrap fees are not separately stated, but do reduce the investment options' return.

Portfolio Manager (Tenure on Portfolio):

Robert Galusza (05/08)

Performance Commentary:

Investment grade bond prices rose in the fourth quarter of 2009 as corporate bonds and other types of credit continued their recent rally. Corporate bonds outpaced similar-duration Treasuries by nearly 4%. Corporate bonds issued by banks and other financials outperformed corporate bonds issued by industrials and utilities. Market conditions improved in the quarter because of government support, improved investor willingness to lend, and better economic data. Asset backed securities and commercial mortgage backed securities gained as a result of a government programs that were designed to stimulate these markets. However, government bond prices fell in the fourth quarter of 2009. Longer-dated Treasury prices fell as the economic outlook improved, and this caused the yield curve to steepen. Agency guaranteed mortgage backed securities outperformed Treasuries as a result of the Federal Reserve's direct buying program. Treasury Inflation Protected Securities (TIPS) outperformed nominal Treasuries as long-term inflation expectations increased while real yields fell.

In the fourth quarter of 2009, MIP continued to hold out-of-benchmark securitized bonds in lieu of Treasuries. Asset backed securities (ABS) were the largest holding of these securitized sectors, and most of the portfolio's ABS were backed by credit cards and auto loans. The portfolio also held commercial mortgage backed securities (CMBS) and collateralized mortgage obligations (CMOs). These securitized bond holdings added to relative performance in the fourth quarter. Another important contributor was the portfolio's selection of bonds within the corporate sector.

Performance as of 12/31/09

	CUMULATIVE RET. (%)		AVERAGE ANNUAL RET. (%)				
	3 Mo.	YTD	1 Year	3 Year	5 Year	10 Year	LOF
Portfolio	0.28	1.65	1.65	3.25	3.52	4.30	5.36
IM First Tier Money Mkt	0.02	0.34	0.34	2.65	3.12	2.94	

	CALENDAR YEAR RET. (%)				
	2009	2008	2007	2006	2005
Portfolio	1.65	3.75	4.37	4.08	3.80
IM First Tier Money Mkt	0.34	2.61	5.06	4.79	2.92

Returns are net of management and wrap fees. Total Returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower. Past performance does not guarantee future results.

Yield & Portfolio Data as of 12/31/09

Option Adjusted Duration	2.20
7-Day Yield*	1.17%

*The current yield of the fund listed above reflects the current earnings of the fund, while the total return refers to a specific past holding period.

Duration estimates how much a bond's price fluctuates with changes in comparable interest rates. Other factors also can influence a bond fund's performance and share price. An Option Adjusted Duration modifies the duration calculation to take into account issuer call provisions which may shorten the expected duration.

The iMoneyNet First Tier Institutional Money Market Funds Average is the average return of money market funds in the iMoneyNet's First Tier Institutional Category. This includes only non-government institutional money market funds that also are not holding any second tier securities. Portfolio holdings of First Tier funds include U.S. Treasury, U.S. Government agency securities, repos, time deposits, domestic bank obligations, foreign bank obligations, first tier commercial paper, floating rate notes, and asset-backed commercial paper. The iMoneyNet First Tier Institutional Money Market Funds Average is not the stated benchmark for the Portfolio and is provided for comparison purposes only. The asset composition of the iMoneyNet First Tier Institutional Money Market Funds Average may differ from that of the Portfolio.

Managed Income Portfolio

GOAL and WHAT IT INVESTS IN are provided by Fidelity Management Trust Company.

GOAL: Seeks to preserve your principal investment while earning interest income. MIP will try to maintain a stable \$1 unit price, but it cannot guarantee that it will be able to do so. The yield of MIP will fluctuate.

WHAT IT INVESTS IN: MIP invests in investment contracts (wrap contracts) issued by insurance companies and other financial institutions, fixed income securities, and money market funds to provide daily liquidity. Investment contracts are designed to permit the use of book value accounting to maintain a constant \$1 unit price and to provide for the payment of participant-directed withdrawals and exchanges at book value (principal and interest accrued to date) during the term of the investment contracts. However, withdrawals prompted by certain events (e.g., termination of MIP, changes in laws or regulations) may be paid at market value which may be less than book value. Wrap contracts are purchased in conjunction with an investment by MIP in fixed income securities, which may include, but are not limited to, U.S. Treasury and agency bonds, corporate bonds, mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and bond funds. MIP may also invest in futures contracts, option contracts, and swap agreements. FMTC, as investment manager and trustee of the Fidelity Group Trust for Employee Benefit Plans, has claimed an exemption from registration under the Commodity Exchange Act and is not subject to registration or regulation under the Act. There is no immediate recognition of investment gains and losses on the fixed income securities. Instead, gains and losses are recognized over time by adjusting the interest rate credited to MIP under the wrap contracts. All investment contracts and fixed income securities purchased for MIP must satisfy FMTC's credit quality standards. The investment contract and fixed income security commitments are backed solely by the financial resources of the issuer. Although MIP seeks to maintain a stable \$1 unit price, it is possible to lose money by investing in MIP. MIP's yield will fluctuate.

All numbers are unaudited.
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Top Five Issuers* as of 12/31/09

1. UNITED STATES TREASURY
 2. FNMA GTD MTG PASS THRU CTF
 3. FIDELITY INSTL CASH PORTFOLIOS
 4. FREDDIE MAC
 5. FANNIE MAE
- % of TNA:52.4

Portfolio Composition† as of 12/31/09

U.S. Treasury	25.5%
U.S. Agency	8.9%
Other Govt Related (U.S. and Foreign)	5.5%
Corporate	17.8%
MBS Passthrough	14.4%
ABS	9.6%
CMBS	5.2%
CMO	5.0%
Cash	6.9%
Net Other Assets	1.2%
Total	100%
Futures, Options & Swaps	9.8%

† Portfolio composition categories above the Total Line represent 100% of the fund's total net assets. If futures, options and swaps are shown below the Total line, they represent the fund's full exposure value to derivatives. Portfolio composition data is as of the date indicated. It should not be construed as a recommendation for any sector and may not be representative of the portfolio's current or future investments.

This portfolio is not a mutual fund. It is a commingled pool managed by Fidelity Management Trust Company.

In order to maintain the wrap issuer's promise to pay withdrawals and exchanges at book value, the wrap contracts impose ongoing contractual commitments on the Portfolio as well as the plans invested in the Portfolio. Plan sponsor directed withdrawals are subject to 12 months notice.

This Portfolio is subject to certain withdrawal restrictions which are outlined in the Declaration of Separate Fund.

**The Top Five Issuers are as of the date indicated and are represented in the portfolio's holdings. They may not be representative of the portfolio's current or future investments. An Issuer is a legal entity that has the power to issue and distribute financial instruments. An issuer may be a bank, a corporation (including limited partnerships), a sovereign government, a municipality, or a mutual fund. To determine the Top Five Issuers, the legal entities associated with the portfolio's holdings are identified, common issues of an entity are then aggregated and sorted by descending portfolio weight.*

‡ Credit ratings are derived using Moody's as the primary ratings source. If Moody's provides no rating for a security, then the S&P rating is used as a secondary source.

Some investment contracts are structured solely as a general debt obligation of the issuer.

Other investment contracts (wrap contracts) are purchased in conjunction with an investment by the portfolio in fixed income securities, which may include U.S. Treasury bonds, corporate bonds, mortgage-backed securities, asset-backed securities, and bond funds. There is no immediate recognition of investment gains and losses on the fixed income securities. Instead, the gain or loss is recognized over time by adjusting the interest rate credited to the portfolio under the wrap contract. All investment contracts are fixed income securities purchased for the portfolio must satisfy the credit quality standards of FMTC.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.

Credit Ratings‡ as of 12/31/09

U.S. GOVERNMENT	53.4%
AAA	16.9%
AA	8.2%
A	9.6%
BBB	3.2%
BB	0.3%
B	0.1%
CCC & BELOW	0.0%
Short-Term Rated	0.0%
Not Rated/Not Available	0.2%
Cash & Net Other Assets	8.1%
Total	100%

"Net Other Assets" includes receivables and payables and may also include notational assets/ liabilities of certain derivative instruments.