QUARTERLY FUND REVIEW | AS OF MARCH 31, 2026

Fidelity® Government Income Fund

Investment Approach

- Fidelity® Government Income Fund provides investors exposure to the government and government-related sectors of the U.S. bond market. The strategy may invest in U.S. Treasuries, Treasury Inflation-Protected Securities, debt issued by government-related agencies (e.g., Fannie Mae, Freddie Mac), and mortgage-backed securities (MBS) issued by Fannie Mae, Freddie Mac and Ginnie Mae.
- Benchmarked against the Bloomberg 75% U.S. Government/25% U.S. MBS Blended Index, the fund seeks to deliver competitive, risk-adjusted performance commensurate with investor expectations of a core government bond fund.
- Utilizing a team-based investment process, the fund relies on experienced portfolio managers, research analysts and traders. We concentrate on areas where we believe we can repeatedly add value, including asset allocation, sector and security selection, yield-curve positioning and opportunistic trading.
- Robust governance and risk management support the identification of both opportunities and risks.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF[1]
Fidelity Government Income Fund Gross Expense Ratio: 0.45%[2]	0.16%	0.16%	3.70%	2.82%	-0.20%	0.95%
Bloomberg US Government Bond Index	-0.04%	-0.04%	3.27%	2.62%	-0.10%	1.07%
Bloomberg 75% US Government/25% US Mortgage-Backed Securities Blended Index	0.07%	0.07%	3.89%	3.01%	0.04%	1.16%
Lipper General U.S. Government Funds Classification	-0.19%	-0.19%	3.42%	2.27%	-0.49%	0.70%
Morningstar Intermediate Government	-0.01%	-0.01%	3.73%	2.96%	0.03%	1.04%

[1] Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 04/04/1979.
[2] This expense ratio is from the most recent prospectus and generally is based on amounts incurred during the most recent fiscal year, or estimated amounts for the current fiscal year in the case of a newly launched fund. It does not include any fee waivers or reimbursements, which would be reflected in the fund's net expense ratio.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. Performance shown is that of the fund's Retail Class shares (if multiclass). You may own another share class of the fund with a different expense structure and, thus, have different returns. To learn more or to obtain the most recent month-end or other share-class performance, visit fidelity.com/performance, institutional.fidelity.com, or 401k.com. 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.

For definitions and other important information, please see the Definitions and Important Information section of this Fund Review.

FUND INFORMATION

Manager(s):
Franco Castagliuolo
Sean Corcoran

Trading Symbol:
FGOVX

Start Date:
April 04, 1979

Size (in millions):
$1,429.29

Morningstar Category:
Intermediate Government

Fixed income investments entail interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer default, issuer credit risk and inflation risk. Leverage can increase market exposure and magnify investment risk.

Taxable Bond Market Review

U.S. taxable investment-grade bonds posted a roughly break-even result in the first quarter, as measured by the Bloomberg U.S. Aggregate Bond Index. A positive start to the year was upended in March by a sudden rise in geopolitical risk, which pushed U.S. Treasury yields higher and bond prices lower.

As 2026 began, the U.S. bond market was coming off a strong 2025 in which the index rose 7.30%, its best annual result since 2020. That advance was aided by relatively stable inflation and a largely resilient U.S. economy, conditions that by the second half of the year prompted the U.S. Federal Reserve to resume the monetary-easing program it had paused in late 2024. The Fed cut its policy interest rate by a quarter percentage point (25 basis points) in September, October and December.

Following its December 2025 committee meeting, Fed officials signaled they might hold rates steady for a time. With inflation stable but still above the 2% target, and labor-market data softening even as unemployment remained low, Fed Chair Jerome Powell indicated a wait-and-see stance. This announcement shifted the market's expectation for additional rate cuts to later in 2026. In the absence of an immediate catalyst, U.S. Treasury yields were little changed in January, limiting price volatility. The Aggregate index advanced slightly for the month (+0.11%).

February brought a catalyst in the form of U.S. inflation and employment data. Headline inflation for January came in at 2.4%, the lowest reading since May 2025, while the jobs report showed solid January hiring. The annual benchmark revision to payroll data, however, adjusted total job gains for 2025 sharply down. Together, these reports were viewed as potentially accelerating the Fed's timetable for further rate reductions. At the same time, broad-market investors adopted a more defensive posture. These factors fueled a bond market rally in February, lifting the index by 1.64%.

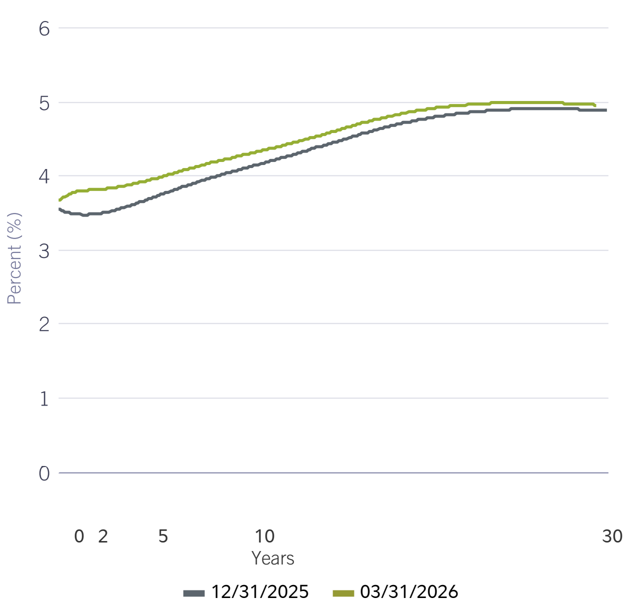
The market landscape changed abruptly at the end of February. In the late hours of February 28, the U.S. and Israel launched military operations against Iran. Tensions between the countries had been building in prior weeks but had not materially affected markets until then. The beginning of March saw a sharp rise in bond yields as expectations for Fed cuts shifted outward once again, and an increased risk premium was priced into the yield curve. Oil and energy prices surged, heightening investor concerns about a potential spike in inflation. The benchmark 10-year U.S. Treasury began the month at 3.97% and ended at 4.30%, after peaking at 4.44% on March 27. The index returned -1.76% for the month, reversing February's upturn.

Against a backdrop of rising yields, short-term debt issues with maturities of 1 to 3 years fared best in Q1, advancing 0.32%. Bonds with maturities of 3 to 5 years eked out a small gain (+0.04%), while all longer-term categories finished in modestly negative territory. Amid a cautious market backdrop, higher-quality bonds rated AAA and AA outperformed investment-grade debt rated A and BAA.

At the sector level, U.S. Treasurys (-0.04%) outpaced more credit-sensitive U.S. investment-grade corporate bonds (-0.54%). Securitized sectors – including agency mortgage-backed securities (+0.40%), commercial mortgage-backed securities (+0.32%) and asset-backed securities (+0.31%) – outperformed, as investors viewed them as offering higher income and solid fundamentals.

Outside the Aggregate index, U.S. Treasury Inflation-Protected Securities gained 0.26%, per Bloomberg, while U.S. high-yield corporate bonds (-0.50%) and emerging-markets debt – both investment-grade (-1.32%) and high-yield (-1.40%) – lagged amid risk-off market sentiment.

U.S. TREASURY YIELD CURVE



Source: Bloomberg

THREE-MONTH FIXED-INCOME SECTOR RETURNS

Sector	Total Return	Excess Return*
Government-Related	-0.07%	-0.08%
U.S. Mortgage-Backed Securities	0.40%	0.16%
Asset-Backed Securities	0.31%	0.10%
Commercial Mortgage-Backed Securities	0.32%	0.33%
U.S. Corporate Investment Grade	-0.54%	-0.49%
U.S. Corporate High Yield	-0.50%	-0.73%
Emerging Markets: Investment Grade	-1.32%	-1.31%
Emerging Markets: High Yield	-1.40%	-1.41%
U.S. Treasury	-0.04%	0.00%

Source: Bloomberg *Over similar-duration Treasuries*

Performance Review

DETAILED FUND ATTRIBUTION RELATIVE TO BENCHMARK

Strategy: Non-Yield-Curve Positioning	
Market Environment	Investment-grade fixed-income assets essentially broke even in Q1. Securitized sectors such as agency mortgage-backed securities and commercial mortgage-backed securities outperformed U.S. Treasurys, while U.S. corporate bonds lagged.
Fund Positioning (Impact vs. Benchmark)	Non-yield-curve positioning produced mixed results versus the benchmark Bloomberg 75% U.S. Government/25% U.S. Mortgage-Backed Securities Blended Index. • The fund's underweight in agency pass-through mortgage-backed securities detracted from its performance versus the benchmark. **(Negative)** • In contrast, an overweight in government-agency commercial mortgage-backed securities boosted relative performance. **(Positive)** • The combination of larger-than-benchmark exposure to certain high-coupon MBS backed by Fannie Mae and Freddie Mac and short positions in select TBA (To Be Announced) securities also contributed. **(Positive)**

Strategy: Duration and Yield Curve	
Market Environment	Rates rose across the U.S. Treasury yield curve in Q1, with the biggest increases at the front end and then tapering further out on the curve.
Fund Positioning (Impact vs. Benchmark)	Yield-curve positioning contributed to performance versus the index. • The fund's overweight in short-term securities notably helped. **(Positive)** • Conversely, the fund had a modestly longer duration (more interest-rate sensitivity) than the benchmark, which detracted from relative performance as bond yields rose during the quarter. **(Negative)**

Outlook and Positioning

As 2026 began, it appeared that markets were firing on all cylinders, with investors expecting AI-fueled capital spending and fiscal support from the One Big Beautiful Bill Act to provide a supportive backdrop. But markets took a pause in Q1, as concerns over the viability of AI investment started to surface, and global equity and bond markets sold off sharply as geopolitical events in Iran took center stage.

Developed-market central banks were largely in sync over the past two years, easing monetary policy from restrictive levels as inflation fell from pandemic peaks. Heading into the year, the U.S. Federal Reserve was expected to cut rates further in 2026, but rising oil prices have fueled inflation fears, shifting expectations away from cuts and toward the possibility (but not necessarily likelihood) of rate hikes this year.

After falling in 2025, nominal 10-year U.S. Treasury yields finished Q1 slightly higher. At quarter end, crosscurrents influencing fixed-income yields include softer labor-market data, higher near-term inflation expectations, a shift in monetary policy expectations and medium-term fiscal challenges.

As of March 31, securities backed by the U.S. government continued to dominate the fund's investments. In this dynamic market environment, we seek to find pockets of value, based on our view of pricing and fundamentals. Our goal remains to work with our experienced investment teams to try to find attractively priced bonds for the portfolio while maintaining a disciplined approach to risk management. We remain focused on the long term and follow a process that is analytical, logical and grounded in empirical data.

It is important to reiterate that the portfolio is constructed with a careful and intentional emphasis on security selection, especially with consideration to liquidity and financial resiliency. Investing is a long-term endeavor, and we're focused on generating strong risk-adjusted performance over a full market cycle through our disciplined, risk-aware approach. ■

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Treasury	49.66%	74.30%	-24.64%	-1.49%
U.S. Agency	3.16%	0.90%	2.26%	2.85%
Other Government Related (U.S. & Non-U.S.)	0.00%	0.00%	0.00%	0.00%
Corporate	0.00%	0.00%	0.00%	0.00%
MBS Pass-Through	19.20%	24.80%	-5.60%	-1.75%
ABS	0.00%	0.00%	0.00%	0.00%
CMBS	9.01%	0.00%	9.01%	-1.54%
CMOs	11.51%	0.00%	11.51%	1.64%
Cash	1.90%	0.00%	1.90%	0.23%
Net Other Assets	5.56%	0.00%	5.56%	0.06%
Futures, Options & Swaps	9.30%	0.00%	9.30%	-4.27%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

CHARACTERISTICS

	Portfolio	Index
Duration	5.71 years	5.62 years
30-Day SEC Yield	3.79%	--
30-Day SEC Restated Yield	--	--
Net Asset Value	$9.20	--

CREDIT-QUALITY DIVERSIFICATION

Credit Quality	Portfolio Weight	Index Weight	Relative Weight	Relative Change From Prior Quarter
U.S. Government	92.72%	100.00%	-7.28%	-0.14%
AAA	0.00%	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	0.00%
A	0.00%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%
CCC & Below	0.00%	0.00%	0.00%	0.00%
Short-Term Rated	0.00%	0.00%	0.00%	0.00%
Not Rated/Not Available	-16.32%	0.00%	-16.32%	-5.21%
Cash & Net Other Assets	23.60%	0.00%	23.60%	5.35%

Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the portfolio composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.

Credit ratings for a rated issuer or security are categorized using the highest credit rating among the following three Nationally Recognized Statistical Rating Organizations ("NRSRO"): Moody's Investors Service (Moody's); Standard & Poor's Rating Services (S&P); or Fitch, Inc. Securities that are not rated by any of these three NRSRO's (e.g. equity securities) are categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro-rata share of any investments in other Fidelity funds.

Definitions and Important Information

Unless otherwise expressly disclosed to you in writing, the information provided in this material is for educational purposes only. Any viewpoints expressed by Fidelity are not intended to be used as a primary basis for your investment decisions and are based on facts and circumstances at the point in time they are made and are not particular to you. Accordingly, nothing in this material constitutes impartial investment advice or advice in a fiduciary capacity, as defined or under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1986, both as amended. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in the products or services and may receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services. Before making any investment decisions, you should take into account all of the particular facts and circumstances of your or your client's individual situation and reach out to a professional adviser, if applicable.

CHARACTERISTICS

Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

30-day SEC Yield is a standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield".

30-Day SEC Restated Yield is the fund's 30-day yield without applicable waivers or reimbursements, stated as of month-end.

Net Asset Value is the dollar value of one share of a fund; determined by taking the total assets of a fund, subtracting the total liabilities, and dividing by the total number of shares outstanding.

IMPORTANT FUND INFORMATION

Relative positioning data presented in this commentary is based on the fund's primary benchmark (index) unless a secondary benchmark is provided to assess performance.

INDICES

It is not possible to invest directly in an index. All indices represented are unmanaged. All indices include reinvestment of dividends and interest income unless otherwise noted.

Bloomberg 75% U.S. Government/25% U.S. Mortgage-Backed Securities Blend is a composite of unmanaged indexes combining the total returns of the Bloomberg U.S. Government Bond Index and Bloomberg U.S. MBS Index. The index weightings of the component indexes are: Bloomberg U.S. Government Bond Index, 75%, and Bloomberg U.S. MBS Index, 25%.

Bloomberg U.S. Government Bond Index is a market-value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more.

Bloomberg U.S. Aggregate Bond Index is a broad-based, market-value-weighted benchmark that measures the performance of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Sectors in the index include Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS.

Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L) is a market value-weighted index that measures the performance of inflation-protected securities issued by the U.S. Treasury.

LIPPER INFORMATION

Lipper Averages are averages of the performance of all mutual funds with their respective investment classification category. The number of funds in each category periodically changes. Lipper, a Refinitiv company, is a nationally recognized organization that ranks the performance of mutual funds.

MARKET-SEGMENT WEIGHTS

Market-segment weights illustrate examples of sectors or industries in which the fund may invest, and may not be representative of the fund's current or future investments. They should not be construed or used as a recommendation for any sector or industry.

MORNINGSTAR INFORMATION

 Fidelity does not review the Morningstar data and, for mutual fund performance, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees and expenses.

YIELD CURVE

The relationship at a given point in time between yields on a group of fixed-income securities with varying maturities - commonly, Treasury bills, notes, and bonds. The curve typically slopes upward since longer maturities normally have higher yields, although it can be flat or even inverted.

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