Chairman's Message | February 28, 2026

Abigail P. Johnson

Dear Shareholder:

Global capital markets gained strongly for the 12 months ending February 28, 2026, supported by resilient corporate fundamentals, a steady macroeconomy and monetary easing by the U.S. Federal Reserve and other key central banks. In the U.S., the S&P 500® index, a widely recognized measure of large-cap equities, increased 16.99%, while the Bloomberg U.S. Aggregate Bond Index, representing taxable investment-grade fixed income, rose 6.26%.

During the past year, the broad U.S. bond market weathered pockets of elevated volatility, particularly in its early months. Volatility peaked in early April, after the newly elected administration introduced a broad set of tariffs on U.S. trade partners, triggering a steep bond sell-off. The market began to recover just one week later, however, as investor concerns eased after a 90-day pause on most of the tariffs was announced. By summer, expectations that the Fed would soon resume its interest-rate-easing cycle – paused since January – supported a rally in fixed-income investments. The subsequent implementation of three rate cuts, along with milder-than-expected tariffs, strong corporate earnings and steady monthly economic data, helped buoy credit markets in the second half of 2025. After treading water in January (+0.11%) of the new year, the Aggregate index advanced 1.64% in February, when AI-related disruption fears and geopolitical uncertainty contributed to a "flight to safety" from stocks into fixed income.

For the 12 months, intermediate-term issues with maturities of 5 to 10 years posted the best returns, while lower-quality investment-grade bonds – rated A and BAA, the Bloomberg equivalent to BBB – bettered higher-quality debt. Most credit-sensitive assets, including corporate bonds, agency mortgage-backed securities and commercial mortgage-backed securities, comfortably outpaced U.S. Treasurys.

Against this backdrop, our actively managed, taxable investment-grade strategies performed competitively versus benchmarks and peers on an aggregate, asset-weighted basis. Our core/core-plus strategies modestly outpaced benchmarks and had a weighty influence on overall results. Our limited-term bond funds were a notable bright spot, while credit-focused offerings had a mixed showing and government/mortgage funds lagged. Importantly, aggregate performance for the taxable fixed-income product suite remained compelling over the three-, five- and 10-year periods.

As of February 28, analysis from Fidelity's Asset Allocation Research Team – composed of portfolio managers and other analysts in our Global Asset Allocation division – implies that the global economic cycle remains in a solid, albeit unsynchronized, expansion against a backdrop of policy crosscurrents. The U.S. demonstrates a mix of cycle dynamics, with solid mid-cycle activity amid some areas of continued weakness in housing and labor markets.

It is important to remember that our bond portfolios employ a multi-step investment research process that includes substantial risk oversight. Fidelity has one of the largest, most sophisticated fixed-income organizations in the mutual fund industry. Our research team makes independent credit assessments; we do not rely on the rating agencies to determine credit quality. We will continue to search for value across all sectors of the taxable bond market, combining the strength of our bottom-up security analysis with our top-down portfolio construction and risk-management strategies.

Thank you for your confidence in Fidelity's investment-management capabilities. For more insights on current market developments, please visit us online.

Sincerely,

Abigail P. Johnson
Chairman of the Board of Trustees
Fidelity Fixed Income and Asset Allocation Funds

Please see the next page for important information.

Fidelity INVESTMENTS

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Risks: Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. The securities of **smaller, less well-known companies** can be more volatile than those of larger companies. In general, the bond market is volatile, and fixed-income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. Fixed-income securities also carry inflation, credit and default risks for both issuers and counterparties. **Lower-quality bonds** can be more volatile and have greater risk of default than higher-quality bonds. **The municipal market** is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. Income exempt from federal income tax may be subject to state or local tax. **Leverage** can increase market exposure and magnify investment risk. **Foreign securities** are subject to interest rate, currency exchange rate, economic and political risks, all of which are magnified in emerging markets. The investment risk of **target date funds** changes over time as their asset allocation changes. These risks are subject to the asset allocation decisions of the Investment Adviser. Pursuant to the Adviser's ability to use an active asset allocation strategy, investors may be subject to a different risk profile compared to the target date funds' neutral asset allocation strategy shown in their glide path. Target date funds are subject to the volatility of the financial markets, including that of equity and fixed-income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked and foreign securities. No target date fund is considered a complete retirement program and there is no guarantee any single fund will provide sufficient retirement income at or through retirement. Principal invested is not guaranteed at any time, including at or after the funds' target dates.

Past performance does not guarantee future results.

Diversification does not ensure a profit or guarantee against a loss.

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