

Fidelity® U.S. Bond Index Fund

Investment Approach

- Fidelity® U.S. Bond Index Fund is a diversified fixed-income strategy that seeks to closely track the returns and characteristics of the benchmark Bloomberg U.S. Aggregate Bond Index.
- Given the large number of securities in the benchmark and the significant costs associated with full replication of the index, we construct the portfolio using optimization. This approach minimizes the differences between risk exposures of the fund relative to the index. Exposures include duration, key rate durations, credit quality, sector and issuer allocation, and other factors.
- The Bloomberg U.S. Aggregate Bond Index is an unmanaged market-value-weighted index for U.S.-dollar-denominated investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage-backed securities with maturities of at least one year.

PERFORMANCE SUMMARY

	Cumulative		Annualized			
	3 Month	YTD	1 Year	3 Year	5 Year	10 Year/ LOF ¹
Fidelity U.S. Bond Index Fund Gross Expense Ratio: 0.025% ²	5.19%	4.59%	11.53%	-1.39%	0.34%	1.82%
Bloomberg US Aggregate Bond Index	5.20%	4.45%	11.57%	-1.39%	0.33%	1.84%
Lipper Core Bond Funds Classification	5.15%	4.93%	11.99%	-1.39%	0.58%	1.82%
Morningstar Fund Intermediate Core Bond	5.05%	4.78%	11.56%	-1.39%	0.43%	1.75%

¹ Life of Fund (LOF) if performance is less than 10 years. Fund inception date: 03/08/1990.

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. To learn more or to obtain the most recent month-end performance, visit [fidelity.com/performance](https://www.fidelity.com/performance), [institutional.fidelity.com](https://www.institutional.fidelity.com), or [401k.com](https://www.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):
Team Managed

Trading Symbol:
FXNAX

Start Date:
March 08, 1990

Size (in millions):
\$60,037.90

Morningstar Category:
Fund Intermediate Core Bond

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 risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. The fund can invest in securities that may have a leveraging effect (such as derivatives and forward-settling securities) which may increase market exposure, magnify investment risks, and cause losses to be realized more quickly.



Not FDIC Insured • May Lose Value • No Bank Guarantee

Taxable Bond Market Review

U.S. taxable investment-grade bonds staged a strong rally in the third quarter of 2024, as steadily easing inflation and a cooling labor market led the U.S. Federal Reserve to implement its first policy interest-rate reduction following a lengthy period of monetary tightening. For the three months, investment-grade bonds advanced 5.20%, as measured by the Bloomberg U.S. Aggregate Bond Index.

After raising its benchmark interest rate 11 times between March 2022 and July 2023, the Fed held steady in a range of 5.25% to 5.5% for 14 months prior to cutting by half a percentage point (50 basis points) on September 18. The long-awaited move was enabled by several consecutive monthly reports that showed inflation slowly receding. This contrasted with the early months of 2024, when three straight reports had most inflation measures moving sideways or ticking up, which kept the Fed on pause in the year's first half and led investors to push back their expectations for the magnitude of rate cuts this year.

The Bloomberg U.S. Aggregate Bond Index gained 2.34% in July, when that month's inflation reading (through June) fell slightly from the previous month, dropping the year-over-year headline inflation rate to 3%. It was at this point that the market consensus around a likely September rate cut coalesced. The index advanced further in August (+1.44%) when that consensus firmed, stoked by a jobs report that showed U.S. hiring slowing substantially in July, pointing to a need for less restrictive monetary policy via lower interest rates.

Prior to the Fed's committee meeting on September 17-18, the only real suspense was around whether the central bank would opt for a quarter-point or half-point reduction in the federal funds rate. Its choice of the larger cut helped bonds gain again in the month of September (+1.34%). Year to date, the index is up 4.45%.

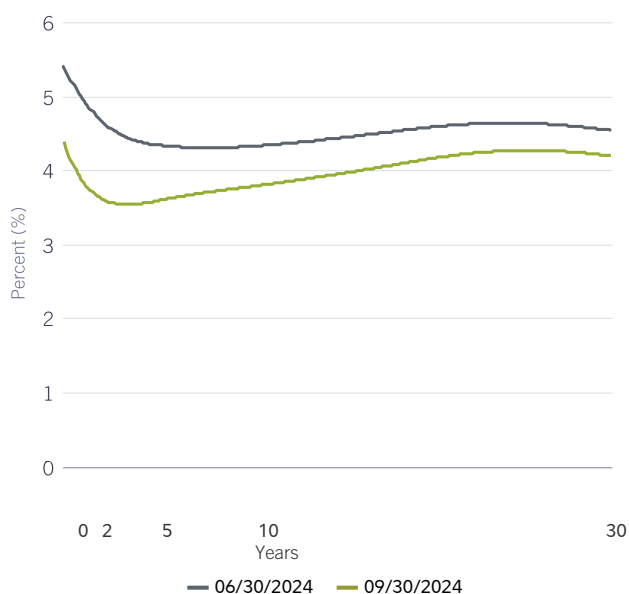
As bond prices rose during the three months, bond yields – which move in the opposite direction of prices – fell. The nominal 10-year U.S. Treasury yield dropped 55 basis points (0.55%) for the quarter, finishing at 3.81%.

For the full three months, gains were solid and broad-based across the bond market, with yield-advantaged, credit-sensitive segments leading the way. By quality rating, lower-quality investment-grade securities, rated A and BAA (the Bloomberg equivalent to BBB), gained 5.83% and 5.81%, respectively, faring best in the risk-on environment. Meanwhile, long-term maturities (10 years and up) advanced 7.93% and notably outpaced shorter-term issues.

Results varied at the sector level on a total-return basis (see exhibit below), but all spread products enjoyed positive excess returns versus Treasuries (+4.74%). U.S. corporate bonds (+5.84%) topped the investment-grade performance chart, bolstered by tighter credit spreads amid resilient fundamentals, followed by agency mortgage-backed securities (+5.53%), which benefited as investors increasingly shifted into high-quality, longer-duration asset classes. Commercial mortgage-backed securities (+4.65%) and government-related securities (+4.63%) delivered lesser gains, while asset-backed securities (+3.35%) turned in a comparatively modest advance.

Outside the Aggregate index, U.S. Treasury inflation-protected securities gained 4.12%, per Bloomberg, while U.S. high-yield corporate bonds (+5.28%) slightly lagged their investment-grade counterparts, and emerging-markets high-income bonds (+6.61%) showed relative strength. ■

U.S. TREASURY YIELD CURVE



Source: Bloomberg

THREE-MONTH FIXED-INCOME SECTOR RETURNS

Sector	Total Return	Excess Return*
Government-Related	4.63%	0.22%
U.S. Mortgage-Backed Securities	5.53%	0.78%
Asset-Backed Securities	3.35%	0.15%
Commercial Mortgage-Backed Securities	4.65%	0.36%
U.S. Corporate Investment Grade	5.84%	0.77%
U.S. Corporate High Yield	5.28%	1.72%
Emerging Markets: Investment Grade	5.34%	0.37%
Emerging Markets: High Yield	6.61%	2.33%
U.S. Treasury	4.74%	0.00%

Source: Bloomberg

*Over similar-duration Treasuries

MARKET-SEGMENT DIVERSIFICATION

Market Segment	Portfolio Weight	Index Weight
U.S. Treasury	43.16%	43.53%
U.S. Agency	0.63%	0.81%
Other Government Related (U.S. & Non-U.S.)	2.93%	3.76%
Corporate	26.29%	24.60%
MBS Pass-Through	25.61%	25.31%
ABS	0.35%	0.46%
CMBS	1.59%	1.53%
CMOs	0.00%	0.00%
Cash	0.50%	0.00%
Net Other Assets	-1.06%	0.00%
Futures, Options & Swaps	0.00%	0.00%

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	6.07 years	6.08 years
30-Day SEC Yield	3.93%	--
30-Day SEC Restated Yield	--	--
Net Asset Value	\$10.64	--

CREDIT-QUALITY DIVERSIFICATION

Credit Quality	Portfolio Weight	Index Weight
U.S. Government	70.22%	70.41%
AAA	2.71%	3.39%
AA	4.53%	4.37%
A	12.04%	11.24%
BBB	11.04%	10.59%
BB	0.00%	0.00%
B	0.00%	0.00%
CCC & Below	0.00%	0.00%
Short-Term Rated	0.00%	0.00%
Not Rated/Not Available	0.00%	0.00%
Cash & Net Other Assets	-0.54%	0.00%

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

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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 U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities,

mortgage-back securities (agency fixed-rate pass-throughs), asset-backed securities and collateralized mortgage-backed securities (agency and non-agency).

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

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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.



Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Past performance is no guarantee of future results.

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