



# Annual Report

March 31, 2016

## Short-Term Government Fund



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# President's Letter



Jonathan Thomas

Dear Investor:

Thank you for reviewing this annual report for the 12 months ended March 31, 2016. It provides investment performance and portfolio information for the reporting period, plus longer-term historical performance data.

Annual reports help convey information about fund performance, including market and economic factors that affected returns during the reporting period. For additional, updated investment and market insights, we encourage you to visit our website, [americancentury.com](http://americancentury.com).

## **Divergence in Economic Growth and Monetary Policies, Combined With China Turmoil, Triggered Market Volatility**

Divergence between the U.S. and the rest of the world—along with China's struggles, plunging commodity prices, capital market volatility, and risk-off trading—were dominant themes during the reporting period. Global divergence described not only the relatively stronger economic growth enjoyed by the U.S. compared with most of the world, but also the related contrast between the U.S. Federal Reserve's (the Fed's) unwinding of monetary stimulus versus the continuation and expansion of stimulus by other major central banks.

Two months in particular captured the volatility and risk-off trading of the 12-month period. Last August, China's economic slowdown (which rippled across the global economy) triggered Chinese stock market volatility, increasingly stimulative Chinese central bank monetary policy, and currency devaluations. Burdened further with oil market volatility, equity and higher-risk bond markets declined globally. Five months later, in January, investor sentiment plunged again as global economic growth decelerated, China devalued its currency again, and oil prices dropped below \$30 a barrel. In addition, the Fed, in December, executed its first rate hike since 2006. Central bank policies showed less divergence thereafter, with the Bank of Japan suddenly resorting to negative interest rates, the Fed holding rates steady while reducing its rate hike projections, and the European Central Bank announcing significant additional stimulus.

Bonds (and more bond-like stock sectors, such as utilities and REITs) generally outperformed the broad stock market for the reporting period. In terms of stock style and size, growth generally outperformed value, and large cap generally outperformed small cap. In the bond market, higher quality (investment-grade) generally outperformed lower quality (high-yield). We expect continued economic and monetary policy divergence between the U.S. and non-U.S. economies in 2016, accompanied by further market volatility. This could present both challenges and opportunities for active investment managers. Looking ahead, we continue to believe in a disciplined, diversified, risk-aware investment approach, using professionally managed portfolios to meet financial goals. We appreciate your trust in us.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Thomas". The signature is written in a cursive, flowing style.

Jonathan Thomas  
President and Chief Executive Officer  
American Century Investments

## Performance

### Total Returns as of March 31, 2016

	Ticker Symbol	Average Annual Returns				Inception Date
		1 year	5 years	10 years	Since Inception	
Investor Class	TWUSX	0.44%	0.54%	2.20%	—	12/15/82
Barclays U.S. 1-3 Year Government Bond Index	—	0.93%	0.90%	2.55%	—	—
Institutional Class	TWUOX	0.64%	0.74%	—	0.86%	3/1/10
A Class	TWAVX					7/8/98
No sales charge		0.19%	0.29%	1.94%	—	
With sales charge		-2.04%	-0.16%	1.72%	—	
C Class	TWACX	-0.63%	-0.46%	—	-0.34%	3/1/10
R Class	TWARX	-0.10%	0.06%	—	0.17%	3/1/10

Sales charges include initial sales charges and contingent deferred sales charges (CDSCs), as applicable. A Class shares have a 2.25% maximum initial sales charge and may be subject to a maximum CDSC of 1.00%. C Class shares redeemed within 12 months of purchase are subject to a maximum CDSC of 1.00%. The SEC requires that mutual funds provide performance information net of maximum sales charges in all cases where charges could be applied.

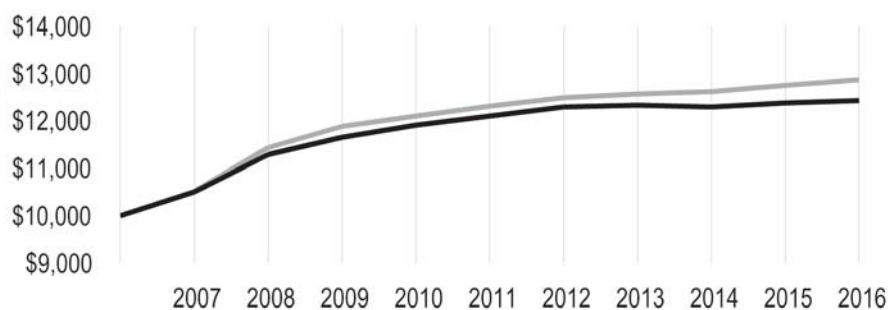
Average annual returns since inception are presented when ten years of performance history is not available. Prior to March 1, 2010, the A Class was referred to as the Advisor Class and did not have a front-end sales charge. Performance prior to that date has been adjusted to reflect this charge.

Data presented reflect past performance. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance shown. Total returns for periods less than one year are not annualized. Investment return and principal value will fluctuate, and redemption value may be more or less than original cost. Data assumes reinvestment of dividends and capital gains, and none of the charts reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. To obtain performance data current to the most recent month end, please call 1-800-345-2021 or visit [americancentury.com](http://americancentury.com). For additional information about the fund, please consult the prospectus.

## Growth of \$10,000 Over 10 Years

**\$10,000 investment made March 31, 2006**

Performance for other share classes will vary due to differences in fee structure.



Value on March 31, 2016

— Investor Class — \$12,432

— Barclays U.S. 1-3 Year Government Bond Index — \$12,871

## Total Annual Fund Operating Expenses

Investor Class	Institutional Class	A Class	C Class	R Class
0.55%	0.35%	0.80%	1.55%	1.05%

The total annual fund operating expenses shown is as stated in the fund's prospectus current as of the date of this report. The prospectus may vary from the expense ratio shown elsewhere in this report because it is based on a different time period, includes acquired fund fees and expenses, and, if applicable, does not include fee waivers or expense reimbursements.

Data presented reflect past performance. Past performance is no guarantee of future results. Current performance may be higher or lower than the performance shown. Total returns for periods less than one year are not annualized. Investment return and principal value will fluctuate, and redemption value may be more or less than original cost. Data assumes reinvestment of dividends and capital gains, and none of the charts reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. To obtain performance data current to the most recent month end, please call 1-800-345-2021 or visit [americancentury.com](http://americancentury.com). For additional information about the fund, please consult the prospectus.

# Portfolio Commentary

Portfolio Managers: Bob Gahagan, Hando Aguilar, Brian Howell, Dan Shiffman, and Jim Platz

## Performance Summary

Short-Term Government advanced 0.44%\* for the 12 months ended March 31, 2016. The Barclays U.S. 1-3 Year Government Bond Index advanced 0.93%. Fund returns reflect operating expenses, while index returns do not.

## U.S. Bonds Persevered In Volatile Backdrop

Despite modest economic gains and the Federal Reserve's (the Fed's) December 2015 decision to finally start normalizing short-term interest rates—factors that distinguished the U.S. from most other regions of the world, where slowing or stagnant growth and aggressive central bank easing were the norms—U.S. investment-grade bonds generally posted modest gains for the 12-month period ended March 31, 2016. After concluding its massive quantitative easing (QE) program in October 2014, the Fed focused on winding down another component of its unprecedented stimulus program—near-zero short-term interest rates—in 2015. Investor speculation regarding the timing and magnitude of the first Fed rate hike since June 2006 dominated the fixed-income market throughout the first nine months of the period and contributed to heightened market volatility.

Meanwhile, other leading central banks pursued aggressive stimulus programs, including increased QE and negative interest rates, to combat economic weakness. This global divergence of monetary policies made U.S. Treasury yields relatively more attractive than government bond yields of other nations, where yields declined at a greater pace. Global divergence also initially helped strengthen the U.S. dollar relative to other currencies. But the dollar weakened late in the reporting period as the Fed adopted a more dovish tone toward monetary policy.

Early in the 12-month period, U.S. bond market performance stumbled, largely due to Fed rate-hike speculation, a sharp bond market sell-off in Europe, and fallout from Greece's inability to repay its government debt. Performance rebounded in the third quarter of 2015 as Greece reached a deal with its creditors, and the global economic slowdown sparked a flight to quality, which generally favored high-quality bonds and pushed back the Fed's rate-hike plans. Investors assumed the Fed would begin to normalize short-term interest rates at its December monetary policy meeting. This expectation drove Treasury yields higher (and returns lower) during the fourth quarter of 2015, particularly among shorter-maturity securities, which are the most sensitive to Fed policy. On December 16, the Fed finally initiated "liftoff" with an increase of 25 basis points (one basis point equals 0.01%) in the federal funds rate target, pushing the overnight lending rate from 0.00%-0.25% to 0.25%-0.50%.

Most investors assumed the Fed would continue rate normalization in the first quarter of 2016. However, mounting concerns about China's economic slowdown, lackluster global growth, weak oil prices, and equity market volatility kept the Fed on hold. These factors also triggered a rally among U.S. Treasury and other high-quality bonds to start 2016. Midway through the first quarter of 2016, stabilization in the oil markets restored investors' "risk-on" sentiment, and Treasury returns stalled. But late in the quarter, the Fed reduced its 2016 rate-hike forecast from four to two increases, triggering another Treasury market rally to close out the period.

\* All fund returns referenced in this commentary are for Investor Class shares. Performance for other share classes will vary due to differences in fee structure; when Investor Class performance exceeds that of the index, other share classes may not. See page 3 for returns for all share classes.

Against this backdrop, the Treasury yield curve flattened during the 12-month period, as longer-maturity yields declined due to investor demand and weak inflation and shorter-maturity yields increased on Fed rate-hike expectations. The yield on the benchmark 10-year Treasury note declined 15 basis points to 1.77% at the end of March 2016, while the yield on the two-year Treasury note increased 16 basis points to 0.72%, according to Bloomberg.

### **Portfolio Positioning Summary**

We maintained underweight positions in Treasuries and agencies and an overweight position in the higher-yielding mortgage-backed securities (MBS) sector throughout the 12-month period. A favorable supply/demand backdrop contributed to the MBS sector's positive tone. Investors in the short-maturity, high-quality fixed-income market generally favored MBS for their relative yield advantages versus comparable-maturity Treasuries and government agency securities. Also, the Fed continued to reinvest the interest and principal payments from its MBS holdings back into the sector, which helped performance.

Our security selection within the MBS allocation contributed to performance. We favored agency commercial mortgage-backed securities and collateralized mortgage obligations for their yield advantages and more-predictable payment streams.

### **Outlook**

We believe U.S. economic fundamentals eventually will cause the Fed to resume interest-rate normalization. But weaker global economic fundamentals, U.S. dollar strength, weak commodity prices, and geopolitical risks may delay Fed action and keep rates range-bound. We expect to continue to overweight MBS relative to Treasuries and agencies, focusing on structured mortgage products over traditional pass-through mortgage securities. We also expect to continue holding ARMs and other floating-rate securities. Overall, we favor a disciplined, relative-value approach to portfolio management, emphasizing careful security selection and risk management.



## Fund Characteristics

MARCH 31, 2016

### Portfolio at a Glance

Average Duration (effective)	1.9 years
Weighted Average Life	2.1 years

Types of Investments in Portfolio	% of net assets
U.S. Treasury Securities	67.4%
Collateralized Mortgage Obligations	21.8%
U.S. Government Agency Mortgage-Backed Securities	8.0%
U.S. Government Agency Securities	3.3%
Temporary Cash Investments	4.2%
Other Assets and Liabilities	(4.7)%

## Shareholder Fee Example

Fund shareholders may incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and redemption/exchange fees; and (2) ongoing costs, including management fees; distribution and service (12b-1) fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in your fund and to compare these costs with the ongoing cost of investing in other mutual funds.

The example is based on an investment of \$1,000 made at the beginning of the period and held for the entire period from October 1, 2015 to March 31, 2016.

### Actual Expenses

The table provides information about actual account values and actual expenses for each class. You may use the information, together with the amount you invested, to estimate the expenses that you paid over the period. First, identify the share class you own. Then simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

If you hold Investor Class shares of any American Century Investments fund, or Institutional Class shares of the American Century Diversified Bond Fund, in an American Century Investments account (i.e., not a financial intermediary or retirement plan account), American Century Investments may charge you a \$12.50 semiannual account maintenance fee if the value of those shares is less than \$10,000. We will redeem shares automatically in one of your accounts to pay the \$12.50 fee. In determining your total eligible investment amount, we will include your investments in all personal accounts (including American Century Investments Brokerage accounts) registered under your Social Security number. Personal accounts include individual accounts, joint accounts, UGMA/UTMA accounts, personal trusts, Coverdell Education Savings Accounts and IRAs (including traditional, Roth, Rollover, SEP-, SARSEP- and SIMPLE-IRAs), and certain other retirement accounts. If you have only business, business retirement, employer-sponsored or American Century Investments Brokerage accounts, you are currently not subject to this fee. If you are subject to the Account Maintenance Fee, your account value could be reduced by the fee amount.

### Hypothetical Example for Comparison Purposes

The table also provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio of each class of your fund and an assumed rate of return of 5% per year before expenses, which is not the actual return of a fund's share class. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or redemption/exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 10/1/15	Ending Account Value 3/31/16	Expenses Paid During Period <sup>(1)</sup> 10/1/15 - 3/31/16	Annualized Expense Ratio <sup>(1)</sup>
<b>Actual</b>				
Investor Class	\$1,000	\$1,002.70	\$2.75	0.55%
Institutional Class	\$1,000	\$1,002.70	\$1.75	0.35%
A Class	\$1,000	\$1,000.50	\$4.00	0.80%
C Class	\$1,000	\$996.80	\$7.74	1.55%
R Class	\$1,000	\$1,000.00	\$5.25	1.05%
<b>Hypothetical</b>				
Investor Class	\$1,000	\$1,022.25	\$2.78	0.55%
Institutional Class	\$1,000	\$1,023.25	\$1.77	0.35%
A Class	\$1,000	\$1,021.00	\$4.04	0.80%
C Class	\$1,000	\$1,017.25	\$7.82	1.55%
R Class	\$1,000	\$1,019.75	\$5.30	1.05%

(1) Expenses are equal to the class's annualized expense ratio listed in the table above, multiplied by the average account value over the period, multiplied by 183, the number of days in the most recent fiscal half-year, divided by 366, to reflect the one-half year period.

# Schedule of Investments

MARCH 31, 2016

	Principal Amount	Value
<b>U.S. TREASURY SECURITIES — 67.4%</b>		
U.S. Treasury Bills, 0.57%, 1/5/17 <sup>(1)</sup>	\$ 6,000,000	\$ 5,978,184
U.S. Treasury Notes, 0.875%, 2/28/17 <sup>(2)</sup>	3,000,000	3,007,206
U.S. Treasury Notes, 0.875%, 5/15/17	28,100,000	28,168,592
U.S. Treasury Notes, 0.50%, 7/31/17	16,800,000	16,761,612
U.S. Treasury Notes, 2.375%, 7/31/17	6,500,000	6,646,250
U.S. Treasury Notes, 0.75%, 10/31/17	23,800,000	23,813,471
U.S. Treasury Notes, 1.875%, 10/31/17	3,500,000	3,563,780
U.S. Treasury Notes, 0.875%, 1/31/18	45,000,000	45,124,785
U.S. Treasury Notes, 1.00%, 2/15/18	24,800,000	24,922,066
U.S. Treasury Notes, 1.00%, 3/15/18	10,800,000	10,856,527
U.S. Treasury Notes, 2.625%, 4/30/18	1,800,000	1,870,454
U.S. Treasury Notes, 1.00%, 5/31/18	5,000,000	5,025,100
U.S. Treasury Notes, 1.375%, 6/30/18	1,600,000	1,621,813
U.S. Treasury Notes, 1.25%, 11/15/18	13,700,000	13,853,056
U.S. Treasury Notes, 1.50%, 2/28/19	3,000,000	3,055,137
<b>TOTAL U.S. TREASURY SECURITIES</b> (Cost \$193,576,445)		<b>194,268,033</b>
<b>COLLATERALIZED MORTGAGE OBLIGATIONS<sup>(3)</sup> — 21.8%</b>		
FHLMC, Series 2650, Class PN, 4.50%, 12/15/32	1,262,845	1,309,313
FHLMC, Series 2684, Class FP, VRN, 0.94%, 4/15/16	53,142	53,201
FHLMC, Series 3114, Class FT, VRN, 0.79%, 4/15/16	1,117,084	1,116,217
FHLMC, Series 3149, Class LF, VRN, 0.74%, 4/15/16	2,599,817	2,587,661
FHLMC, Series 3200, Class FP, VRN, 0.64%, 4/15/16	1,665,788	1,658,628
FHLMC, Series 3206, Class FE, VRN, 0.84%, 4/15/16	1,011,527	1,016,303
FHLMC, Series 3231, Class FA, VRN, 0.84%, 4/15/16	930,372	937,414
FHLMC, Series 3301, Class FA, VRN, 0.74%, 4/15/16	909,268	913,835
FHLMC, Series 3380, Class FP, VRN, 0.79%, 4/15/16	1,215,372	1,221,532
FHLMC, Series 3501, Class AC SEQ, 4.00%, 8/15/23	355,786	360,605
FHLMC, Series 3508, Class PF, VRN, 1.29%, 4/15/16	1,087,315	1,102,605
FHLMC, Series 3587, Class FB, VRN, 1.21%, 4/15/16	1,133,038	1,147,350
FHLMC, Series 3831, Class CG, 3.00%, 10/15/18	233,017	236,888
FHLMC, Series 3842, Class JB, 2.00%, 9/15/18	730,488	735,246
FHLMC, Series K037, Class A1 SEQ, 2.59%, 4/25/23	1,654,826	1,714,261
FHLMC, Series K039, Class A1, 2.68%, 12/25/23	2,871,881	2,996,760
FHLMC, Series K043, Class A1 SEQ, 2.53%, 10/25/23	1,405,203	1,460,515
FHLMC, Series K716, Class A1, 2.41%, 8/25/47	2,100,136	2,161,194
FHLMC, Series K718, Class A1 SEQ, 2.375%, 9/25/21	3,190,670	3,311,383
FNMA, Series 2003-108, Class BE SEQ, 4.00%, 11/25/18	245,117	251,522
FNMA, Series 2003-123, Class AY SEQ, 4.00%, 12/25/18	595,818	609,176
FNMA, Series 2003-125, Class AY SEQ, 4.00%, 12/25/18	1,049,055	1,075,472
FNMA, Series 2003-128, Class NG, 4.00%, 1/25/19	360,233	369,398
FNMA, Series 2003-17, Class FN, VRN, 0.73%, 4/25/16	345,269	345,175
FNMA, Series 2004-17, Class CJ SEQ, 4.00%, 4/25/19	827,838	848,896

	Principal Amount	Value
FNMA, Series 2004-28, Class FE, VRN, 0.78%, 4/25/16	\$ 4,058,471	\$ 4,076,871
FNMA, Series 2004-32, Class AY SEQ, 4.00%, 5/25/19	611,583	628,662
FNMA, Series 2004-52, Class PF, VRN, 0.88%, 4/25/16	425,802	427,616
FNMA, Series 2006-11, Class FA, VRN, 0.73%, 4/25/16	790,791	793,280
FNMA, Series 2006-60, Class KF, VRN, 0.73%, 4/25/16	1,785,183	1,793,795
FNMA, Series 2006-72, Class TE, VRN, 0.73%, 4/25/16	1,125,130	1,128,540
FNMA, Series 2008-77, Class EB SEQ, 4.50%, 9/25/23	369,761	386,704
FNMA, Series 2009-33, Class FB, VRN, 1.25%, 4/25/16	1,212,551	1,238,368
FNMA, Series 2009-87, Class HF, VRN, 1.28%, 4/25/16	483,423	493,814
FNMA, Series 2009-89, Class FD, VRN, 1.03%, 4/25/16	627,986	636,744
FNMA, Series 2010-12, Class AC SEQ, 2.50%, 12/25/18	443,188	448,114
FNMA, Series 2010-83, Class CM SEQ, 4.50%, 3/25/25	345,483	348,073
FNMA, Series 2011-3, Class EL, 3.00%, 5/25/20	175,605	178,695
FNMA, Series 2011-71, Class DJ SEQ, 3.00%, 3/25/25	377,126	383,553
FNMA, Series 2013-M11, Class FA SEQ, VRN, 0.76%, 4/25/16	1,192,585	1,193,000
FNMA, Series 2014-M10, Class ASQ1, 1.52%, 9/25/19	2,605,845	2,621,678
FNMA, Series 2014-M12, Class ASV1, 1.93%, 10/25/21	2,373,963	2,411,363
FNMA, Series 2014-M4, Class ASQ2 SEQ, 1.27%, 1/25/17	1,614,407	1,614,208
FNMA, Series 2014-M5, Class FA, VRN, 0.75%, 4/1/16	280,890	280,739
FNMA, Series 2015-M12, Class FA, VRN, 0.76%, 4/1/16	3,638,383	3,625,257
FNMA, Series 2015-M13, Class ASQ2, 1.65%, 9/25/19	1,700,000	1,712,498
FNMA, Series 2015-M7, Class ASQ2, 1.55%, 4/25/18	1,150,000	1,154,797
FNMA, Series 2015-M8, Class FA, VRN, 0.58%, 4/1/16	2,462,626	2,443,411
FNMA, Series 2016-M2, Class FA, VRN, 1.28%, 4/1/16	1,698,538	1,700,497
GNMA, Series 2010-14, Class QF, VRN, 0.89%, 4/16/16	1,472,701	1,484,202
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</b> (Cost \$62,555,376)		<b>62,745,029</b>
<b>U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES<sup>(3)</sup> — 8.0%</b>		
<b>Adjustable-Rate U.S. Government Agency Mortgage-Backed Securities — 7.5%</b>		
FHLMC, VRN, 2.04%, 4/15/16	648,445	667,019
FHLMC, VRN, 2.05%, 4/15/16	947,242	973,026
FHLMC, VRN, 2.125%, 4/15/16	16,031	16,071
FHLMC, VRN, 2.32%, 4/15/16	581,742	595,543
FHLMC, VRN, 2.39%, 4/15/16	2,491,083	2,636,408
FHLMC, VRN, 2.40%, 4/15/16	190,124	201,188
FHLMC, VRN, 2.41%, 4/15/16	556,613	590,921
FHLMC, VRN, 2.48%, 4/15/16	13,564	13,652
FHLMC, VRN, 2.48%, 4/15/16	190,613	201,314
FHLMC, VRN, 2.55%, 4/15/16	229,997	239,984
FHLMC, VRN, 2.59%, 4/15/16	419,507	442,408
FHLMC, VRN, 2.63%, 4/15/16	596,703	629,514
FHLMC, VRN, 2.63%, 4/15/16	1,652,086	1,715,026
FHLMC, VRN, 2.78%, 4/15/16	129,452	136,466
FHLMC, VRN, 3.13%, 4/15/16	25,595	25,760
FHLMC, VRN, 3.79%, 4/15/16	1,119,481	1,181,992
FHLMC, VRN, 4.06%, 4/15/16	254,999	268,582
FHLMC, VRN, 4.67%, 4/15/16	98,528	103,388
FNMA, VRN, 2.04%, 4/25/16	7,770	7,999

	Principal Amount	Value
FNMA, VRN, 2.05%, 4/25/16	\$ 1,348,178	\$ 1,384,033
FNMA, VRN, 2.07%, 4/25/16	665,472	691,840
FNMA, VRN, 2.07%, 4/25/16	602,186	627,193
FNMA, VRN, 2.07%, 4/25/16	135,679	141,459
FNMA, VRN, 2.07%, 4/25/16	902,823	940,582
FNMA, VRN, 2.18%, 4/25/16	793	799
FNMA, VRN, 2.23%, 4/25/16	3,827	3,849
FNMA, VRN, 2.31%, 4/25/16	5,444	5,476
FNMA, VRN, 2.33%, 4/25/16	18,750	18,858
FNMA, VRN, 2.33%, 4/25/16	519,336	538,638
FNMA, VRN, 2.34%, 4/25/16	5,094	5,103
FNMA, VRN, 2.37%, 4/25/16	2,396	2,454
FNMA, VRN, 2.375%, 4/25/16	511,496	530,674
FNMA, VRN, 2.41%, 4/25/16	1,456,243	1,526,401
FNMA, VRN, 2.48%, 4/25/16	10,504	11,217
FNMA, VRN, 2.56%, 4/25/16	81,432	85,274
FNMA, VRN, 2.57%, 4/25/16	116,975	122,732
FNMA, VRN, 2.58%, 4/25/16	5,235	5,269
FNMA, VRN, 2.60%, 4/25/16	626,159	660,470
FNMA, VRN, 2.61%, 4/25/16	85,305	87,518
FNMA, VRN, 2.74%, 4/25/16	580,176	609,082
FNMA, VRN, 2.83%, 4/25/16	1,737	1,785
FNMA, VRN, 2.875%, 4/25/16	1,731	1,740
FNMA, VRN, 3.02%, 4/25/16	876,454	912,866
FNMA, VRN, 3.36%, 4/25/16	1,377,878	1,442,128
FNMA, VRN, 3.61%, 4/25/16	255,031	269,579
FNMA, VRN, 3.67%, 4/25/16	2,761	2,808
FNMA, VRN, 3.875%, 4/25/16	5,218	5,217
FNMA, VRN, 4.10%, 4/25/16	454	454
FNMA, VRN, 4.10%, 4/25/16	10,370	10,421
FNMA, VRN, 4.80%, 4/25/16	163,457	172,156
FNMA, VRN, 6.03%, 4/25/16	1,115	1,118
GNMA, VRN, 2.50%, 4/20/16	7,275	7,412
GNMA, VRN, 3.00%, 4/20/16	22,136	22,292
		21,495,158
<b>Fixed-Rate U.S. Government Agency Mortgage-Backed Securities — 0.5%</b>		
FHLMC, 5.50%, 11/1/17	41,915	42,777
FHLMC, 1.00%, 6/1/44	991,241	1,032,401
FNMA, 7.00%, 5/1/32	156,255	172,022
FNMA, 7.00%, 5/1/32	109,000	123,378
FNMA, 7.00%, 6/1/32	20,107	22,691
FNMA, 7.00%, 6/1/32	107,050	124,176
FNMA, 7.00%, 8/1/32	24,591	24,869
GNMA, 9.50%, 11/20/19	1,608	1,616
		1,543,930
<b>TOTAL U.S. GOVERNMENT AGENCY MORTGAGE-BACKED SECURITIES</b> (Cost \$22,688,987)		<b>23,039,088</b>

	Principal Amount/Shares	Value
<b>U.S. GOVERNMENT AGENCY SECURITIES — 3.3%</b>		
FHLB, 1.00%, 6/21/17	\$ 84,000	\$ 84,340
FHLB, 1.375%, 2/18/21	1,000,000	1,001,410
FHLMC, 1.125%, 4/15/19	2,000,000	2,009,150
FNMA, 1.125%, 12/14/18	1,700,000	1,711,640
FNMA, 1.375%, 1/28/19	1,400,000	1,419,093
FNMA, 1.50%, 6/22/20	1,300,000	1,315,509
FNMA, 1.875%, 12/28/20	700,000	718,878
FNMA, 1.375%, 2/26/21	1,400,000	1,402,380
<b>TOTAL U.S. GOVERNMENT AGENCY SECURITIES</b> (Cost \$9,567,436)		<b>9,662,400</b>
<b>TEMPORARY CASH INVESTMENTS — 4.2%</b>		
Repurchase Agreement, Fixed Income Clearing Corp., (collateralized by various U.S. Treasury obligations, 3.75%, 11/15/43, valued at \$7,494,988), at 0.10%, dated 3/31/16, due 4/1/16 (Delivery value \$7,347,020)		7,347,000
SSgA U.S. Government Money Market Fund, Class N	4,896,777	4,896,777
<b>TOTAL TEMPORARY CASH INVESTMENTS</b> (Cost \$12,243,777)		<b>12,243,777</b>
<b>TOTAL INVESTMENT SECURITIES — 104.7%</b> (Cost \$300,632,021)		<b>301,958,327</b>
<b>OTHER ASSETS AND LIABILITIES — (4.7)%</b>		<b>(13,626,454)</b>
<b>TOTAL NET ASSETS — 100.0%</b>		<b>\$ 288,331,873</b>

#### FUTURES CONTRACTS

Contracts Purchased	Expiration Date	Underlying Face Amount at Value	Unrealized Appreciation (Depreciation)
253 U.S. Treasury 2-Year Notes	June 2016	\$ 55,343,750	\$ 6,056

Contracts Sold	Expiration Date	Underlying Face Amount at Value	Unrealized Appreciation (Depreciation)
28 U.S. Treasury 5-Year Notes	June 2016	\$ 3,392,594	\$ (10,304)

#### TOTAL RETURN SWAP AGREEMENTS

Counterparty	Notional Amount	Floating Rate Referenced Index	Pay/Receive Total Return of Referenced Index	Fixed Rate	Termination Date	Value
Bank of America N.A.	\$5,800,000	U.S. CPI Urban Consumers NSA Index	Receive	1.41%	8/27/20	\$ 25,129

#### NOTES TO SCHEDULE OF INVESTMENTS

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CPI	-	Consumer Price Index
FHLB	-	Federal Home Loan Bank
FHLMC	-	Federal Home Loan Mortgage Corporation
FNMA	-	Federal National Mortgage Association
GNMA	-	Government National Mortgage Association
NSA	-	Not Seasonally Adjusted
SEQ	-	Sequential Payer
VRN	-	Variable Rate Note. Interest reset date is indicated. Rate shown is effective at the period end.

- (1) The rate indicated is the yield to maturity at purchase.
- (2) Security, or a portion thereof, has been pledged at the custodian bank or with a broker for margin requirements on futures contracts. At the period end, the aggregate value of securities pledged was \$159,446.
- (3) Final maturity date indicated, unless otherwise noted.

See Notes to Financial Statements.



# Statement of Assets and Liabilities

**MARCH 31, 2016**

<b>Assets</b>	
Investment securities, at value (cost of \$300,632,021)	\$ 301,958,327
Receivable for investments sold	79,839
Receivable for capital shares sold	38,713
Receivable for variation margin on futures contracts	13,640
Swap agreements, at value	25,129
Interest receivable	618,315
	<u>302,733,963</u>

<b>Liabilities</b>	
Payable for investments purchased	7,184,195
Payable for capital shares redeemed	7,079,048
Accrued management fees	127,997
Distribution and service fees payable	4,266
Dividends payable	6,584
	<u>14,402,090</u>

<b>Net Assets</b>	<u><u>\$ 288,331,873</u></u>
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**Net Assets Consist of:**

Capital paid in	\$ 288,568,724
Distributions in excess of net investment income	(6,584)
Accumulated net realized loss	(1,577,454)
Net unrealized appreciation	1,347,187
	<u><u>\$ 288,331,873</u></u>

	Net Assets	Shares Outstanding	Net Asset Value Per Share
Investor Class	\$229,689,280	23,785,511	\$9.66
Institutional Class	\$42,177,133	4,366,278	\$9.66
A Class	\$15,114,411	1,564,717	\$9.66*
C Class	\$970,885	103,397	\$9.39
R Class	\$380,164	39,533	\$9.62

\*Maximum offering price \$9.88 (net asset value divided by 0.9775).

See Notes to Financial Statements.

# Statement of Operations

YEAR ENDED MARCH 31, 2016

## Investment Income (Loss)

### Income:

Interest \$ 2,743,298

### Expenses:

Management fees 1,524,199

#### Distribution and service fees:

A Class 50,026

C Class 8,737

R Class 2,374

Trustees' fees and expenses 15,408

Other expenses 3,619

1,604,363

Net investment income (loss) 1,138,935

## Realized and Unrealized Gain (Loss)

### Net realized gain (loss) on:

Investment transactions 350,661

Futures contract transactions 58,847

409,508

### Change in net unrealized appreciation (depreciation) on:

Investments (388,640)

Futures contracts (15,632)

Swap agreements 25,129

(379,143)

Net realized and unrealized gain (loss) 30,365

Net Increase (Decrease) in Net Assets Resulting from Operations \$ 1,169,300

See Notes to Financial Statements.

# Statement of Changes in Net Assets

YEARS ENDED MARCH 31, 2016 AND MARCH 31, 2015

Increase (Decrease) in Net Assets	March 31, 2016	March 31, 2015
<b>Operations</b>		
Net investment income (loss)	\$ 1,138,935	\$ 900,608
Net realized gain (loss)	409,508	317,499
Change in net unrealized appreciation (depreciation)	(379,143)	1,126,139
Net increase (decrease) in net assets resulting from operations	<u>1,169,300</u>	<u>2,344,246</u>
<b>Distributions to Shareholders</b>		
From net investment income:		
Investor Class	(1,269,997)	(1,250,884)
Institutional Class	(266,261)	(210,338)
A Class	(57,157)	(50,527)
Decrease in net assets from distributions	<u>(1,593,415)</u>	<u>(1,511,749)</u>
<b>Capital Share Transactions</b>		
Net increase (decrease) in net assets from capital share transactions (Note 5)	<u>(16,999,476)</u>	<u>(46,666,397)</u>
<b>Net increase (decrease) in net assets</b>	<b>(17,423,591)</b>	<b>(45,833,900)</b>
<b>Net Assets</b>		
Beginning of period	305,755,464	351,589,364
End of period	<u>\$ 288,331,873</u>	<u>\$ 305,755,464</u>
Distributions in excess of net investment income	<u>\$ (6,584)</u>	<u>\$ (4,520)</u>

See Notes to Financial Statements.

# Notes to Financial Statements

MARCH 31, 2016

## 1. Organization

American Century Government Income Trust (the trust) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as an open-end management investment company and is organized as a Massachusetts business trust. Short-Term Government Fund (the fund) is one fund in a series issued by the trust. The fund's investment objective is to seek high current income while maintaining safety of principal.

The fund offers the Investor Class, the Institutional Class, the A Class, the C Class and the R Class. The A Class may incur an initial sales charge. The A Class and C Class may be subject to a contingent deferred sales charge. The share classes differ principally in their respective sales charges and distribution and shareholder servicing expenses and arrangements. The Institutional Class is made available to institutional shareholders or through financial intermediaries whose clients do not require the same level of shareholder and administrative services as shareholders of other classes. As a result, the Institutional Class is charged a lower unified management fee.

## 2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the fund in preparation of its financial statements. The fund is an investment company and follows accounting and reporting guidance in accordance with accounting principles generally accepted in the United States of America. This may require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from these estimates. Management evaluated the impact of events or transactions occurring through the date the financial statements were issued that would merit recognition or disclosure.

**Investment Valuations** — The fund determines the fair value of its investments and computes its net asset value per share at the close of regular trading (usually 4 p.m. Eastern time) on the New York Stock Exchange (NYSE) on each day the NYSE is open. The Board of Trustees has adopted valuation policies and procedures to guide the investment advisor in the fund's investment valuation process and to provide methodologies for the oversight of the fund's pricing function.

Fixed income securities are valued at the evaluated mean as provided by independent pricing services or at the mean of the most recent bid and asked prices as provided by investment dealers. U.S. Treasury and Government Agency securities are valued using market models that consider trade data, quotations from dealers and active market makers, relevant yield curve and spread data, creditworthiness, trade data or market information on comparable securities, and other relevant security specific information. Mortgage-related and asset-backed securities are valued based on models that consider trade data, prepayment and default projections, benchmark yield and spread data and estimated cash flows of each tranche of the issuer.

Open-end management investment companies are valued at the reported net asset value per share. Repurchase agreements are valued at cost, which approximates fair value. Exchange-traded futures contracts are valued at the settlement price as provided by the appropriate clearing corporation. Swap agreements are valued at an evaluated price as provided by independent pricing services or independent brokers.

If the fund determines that the market price for an investment is not readily available or the valuation methods mentioned above do not reflect an investment's fair value, such investment is valued as determined in good faith by the Board of Trustees or its delegate, in accordance with policies and procedures adopted by the Board of Trustees. In its determination of fair value, the fund may review several factors including, but not limited to, market information regarding the specific investment or comparable investments and correlation with other investment types, futures indices or general market indicators. Circumstances that may cause the fund to use these procedures to value an investment include, but are not limited to: an investment has been declared in default or is distressed; trading in a security has been suspended during the trading day or a security is not actively trading on its principal exchange; prices received from a regular pricing source are deemed unreliable; or there is a foreign market holiday and no trading occurred.

The fund monitors for significant events occurring after the close of an investment's primary exchange but before the fund's net asset value per share is determined. Significant events may include, but are not limited to: corporate announcements and transactions; governmental action and political unrest that could impact a

specific investment or an investment sector; or armed conflicts, natural disasters and similar events that could affect investments in a specific country or region.

**Security Transactions** — Security transactions are accounted for as of the trade date. Net realized gains and losses are determined on the identified cost basis, which is also used for federal income tax purposes.

**Investment Income** — Interest income is recorded on the accrual basis and includes paydown gain (loss) and accretion of discounts and amortization of premiums. Inflation adjustments related to inflation-linked debt securities are reflected as interest income.

**Repurchase Agreements** — The fund may enter into repurchase agreements with institutions that American Century Investment Management, Inc. (ACIM) (the investment advisor) has determined are creditworthy pursuant to criteria adopted by the Board of Trustees. The fund requires that the collateral, represented by securities, received in a repurchase transaction be transferred to the custodian in a manner sufficient to enable the fund to obtain those securities in the event of a default under the repurchase agreement. ACIM monitors, on a daily basis, the securities transferred to ensure the value, including accrued interest, of the securities under each repurchase agreement is equal to or greater than amounts owed to the fund under each repurchase agreement.

**Joint Trading Account** — Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the fund, along with certain other funds in the American Century Investments family of funds, may transfer uninvested cash balances into a joint trading account. These balances are invested in one or more repurchase agreements that are collateralized by U.S. Treasury or Agency obligations.

**Segregated Assets** — In accordance with the 1940 Act, the fund segregates assets on its books and records to cover certain types of investments, including, but not limited to, futures contracts, forward commitments, when-issued securities, swap agreements and certain forward foreign currency exchange contracts. ACIM monitors, on a daily basis, the securities segregated to ensure the fund designates a sufficient amount of liquid assets, marked-to-market daily. The fund may also receive assets or be required to pledge assets at the custodian bank or with a broker for margin requirements on futures contracts, forward commitments and swap agreements.

**Income Tax Status** — It is the fund's policy to distribute substantially all net investment income and net realized gains to shareholders and to otherwise qualify as a regulated investment company under provisions of the Internal Revenue Code. Accordingly, no provision has been made for income taxes. The fund files U.S. federal, state, local and non-U.S. tax returns as applicable. The fund's tax returns are subject to examination by the relevant taxing authority until expiration of the applicable statute of limitations, which is generally three years from the date of filing but can be longer in certain jurisdictions. At this time, management believes there are no uncertain tax positions which, based on their technical merit, would not be sustained upon examination and for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

**Multiple Class** — All shares of the fund represent an equal pro rata interest in the net assets of the class to which such shares belong, and have identical voting, dividend, liquidation and other rights and the same terms and conditions, except for class specific expenses and exclusive rights to vote on matters affecting only individual classes. Income, non-class specific expenses, and realized and unrealized capital gains and losses of the fund are allocated to each class of shares based on their relative net assets.

**Distributions to Shareholders** — Distributions from net investment income, if any, are declared daily and paid monthly. Distributions from net realized gains, if any, are generally declared and paid annually.

**Indemnifications** — Under the trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the fund. In addition, in the normal course of business, the fund enters into contracts that provide general indemnifications. The maximum exposure under these arrangements is unknown as this would involve future claims that may be made against a fund. The risk of material loss from such claims is considered by management to be remote.

### 3. Fees and Transactions with Related Parties

Certain officers and trustees of the trust are also officers and/or directors of American Century Companies, Inc. (ACC). The trust's investment advisor, ACIM, the trust's distributor, American Century Investment Services, Inc. (ACIS), and the trust's transfer agent, American Century Services, LLC, are wholly owned, directly or indirectly, by ACC.

**Management Fees** — The trust has entered into a management agreement with ACIM, under which ACIM provides the fund with investment advisory and management services in exchange for a single, unified management fee (the fee) per class. The agreement provides that all expenses of managing and operating the fund, except distribution and service fees, brokerage expenses, taxes, interest, fees and expenses of the independent trustees (including legal counsel fees), and extraordinary expenses, will be paid by ACIM. The fee is computed and accrued daily based on each class's daily net assets and paid monthly in arrears. The fee consists of (1) an Investment Category Fee based on the daily net assets of the fund and certain other accounts managed by the investment advisor that are in the same broad investment category as the fund and (2) a Complex Fee based on the assets of all the funds in the American Century Investments family of funds. The rates for the Investment Category Fee range from 0.2425% to 0.3600%. The rates for the Complex Fee range from 0.2500% to 0.3100% for the Investor Class, A Class, C Class and R Class. The rates for the Complex Fee range from 0.0500% to 0.1100% for the Institutional Class. The effective annual management fee for each class for the year ended March 31, 2016 was 0.54% for the Investor Class, A Class, C Class and R Class and 0.34% for the Institutional Class.

**Distribution and Service Fees** — The Board of Trustees has adopted a separate Master Distribution and Individual Shareholder Services Plan for each of the A Class, C Class and R Class (collectively the plans), pursuant to Rule 12b-1 of the 1940 Act. The plans provide that the A Class will pay ACIS an annual distribution and service fee of 0.25%. The plans provide that the C Class will pay ACIS an annual distribution and service fee of 1.00%, of which 0.25% is paid for individual shareholder services and 0.75% is paid for distribution services. The plans provide that the R Class will pay ACIS an annual distribution and service fee of 0.50%. The fees are computed and accrued daily based on each class's daily net assets and paid monthly in arrears. The fees are used to pay financial intermediaries for distribution and individual shareholder services. Fees incurred under the plans during the year ended March 31, 2016 are detailed in the Statement of Operations.

**Trustees' Fees and Expenses** — The Board of Trustees is responsible for overseeing the investment advisor's management and operations of the fund. The trustees receive detailed information about the fund and its investment advisor regularly throughout the year, and meet at least quarterly with management of the investment advisor to review reports about fund operations. The fund's officers do not receive compensation from the fund.

### 4. Investment Transactions

Purchases and sales of investment securities, excluding short-term investments, for the year ended March 31, 2016 were \$275,853,032 and \$293,831,847, respectively, all of which are U.S. Treasury and Government Agency obligations.

## 5. Capital Share Transactions

Transactions in shares of the fund were as follows (unlimited number of shares authorized):

	Year ended March 31, 2016		Year ended March 31, 2015	
	Shares	Amount	Shares	Amount
<b>Investor Class</b>				
Sold	8,201,587	\$ 79,085,593	3,369,180	\$ 32,533,028
Issued in reinvestment of distributions	125,001	1,205,877	124,173	1,199,051
Redeemed	(9,071,946)	(87,490,522)	(6,616,761)	(63,868,545)
	<u>(745,358)</u>	<u>(7,199,052)</u>	<u>(3,123,408)</u>	<u>(30,136,466)</u>
<b>Institutional Class</b>				
Sold	3,354,641	32,303,236	3,397,705	32,822,603
Issued in reinvestment of distributions	27,584	266,250	21,364	206,394
Redeemed	(3,182,583)	(30,700,709)	(4,746,283)	(45,857,107)
	<u>199,642</u>	<u>1,868,777</u>	<u>(1,327,214)</u>	<u>(12,828,110)</u>
<b>A Class</b>				
Sold	839,669	8,105,818	859,115	8,290,230
Issued in reinvestment of distributions	5,331	51,449	4,996	48,251
Redeemed	(2,084,176)	(20,090,822)	(1,248,961)	(12,057,909)
	<u>(1,239,176)</u>	<u>(11,933,555)</u>	<u>(384,850)</u>	<u>(3,719,428)</u>
<b>C Class</b>				
Sold	59,136	555,103	98,967	936,864
Redeemed	(42,500)	(398,835)	(113,270)	(1,071,521)
	<u>16,636</u>	<u>156,268</u>	<u>(14,303)</u>	<u>(134,657)</u>
<b>R Class</b>				
Sold	54,610	524,565	16,557	159,043
Redeemed	(43,383)	(416,479)	(706)	(6,779)
	<u>11,227</u>	<u>108,086</u>	<u>15,851</u>	<u>152,264</u>
Net increase (decrease)	<u>(1,757,029)</u>	<u>\$ (16,999,476)</u>	<u>(4,833,924)</u>	<u>\$ (46,666,397)</u>

## 6. Fair Value Measurements

The fund's investments valuation process is based on several considerations and may use multiple inputs to determine the fair value of the investments held by the fund. In conformity with accounting principles generally accepted in the United States of America, the inputs used to determine a valuation are classified into three broad levels.

- Level 1 valuation inputs consist of unadjusted quoted prices in an active market for identical investments.
- Level 2 valuation inputs consist of direct or indirect observable market data (including quoted prices for comparable investments, evaluations of subsequent market events, interest rates, prepayment speeds, credit risk, etc.). These inputs also consist of quoted prices for identical investments initially expressed in local currencies that are adjusted through translation into U.S. dollars.
- Level 3 valuation inputs consist of unobservable data (including a fund's own assumptions).

The level classification is based on the lowest level input that is significant to the fair valuation measurement. The valuation inputs are not necessarily an indication of the risks associated with investing in these securities or other financial instruments. There were no significant transfers between levels during the period.

The following is a summary of the level classifications as of period end. The Schedule of Investments provides additional information on the fund's portfolio holdings.

	Level 1	Level 2	Level 3
<b>Assets</b>			
<b>Investment Securities</b>			
U.S. Treasury Securities	—	\$ 194,268,033	—
Collateralized Mortgage Obligations	—	62,745,029	—
U.S. Government Agency Mortgage-Backed Securities	—	23,039,088	—
U.S. Government Agency Securities	—	9,662,400	—
Temporary Cash Investments	\$ 4,896,777	7,347,000	—
	<u>\$ 4,896,777</u>	<u>\$ 297,061,550</u>	<u>—</u>
<b>Other Financial Instruments</b>			
Futures Contracts	\$ 6,056	—	—
Swap Agreements	—	\$ 25,129	—
	<u>\$ 6,056</u>	<u>\$ 25,129</u>	<u>—</u>
<b>Liabilities</b>			
<b>Other Financial Instruments</b>			
Futures Contracts	\$ 10,304	—	—

## 7. Derivative Instruments

**Interest Rate Risk** — The fund is subject to interest rate risk in the normal course of pursuing its investment objectives. The value of bonds generally declines as interest rates rise. A fund may enter into futures contracts based on a bond index or a specific underlying security. A fund may purchase futures contracts to gain exposure to increases in market value or sell futures contracts to protect against a decline in market value. Upon entering into a futures contract, a fund will segregate cash, cash equivalents or other appropriate liquid securities on its records in amounts sufficient to meet requirements. Subsequent payments (variation margin) are made or received daily, in cash, by a fund. The variation margin is equal to the daily change in the contract value and is recorded as unrealized gains and losses. A fund recognizes a realized gain or loss when the futures contract is closed or expires. Net realized and unrealized gains or losses occurring during the holding period of futures contracts are a component of net realized gain (loss) on futures contract transactions and change in net unrealized appreciation (depreciation) on futures contracts, respectively. One of the risks of entering into futures contracts is the possibility that the change in value of the contract may not correlate with the changes in value of the underlying securities. The fund's average exposure to interest rate risk derivative instruments held during the period was 230 contracts.

**Other Contracts** — A fund may enter into total return swap agreements in order to attempt to obtain or preserve a particular return or spread at a lower cost than obtaining a return or spread through purchases and/or sales of instruments in other markets or gain exposure to certain markets in the most economical way possible. A fund will segregate cash, cash equivalents or other appropriate liquid securities on its records in amounts sufficient to meet requirements. Changes in value, including the periodic amounts of interest to be paid or received on swap agreements, are recorded as unrealized appreciation (depreciation) on swap agreements. Realized gain or loss is recorded upon receipt or payment of a periodic settlement or termination of swap agreements. Net realized and unrealized gains or losses occurring during the holding period of swap agreements are a component of net realized gain (loss) on swap agreement transactions and change in net unrealized appreciation (depreciation) on swap agreements, respectively. The risks of entering into swap agreements include the possible lack of liquidity, failure of the counterparty to meet its obligations, and that there may be unfavorable changes in the underlying investments or instruments, including inflationary risk. The fund's average notional amount held during the period was \$5,800,000.



Value of Derivative Instruments as of March 31, 2016

Type of Risk Exposure	Asset Derivatives		Liability Derivatives	
	Location on Statement of Assets and Liabilities	Value	Location on Statement of Assets and Liabilities	Value
Interest Rate Risk	Receivable for variation margin on futures contracts*	\$ 13,640	Payable for variation margin on futures contracts*	—
Other Contracts	Swap agreements	25,129	Swap agreements	—
		<u>\$ 38,769</u>		<u>—</u>

\* Included in the unrealized appreciation (depreciation) on futures contracts as reported in the Schedule of Investments.

Effect of Derivative Instruments on the Statement of Operations for the Year Ended March 31, 2016

Type of Risk Exposure	Net Realized Gain (Loss)		Change in Net Unrealized Appreciation (Depreciation)	
	Location on Statement of Operations	Value	Location on Statement of Operations	Value
Interest Rate Risk	Net realized gain (loss) on futures contract transactions	\$ 58,847	Change in net unrealized appreciation (depreciation) on futures contracts	\$ (15,632)
Other Contracts	Net realized gain (loss) on swap agreement transactions	—	Change in net unrealized appreciation (depreciation) on swap agreements	25,129
		<u>\$ 58,847</u>		<u>\$ 9,497</u>

## 8. Federal Tax Information

The tax character of distributions paid during the years ended March 31, 2016 and March 31, 2015 were as follows:

	2016	2015
<b>Distributions Paid From</b>		
Ordinary income	\$ 1,593,415	\$ 1,511,749
Long-term capital gains	—	—

The book-basis character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. These differences reflect the differing character of certain income items and net realized gains and losses for financial statement and tax purposes, and may result in reclassification among certain capital accounts on the financial statements.

As of March 31, 2016, the federal tax cost of investments and the components of distributable earnings on a tax-basis were as follows:

Federal tax cost of investments	<u>\$ 300,712,552</u>
Gross tax appreciation of investments	\$ 1,467,778
Gross tax depreciation of investments	(222,003)
Net tax appreciation (depreciation) of investments	<u>1,245,775</u>
Net tax appreciation (depreciation) on derivatives	<u>25,129</u>
Net tax appreciation (depreciation)	<u>\$ 1,270,904</u>
Other book-to-tax adjustments	\$ (55,396)
Undistributed ordinary income	—
Accumulated short-term capital losses	\$ (757,000)
Accumulated long-term capital losses	<u>\$ (695,359)</u>

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales. Other book-to-tax adjustments are attributable primarily to the tax deferral of losses on straddle positions.

Accumulated capital losses represent net capital loss carryovers that may be used to offset future realized capital gains for federal income tax purposes. The capital loss carryovers may be carried forward for an unlimited period. Future capital loss carryover utilization in any given year may be subject to Internal Revenue Code limitations.

# Financial Highlights

For a Share Outstanding Throughout the Years Ended March 31 (except as noted)

	Ratios and Supplemental Data											
	Per-Share Data						Ratio to Average Net Assets of:					
	Income From Investment Operations:				Distributions From:		Ratio to Average Net Assets of:					
Net Asset Value, Beginning of Period	Net Investment Income (Loss) <sup>(1)</sup>	Net Realized and Unrealized Gain (Loss)	Total From Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions	Net Asset Value, End of Period	Total Return <sup>(2)</sup>	Operating Expenses	Net Investment Income (Loss)	Portfolio Turnover Rate	Net Assets, End of Period (in thousands)
<b>Investor Class</b>												
2016	\$9.67	0.04	— <sup>(3)</sup>	0.04	(0.05)	(0.05)	\$9.66	0.44%	0.55%	0.39%	99%	\$229,689
2015	\$9.65	0.03	0.04	0.07	(0.05)	(0.05)	\$9.67	0.71%	0.55%	0.30%	76%	\$237,231
2014	\$9.71	— <sup>(3)</sup>	(0.03)	(0.03)	(0.03)	(0.03)	\$9.65	(0.35)%	0.55%	0.05%	103%	\$266,755
2013	\$9.76	0.01	0.03	0.04	(0.03)	(0.09)	\$9.71	0.33%	0.55%	0.11%	77%	\$346,147
2012	\$9.73	0.05	0.10	0.15	(0.06)	(0.12)	\$9.76	1.59%	0.56%	0.51%	139%	\$475,832
<b>Institutional Class</b>												
2016	\$9.67	0.06	— <sup>(3)</sup>	0.06	(0.07)	(0.07)	\$9.66	0.64%	0.35%	0.59%	99%	\$42,177
2015	\$9.65	0.05	0.04	0.09	(0.07)	(0.07)	\$9.67	0.91%	0.35%	0.50%	76%	\$40,312
2014	\$9.72	0.02	(0.04)	(0.02)	(0.05)	(0.05)	\$9.65	(0.25)%	0.35%	0.25%	103%	\$53,011
2013	\$9.76	0.04	0.03	0.07	(0.06)	(0.11)	\$9.72	0.64%	0.35%	0.31%	77%	\$48,242
2012	\$9.73	0.04	0.13	0.17	(0.06)	(0.14)	\$9.76	1.79%	0.36%	0.71%	139%	\$333,284
<b>A Class</b>												
2016	\$9.67	0.01	0.01	0.02	(0.03)	(0.03)	\$9.66	0.19%	0.80%	0.14%	99%	\$15,114
2015	\$9.64	— <sup>(3)</sup>	0.05	0.05	(0.02)	(0.02)	\$9.67	0.50%	0.80%	0.05%	76%	\$27,121
2014	\$9.71	(0.02)	(0.05)	(0.07)	—	—	\$9.64	(0.72)%	0.80%	(0.20)%	103%	\$30,747
2013	\$9.76	(0.02)	0.04	0.02	(0.01)	(0.07)	\$9.71	0.14%	0.80%	(0.14)%	77%	\$38,902
2012	\$9.73	0.02	0.11	0.13	(0.04)	(0.10)	\$9.76	1.33%	0.81%	0.26%	139%	\$63,497

For a Share Outstanding Throughout the Years Ended March 31 (except as noted)

Per-Share Data	Ratios and Supplemental Data												
	Income From Investment Operations:					Distributions From:			Ratio to Average Net Assets of:				
	Net Asset Value, Beginning of Period	Net Investment Income (Loss) <sup>(1)</sup>	Net Realized and Unrealized Gain (Loss)	Total From Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions	Net Asset Value, End of Period	Total Return <sup>(2)</sup>	Operating Expenses	Net Investment Income (Loss)	Portfolio Turnover Rate	Net Assets, End of Period (in thousands)
<b>C Class</b>													
2016	\$9.45	(0.06)	— <sup>(3)</sup>	(0.06)	—	—	—	\$9.39	(0.63)%	1.55%	(0.61)%	99%	\$971
2015	\$9.47	(0.07)	0.05	(0.02)	—	—	—	\$9.45	(0.21)%	1.55%	(0.70)%	76%	\$820
2014	\$9.61	(0.09)	(0.05)	(0.14)	—	—	—	\$9.47	(1.46)%	1.55%	(0.95)%	103%	\$957
2013	\$9.72	(0.09)	0.04	(0.05)	—	(0.06)	(0.06)	\$9.61	(0.55)%	1.55%	(0.89)%	77%	\$3,322
2012	\$9.73	(0.06)	0.11	0.05	—	(0.06)	(0.06)	\$9.72	0.55%	1.56%	(0.49)%	139%	\$3,691
<b>R Class</b>													
2016	\$9.63	(0.01)	— <sup>(3)</sup>	(0.01)	—	—	—	\$9.62	(0.10)%	1.05%	(0.11)%	99%	\$380
2015	\$9.60	(0.02)	0.05	0.03	—	—	—	\$9.63	0.31%	1.05%	(0.20)%	76%	\$272
2014	\$9.69	(0.04)	(0.05)	(0.09)	—	—	—	\$9.60	(0.93)%	1.05%	(0.45)%	103%	\$120
2013	\$9.76	(0.03)	0.02	(0.01)	— <sup>(3)</sup>	(0.06)	(0.06)	\$9.69	(0.14)%	1.05%	(0.39)%	77%	\$173
2012	\$9.73	(0.01)	0.12	0.11	(0.02)	(0.06)	(0.08)	\$9.76	1.15%	1.06%	0.01%	139%	\$345

Notes to Financial Highlights

- (1) Computed using average shares outstanding throughout the period.
- (2) Total returns are calculated based on the net asset value of the last business day and do not reflect applicable sales charges, if any. Total returns for periods less than one year are not annualized.
- (3) Per-share amount was less than \$0.005.

See Notes to Financial Statements.

## Report of Independent Registered Public Accounting Firm

To the Trustees of the American Century Government Income Trust and Shareholders of the Short-Term Government Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Short-Term Government Fund (one of the five funds comprising the American Century Government Income Trust, hereafter referred to as the "Fund") at March 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at March 31, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Kansas City, Missouri  
May 18, 2016

# Management

## Board of Trustees

The individuals listed below serve as trustees of the funds. Each trustee will continue to serve in this capacity until death, retirement, resignation or removal from office. The board has adopted a mandatory retirement age for trustees who are not “interested persons,” as that term is defined in the Investment Company Act (independent trustees). Independent trustees shall retire on December 31 of the year in which they reach their 75<sup>th</sup> birthday; provided, however, that on or after January 1, 2022, independent trustees shall retire on December 31 of the year in which they reach their 76<sup>th</sup> birthday.

Mr. Thomas is an “interested person” because he currently serves as President and Chief Executive Officer of American Century Companies, Inc. (ACC), the parent company of American Century Investment Management, Inc. (ACIM or the advisor). The other trustees (more than three-fourths of the total number) are independent. They are not employees, directors or officers of, and have no financial interest in, ACC or any of its wholly owned, direct or indirect, subsidiaries, including ACIM, American Century Investment Services, Inc. (ACIS) and American Century Services, LLC (ACS), and they do not have any other affiliations, positions or relationships that would cause them to be considered “interested persons” under the Investment Company Act. The trustees serve in this capacity for eight (in the case of Mr. Thomas, 15) registered investment companies in the American Century Investments family of funds.

The following table presents additional information about the trustees. The mailing address for each trustee other than Mr. Thomas is 1665 Charleston Road, Mountain View, California 94043. The mailing address for Mr. Thomas is 4500 Main Street, Kansas City, Missouri 64111.

Name (Year of Birth)	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of American Century Portfolios Overseen by Trustee	Other Directorships Held During Past 5 Years
<b>Independent Trustees</b>					
Tanya S. Beder (1955)	Trustee	Since 2011	Chairman and CEO, SBCC Group Inc. (independent advisory services) (2006 to present)	45	CYS Investments, Inc. (NYSE mortgage arbitrage REIT)
Jeremy I. Bulow (1954)	Trustee	Since 2011	Professor of Economics, Stanford University, Graduate School of Business (1979 to present)	45	None
Anne Casscells (1958)	Advisory Board Member	Since 2016	Co-Chief Executive Officer and Chief Investment Officer, Aetos Alternatives Management (investment advisory firm) (2001 to present); Lecturer in Accounting, Stanford University, Graduate School of Business (2009 to present)	45	None
Ronald J. Gilson (1946)	Trustee and Chairman of the Board	Since 1995 (Chairman since 2005)	Charles J. Meyers Professor of Law and Business, Stanford Law School (1979 to present); Marc and Eva Stern Professor of Law and Business, Columbia University School of Law (1992 to present)	45	None

Name (Year of Birth)	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of American Century Portfolios Overseen by Trustee	Other Directorships Held During Past 5 Years
<b>Independent Trustees</b>					
Frederick L. A. Grauer (1946)	Trustee	Since 2008	Senior Advisor, iShares by BlackRock, Inc. (investment management firm) (2010 to 2011, 2013 to present); Senior Advisor, Course Hero (an educational technology company) (2015 to present)	45	None
Jonathan D. Levin (1972)	Advisory Board Member	Since 2016	Holbrook Working Professor of Price Theory, Stanford University, (2000 to present); Chair, Department of Economics, Stanford University (2011 to 2014)	45	None
Peter F. Pervere (1947)	Trustee	Since 2007	Retired	45	None
John B. Shoven (1947)	Trustee	Since 2002	Charles R. Schwab Professor of Economics, Stanford University (1973 to present)	45	Cadence Design Systems; Exponent; Financial Engines
<b>Interested Trustee</b>					
Jonathan S. Thomas (1963)	Trustee and President	Since 2007	President and Chief Executive Officer, ACC (March 2007 to present). Also serves as Chief Executive Officer, ACS; Executive Vice President, ACIM; Director, ACC, ACIM and other ACC subsidiaries	128	BioMed Valley Discoveries, Inc.

The Statement of Additional Information has additional information about the fund's trustees and is available without charge, upon request, by calling 1-800-345-2021.

## Officers

The following table presents certain information about the executive officers of the funds. Each officer serves as an officer for each of the 15 investment companies in the American Century family of funds, unless otherwise noted. No officer is compensated for his or her service as an officer of the funds. The listed officers are interested persons of the funds and are appointed or re-appointed on an annual basis. The mailing address for each of the officers listed below is 4500 Main Street, Kansas City, Missouri 64111.

Name (Year of Birth)	Offices with the Funds	Principal Occupation(s) During the Past Five Years
Jonathan S. Thomas (1963)	Trustee and President since 2007	President and Chief Executive Officer, ACC (March 2007 to present). Also serves as Chief Executive Officer, ACS; Executive Vice President, ACIM; Director, ACC, ACIM and other ACC subsidiaries
Amy D. Shelton (1964)	Chief Compliance Officer and Vice President since 2014	Chief Compliance Officer, American Century funds, (March 2014 to present); Chief Compliance Officer, ACIM (February 2014 to present); Chief Compliance Officer, ACIS (October 2009 to present); Vice President, Client Interactions and Marketing, ACIS (February 2013 to January 2014); Director, Client Interactions and Marketing, ACIS (June 2007 to January 2013). Also serves as Vice President, ACIS
Charles A. Etherington (1957)	General Counsel since 2007 and Senior Vice President since 2006	Attorney, ACC (February 1994 to present); Vice President, ACC (November 2005 to present); General Counsel, ACC (March 2007 to present). Also serves as General Counsel, ACIM, ACS, ACIS and other ACC subsidiaries; and Senior Vice President, ACIM and ACS
C. Jean Wade (1964)	Vice President, Treasurer and Chief Financial Officer since 2012	Vice President, ACS (February 2000 to present)
Robert J. Leach (1966)	Vice President since 2006 and Assistant Treasurer since 2012	Vice President, ACS (February 2000 to present)
David H. Reinmiller (1963)	Vice President since 2001	Attorney, ACC (January 1994 to present); Associate General Counsel, ACC (January 2001 to present). Also serves as Vice President, ACIM and ACS
Ward D. Stauffer (1960)	Secretary since 2005	Attorney, ACC (June 2003 to present)



## Additional Information

### Retirement Account Information

As required by law, distributions you receive from certain IRAs are subject to federal income tax withholding, unless you elect not to have withholding apply. Tax will be withheld on the total amount withdrawn even though you may be receiving amounts that are not subject to withholding, such as nondeductible contributions. In such case, excess amounts of withholding could occur. You may adjust your withholding election so that a greater or lesser amount will be withheld.

If you don't want us to withhold on this amount, you must notify us to not withhold the federal income tax. You may notify us in writing or in certain situations by telephone or through other electronic means. For systematic withdrawals, your withholding election will remain in effect until revoked or changed by filing a new election. You have the right to revoke your election at any time.

Remember, even if you elect not to have income tax withheld, you are liable for paying income tax on the taxable portion of your withdrawal. If you elect not to have income tax withheld or you don't have enough income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. You can reduce or defer the income tax on a distribution by directly or indirectly rolling such distribution over to another IRA or eligible plan. You should consult your tax advisor for additional information.

State tax will be withheld if, at the time of your distribution, your address is within one of the mandatory withholding states and you have federal income tax withheld (or as otherwise required by state law). State taxes will be withheld from your distribution in accordance with the respective state rules.

Distributions you receive from 403(b), 457 and qualified plans are subject to special tax and withholding rules. Your plan administrator or plan sponsor is required to provide you with a special tax notice explaining those rules at the time you request a distribution. If applicable, federal and/or state taxes may be withheld from your distribution amount.

### Proxy Voting Policies

Descriptions of the principles and policies that the fund's investment advisor uses in exercising the voting rights associated with the securities purchased and/or held by the fund are available without charge, upon request, by calling 1-800-345-2021 or visiting the "About Us" page of American Century Investments' website at [americancentury.com](http://americancentury.com). A description of the policies is also available on the Securities and Exchange Commission's website at [sec.gov](http://sec.gov). Information regarding how the investment advisor voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on the "About Us" page at [americancentury.com](http://americancentury.com). It is also available at [sec.gov](http://sec.gov).

### Quarterly Portfolio Disclosure

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The fund's Forms N-Q are available on the SEC's website at [sec.gov](http://sec.gov), and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The fund also makes its complete schedule of portfolio holdings for the most recent quarter of its fiscal year available on its website at [americancentury.com](http://americancentury.com) and, upon request, by calling 1-800-345-2021.

## Notes





## Contact Us

[americancentury.com](http://americancentury.com)

1-800-345-8765

1-800-345-2021  
or 816-531-5575

1-800-378-9878

1-800-345-3533

1-800-345-6488

711

### American Century Government Income Trust

#### Investment Advisor:

American Century Investment Management, Inc.  
Kansas City, Missouri

This report and the statements it contains are submitted for the general information of our shareholders. The report is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

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