

## New Income Fund

### Investor Class (PRCIX)

This annual shareholder report contains important information about New Income Fund (the "fund") for the period of June 1, 2024 to May 31, 2025. You can find the fund's prospectus, financial information on Form N-CSR (which includes required tax information for dividends), holdings, proxy voting information, and other information at [www.troweprice.com/prospectus](http://www.troweprice.com/prospectus). You can also request this information without charge by contacting T. Rowe Price at 1-800-638-5660 or [info@troweprice.com](mailto:info@troweprice.com) or contacting your intermediary.

#### What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

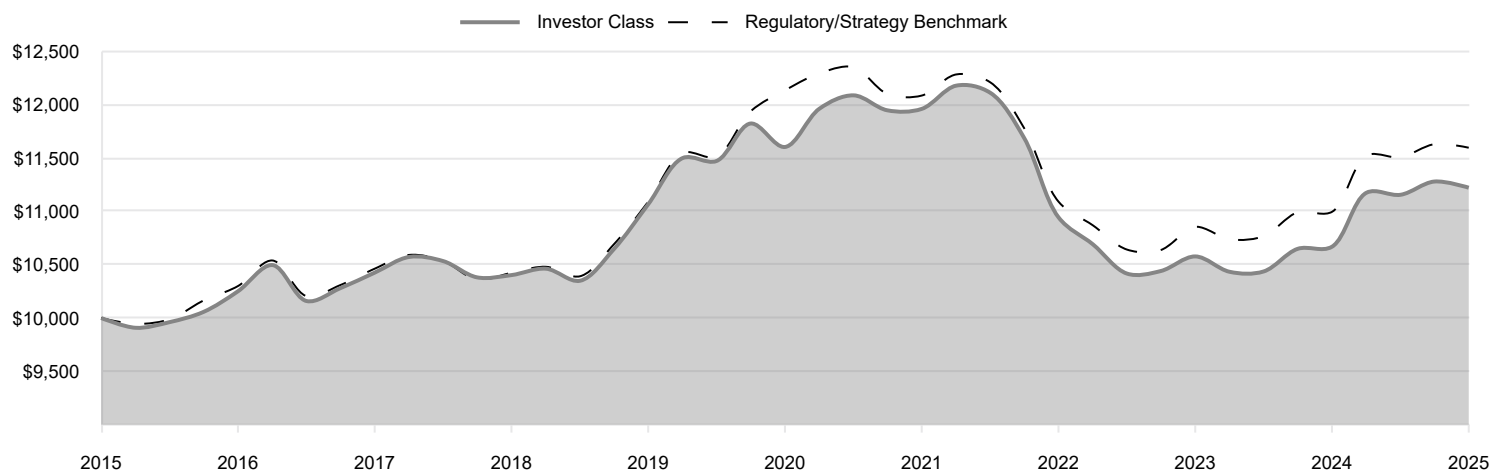
	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
New Income Fund - Investor Class	\$45	0.44%

#### What drove fund performance during the past 12 months?

- The U.S. investment-grade fixed income market generated positive results for the 12-month reporting period. U.S. Treasury yields fell across most maturities, benefiting bond investors, and credit sectors continued to perform well amid a resilient economy, although policy uncertainty led to increased volatility in the second half of the period.
- The fund's underweight to Treasuries combined with out-of-benchmark and overweight allocations to high yield bonds, bank loans, and securitized credit contributed to relative performance versus the Bloomberg U.S. Aggregate Bond Index. Our positioning on the yield curve was also beneficial as the curve steepened.
- Tactical adjustments to the fund's duration position detracted from performance versus the benchmark. Security selection in the agency mortgage-backed securities sector also hurt performance.
- The fund seeks to maximize total return through income and capital appreciation by investing in a broadly diversified portfolio of mostly investment-grade debt instruments. At period-end, credit risk levels in the portfolio, as measured by the duration times spread metric, were below longer-term averages. We remained cognizant of heightened policy uncertainty but took advantage of opportunities during the period to add securities to the portfolio that, in our view, offered attractive risk-adjusted yields.
- The fund had material exposure to derivatives, including interest rate derivatives, which are primarily used to manage exposure to certain parts of the yield curve. The fund held some credit derivatives as well.

#### How has the fund performed?

Cumulative Returns of a Hypothetical \$10,000 Investment as of May 31, 2025



Average Annual Total Returns			
	1 Year	5 Years	10 Years
New Income Fund (Investor Class)	5.18%	-0.67%	1.16%
Bloomberg U.S. Aggregate Bond Index (Regulatory/Strategy Benchmark)	5.46	-0.90	1.49

The preceding line graph shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The fund's performance information included in the line graph and table above is compared with a regulatory required index that represents an overall securities market (Regulatory Benchmark). In addition, the line graph and table may also include one or more indexes that more closely aligns to the fund's investment strategy (Strategy Benchmark(s)). The fund's total return figures reflect the reinvestment of dividends and capital gains, if any. Neither the fund's returns nor the index returns reflect the deduction of taxes that a shareholder would pay on fund distributions or redemptions of fund shares. **The fund's past performance is not a good predictor of the fund's future performance.** Updated performance information can be found at [www.troweprice.com](http://www.troweprice.com).

What are some fund statistics?

Fund Statistics			
Total Net Assets (000s)	\$15,774,894	Investment Advisory Fees Paid (000s)	\$8,428
Number of Portfolio Holdings	1,613	Portfolio Turnover Rate	99.3%

What did the fund invest in?

Security Allocation (as a % of Net Assets)	
U.S. Government Agency Obligations (Excluding Mortgage-Backed)	37.1%
Corporate Bonds	24.6
U.S. Government & Agency Mortgage-Backed Securities	20.2
Asset-Backed Securities	7.8
Bank Loans	3.8
Non-U.S. Government Mortgage-Backed Securities	3.4
Foreign Government Obligations & Municipalities	1.3
Securities Lending Collateral	0.4
Short-Term and Other	1.4

Top Ten Holdings (as a % of Net Assets)	
U.S. Treasury Notes	24.0%
U.S. Treasury Bonds	13.0
Federal National Mortgage Assn.	10.6
Federal Home Loan Mortgage	4.8
Government National Mortgage Assn.	4.5
Santander Drive Auto Receivables Trust	1.1
Bank of America	0.8
JPMorgan Chase	0.6
NRG Energy	0.6
Centene	0.5

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