



ANNUAL REPORT

May 31, 2023

PRCIX

T. ROWE PRICE

New Income Fund

PANIX

**New Income Fund-
Advisor Class**

RRNIX

**New Income Fund-
R Class**

PRXEX

**New Income Fund-
I Class**

TRVZX

**New Income Fund-
Z Class**

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HIGHLIGHTS

- The fund generated negative returns and underperformed its benchmark over the 12-month period ended May 31, 2023.
- Interest rate management and security selection detracted from the portfolio's overall relative performance, while sector allocation was generally beneficial.
- We kept risk levels in the portfolio relatively low amid the potential for elevated volatility.
- Credit spreads in most sectors have widened since the start of the year, but we believe that valuations are not adequately compensating for the risk of an economic downturn that could erode thus-far resilient corporate and consumer fundamentals.

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Dear Shareholder

Major global stock and bond indexes produced mixed returns during your fund's fiscal year, the 12-month period ended May 31, 2023. Rising interest rates weighed on returns in the first half of the period, but many sectors rebounded over the past six months as growth remained positive in the major economies and corporate earnings results came in stronger than expected.

For the 12-month period, growth stocks outperformed value shares, and developed market shares generally outpaced their emerging market counterparts. In the U.S., the Russell 1000 Growth Index and Nasdaq Composite Index performed the best. Most currencies weakened versus the U.S. dollar over the period, which weighed on returns for U.S. investors in international securities.

Within the S&P 500 Index, the information technology sector had, by far, the strongest returns. Big tech companies rebounded strongly at the start of 2023, helped in part by growing investor enthusiasm for artificial intelligence applications. Meanwhile, falling prices for various commodities weighed on returns for the materials and energy sectors, and turmoil in the banking sector, which included the failure of three large regional banks, hurt the financials segment. Real estate stocks also came under pressure amid concerns about the ability of some commercial property owners to refinance their debt.

Cheaper oil contributed to slowing inflation during the period, although core inflation readings—which exclude volatile food and energy prices—remained stubbornly high. April's consumer price index data (the latest available in our reporting period) showed a headline inflation rate of 4.9% on a 12-month basis, down from more than 8% at the start of the period but still well above the Fed's long-term 2% inflation target.

In response to persistent inflation, the Fed raised its short-term lending benchmark rate from around 1.00% at the start of the period to a range of 5.00% to 5.25% by the end of May, the highest level since 2007. However, Fed officials have recently suggested that they might soon be ready to pause additional rate hikes as they wait to see how the economy is progressing.

Bond yields increased considerably across the U.S. Treasury yield curve as the Fed tightened monetary policy, with the yield on the benchmark 10-year note climbing from 2.85% at the start of the period to 3.64% at the end of May.

Significant inversions in the yield curve, which are often considered a warning sign of a coming recession, occurred during the period as shorter-maturity Treasuries experienced the largest yield increases. At the end of May, the yield

on the three-month Treasury bill was 188 basis points (1.88 percentage point) higher than the yield on the 10-year Treasury note. Increasing yields led to weak results across most of the fixed income market, although high yield bonds, which are less sensitive to rising rates, held up relatively well.

Global economies and markets showed surprising resilience in recent months, but, moving into the second half of 2023, we believe investors could face potential challenges. The economic impact of the Fed's rate hikes has yet to be fully felt in the economy, and while the regional banking turmoil appears to have been contained by the swift actions of regulators, it could continue to have an impact on credit conditions. Moreover, the market consensus still seems to forecast a global recession starting later this year or in early 2024, although it could be a mild downturn.

We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to identify securities that can add value to your portfolio over the long term.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Sharps". The signature is fluid and cursive, with the first name "Robert" and the last name "Sharps" clearly legible.

Robert Sharps
CEO and President

INVESTMENT OBJECTIVE

The fund seeks to maximize total return through income and capital appreciation.

FUND COMMENTARY

How did the fund perform in the past 12 months?

The New Income Fund returned -3.35% in the 12-month period ended May 31, 2023, underperforming its benchmark, the Bloomberg U.S. Aggregate Bond Index, and its Lipper peer group average. (Performance for Advisor, R, I, and Z Class shares can vary, reflecting their different fee structures and other factors. *Past performance cannot guarantee future results.*)

What factors influenced the fund's performance?

The U.S. investment-grade (IG) fixed income market, as measured by the Bloomberg U.S. Aggregate Bond Index, produced negative returns for the 12-month reporting period amid a rise in Treasury yields, which weighed on bond prices.

PERFORMANCE COMPARISON	Total Return	
	6 Months	12 Months
Periods Ended 5/31/23		
New Income Fund	1.55%	-3.35%
New Income Fund— Advisor Class	1.62	-3.43
New Income Fund— R Class	1.35	-3.86
New Income Fund— I Class	1.72	-3.16
New Income Fund— Z Class	1.90	-2.81
Bloomberg U.S. Aggregate Bond Index	2.00	-2.14
Lipper Core Bond Funds Average	2.07	-2.35

Interest rate management was the largest detractor from the fund's relative results during the period. Notably, we had shortened duration later in 2022 based on our view that the Federal Reserve would need to do more to restrain inflation; however, inflation surprised to the downside in the fourth quarter, fueling a rally in Treasuries. The portfolio's short duration positions in German and Japanese interest rates also weighed on results late in the period, as yields in those

countries rose less than in the U.S. (Duration measures the sensitivity of a bond or a bond portfolio to interest rate changes.)

Curve positioning hindered performance amid historically high levels of interest rate volatility. The curve flattened over most of the period but steepened sharply in March before resuming the flattening trend.

Security selection also hampered results. Within the agency mortgage-backed securities (MBS) sector, positions in higher-coupon GNMA bonds underperformed. In the commercial mortgage-backed securities (CMBS) sector, our positions in single-asset/single-borrower bonds, which are not in the benchmark, suffered from poor liquidity, oversupply last year, concerns about refinancing risk in a sharply higher rate environment, and negative headlines about the office sector.

Sector allocations contributed to relative results, led by our out-of-benchmark positions in below investment-grade bank loans and collateralized loan obligations (CLOs) along with an underweight to agency MBS in the first half of the reporting period. Bank loans and CLOs benefited from investor demand for higher yields and supportive technicals. Meanwhile, agency MBS faced headwinds amid interest rate volatility and the Fed's decision to start reducing its holdings in the sector. A nominal overweight to IG corporates also added value as the sector benefited from supportive fundamentals, and our positioning within the sector was favorable.

While we primarily invest in cash bonds, the fund also employed derivatives, which had an overall negative effect on absolute returns. Specifically, the fund maintained meaningful holdings in interest rate derivatives, primarily for managing exposure to certain parts of the yield curve, which weighed on absolute performance.

How is the fund positioned?

The portfolio remained defensively positioned at the end of the period, as we believe that markets have yet to feel the full effects of the substantial monetary tightening that has occurred over the past year.

The most notable shift in the portfolio's sector positioning since our previous report six months ago was in the agency MBS sector, where we moved from a neutral position relative to the benchmark to an overweight. We believe the sector offers higher quality and better liquidity than competing credit sectors, and spreads offered more value after widening in early 2023 due to elevated rate volatility and technical risks stemming from potential bank sales. If rate volatility begins to subside with the end of the Fed tightening cycle approaching, we believe the rate-sensitive agency MBS market should benefit.

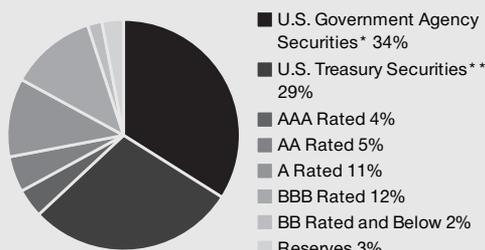
We reduced our exposure to IG corporates and securitized credit but maintained overweight allocations to these sectors. The reductions were mainly in segments of the CMBS and non-agency residential mortgage-backed securities markets where our analysts had less conviction. Despite trimming

the overall allocations, we continued to see potentially attractive opportunities in high-quality asset-backed securities and CLOs. We also maintained small allocations to high yield corporate bonds and bank loans, focusing on names in which our analysts have high conviction.

We believe our ample positions in Treasuries and agency MBS along with cash reserves should help provide the portfolio with liquidity, balance higher-risk credit exposures, and enable us to quickly take advantage of any price dislocations that may develop.

CREDIT QUALITY DIVERSIFICATION

New Income Fund



Based on net assets as of 5/31/23.

Sources: Credit ratings for the securities held in the fund are provided by Moody's, Standard & Poor's, and Fitch and are converted to the Standard & Poor's nomenclature. A rating of AAA represents the highest-rated securities, and a rating of D represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated. T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps. The fund is not rated by any agency.

* U.S. government agency securities are issued or guaranteed by a U.S. government agency and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

** U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

After keeping the portfolio's duration slightly short or close to neutral for much of the period, we moved to a slightly long duration position near the end of the period as the Fed appeared to be nearing the end of its hiking cycle.

What is portfolio management's outlook?

We believe that the economy is continuing to cool as the lagged effects of monetary tightening take full effect, and, while the Federal Reserve may not be finished tightening, it appears to be near the end of its hiking cycle. These conditions have historically pointed to declining yields, and, in this environment, we expect interest rate management to be a larger performance driver in the fixed income market than credit exposures.

We are looking to add duration to the portfolio as opportunities become available. We believe that the

higher the Fed raises rates and the longer that rates stay high, the more the Fed will need to eventually cut. That view makes us confident in adding duration to the portfolio even if additional Fed tightening creates a headwind in the near term.

Along the yield curve, we are favoring a steepening bias and expect to add to this position as the cycle turns from late-stage expansion to a potential recession. We believe this positioning should be beneficial if the Fed is forced to cut rates as a result of a slowing economy or a market liquidity event, which would likely drive intermediate-term yields lower, or if the economy remains buoyant and the Fed pauses in the face of elevated inflation, which could drive long-end yields higher.

In terms of our credit sector positioning, we have looked to take advantage of opportunities in dislocated credits due to recent events, but we are continuing to take a generally defensive approach. Spreads in most sectors have widened since the start of 2023, but we believe that valuations are not adequately compensating for the risk of an economic downturn that could erode thus-far resilient corporate and consumer fundamentals.

Additionally, following the resolution of the debt ceiling standoff, we believe that there is potential for market liquidity to deteriorate as the government rebuilds its Treasury general account balance, a move that could drain reserves from the banking system and contribute to further volatility. Though remaining cautious for now, we anticipate an opportunity to add risk when appropriate.

As always, we will rely on our broad and deep global research platform to parse the complex macro environment and inform portfolio positioning accordingly.

The views expressed reflect the opinions of T. Rowe Price as of the date of this report and are subject to change based on changes in market, economic, or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

RISKS OF BOND INVESTING

Bonds are subject to interest rate risk, the decline in bond prices that usually accompanies a rise in interest rates, and credit risk, the chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal), potentially reducing the fund's income level and share price. Mortgage-backed securities are subject to prepayment risk, particularly if falling rates lead to heavy refinancing activity, and extension risk, which is an increase in interest rates that causes a fund's average maturity to lengthen unexpectedly due to a drop in mortgage prepayments. This could increase the fund's sensitivity to rising interest rates and its potential for price declines.

To the extent the fund holds foreign holdings, it will be subject to special risks, whether the securities are denominated in U.S. dollars or foreign currencies. These risks include potentially adverse local, political, social, and economic conditions overseas, greater volatility, lower liquidity, and the possibility that foreign currencies will decline against the U.S. dollar, lowering the value of securities denominated in those currencies and possibly the fund's share price. These risks are heightened for the fund's investments in emerging markets, which are more susceptible to governmental interference, less efficient trading markets, and the imposition of local taxes or restrictions on gaining access to sales proceeds for foreign investors.

BENCHMARK INFORMATION

Note: Bloomberg® and the Bloomberg U.S. Aggregate Bond Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by T. Rowe Price. Bloomberg is not affiliated with T. Rowe Price, and Bloomberg does not approve, endorse, review, or recommend its products. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to its products.

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BENCHMARK INFORMATION (CONTINUED)

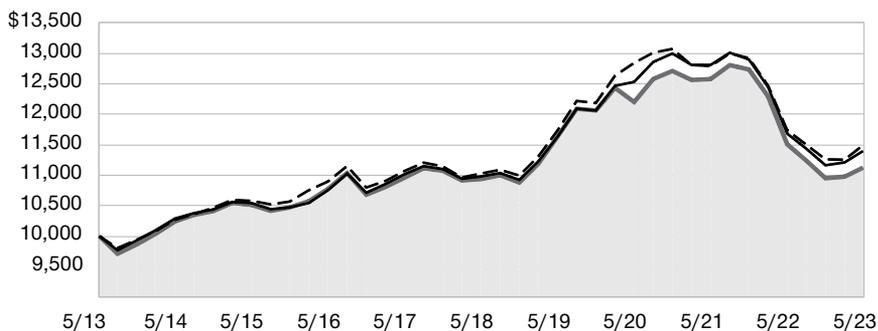
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GROWTH OF \$10,000

This chart 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 result is compared with benchmarks, which include a broad-based market index and may also include a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.

NEW INCOME FUND



As of 5/31/23

— New Income Fund	\$11,122
- - - Bloomberg U.S. Aggregate Bond Index	11,486
— Lipper Core Bond Funds Average	11,394

Note: Performance for the Advisor, R, I, and Z Class shares will vary due to their differing fee structures. See the Average Annual Compound Total Return table.

AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 5/31/23	1 Year	5 Years	10 Years	Since Inception	Inception Date
New Income Fund	-3.35%	0.33%	1.07%	-	-
New Income Fund- Advisor Class	-3.43	-0.05	0.75	-	-
New Income Fund- R Class	-3.86	-0.29	0.46	-	-
New Income Fund- I Class	-3.16	0.46	-	0.95%	8/28/15
New Income Fund- Z Class	-2.81	-	-	-1.91	3/16/20

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Past performance cannot guarantee future results.

EXPENSE RATIO

New Income Fund	0.44%
New Income Fund–Advisor Class	1.30
New Income Fund–R Class	1.16
New Income Fund–I Class	0.35
New Income Fund–Z Class	0.32

The expense ratio shown is as of the fund's most recent prospectus. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, includes acquired fund fees and expenses but does not include fee or expense waivers.

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Please note that the fund has five share classes: The original share class (Investor Class) charges no distribution and service (12b-1) fee, Advisor Class shares are offered only through unaffiliated brokers and other financial intermediaries and charge a 0.25% 12b-1 fee, R Class shares are available to retirement plans serviced by intermediaries and charge a 0.50% 12b-1 fee, I Class shares are available to institutionally oriented clients and impose no 12b-1 or administrative fee payment, and Z Class shares are offered only to funds advised by T. Rowe Price and other advisory clients of T. Rowe Price or its affiliates that are subject to a contractual fee for investment management services and impose no 12b-1 fee or administrative fee payment. Each share class is presented separately in the table.

Actual Expenses

The first line of the following table (Actual) provides information about actual account values and expenses based on the fund's actual returns. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. 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 on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

FUND EXPENSE EXAMPLE (CONTINUED)

Hypothetical Example for Comparison Purposes

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Note: T. Rowe Price charges an annual account service fee of \$20, generally for accounts with less than \$10,000. The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$50,000 or more; accounts electing to receive electronic delivery of account statements, transaction confirmations, prospectuses, and shareholder reports; or accounts of an investor who is a T. Rowe Price Personal Services or Enhanced Personal Services client (enrollment in these programs generally requires T. Rowe Price assets of at least \$250,000). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

FUND EXPENSE EXAMPLE (CONTINUED)

NEW INCOME FUND			
	Beginning Account Value 12/1/22	Ending Account Value 5/31/23	Expenses Paid During Period* 12/1/22 to 5/31/23
Investor Class			
Actual	\$1,000.00	\$1,015.50	\$2.21
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.74	2.22
Advisor Class			
Actual	1,000.00	1,016.20	2.66
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.29	2.67
R Class			
Actual	1,000.00	1,013.50	5.42
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.55	5.44
I Class			
Actual	1,000.00	1,017.20	1.76
Hypothetical (assumes 5% return before expenses)	1,000.00	1,023.19	1.77
Z Class			
Actual	1,000.00	1,019.00	0.00
Hypothetical (assumes 5% return before expenses)	1,000.00	1,024.93	0.00

* Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Investor Class was 0.44%, the Advisor Class was 0.53%, the R Class was 1.08%, the I Class was 0.36%, and the Z Class was 0.00%.

QUARTER-END RETURNS

Periods Ended 3/31/23	1 Year	5 Years	10 Years	Since Inception	Inception Date
New Income Fund	-6.24%	0.45%	1.09%	-	-
New Income Fund- Advisor Class	-6.39	0.08	0.78	-	-
New Income Fund- R Class	-6.83	-0.18	0.48	-	-
New Income Fund- I Class	-6.05	0.58	-	1.09%	8/28/15
New Income Fund- Z Class	-5.71	-	-	-1.76	3/16/20

The fund's performance information represents only past performance and is not necessarily an indication of future results. Current performance may be lower or higher than the performance data cited. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our website (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132 or, for Advisor, R, I, and Z Class shares, 1-800-638-8790.

This table provides returns through the most recent calendar quarter-end rather than through the end of the fund's fiscal period. It shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on portfolio distributions or the redemption of portfolio shares. When assessing performance, investors should consider both short- and long-term returns.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

	Year Ended				
	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
NET ASSET VALUE					
Beginning of period	\$ 8.66	\$ 9.71	\$ 9.70	\$ 9.51	\$ 9.22
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.26	0.15	0.19	0.26	0.27
Net realized and unrealized gain/loss	(0.55)	(0.96)	0.11	0.20	0.31
Total from investment activities	(0.29)	(0.81)	0.30	0.46	0.58
Distributions					
Net investment income	(0.26)	(0.14)	(0.20)	(0.27)	(0.29)
Net realized gain	—	(0.10)	(0.09)	—	—
Total distributions	(0.26)	(0.24)	(0.29)	(0.27)	(0.29)
NET ASSET VALUE					
End of period	\$ 8.11	\$ 8.66	\$ 9.71	\$ 9.70	\$ 9.51

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

Year Ended	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
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Ratios/Supplemental Data

Total return⁽²⁾⁽³⁾	(3.35)%	(8.50)%	3.08%	4.85%	6.38%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates ⁽⁴⁾	0.53%	0.45%	0.47%	0.51%	0.51%
Net expenses after waivers/ payments by Price Associates	0.44%	0.45%	0.47%	0.49%	0.50%
Net investment income	3.13%	1.51%	1.96%	2.68%	2.97%
Portfolio turnover rate ⁽⁵⁾	171.6%	229.1%	126.4%	153.7%	139.4%
Portfolio turnover rate, excluding mortgage dollar roll transactions	111.9%	93.1%	74.6%	69.5%	86.4%
Net assets, end of period (in millions)	\$819	\$1,000	\$2,911	\$4,430	\$17,423

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 6 for details of expense-related arrangements with Price Associates.

⁽³⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

⁽⁴⁾ See Note 6. Prior to 5/31/20, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.

⁽⁵⁾ See Note 4. The portfolio turnover rate calculation includes purchases and sales from the mortgage dollar roll transactions.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

	Year Ended				
	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
NET ASSET VALUE					
Beginning of period	\$ 8.64	\$ 9.69	\$ 9.68	\$ 9.49	\$ 9.20
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.25	0.06	0.16	0.22	0.24
Net realized and unrealized gain/loss	(0.55)	(0.95)	0.11	0.21	0.30
Total from investment activities	(0.30)	(0.89)	0.27	0.43	0.54
Distributions					
Net investment income	(0.25)	(0.06)	(0.17)	(0.24)	(0.25)
Net realized gain	—	(0.10)	(0.09)	—	—
Total distributions	(0.25)	(0.16)	(0.26)	(0.24)	(0.25)
NET ASSET VALUE					
End of period	\$ 8.09	\$ 8.64	\$ 9.69	\$ 9.68	\$ 9.49

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

Year Ended	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
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Ratios/Supplemental Data

Total return⁽²⁾⁽³⁾	(3.43)%	(9.31)%	2.75%	4.52%	6.04%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates ⁽⁴⁾	0.52%	1.31%	0.80%	0.83%	0.84%
Net expenses after waivers/ payments by Price Associates	0.52%	1.31%	0.80%	0.82%	0.82%
Net investment income	2.99%	0.65%	1.62%	2.32%	2.65%
Portfolio turnover rate ⁽⁵⁾	171.6%	229.1%	126.4%	153.7%	139.4%
Portfolio turnover rate, excluding mortgage dollar roll transactions	111.9%	93.1%	74.6%	69.5%	86.4%
Net assets, end of period (in thousands)	\$9,209	\$14,228	\$20,183	\$45,409	\$51,936

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 6 for details of expense-related arrangements with Price Associates.

⁽³⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

⁽⁴⁾ See Note 6. Prior to 5/31/20, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.

⁽⁵⁾ See Note 4. The portfolio turnover rate calculation includes purchases and sales from the mortgage dollar roll transactions.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

R Class

	Year Ended				
	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
NET ASSET VALUE					
Beginning of period	\$ 8.65	\$ 9.70	\$ 9.69	\$ 9.50	\$ 9.21
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.20	0.08	0.12	0.20	0.21
Net realized and unrealized gain/loss	(0.53)	(0.95)	0.11	0.20	0.31
Total from investment activities	(0.33)	(0.87)	0.23	0.40	0.52
Distributions					
Net investment income	(0.21)	(0.08)	(0.13)	(0.21)	(0.23)
Net realized gain	—	(0.10)	(0.09)	—	—
Total distributions	(0.21)	(0.18)	(0.22)	(0.21)	(0.23)
NET ASSET VALUE					
End of period	\$ 8.11	\$ 8.65	\$ 9.70	\$ 9.69	\$ 9.50

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

R Class

	Year Ended				
	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19

Ratios/Supplemental Data

Total return⁽²⁾⁽³⁾	(3.86)%	(9.10)%	2.38%	4.19%	5.71%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates ⁽⁴⁾	1.08%	1.16%	1.30%	1.31%	1.25%
Net expenses after waivers/ payments by Price Associates	1.08%	1.11%	1.15%	1.14%	1.14%
Net investment income	2.47%	0.84%	1.26%	2.03%	2.34%
Portfolio turnover rate ⁽⁵⁾	171.6%	229.1%	126.4%	153.7%	139.4%
Portfolio turnover rate, excluding mortgage dollar roll transactions	111.9%	93.1%	74.6%	69.5%	86.4%
Net assets, end of period (in thousands)	\$1,012	\$1,407	\$2,024	\$2,927	\$3,808

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 6 for details of expense-related arrangements with Price Associates.

⁽³⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

⁽⁴⁾ See Note 6. Prior to 5/31/20, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.

⁽⁵⁾ See Note 4. The portfolio turnover rate calculation includes purchases and sales from the mortgage dollar roll transactions.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	Year Ended				
	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
NET ASSET VALUE					
Beginning of period	\$ 8.65	\$ 9.70	\$ 9.69	\$ 9.50	\$ 9.21
Investment activities					
Net investment income ⁽¹⁾⁽²⁾	0.27	0.16	0.20	0.27	0.28
Net realized and unrealized gain/loss	(0.54)	(0.96)	0.11	0.20	0.31
Total from investment activities	(0.27)	(0.80)	0.31	0.47	0.59
Distributions					
Net investment income	(0.27)	(0.15)	(0.21)	(0.28)	(0.30)
Net realized gain	—	(0.10)	(0.09)	—	—
Total distributions	(0.27)	(0.25)	(0.30)	(0.28)	(0.30)
NET ASSET VALUE					
End of period	\$ 8.11	\$ 8.65	\$ 9.70	\$ 9.69	\$ 9.50

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

I Class

	Year Ended				
	5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
Ratios/Supplemental Data					
Total return⁽²⁾⁽³⁾	(3.16)%	(8.42)%	3.16%	4.98%	6.52%
Ratios to average net assets: ⁽²⁾					
Gross expenses before waivers/ payments by Price Associates ⁽⁴⁾	0.36%	0.36%	0.39%	0.39%	0.39%
Net expenses after waivers/ payments by Price Associates	0.36%	0.36%	0.39%	0.37%	0.37%
Net investment income	3.22%	1.67%	2.04%	2.79%	3.10%
Portfolio turnover rate ⁽⁵⁾	171.6%	229.1%	126.4%	153.7%	139.4%
Portfolio turnover rate, excluding mortgage dollar roll transactions	111.9%	93.1%	74.6%	69.5%	86.4%
Net assets, end of period (in millions)	\$2,663	\$3,015	\$2,543	\$3,695	\$8,136

⁽¹⁾ Per share amounts calculated using average shares outstanding method.

⁽²⁾ See Note 6 for details of expense-related arrangements with Price Associates.

⁽³⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable.

⁽⁴⁾ See Note 6. Prior to 5/31/20, the gross expense ratios presented are net of a management fee waiver in effect during the period, as applicable.

⁽⁵⁾ See Note 4. The portfolio turnover rate calculation includes purchases and sales from the mortgage dollar roll transactions.

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Z Class

	Year Ended			3/16/20 ⁽¹⁾
	5/31/23	5/31/22	5/31/21	Through 5/31/20
NET ASSET VALUE				
Beginning of period	\$ 8.65	\$ 9.70	\$ 9.69	\$ 9.60
Investment activities				
Net investment income ⁽²⁾⁽³⁾	0.29	0.18	0.23	0.06
Net realized and unrealized gain/loss	(0.54)	(0.94)	0.12	0.09
Total from investment activities	(0.25)	(0.76)	0.35	0.15
Distributions				
Net investment income	(0.29)	(0.19)	(0.25)	(0.06)
Net realized gain	—	(0.10)	(0.09)	—
Total distributions	(0.29)	(0.29)	(0.34)	(0.06)
NET ASSET VALUE				
End of period	\$ 8.11	\$ 8.65	\$ 9.70	\$ 9.69

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Z Class

Year Ended	5/31/22	5/31/21	3/16/20 ⁽¹⁾ Through 5/31/20
5/31/23			

Ratios/Supplemental Data

Total return⁽³⁾⁽⁴⁾	(2.81)%	(8.09)%	3.56%	1.60%
Ratios to average net assets: ⁽³⁾				
Gross expenses before waivers/payments by Price Associates	0.32%	0.34%	0.38%	0.38% ⁽⁵⁾
Net expenses after waivers/payments by Price Associates	0.00%	0.00%	0.00%	0.00% ⁽⁵⁾
Net investment income	3.58%	1.93%	2.37%	3.01% ⁽⁵⁾
Portfolio turnover rate ⁽⁶⁾	171.6%	229.1%	126.4%	153.7%
Portfolio turnover rate, excluding mortgage dollar roll transactions	111.9%	93.1%	74.6%	69.5%
Net assets, end of period (in millions)	\$12,355	\$13,847	\$15,804	\$13,684

⁽¹⁾ Inception date⁽²⁾ Per share amounts calculated using average shares outstanding method.⁽³⁾ See Note 6 for details of expense-related arrangements with Price Associates.⁽⁴⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.⁽⁵⁾ Annualized⁽⁶⁾ See Note 4. The portfolio turnover rate calculation includes purchases and sales from the mortgage dollar roll transactions.

The accompanying notes are an integral part of these financial statements.

May 31, 2023

PORTFOLIO OF INVESTMENTS†

Par/Shares

\$ Value

(Amounts in 000s)

ASSET-BACKED SECURITIES 4.9%**Car Loan 1.9%**AmeriCredit Automobile Receivables Trust
Series 2021-1, Class C

0.89%, 10/19/26 10,299 9,542

AmeriCredit Automobile Receivables Trust
Series 2021-1, Class D

1.21%, 12/18/26 10,301 9,394

AmeriCredit Automobile Receivables Trust
Series 2022-1, Class D

3.23%, 2/18/28 36,840 34,098

AmeriCredit Automobile Receivables Trust
Series 2023-1, Class C

5.80%, 12/18/28 10,995 11,039

CarMax Auto Owner Trust
Series 2022-1, Class C

2.20%, 11/15/27 11,750 10,822

Carvana Auto Receivables Trust
Series 2022-N1, Class C

3.32%, 12/11/28 (1) 5,665 5,485

Carvana Auto Receivables Trust
Series 2022-P1, Class C

3.30%, 4/10/28 13,955 12,399

Exeter Automobile Receivables Trust
Series 2021-2A, Class D

1.40%, 4/15/27 8,374 7,761

Exeter Automobile Receivables Trust
Series 2021-3A, Class D

1.55%, 6/15/27 7,215 6,635

Exeter Automobile Receivables Trust
Series 2022-1A, Class D

3.02%, 6/15/28 35,405 32,913

Exeter Automobile Receivables Trust
Series 2022-2A, Class C

3.85%, 7/17/28 17,900 17,308

Exeter Automobile Receivables Trust
Series 2022-3A, Class C

5.30%, 9/15/27 19,445 19,156

Exeter Automobile Receivables Trust
Series 2023-1A, Class D

6.69%, 6/15/29 3,250 3,276

Ford Credit Auto Owner Trust
Series 2023-1, Class A

4.85%, 8/15/35 (1) 33,720 33,599

GM Financial Automobile Leasing Trust
Series 2021-1, Class D

1.01%, 7/21/25 6,650 6,576

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
GM Financial Automobile Leasing Trust Series 2023-1, Class C 5.76%, 1/20/27	6,550	6,524
Santander Bank Series 2021-1A, Class B 1.833%, 12/15/31 (1)	3,145	3,028
Santander Drive Auto Receivables Trust Series 2021-3, Class D 1.33%, 9/15/27	29,300	27,343
Santander Drive Auto Receivables Trust Series 2022-2, Class C 3.76%, 7/16/29	17,240	16,485
Santander Retail Auto Lease Trust Series 2021-A, Class D 1.38%, 3/22/27 (1)	23,480	22,285
		295,668
Other Asset-Backed Securities 2.7%		
522 Funding Series 2019-5A, Class BR, CLO, FRN 3M TSFR + 1.85%, 6.836%, 4/15/35 (1)	16,085	15,402
AGL Series 2022-17A, Class A, CLO, FRN 3M TSFR + 1.33%, 6.386%, 1/21/35 (1)	22,400	22,012
Applebee's Funding Series 2023-1A, Class A2 7.824%, 3/5/53 (1)	14,750	14,743
Carlyle U.S. Series 2019-4A, Class A11R, CLO, FRN 3M TSFR + 1.32%, 6.306%, 4/15/35 (1)	29,195	28,391
Cedar Funding XIV Series 2021-14A, Class A, CLO, FRN 3M USD LIBOR + 1.10%, 6.36%, 7/15/33 (1)	9,385	9,241
CIFC Funding Series 2021-3A, Class A, CLO, FRN 3M USD LIBOR + 1.14%, 6.40%, 7/15/36 (1)	30,055	29,351
Driven Brands Funding Series 2021-1A, Class A2 2.791%, 10/20/51 (1)	14,164	11,673
Dryden Series 2020-86A, Class A1R, CLO, FRN 3M USD LIBOR + 1.10%, 6.36%, 7/17/34 (1)	21,235	20,630
Hardee's Funding Series 2018-1A, Class A2II 4.959%, 6/20/48 (1)	27,585	25,999
Hpefs Equipment Trust Series 2022-2A, Class C 4.43%, 9/20/29 (1)	4,445	4,327

	Par/Shares	\$ Value
(Amounts in 000s)		
HPEFS Equipment Trust Series 2022-1A, Class C 1.96%, 5/21/29 (1)	5,736	5,402
HPEFS Equipment Trust Series 2022-1A, Class D 2.40%, 11/20/29 (1)	12,510	11,689
HPS Loan Management Series 2021-16A, Class A1, CLO, FRN 3M USD LIBOR + 1.14%, 6.413%, 1/23/35 (1)	11,822	11,504
Invesco Series 2021-2A, Class A, CLO, FRN 3M USD LIBOR + 1.12%, 6.38%, 7/15/34	33,910	33,043
Kubota Credit Owner Trust Series 2023-1A, Class A4 5.07%, 2/15/29 (1)	5,255	5,247
MVW Series 2023-1A, Class A 4.93%, 10/20/40 (1)	29,100	28,773
Neuberger Berman Loan Advisers Series 2019-32A, Class AR, CLO, FRN 3M USD LIBOR + 0.99%, 6.255%, 1/20/32 (1)	49,995	49,200
Neuberger Berman Loan Advisers Series 2021-43A, Class A, CLO, FRN 3M USD LIBOR + 1.13%, 6.39%, 7/17/35 (1)	15,105	14,784
Octane Receivables Trust Series 2023-1A, Class A 5.87%, 5/21/29 (1)	5,582	5,561
OZLM VII Series 2014-7RA, Class A1R, CLO, FRN 3M USD LIBOR + 1.01%, 6.27%, 7/17/29 (1)	20,350	20,185
Palmer Square Series 2022-1A, Class A, CLO, FRN 3M TSFR + 1.32%, 6.368%, 4/20/35 (1)	40,630	39,735
Symphony XXXI Series 2022-31A, Class B, CLO, FRN 3M TSFR + 1.85%, 6.921%, 4/22/35 (1)	14,150	13,731
Verizon Master Trust Series 2023-1, Class C 4.98%, 1/22/29	9,270	9,111
		429,734
Student Loan 0.3%		
Navient Private Education Loan Trust Series 2017-A, Class B 3.91%, 12/16/58 (1)	8,525	8,047
Navient Private Education Refi Loan Trust Series 2020-CA, Class B 2.83%, 11/15/68 (1)	20,755	17,056

	Par/Shares	\$ Value
(Amounts in 000s)		
SMB Private Education Loan Trust Series 2018-C, Class A2A 3.63%, 11/15/35 (1)	6,772	6,472
SMB Private Education Loan Trust Series 2021-A, Class APT1 1.07%, 1/15/53 (1)	15,940	13,982
		45,557
Total Asset-Backed Securities (Cost \$804,398)		770,959
BANK LOANS 0.9% (2)		
FINANCIAL INSTITUTIONS 0.2%		
Insurance 0.2%		
Asurion, FRN 1M TSFR + 4.25%, 9.503%, 8/19/28	8,522	7,830
Asurion, FRN 1M USD LIBOR + 3.25%, 8.404%, 12/23/26	3,501	3,232
Asurion, FRN 1M USD LIBOR + 5.25%, 10.404%, 1/31/28	7,435	6,101
Asurion, FRN 1M USD LIBOR + 5.25%, 10.404%, 1/20/29	3,580	2,918
HUB International, FRN 1M TSFR + 4.00%, 9.072%, 11/10/29	703	695
HUB International, FRN 1M USD LIBOR + 3.25%, 8.414%, 4/25/25	17,752	17,627
Total Financial Institutions		38,403
INDUSTRIAL 0.7%		
Aerospace/Defense 0.0%		
TransDigm, FRN 1M TSFR + 3.25%, 8.148%, 2/22/27	90	89
		89
Airlines 0.0%		
Mileage Plus Holdings, FRN 3M USD LIBOR + 5.25%, 10.213%, 6/21/27	2,391	2,473
		2,473
Capital Goods 0.1%		
Charter Next Generation, FRN 1M TSFR + 3.75%, 9.018%, 12/1/27	7,093	6,890
		6,890
Communications 0.1%		
Lamar Media, FRN 3M USD LIBOR + 1.50%, 6.698%, 2/6/27	14,435	14,002
		14,002

	Par/Shares	\$ Value
(Amounts in 000s)		
Consumer Cyclical 0.1%		
Delta 2, FRN		
1M TSFR + 3.00%, 8.153%, 1/15/30	8,755	8,746
UFC Holdings, FRN		
3M USD LIBOR + 2.75%, 8.05%, 4/29/26	11,210	11,056
		19,802
Healthcare 0.0%		
PetVet Care Centers, FRN		
1M TSFR + 5.00%, 10.153%, 2/14/25	4,107	3,932
		3,932
Leisure 0.0%		
Life Time, FRN		
1M TSFR + 4.75%, 9.80%, 1/15/26	655	653
		653
Technology 0.4%		
Applied Systems, FRN		
1M TSFR + 4.50%, 9.398%, 9/18/26	21,895	21,857
Ascend Learning, FRN		
1M USD LIBOR + 3.50%, 8.753%, 12/11/28	6,085	5,451
AthenaHealth Group, FRN		
1M TSFR + 3.50%, 8.598%, 2/15/29 (3)	5,661	5,322
Gen Digital, FRN		
1M TSFR + 1.75%, 7.003%, 9/10/27	4,720	4,614
UKG, FRN		
1M USD LIBOR + 5.25%, 10.271%, 5/3/27	5,525	5,188
UKG, FRN		
3M USD LIBOR + 3.25%, 8.271%, 5/4/26	15,906	15,257
		57,689
Total Industrial		105,530
Total Bank Loans		
(Cost \$147,783)		143,933
BOND MUTUAL FUNDS 0.0%		
Trusts & Mutual Funds 0.0%		
T. Rowe Price Institutional Floating Rate Fund - Z Class, 9.19% (4)(5)	31	284
Total Bond Mutual Funds		
(Cost \$270)		284
CORPORATE BONDS 23.9%		
FINANCIAL INSTITUTIONS 12.4%		
Banking 8.9%		
Ally Financial, 4.75%, 6/9/27 (6)	23,765	22,184
Banco Bilbao Vizcaya Argentaria, VR, 5.862%, 9/14/26 (7)	16,200	16,133
Banco Santander, VR, 1.722%, 9/14/27 (7)	15,800	13,810

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Bank Leumi Le-Israel, VR, 3.275%, 1/29/31 (1)(7)	23,000	20,254
Bank of America, 4.45%, 3/3/26	11,908	11,669
Bank of America, VR, 1.734%, 7/22/27 (7)	20,116	17,853
Bank of America, VR, 1.898%, 7/23/31 (7)	70,021	55,752
Bank of America, VR, 2.299%, 7/21/32 (7)	12,708	10,104
Bank of America, VR, 2.496%, 2/13/31 (7)	22,900	19,181
Bank of America, VR, 2.592%, 4/29/31 (7)	38,880	32,642
Bank of America, VR, 3.419%, 12/20/28 (7)	22,458	20,652
Bank of America, VR, 3.559%, 4/23/27 (7)	10,705	10,171
Bank of America, VR, 4.271%, 7/23/29 (7)	37,939	36,026
Bank of Ireland Group, VR, 6.253%, 9/16/26 (1)(7)	13,825	13,754
Bank of Nova Scotia, 4.85%, 2/1/30	19,050	18,607
Barclays, VR, 2.279%, 11/24/27 (7)	30,800	27,378
Barclays, VR, 2.852%, 5/7/26 (7)	17,714	16,653
Barclays, VR, 3.932%, 5/7/25 (7)	19,911	19,489
Barclays, VR, 6.224%, 5/9/34 (7)	11,650	11,767
CaixaBank, VR, 6.208%, 1/18/29 (1)(7)	18,645	18,578
Capital One Financial, 3.65%, 5/11/27 (6)	11,559	10,841
Capital One Financial, 3.75%, 3/9/27	19,858	18,643
Capital One Financial, VR, 3.273%, 3/1/30 (7)	9,245	7,875
Capital One Financial, VR, 5.247%, 7/26/30 (6)(7)	3,235	3,056
Capital One Financial, VR, 5.817%, 2/1/34 (7)	16,350	15,875
Citigroup, VR, 2.561%, 5/1/32 (7)	10,298	8,474
Citigroup, VR, 3.106%, 4/8/26 (7)	11,910	11,425
Citigroup, VR, 5.61%, 9/29/26 (7)	21,672	21,796
Citigroup, VR, 6.174%, 5/25/34 (7)	7,210	7,312
Citigroup, Series VAR, VR, 3.07%, 2/24/28 (7)	20,140	18,665
Credit Suisse, 1.25%, 8/7/26	9,630	8,234
Credit Suisse Group, 3.75%, 3/26/25	1,285	1,210
Credit Suisse Group, 4.55%, 4/17/26	3,670	3,450
Credit Suisse Group, VR, 1.305%, 2/2/27 (1)(7)	10,285	8,897
Credit Suisse Group, VR, 2.193%, 6/5/26 (1)(7)	14,635	13,245
Danske Bank, VR, 3.244%, 12/20/25 (1)(7)	21,957	20,965
Danske Bank, VR, 3.773%, 3/28/25 (1)(7)	12,760	12,484
Discover Financial Services, 4.10%, 2/9/27	9,027	8,420
Fifth Third Bancorp, 2.375%, 1/28/25	3,260	3,032
Fifth Third Bancorp, 2.55%, 5/5/27	1,950	1,701
Fifth Third Bancorp, VR, 4.772%, 7/28/30 (6)(7)	3,235	3,010
Fifth Third Bancorp, VR, 6.361%, 10/27/28 (7)	2,780	2,791
Fifth Third Bank, 2.25%, 2/1/27	830	727
Fifth Third Bank, 3.85%, 3/15/26	2,345	2,127
Fifth Third Bank, 3.95%, 7/28/25 (6)	1,630	1,531
Fifth Third Bank, VR, 5.852%, 10/27/25 (7)	5,950	5,816
Goldman Sachs Group, 3.50%, 11/16/26	6,050	5,736
Goldman Sachs Group, VR, 1.542%, 9/10/27 (7)	31,264	27,538
Goldman Sachs Group, VR, 2.383%, 7/21/32 (7)	17,287	13,912

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Goldman Sachs Group, VR, 3.615%, 3/15/28 (7)	19,610	18,488
Goldman Sachs Group, VR, 4.482%, 8/23/28 (7)	22,105	21,462
HSBC Holdings, VR, 1.645%, 4/18/26 (7)	4,115	3,802
HSBC Holdings, VR, 4.292%, 9/12/26 (7)	2,175	2,102
HSBC Holdings, VR, 4.755%, 6/9/28 (7)	31,555	30,612
HSBC Holdings, VR, 5.21%, 8/11/28 (7)	16,945	16,723
HSBC Holdings, VR, 6.254%, 3/9/34 (7)	26,500	27,239
Huntington Bancshares, 2.625%, 8/6/24	4,395	4,122
Huntington Bancshares, 4.00%, 5/15/25	8,718	8,179
Huntington National Bank, VR, 5.699%, 11/18/25 (7)	3,130	2,980
ING Groep, VR, 1.726%, 4/1/27 (7)	3,807	3,412
Intesa Sanpaolo, VR, 4.198%, 6/1/32 (1)(7)	4,155	3,142
JPMorgan Chase, VR, 1.578%, 4/22/27 (7)	26,203	23,449
JPMorgan Chase, VR, 1.764%, 11/19/31 (7)	41,300	32,486
JPMorgan Chase, VR, 2.182%, 6/1/28 (7)	32,197	28,676
JPMorgan Chase, VR, 2.522%, 4/22/31 (7)	4,275	3,622
JPMorgan Chase, VR, 2.739%, 10/15/30 (7)	11,998	10,378
JPMorgan Chase, VR, 2.956%, 5/13/31 (7)	33,858	28,967
KBC Group, VR, 5.796%, 1/19/29 (1)(7)	23,420	23,604
Morgan Stanley, VR, 1.512%, 7/20/27 (7)	21,500	19,172
Morgan Stanley, VR, 1.593%, 5/4/27 (7)	13,695	12,307
Morgan Stanley, VR, 3.217%, 4/22/42 (7)	5,725	4,290
Morgan Stanley, VR, 5.123%, 2/1/29 (7)	24,810	24,588
Nationwide Building Society, VR, 2.972%, 2/16/28 (1)(7)	8,705	7,886
NatWest Group, VR, 7.472%, 11/10/26 (7)	8,785	9,120
Nordea Bank, 5.375%, 9/22/27 (1)	12,665	12,634
PNC Financial Services Group, 2.55%, 1/22/30	3,650	3,087
PNC Financial Services Group, VR, 6.037%, 10/28/33 (7)	17,380	17,956
Santander Holdings USA, VR, 2.49%, 1/6/28 (7)	6,610	5,784
Santander Holdings USA, VR, 6.499%, 3/9/29 (7)	8,240	8,354
Santander UK Group Holdings, VR, 1.532%, 8/21/26 (7)	48,133	43,102
Standard Chartered, VR, 1.456%, 1/14/27 (1)(7)	10,354	9,193
Standard Chartered, VR, 2.608%, 1/12/28 (1)(7)	17,245	15,377
Standard Chartered, VR, 2.819%, 1/30/26 (1)(7)	16,707	15,766
Standard Chartered, VR, 3.971%, 3/30/26 (1)(7)	10,485	10,075
Standard Chartered, VR, 4.644%, 4/1/31 (1)(7)	10,801	10,039
Truist Financial, VR, 4.123%, 6/6/28 (7)	19,620	18,589
U.S. Bancorp, VR, 4.839%, 2/1/34 (6)(7)	8,925	8,389
UBS Group, VR, 1.364%, 1/30/27 (1)(7)	14,633	12,931
UBS Group, VR, 2.746%, 2/11/33 (1)(7)	7,079	5,588
UBS Group, VR, 4.751%, 5/12/28 (1)(7)	4,085	3,910
UBS Group, VR, 5.711%, 1/12/27 (1)(6)(7)	4,035	4,004
UBS Group, VR, 5.959%, 1/12/34 (1)(6)(7)	12,525	12,608
Wells Fargo, 4.30%, 7/22/27	11,645	11,194
Wells Fargo, VR, 2.393%, 6/2/28 (7)	31,245	27,919
Wells Fargo, VR, 2.572%, 2/11/31 (7)	52,585	44,231

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Wells Fargo, VR, 2.879%, 10/30/30 (7)	53,562	46,283
Wells Fargo, VR, 4.478%, 4/4/31 (6)(7)	15,936	15,150
		1,414,416
Brokerage Asset Managers Exchanges 0.4%		
Intercontinental Exchange, 4.35%, 6/15/29	17,650	17,375
LSEGA Financing, 2.00%, 4/6/28 (1)	41,724	35,954
LSEGA Financing, 2.50%, 4/6/31 (1)(6)	14,998	12,647
LSEGA Financing, 3.20%, 4/6/41 (1)	6,705	4,992
		70,968
Finance Companies 0.4%		
AerCap Ireland Capital, 2.45%, 10/29/26	18,080	16,086
AerCap Ireland Capital, 3.50%, 1/15/25	3,935	3,764
AerCap Ireland Capital, 4.875%, 1/16/24	29,186	28,747
AerCap Ireland Capital, 6.50%, 7/15/25	4,365	4,393
Navient, 9.375%, 7/25/30	1,215	1,166
OneMain Finance, 7.125%, 3/15/26 (6)	3,450	3,299
		57,455
Financial Other 0.0%		
Howard Hughes, 5.375%, 8/1/28 (1)	4,795	4,255
		4,255
Insurance 1.8%		
Alliant Holdings Intermediate, 6.75%, 4/15/28 (1)	11,570	11,324
AmWINS Group, 4.875%, 6/30/29 (1)	5,245	4,681
Aon, 2.80%, 5/15/30	3,635	3,168
Berkshire Hathaway Finance, 2.50%, 1/15/51	21,995	14,062
Berkshire Hathaway Finance, 2.85%, 10/15/50	7,005	4,818
Berkshire Hathaway Finance, 3.85%, 3/15/52	6,960	5,666
Centene, 2.50%, 3/1/31	8,930	7,133
Centene, 3.00%, 10/15/30	8,035	6,689
Centene, 3.375%, 2/15/30	9,155	7,873
Centene, 4.625%, 12/15/29	24,625	22,778
CNO Financial Group, 5.25%, 5/30/25	9,438	9,344
Corebridge Financial, 3.90%, 4/5/32 (6)	3,540	3,062
Elevance Health, 5.125%, 2/15/53	8,085	7,751
Equitable Holdings, 4.35%, 4/20/28	36,732	34,678
Humana, 3.95%, 3/15/27	6,075	5,859
Humana, 4.875%, 4/1/30	15,220	14,968
Humana, 5.50%, 3/15/53	6,950	6,821
Jones Deslauriers Insurance Management, 8.50%, 3/15/30 (1)(6)	3,745	3,740
Marsh & McLennan, 2.25%, 11/15/30	8,918	7,428
Metropolitan Life Global Funding I, 5.15%, 3/28/33 (1)	9,035	9,016
Molina Healthcare, 4.375%, 6/15/28 (1)	2,820	2,580
UnitedHealth Group, 4.50%, 4/15/33	15,605	15,317
UnitedHealth Group, 5.05%, 4/15/53	46,920	46,083
UnitedHealth Group, 5.875%, 2/15/53	27,690	30,304
		285,143

	Par/Shares	\$ Value
(Amounts in 000s)		
Real Estate Investment Trusts 0.9%		
Alexandria Real Estate Equities, 3.95%, 1/15/27	25,607	24,491
Brixmor Operating Partnership, 3.90%, 3/15/27	30,217	27,988
Brixmor Operating Partnership, 4.05%, 7/1/30	3,745	3,375
Brixmor Operating Partnership, 4.125%, 6/15/26	55,609	52,281
Essex Portfolio, 1.65%, 1/15/31 (6)	10,099	7,740
Essex Portfolio, 3.625%, 5/1/27	5,006	4,700
Realty Income, 3.95%, 8/15/27	10,020	9,581
Regency Centers, 4.125%, 3/15/28	9,817	9,216
		139,372
Total Financial Institutions		1,971,609
INDUSTRIAL 9.8%		
Basic Industry 0.4%		
Avient, 7.125%, 8/1/30 (1)	2,840	2,868
Celanese U.S. Holdings, 6.05%, 3/15/25	16,560	16,630
Celanese U.S. Holdings, 6.165%, 7/15/27	11,105	11,172
Celulosa Arauco y Constitucion, 3.875%, 11/2/27	13,972	12,926
Ecolab, 4.80%, 3/24/30 (6)	1,388	1,397
Methanex, 5.125%, 10/15/27	4,980	4,619
Sherwin-Williams, 2.95%, 8/15/29	1,670	1,481
Westlake, 1.625%, 7/17/29 (EUR)	11,421	10,204
Yara International, 4.75%, 6/1/28 (1)	7,790	7,326
		68,623
Capital Goods 0.2%		
Ardagh Metal Packaging Finance USA, 6.00%, 6/15/27 (1)	3,875	3,798
Ball, 6.00%, 6/15/29	4,700	4,688
Ball, 6.875%, 3/15/28 (6)	3,015	3,079
Emerald Debt Merger Sub, 6.625%, 12/15/30 (1)	4,775	4,733
Ritchie Bros Holdings, 6.75%, 3/15/28 (1)	755	764
Ritchie Bros Holdings, 7.75%, 3/15/31 (1)(6)	510	531
Sealed Air, 5.00%, 4/15/29 (1)(6)	3,050	2,829
Sealed Air, 6.125%, 2/1/28 (1)	745	738
TransDigm, 6.75%, 8/15/28 (1)	3,100	3,100
		24,260
Communications 2.2%		
Altice France, 5.50%, 1/15/28 (1)	6,485	4,929
AT&T, 3.50%, 9/15/53 (6)	42,025	29,186
CCO Holdings, 6.375%, 9/1/29 (1)(6)	8,250	7,672
CCO Holdings, 7.375%, 3/1/31 (1)	940	898
Charter Communications Operating, 2.25%, 1/15/29	12,175	10,086
Charter Communications Operating, 5.125%, 7/1/49	7,698	5,880
Charter Communications Operating, 6.484%, 10/23/45	5,555	5,027
Comcast, 3.25%, 11/1/39	22,623	17,791
Crown Castle Towers, 3.663%, 5/15/25 (1)	50,986	48,610
DISH Network, 11.75%, 11/15/27 (1)	3,210	3,073

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Lamar Media, 4.875%, 1/15/29 (6)	3,080	2,849
Meta Platforms, 5.60%, 5/15/53	25,215	25,156
Netflix, 4.625%, 5/15/29 (EUR)	7,605	8,271
Rogers Communications, 3.20%, 3/15/27 (1)	6,654	6,184
Rogers Communications, 3.80%, 3/15/32 (1)	10,375	9,126
Rogers Communications, 4.35%, 5/1/49	1,365	1,060
Rogers Communications, 4.55%, 3/15/52 (1)	46,513	36,914
SBA Tower Trust, 1.84%, 4/15/27 (1)	21,685	18,831
SBA Tower Trust, 2.593%, 10/15/31 (1)	17,515	13,983
Sirius XM Radio, 4.00%, 7/15/28 (1)	4,295	3,586
Sprint Capital, 6.875%, 11/15/28 (6)	2,675	2,859
T-Mobile USA, 5.75%, 1/15/54	15,785	16,029
Verizon Communications, 2.55%, 3/21/31	10,940	9,155
Verizon Communications, 2.65%, 11/20/40	37,223	25,390
Verizon Communications, 3.55%, 3/22/51	20,130	14,611
Vodafone Group, 4.875%, 6/19/49	3,886	3,346
Warnermedia Holdings, 3.755%, 3/15/27	20,840	19,497
		349,999
Consumer Cyclical 1.5%		
Bath & Body Works, 6.625%, 10/1/30 (1)	10,110	9,642
Caesars Entertainment, 7.00%, 2/15/30 (1)	4,045	4,040
Carnival, 9.875%, 8/1/27 (1)	3,445	3,548
Carnival, 10.50%, 6/1/30 (1)(6)	3,360	3,360
Cedar Fair, 5.375%, 4/15/27 (6)	3,010	2,860
Churchill Downs, 6.75%, 5/1/31 (1)	1,410	1,391
Clarios Global, 6.25%, 5/15/26 (1)	2,905	2,861
Clarios Global, 6.75%, 5/15/28 (1)(6)	6,397	6,397
Daimler Truck Finance North America, 5.125%, 1/19/28 (1)(6)	3,425	3,414
Ford Motor, 6.10%, 8/19/32 (6)	9,230	8,613
Ford Motor, 9.625%, 4/22/30	5,500	6,269
Ford Motor Credit, 4.95%, 5/28/27	5,185	4,842
Ford Motor Credit, 6.95%, 3/6/26	960	959
Ford Motor Credit, 7.35%, 11/4/27	1,255	1,270
Ford Motor Credit, 7.35%, 3/6/30	2,780	2,791
General Motors, 4.20%, 10/1/27 (6)	2,660	2,536
General Motors Financial, 4.00%, 10/6/26	5,045	4,811
General Motors Financial, 4.30%, 7/13/25	5,571	5,429
GLP Capital, 3.35%, 9/1/24	6,162	5,944
Goodyear Tire & Rubber, 5.00%, 7/15/29 (6)	4,220	3,788
Hyundai Capital America, 1.80%, 10/15/25 (1)	11,183	10,256
Hyundai Capital America, 5.50%, 3/30/26 (1)	5,220	5,222
Hyundai Capital America, 5.60%, 3/30/28 (1)	13,520	13,555
Las Vegas Sands, 3.50%, 8/18/26	10,677	9,899
Life Time, 5.75%, 1/15/26 (1)	4,810	4,666
Lowe's, 4.25%, 4/1/52	10,088	8,047
Lowe's, 5.625%, 4/15/53 (6)	5,880	5,720

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Lowe's, 5.75%, 7/1/53	5,750	5,697
Marriott International, 4.90%, 4/15/29	3,800	3,722
Marriott International, 5.00%, 10/15/27 (6)	12,905	12,924
Match Group Holdings II, 5.00%, 12/15/27 (1)(6)	4,992	4,705
Nissan Motor Acceptance, 1.85%, 9/16/26 (1)	5,960	5,027
Ross Stores, 1.875%, 4/15/31	20,720	16,465
Royal Caribbean Cruises, 8.25%, 1/15/29 (1)	4,440	4,673
Royal Caribbean Cruises, 11.625%, 8/15/27 (1)	1,490	1,617
Volkswagen Group of America Finance, 1.625%, 11/24/27 (1)	5,040	4,355
Volkswagen Group of America Finance, 3.20%, 9/26/26 (1)	15,868	14,851
Volkswagen Group of America Finance, 4.75%, 11/13/28 (1)	17,180	16,850
Yum! Brands, 5.375%, 4/1/32	4,970	4,709
ZF North America Capital, 6.875%, 4/14/28 (1)	505	505
ZF North America Capital, 7.125%, 4/14/30 (1)	1,105	1,111
		239,341
Consumer Non-Cyclical 2.8%		
AbbVie, 3.20%, 11/21/29	18,145	16,416
AbbVie, 4.05%, 11/21/39	12,709	10,907
AbbVie, 4.25%, 11/21/49	13,924	11,796
AbbVie, 4.70%, 5/14/45	27,592	24,793
AbbVie, 4.875%, 11/14/48	27,641	25,564
Amgen, 4.875%, 3/1/53	16,295	14,803
Amgen, 5.25%, 3/2/30	7,945	8,009
Anheuser-Busch InBev Worldwide, 4.50%, 6/1/50	18,140	16,362
Anheuser-Busch InBev Worldwide, 5.55%, 1/23/49	21,865	22,876
Avantor Funding, 4.625%, 7/15/28 (1)	3,120	2,882
BAT Capital, 3.557%, 8/15/27	5,067	4,637
BAT International Finance, 1.668%, 3/25/26	9,605	8,627
Becton Dickinson & Company, 2.823%, 5/20/30	10,263	8,989
Becton Dickinson & Company, 3.70%, 6/6/27	16,274	15,610
Catalent Pharma Solutions, 5.00%, 7/15/27 (1)(6)	1,150	1,044
Charles River Laboratories International, 4.25%, 5/1/28 (1)	3,465	3,145
CSL Finance, 4.05%, 4/27/29 (1)	9,480	9,084
CVS Health, 3.25%, 8/15/29	3,360	3,031
CVS Health, 5.05%, 3/25/48	36,669	33,145
CVS Health, 5.625%, 2/21/53	16,020	15,624
CVS Health, 5.875%, 6/1/53	8,560	8,620
Darling Ingredients, 6.00%, 6/15/30 (1)	5,145	5,061
Hasbro, 3.55%, 11/19/26	11,507	10,790
HCA, 3.125%, 3/15/27 (1)	8,360	7,745
HCA, 3.375%, 3/15/29 (1)	9,695	8,699
HCA, 3.50%, 9/1/30	13,940	12,285
HCA, 5.375%, 9/1/26	6,529	6,496
HCA, 5.875%, 2/15/26	6,375	6,391
IQVIA, 6.50%, 5/15/30 (1)(6)	435	440
Merck, 5.00%, 5/17/53	10,660	10,678

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Mondelez International, 2.75%, 4/13/30	4,464	3,931
Pfizer Investment Enterprises, 4.75%, 5/19/33	10,395	10,442
Pfizer Investment Enterprises, 5.30%, 5/19/53	10,120	10,388
Philip Morris International, 5.125%, 2/15/30	10,390	10,278
Revvity, 1.90%, 9/15/28	13,950	11,868
Revvity, 2.25%, 9/15/31	7,580	6,066
Revvity, 3.30%, 9/15/29	9,984	8,860
Reynolds American, 4.45%, 6/12/25	7,975	7,801
Tenet Healthcare, 6.125%, 6/15/30 (1)	3,370	3,252
Teva Pharmaceutical Finance Netherlands III, 7.875%, 9/15/29	460	472
Teva Pharmaceutical Finance Netherlands III, 8.125%, 9/15/31 (6)	3,100	3,216
Utah Acquisition Sub, 3.95%, 6/15/26	39,035	37,113
		448,236
Energy 2.2%		
Aker BP, 2.875%, 1/15/26 (1)	3,892	3,642
Boardwalk Pipelines, 3.40%, 2/15/31	15,531	13,343
Boardwalk Pipelines, 4.45%, 7/15/27	28,589	27,515
Boardwalk Pipelines, 5.95%, 6/1/26	11,000	11,125
Cheniere Corpus Christi Holdings, 5.125%, 6/30/27	6,741	6,674
Cheniere Energy, 4.625%, 10/15/28	10,765	10,092
Chesapeake Energy, 6.75%, 4/15/29 (1)	2,050	2,001
Energy Transfer, 2.90%, 5/15/25	8,447	8,029
Eni, Series X-R, 4.75%, 9/12/28 (1)	25,849	25,471
Enterprise Products Operating, 3.20%, 2/15/52	10,729	7,297
Kinetik Holdings, 5.875%, 6/15/30 (1)	2,861	2,709
NuStar Logistics, 6.00%, 6/1/26	3,044	2,945
Occidental Petroleum, 6.20%, 3/15/40	3,595	3,510
Occidental Petroleum, 6.45%, 9/15/36	3,005	3,050
Occidental Petroleum, 8.50%, 7/15/27 (6)	5,135	5,623
Occidental Petroleum, 8.875%, 7/15/30	12,920	14,826
Pioneer Natural Resources, 5.10%, 3/29/26	5,715	5,718
Sabine Pass Liquefaction, 5.00%, 3/15/27	40,697	40,225
Tallgrass Energy Partners, 7.50%, 10/1/25 (1)	1,290	1,288
Targa Resources Partners, 5.50%, 3/1/30	5,557	5,321
Targa Resources Partners, 6.875%, 1/15/29	6,175	6,250
Transcontinental Gas Pipe Line, 4.60%, 3/15/48	2,806	2,342
Venture Global Calcasieu Pass, 3.875%, 11/1/33 (1)	2,855	2,334
Venture Global Calcasieu Pass, 6.25%, 1/15/30 (1)	4,440	4,407
Venture Global LNG, 8.125%, 6/1/28 (1)	7,730	7,759
Venture Global LNG, 8.375%, 6/1/31 (1)(6)	20,960	21,039
Williams, 2.60%, 3/15/31	29,160	24,022
Williams, 3.75%, 6/15/27	7,096	6,758
Woodside Finance, 3.70%, 9/15/26 (1)	38,659	36,774
Woodside Finance, 3.70%, 3/15/28 (1)	31,338	29,066
		341,155

	Par/Shares	\$ Value
(Amounts in 000s)		
Technology 0.4%		
Central Parent, 7.25%, 6/15/29 (1)	2,855	2,791
Entegris Escrow, 5.95%, 6/15/30 (1)	6,830	6,583
Equifax, 5.10%, 12/15/27	11,795	11,781
Gen Digital, 6.75%, 9/30/27 (1)(6)	1,420	1,418
Gen Digital, 7.125%, 9/30/30 (1)(6)	1,130	1,127
Micron Technology, 4.185%, 2/15/27	6,615	6,359
Micron Technology, 5.875%, 9/15/33	11,915	11,736
Micron Technology, 6.75%, 11/1/29	7,780	8,101
Oracle, 5.55%, 2/6/53	14,950	13,981
Sensata Technologies, 5.875%, 9/1/30 (1)	2,820	2,728
Workday, 3.70%, 4/1/29	3,910	3,625
		70,230
Transportation 0.1%		
American Airlines, 5.50%, 4/20/26 (1)	3,535	3,469
American Airlines, 5.75%, 4/20/29 (1)	3,535	3,376
American Airlines, 11.75%, 7/15/25 (1)	2,980	3,263
Mileage Plus Holdings, 6.50%, 6/20/27 (1)	7,652	7,642
		17,750
Total Industrial		1,559,594
UTILITY 1.7%		
Electric 1.6%		
Baltimore Gas & Electric, 5.40%, 6/1/53	7,660	7,647
Duke Energy, 5.00%, 8/15/52	16,275	14,476
Duke Energy Indiana, 5.40%, 4/1/53	6,330	6,257
Edison International, 4.95%, 4/15/25	1,306	1,288
EDP Finance, 6.30%, 10/11/27 (1)	5,865	6,106
Enel Finance International, 1.875%, 7/12/28 (1)(6)	18,162	15,299
Georgia Power, 4.95%, 5/17/33	16,755	16,530
Indiana Michigan Power, 5.625%, 4/1/53	1,405	1,438
NextEra Energy Capital Holdings, 2.44%, 1/15/32	15,015	12,163
NextEra Energy Capital Holdings, 3.00%, 1/15/52	14,640	9,551
NextEra Energy Capital Holdings, 5.00%, 7/15/32	3,010	2,966
NextEra Energy Capital Holdings, 5.25%, 2/28/53	6,560	6,166
NRG Energy, 4.45%, 6/15/29 (1)	9,592	8,465
Pacific Gas & Electric, 2.10%, 8/1/27	10,318	8,896
Pacific Gas & Electric, 2.50%, 2/1/31	20,828	16,385
Pacific Gas & Electric, 3.95%, 12/1/47	10,551	7,055
Pacific Gas & Electric, 4.55%, 7/1/30	13,652	12,356
Pacific Gas & Electric, 6.70%, 4/1/53	5,525	5,360
Public Service Company of Colorado, 5.25%, 4/1/53	9,330	9,180
Southern California Edison, 5.70%, 3/1/53	8,250	8,173
Southern California Edison, Series D, 4.70%, 6/1/27	12,650	12,519
Talen Energy Supply, 8.625%, 6/1/30 (1)	1,565	1,596
Vistra, VR, 8.00% (1)(7)(8)	11,320	10,556

	Par/Shares	\$ Value
(Amounts in 000s)		
Vistra Operations, 3.55%, 7/15/24 (1)	34,806	33,631
Vistra Operations, 4.375%, 5/1/29 (1)	5,145	4,489
Vistra Operations, 5.125%, 5/13/25 (1)	17,905	17,436
		255,984
Natural Gas 0.1%		
NiSource, 5.25%, 3/30/28	3,295	3,311
Sempra Energy, 3.70%, 4/1/29	5,155	4,719
		8,030
Total Utility		264,014
Total Corporate Bonds		
(Cost \$4,121,369)		3,795,217
FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 0.1%		
Sovereign 0.1%		
Republic of Panama, 6.40%, 2/14/35	3,050	3,199
Republic of Panama, 6.853%, 3/28/54	5,010	5,150
United Mexican States, 6.338%, 5/4/53	15,540	15,622
Total Foreign Government Obligations & Municipalities		
(Cost \$23,659)		23,971
NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 4.0%		
Collateralized Mortgage Obligations 1.9%		
Angel Oak Mortgage Trust		
Series 2021-3, Class A1, CMO, ARM		
1.068%, 5/25/66 (1)	8,478	6,983
BINOM Securitization Trust		
Series 2021-INV1, Class A1, CMO, ARM		
2.034%, 6/25/56 (1)	10,146	8,738
Citigroup Mortgage Loan Trust		
Series 2022-INV1, Class A4B, CMO, ARM		
3.00%, 11/27/51 (1)	7,772	6,296
COLT Mortgage Loan Trust		
Series 2020-3, Class A1, CMO, ARM		
1.506%, 4/27/65 (1)	1,998	1,856
Connecticut Avenue Securities		
Series 2017-C06, Class 2ED1, CMO, ARM		
1M USD LIBOR + 1.00%, 6.138%, 2/25/30	349	348
Connecticut Avenue Securities		
Series 2021-R03, Class 1M2, CMO, ARM		
SOFR30A + 1.65%, 6.623%, 12/25/41 (1)	11,825	11,459
Connecticut Avenue Securities		
Series 2022-R01, Class 1M2, CMO, ARM		
SOFR30A + 1.90%, 6.873%, 12/25/41 (1)	19,620	19,098

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Connecticut Avenue Securities Trust Series 2022-R03, Class 1M1, CMO, ARM SOFR30A + 2.10%, 7.073%, 3/25/42 (1)	20,051	20,148
Connecticut Avenue Securities Trust Series 2022-R04, Class 1M1, CMO, ARM SOFR30A + 2.00%, 6.973%, 3/25/42 (1)	13,323	13,379
Connecticut Avenue Securities Trust Series 2022-R07, Class 1M1, CMO, ARM SOFR30A + 2.95%, 7.931%, 6/25/42 (1)	4,694	4,790
Connecticut Avenue Securities Trust Series 2023-R01, Class 1M1, CMO, ARM SOFR30A + 2.40%, 7.381%, 12/25/42 (1)	18,590	18,721
Connecticut Avenue Securities Trust Series 2023-R02, Class 1M1, CMO, ARM SOFR30A + 2.30%, 7.273%, 1/25/43 (1)	20,861	20,994
Deephaven Residential Mortgage Trust Series 2021-2, Class A1, CMO, ARM 0.899%, 4/25/66 (1)	6,658	5,781
Flagstar Mortgage Trust Series 2018-6RR, Class 2A4, CMO, ARM 4.00%, 9/25/48 (1)	883	850
Flagstar Mortgage Trust Series 2020-11INV, Class A11, CMO, ARM 1M USD LIBOR + 0.85%, 5.87%, 3/25/50 (1)	3,833	3,548
Flagstar Mortgage Trust Series 2021-5INV, Class A16, CMO, ARM 2.50%, 7/25/51 (1)	9,984	7,763
Flagstar Mortgage Trust Series 2021-8INV, Class A18, CMO, ARM 2.50%, 9/25/51 (1)	9,128	7,097
FWD Securitization Trust Series 2020-INV1, Class A3, CMO, ARM 2.44%, 1/25/50 (1)	1,220	1,103
Galton Funding Mortgage Trust Series 2018-1, Class A23, CMO, ARM 3.50%, 11/25/57 (1)	845	762
Galton Funding Mortgage Trust Series 2018-2, Class A22, CMO, ARM 4.00%, 10/25/58 (1)	1,819	1,706
GS Mortgage-Backed Securities Trust Series 2014-EB1A, Class 2A1, CMO, ARM 3.869%, 7/25/44 (1)	408	403
GS Mortgage-Backed Securities Trust Series 2020-INV1, Class A14, CMO, ARM 2.929%, 10/25/50 (1)	17,047	14,449
Imperial Fund Mortgage Trust Series 2021-NQM2, Class A1, CMO, ARM 1.073%, 9/25/56 (1)	12,637	10,197

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
JPMorgan Mortgage Trust Series 2019-INV3, Class A3, CMO, ARM 3.50%, 5/25/50 (1)	5,060	4,421
JPMorgan Mortgage Trust Series 2020-INV1, Class A11, CMO, ARM 1M USD LIBOR + 0.83%, 5.85%, 8/25/50 (1)	2,502	2,357
JPMorgan Mortgage Trust Series 2020-INV1, Class A3, CMO, ARM 3.50%, 8/25/50 (1)	4,231	3,770
JPMorgan Mortgage Trust Series 2020-LTV1, Class A15, CMO, ARM 3.50%, 6/25/50 (1)	463	442
JPMorgan Mortgage Trust Series 2020-LTV1, Class A3, CMO, ARM 3.50%, 6/25/50 (1)	1,146	1,094
New Residential Mortgage Loan Trust Series 2021-INV1, Class A4, CMO, ARM 2.50%, 6/25/51 (1)	6,158	4,795
New Residential Mortgage Loan Trust Series 2021-INV2, Class A4, CMO, ARM 2.50%, 9/25/51 (1)	11,456	8,922
OBX Trust Series 2019-INV2, Class A25, CMO, ARM 4.00%, 5/27/49 (1)	993	927
OBX Trust Series 2019-INV2, Class A5, CMO, ARM 4.00%, 5/27/49 (1)	2,688	2,509
OBX Trust Series 2020-EXP1, Class 1A8, CMO, ARM 3.50%, 2/25/60 (1)	7,016	6,233
Sequoia Mortgage Trust Series 2018-CH1, Class A2, CMO, ARM 3.50%, 3/25/48 (1)	799	723
Sequoia Mortgage Trust Series 2018-CH2, Class A3, CMO, ARM 4.00%, 6/25/48 (1)	3,242	3,030
Sequoia Mortgage Trust Series 2018-CH3, Class A2, CMO, ARM 4.00%, 8/25/48 (1)	707	682
Sequoia Mortgage Trust Series 2018-CH4, Class A2, CMO, ARM 4.00%, 10/25/48 (1)	231	228
SG Residential Mortgage Trust Series 2019-3, Class A1, CMO, ARM 2.703%, 9/25/59 (1)	637	614
Structured Agency Credit Risk Debt Notes Series 2021-DNA2, Class M2, CMO, ARM SOFR30A + 2.30%, 7.273%, 8/25/33 (1)	8,982	8,959

	Par/Shares	\$ Value
(Amounts in 000s)		
Structured Agency Credit Risk Debt Notes Series 2022-DNA3, Class M1A, CMO, ARM SOFR30A + 2.00%, 6.973%, 4/25/42 (1)	15,368	15,442
Towd Point Mortgage Trust Series 2019-HY3, Class A1A, CMO, ARM 1M USD LIBOR + 1.00%, 6.138%, 10/25/59 (1)	4,030	3,982
Verus Securitization Trust Series 2019-4, Class A1, CMO, STEP 2.642%, 11/25/59 (1)	2,209	2,118
Verus Securitization Trust Series 2019-INV2, Class A3, CMO, ARM 3.219%, 7/25/59 (1)	3,542	3,410
Verus Securitization Trust Series 2019-INV3, Class A3, CMO, ARM 3.10%, 11/25/59 (1)	4,230	4,060
Verus Securitization Trust Series 2020-1, Class A1, CMO, STEP 2.417%, 1/25/60 (1)	2,371	2,221
Verus Securitization Trust Series 2020-2, Class A3, CMO, ARM 3.995%, 5/25/60 (1)	7,815	7,448
Verus Securitization Trust Series 2020-INV1, Class A1, CMO, ARM 1.977%, 3/25/60 (1)	765	742
Verus Securitization Trust Series 2022-1, Class A1, CMO, STEP 2.724%, 1/25/67 (1)	5,786	5,190
Vista Point Securitization Trust Series 2020-1, Class A3, CMO, ARM 3.201%, 3/25/65 (1)	17,346	16,241
Vista Point Securitization Trust Series 2020-2, Class A1, CMO, ARM 1.475%, 4/25/65 (1)	2,215	1,963
		298,992
Commercial Mortgage-Backed Securities 2.1%		
Austin Fairmont Hotel Trust Series 2019-FAIR, Class B, ARM 1M USD LIBOR + 1.25%, 6.357%, 9/15/32 (1)	6,970	6,864
Aventura Mall Trust Series 2018-AVM, Class A, ARM 4.112%, 7/5/40 (1)	39,170	35,815
BAMLL Commercial Mortgage-Backed Securities Trust Series 2018-DSNY, Class A, ARM 1M USD LIBOR + 0.85%, 5.958%, 9/15/34 (1)	35,456	35,159
BANK Series 2017-BNK8, Class AS 3.731%, 11/15/50	2,705	2,440

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
BBCMS Mortgage Trust Series 2019-BWAY, Class D, ARM 1M TSFR + 2.274%, 7.333%, 11/15/34 (1)	10,230	5,073
BX Commercial Mortgage Trust Series 2022-CSMO, Class B, ARM 1M TSFR + 3.141%, 8.20%, 6/15/27 (1)	8,275	8,226
BX Trust Series 2021-ARIA, Class B, ARM 1M USD LIBOR + 1.297%, 6.404%, 10/15/36 (1)	6,815	6,550
BXSC Commercial Mortgage Trust Series 2022-WSS, Class B, ARM 1M TSFR + 2.092%, 7.152%, 3/15/35 (1)	16,730	16,374
Cantor Commercial Real Estate Lending Series 2019-CF2, Class B 3.267%, 11/15/52	9,752	7,746
Citigroup Commercial Mortgage Trust Series 2013-375P, Class D, ARM 3.518%, 5/10/35 (1)	14,725	12,737
Citigroup Commercial Mortgage Trust Series 2019-C7, Class 805A, ARM 3.79%, 12/15/72 (1)	12,000	8,055
Citigroup Commercial Mortgage Trust Series 2020-555, Class C 3.031%, 12/10/41 (1)	8,370	6,717
Citigroup Commercial Mortgage Trust Series 2020-555, Class D 3.233%, 12/10/41 (1)	5,500	4,198
Cold Storage Trust Series 2020-ICE5, Class B, ARM 1M USD LIBOR + 1.30%, 6.407%, 11/15/37 (1)	11,083	10,847
Eleven Madison Mortgage Trust Series 2015-11MD, Class A, ARM 3.555%, 9/10/35 (1)	23,679	21,214
GS Mortgage Securities Trust Series 2019-GC40, Class B 3.543%, 7/10/52	12,730	10,357
JPMorgan Chase Commercial Mortgage Securities Trust Series 2018-WPT, Class AFX 4.248%, 7/5/33 (1)	9,825	8,828
JPMorgan Chase Commercial Mortgage Securities Trust Series 2018-WPT, Class BFX 4.549%, 7/5/33 (1)	7,620	6,690
JPMorgan Chase Commercial Mortgage Securities Trust Series 2018-WPT, Class CFX 4.95%, 7/5/33 (1)	11,395	9,777
LUXE Trust Series 2021-TRIP, Class B, ARM 1M USD LIBOR + 1.40%, 6.507%, 10/15/38 (1)	7,283	7,155

	Par/Shares	\$ Value
(Amounts in 000s)		
Morgan Stanley Bank of America Merrill Lynch Trust Series 2014-C17, Class B, ARM 4.464%, 8/15/47	20,470	19,495
SMRT Series 2022-MINI, Class C, ARM 1M TSFR + 1.55%, 6.61%, 1/15/39 (1)	2,930	2,792
UBS Commercial Mortgage Trust Series 2018-C9, Class AS, ARM 4.318%, 3/15/51	7,230	6,446
VNDO Trust Series 2016-350P, Class D, ARM 3.903%, 1/10/35 (1)	8,849	7,729
Wells Fargo Commercial Mortgage Trust Series 2015-NXS2, Class AS, ARM 4.121%, 7/15/58	6,215	5,846
Wells Fargo Commercial Mortgage Trust Series 2017-C39, Class B 4.025%, 9/15/50	5,750	5,075
Wells Fargo Commercial Mortgage Trust Series 2017-C41, Class AS, ARM 3.785%, 11/15/50	10,000	9,109
Wells Fargo Commercial Mortgage Trust Series 2019-JWDR, Class A, ARM 2.501%, 9/15/31 (1)	26,355	23,661
Worldwide Plaza Trust Series 2017-WWP, Class A 3.526%, 11/10/36 (1)	24,455	21,003
		331,978
Total Non-U.S. Government Mortgage-Backed Securities (Cost \$700,935)		630,970

U.S. GOVERNMENT & AGENCY MORTGAGE-BACKED SECURITIES 33.8%

U.S. Government Agency Obligations 26.8%

Federal Home Loan Mortgage 2.50%, 5/1/30	5,288	4,965
3.00%, 12/1/42 - 4/1/47	16,401	14,936
3.50%, 9/1/42 - 3/1/46	77,520	73,008
4.00%, 10/1/40 - 8/1/45	8,302	8,021
4.50%, 6/1/39 - 5/1/42	12,743	12,679
5.00%, 7/1/25 - 8/1/40	3,473	3,504
5.50%, 4/1/26 - 12/1/39	3,411	3,514
6.00%, 10/1/32 - 8/1/38	2,210	2,291
6.50%, 4/1/24 - 9/1/39	839	866
7.00%, 2/1/24 - 6/1/32	20	20
7.50%, 5/1/24 - 6/1/24	—	—

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Federal Home Loan Mortgage, ARM		
12M USD LIBOR + 1.725%, 3.975%, 7/1/35	20	19
12M USD LIBOR + 1.823%, 4.072%, 3/1/36	88	87
12M USD LIBOR + 1.828%, 4.202%, 2/1/37	106	104
12M USD LIBOR + 1.842%, 4.091%, 1/1/37	126	123
12M USD LIBOR + 1.93%, 4.187%, 12/1/36	80	79
12M USD LIBOR + 2.03%, 4.276%, 11/1/36	115	113
1Y CMT + 2.25%, 3.928%, 10/1/36	50	51
Federal Home Loan Mortgage, CMO, IO, 4.50%, 5/25/50	11,938	2,177
Federal Home Loan Mortgage, CMO, PO, Zero Coupon, 8/15/28	6	5
Federal Home Loan Mortgage, UMBS		
1.50%, 4/1/37	5,214	4,555
2.00%, 12/1/36 - 5/1/52	313,191	260,517
2.50%, 4/1/37 - 9/1/52	354,056	305,646
3.00%, 1/1/33 - 8/1/52	132,484	119,878
3.50%, 6/1/47 - 11/1/52	40,395	37,724
4.00%, 6/1/37 - 2/1/50	30,644	29,440
4.50%, 9/1/37 - 11/1/52	19,304	18,755
5.00%, 8/1/52 - 11/1/52	16,087	15,858
Federal National Mortgage Assn.		
3.00%, 6/1/33 - 8/1/46	6,261	5,690
3.50%, 6/1/42 - 5/1/46	46,625	43,649
4.00%, 11/1/40	8,230	7,877
Federal National Mortgage Assn., ARM		
12M USD LIBOR + 1.34%, 3.59%, 12/1/35	66	65
12M USD LIBOR + 1.601%, 3.856%, 7/1/36	232	233
12M USD LIBOR + 1.655%, 3.905%, 8/1/37	48	47
12M USD LIBOR + 1.869%, 4.119%, 8/1/36	121	119
Federal National Mortgage Assn., CMO, IO, 6.50%, 2/25/32	24	4
Federal National Mortgage Assn., UMBS		
1.50%, 2/1/37 - 1/1/42	101,656	87,529
2.00%, 11/1/35 - 7/1/52	736,297	611,343
2.50%, 5/1/30 - 9/1/52	446,551	388,036
3.00%, 6/1/27 - 7/1/52	365,906	333,455
3.50%, 11/1/32 - 3/1/52	139,147	130,558
4.00%, 7/1/35 - 9/1/52	173,442	166,845
4.50%, 7/1/39 - 7/1/52	111,539	109,880
5.00%, 3/1/25 - 10/1/52	53,447	53,677
5.50%, 9/1/23 - 9/1/41	18,137	18,637
6.00%, 11/1/32 - 2/1/53	100,384	102,803
6.50%, 8/1/27 - 3/1/41	8,437	8,813
7.00%, 10/1/29 - 4/1/37	100	100
UMBS, TBA (9)		
2.00%, 6/1/38 - 6/1/53	535,220	449,747
2.50%, 6/1/53	294,515	251,770
3.00%, 6/1/53	142,065	126,091

T. ROWE PRICE NEW INCOME FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
3.50%, 6/1/53	110,885	101,871
4.00%, 6/1/53	96,135	90,818
4.50%, 6/1/53	64,135	62,119
5.00%, 6/1/53	48,795	48,066
5.50%, 6/1/53	74,115	74,069
6.50%, 6/1/53	57,020	58,365
		4,251,211
U.S. Government Obligations 7.0%		
Government National Mortgage Assn.		
1.50%, 8/20/36 - 6/20/37	18,018	15,653
2.00%, 3/20/51 - 3/20/52	233,412	198,162
2.50%, 8/20/50 - 3/20/52	238,563	208,791
3.00%, 9/15/42 - 6/20/52	207,067	187,774
3.50%, 9/15/41 - 10/20/49	138,716	130,668
4.00%, 2/20/41 - 10/20/52	104,556	100,205
4.50%, 7/15/26 - 10/20/52	67,322	66,133
5.00%, 9/15/33 - 6/20/48	39,304	39,796
5.50%, 10/20/32 - 3/20/49	17,098	17,479
6.00%, 1/20/34 - 12/20/38	2,120	2,224
6.50%, 1/15/26 - 12/15/31	42	43
7.00%, 12/20/23 - 1/20/53	13,318	13,668
7.50%, 7/15/28 - 8/15/28	41	42
8.00%, 9/15/27 - 10/15/27	99	100
8.50%, 9/20/26	—	—
Government National Mortgage Assn., CMO		
3.00%, 11/20/47 - 12/20/47	3,100	2,874
3.50%, 10/20/50	9,510	8,101
Government National Mortgage Assn., CMO, IO		
3.50%, 5/20/43	3,003	464
4.00%, 2/20/43	2,150	276
Government National Mortgage Assn., TBA (9)		
5.50%, 6/20/53	105,585	105,519
6.50%, 7/20/53	7,670	7,798
		1,105,770
Total U.S. Government & Agency Mortgage-Backed Securities (Cost \$5,675,124)		5,356,981
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 28.6%		
U.S. Treasury Obligations 28.6%		
U.S. Treasury Bonds, 3.00%, 8/15/52	344,530	292,958
U.S. Treasury Bonds, 3.375%, 8/15/42	437,190	399,414
U.S. Treasury Bonds, 3.625%, 2/15/53	304,045	292,121
U.S. Treasury Bonds, 3.875%, 2/15/43	159,815	156,893
U.S. Treasury Bonds, 4.00%, 11/15/42	304,955	305,146

	Par/Shares	\$ Value
(Amounts in 000s)		
U.S. Treasury Bonds, 4.00%, 11/15/52	306,140	314,846
U.S. Treasury Notes, 1.50%, 1/31/27	342,590	314,219
U.S. Treasury Notes, 2.25%, 1/31/24	385,690	377,976
U.S. Treasury Notes, 3.75%, 4/15/26	230,770	228,751
U.S. Treasury Notes, 3.875%, 1/15/26 (10)	348,510	346,114
U.S. Treasury Notes, 3.875%, 11/30/27	212,795	213,127
U.S. Treasury Notes, 3.875%, 11/30/29	115,930	116,763
U.S. Treasury Notes, 4.00%, 12/15/25	630,415	627,854
U.S. Treasury Notes, 4.125%, 9/30/27	228,435	230,684
U.S. Treasury Notes, 4.125%, 10/31/27	7,870	7,951
U.S. Treasury Notes, 4.125%, 11/15/32	298,680	309,741
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost \$4,584,857)		4,534,558
SHORT-TERM INVESTMENTS 12.2%		
Money Market Funds 12.2%		
T. Rowe Price Government Reserve Fund, 5.11% (4)(11)	1,929,713	1,929,713
Total Short-Term Investments (Cost \$1,929,713)		1,929,713
SECURITIES LENDING COLLATERAL 0.6%		
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH JPMORGAN CHASE BANK 0.1%		
Money Market Funds 0.1%		
T. Rowe Price Government Reserve Fund, 5.11% (4)(11)	9,080	9,080
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		9,080
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH STATE STREET BANK AND TRUST COMPANY 0.5%		
Money Market Funds 0.5%		
T. Rowe Price Government Reserve Fund, 5.11% (4)(11)	80,120	80,120
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		80,120
Total Securities Lending Collateral (Cost \$89,200)		89,200

(Amounts in 000s, except for contracts)

OPTIONS PURCHASED 0.0%**OTC Options Purchased 0.0%**

Counterparty	Description	Contracts	Notional Amount	\$ Value
Bank of America	USD /JPY Put, 7/6/23 @ JPY127.00 (12)	1	239,030	148
Total Options Purchased (Cost \$3,538)				148
Total Investments in Securities				
109.0% of Net Assets				
(Cost \$18,080,846)				\$ 17,275,934

‡ Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.

- (1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to \$2,016,121 and represents 12.7% of net assets.
 - (2) Bank loan positions may involve multiple underlying tranches. In those instances, the position presented reflects the aggregate of those respective underlying tranches and the rate presented reflects the weighted average rate of the settled positions.
 - (3) All or a portion of the position represents an unfunded commitment; a liability to fund the commitment has been recognized. The fund's total unfunded commitment at May 31, 2023, was \$619 and was valued at \$582 (0.0% of net assets).
 - (4) Affiliated Companies
 - (5) SEC 30-day yield
 - (6) See Note 4. All or a portion of this security is on loan at May 31, 2023.
 - (7) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread are provided if the rate is currently floating.
 - (8) Perpetual security with no stated maturity date.
 - (9) See Note 4. To-Be-Announced purchase commitment. Total value of such securities at period-end amounts to \$1,376,233 and represents 8.7% of net assets.
 - (10) At May 31, 2023, all or a portion of this security is pledged as collateral and/or margin deposit to cover future funding obligations.
 - (11) Seven-day yield
 - (12) Non-income producing
- 1M TSFR One month term SOFR (Secured overnight financing rate)
- 1M USD LIBOR One month USD LIBOR (London interbank offered rate)
- 3M TSFR Three month term SOFR (Secured overnight financing rate)

3M USD LIBOR	Three month USD LIBOR (London interbank offered rate)
12M USD LIBOR	Twelve month USD LIBOR (London interbank offered rate)
1Y CMT	One year U.S. Treasury note constant maturity
ARM	Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.
CAD	Canadian Dollar
CLO	Collateralized Loan Obligation
CMO	Collateralized Mortgage Obligation
DKK	Danish Krone
EUR	Euro
FRN	Floating Rate Note
GBP	British Pound
IO	Interest-only security for which the fund receives interest on notional principal
JPY	Japanese Yen
OTC	Over-the-counter
PLN	Polish Zloty
PO	Principal-only security for which the fund receives regular cash flows based on principal repayments
SOFR30A	30-day Average SOFR (Secured overnight financing rate)
STEP	Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s); rate shown is effective rate at period-end.
TBA	To-Be-Announced
UMBS	Uniform Mortgage-Backed Securities
USD	U.S. Dollar
VR	Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

(Amounts in 000s)

SWAPS 0.1%

Description	Notional Amount	\$ Value	Upfront Payments/ \$ (Receipts)**	Unrealized \$ Gain/(Loss)
BILATERAL SWAPS 0.0%				
Credit Default Swaps, Protection Sold 0.0%				
JPMorgan Chase, Protection Sold (Relevant Credit: Barclays Bank, Baa1*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/24 (EUR)	5,778	17	47	(30)
Total Bilateral Credit Default Swaps, Protection Sold			47	(30)
Total Bilateral Swaps			47	(30)

Description	Notional Amount	\$ Value	Initial \$ Value**	Unrealized \$ Gain/(Loss)
CENTRALLY CLEARED SWAPS 0.1%				
Credit Default Swaps, Protection Sold 0.1%				
Protection Sold (Relevant Credit: Markit CDX.NA.HY-S40, 5 Year Index), Receive 5.00% Quarterly, Pay upon credit default, 6/20/28	153,650	3,197	2,855	342
Protection Sold (Relevant Credit: Markit CDX.NA.IG-S40, 5 Year Index), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	711,113	9,420	6,788	2,632
Protection Sold (Relevant Credit: MetLife, A3*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	3,767	(20)	(58)	38
Protection Sold (Relevant Credit: Republic of Indonesia, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	77,535	524	(712)	1,236

(Amounts in 000s)

Description	Notional Amount	\$ Value	Initial \$ Value**	Unrealized \$ Gain/(Loss)
Protection Sold (Relevant Credit: United Mexican States, Baa2*), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	93,545	(432)	(1,719)	1,287
Total Centrally Cleared Credit Default Swaps, Protection Sold				5,535
Total Centrally Cleared Swaps				5,535
Net payments (receipts) of variation margin to date				(6,264)
Variation margin receivable (payable) on centrally cleared swaps				\$ (729)

* Credit ratings as of May 31, 2023. Ratings shown are from Moody's Investors Service and if Moody's does not rate a security, then Standard & Poor's (S&P) is used. Fitch is used for securities that are not rated by either Moody's or S&P.

** Includes interest purchased or sold but not yet collected of \$1,391.

(Amounts in 000s)

FORWARD CURRENCY EXCHANGE CONTRACTS

Counterparty	Settlement	Receive	Deliver		Unrealized Gain/(Loss)	
Bank of America	7/21/23	CAD	105,045	USD	78,517	\$ (1,042)
Bank of America	8/25/23	GBP	47,602	USD	59,674	(370)
BNP Paribas	7/14/23	DKK	796,410	USD	117,768	(3,107)
BNP Paribas	7/14/23	USD	117,921	DKK	796,410	3,261
BNP Paribas	8/25/23	USD	15,588	EUR	14,242	289
Citibank	8/18/23	PLN	499,135	USD	119,433	(2,080)
Citibank	8/18/23	USD	118,924	PLN	499,135	1,570
Goldman Sachs	8/25/23	USD	118,868	GBP	95,205	259
RBC Dominion Securities	7/21/23	CAD	106,435	USD	79,939	(1,439)
RBC Dominion Securities	7/21/23	USD	156,284	CAD	211,480	309
State Street	8/25/23	GBP	47,602	USD	59,775	(471)
Net unrealized gain (loss) on open forward currency exchange contracts						\$ (2,821)

FUTURES CONTRACTS

(\$000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Short, 410 Government of Japan ten year bond contracts	6/23	(437,294)	\$ (3,263)
Long, 20,756 U.S. Treasury Notes five year contracts	9/23	2,264,025	(693)
Long, 6,698 U.S. Treasury Notes ten year contracts	9/23	766,712	1,822
Short, 6,112 Ultra U.S. Treasury Bonds contracts	9/23	(836,580)	(13,667)
Long, 8,993 Ultra U.S. Treasury Notes ten year contracts	9/23	1,083,235	9,428
Net payments (receipts) of variation margin to date			12,077
Variation margin receivable (payable) on open futures contracts			\$ 5,704

AFFILIATED COMPANIES

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the year ended May 31, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized		Change in Net		Investment
	Gain (Loss)		Unrealized		
T. Rowe Price Institutional Floating Rate Fund - Z Class, 9.19%	\$	(9,170)	\$	5,447	\$ 6,825
T. Rowe Price Government Reserve Fund, 5.11%		—		—	30,290 ⁺⁺
Affiliates not held at period end		(3,052)		42	1,488
Totals	\$	(12,222) [#]	\$	5,489	\$ 38,603 ⁺

Supplementary Investment Schedule

Affiliate	Value 05/31/22	Purchase Cost	Sales Cost	Value 05/31/23
T. Rowe Price Institutional Floating Rate Fund - Z Class, 9.19%	\$ 294,292	\$ 6,877	\$ 306,332	\$ 284
T. Rowe Price Institutional High Yield Fund - Z Class	47,190	1,278	48,510	—
T. Rowe Price Government Reserve Fund, 5.11%	1,529,312	□	□	2,018,913
Total				\$ 2,019,197 [^]

Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).

⁺⁺ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.

⁺ Investment income comprised \$38,603 of dividend income and \$0 of interest income.

□ Purchase and sale information not shown for cash management funds.

[^] The cost basis of investments in affiliated companies was \$2,019,183.

T. ROWE PRICE NEW INCOME FUND

May 31, 2023

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Assets

Investments in securities, at value (cost \$18,080,846)	\$ 17,275,934
Receivable for investment securities sold	252,695
Interest receivable	97,147
Cash	13,365
Variation margin receivable on futures contracts	5,704
Unrealized gain on forward currency exchange contracts	5,688
Due from affiliates	3,206
Receivable for shares sold	2,263
Foreign currency (cost \$189)	189
Bilateral swap premiums paid	47
Other assets	93
Total assets	<u>17,656,331</u>

Liabilities

Payable for investment securities purchased	1,696,264
Obligation to return securities lending collateral	89,200
Unrealized loss on forward currency exchange contracts	8,509
Payable for shares redeemed	8,151
Investment management fees payable	4,199
Variation margin payable on centrally cleared swaps	729
Unrealized loss on bilateral swaps	30
Payable to directors	8
Other liabilities	1,720
Total liabilities	<u>1,808,810</u>

NET ASSETS**\$ 15,847,521**

May 31, 2023

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Net Assets Consist of:

Total distributable earnings (loss)	\$ (2,866,593)
Paid-in capital applicable to 1,953,975,155 shares of \$1.00 par value capital stock outstanding; 12,000,000,000 shares authorized	18,714,114

NET ASSETS	\$ 15,847,521
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NET ASSET VALUE PER SHARE**Investor Class**

(Net assets: \$818,504; Shares outstanding: 100,880,453)	<u>\$ 8.11</u>
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Advisor Class

(Net assets: \$9,209; Shares outstanding: 1,137,751)	<u>\$ 8.09</u>
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R Class

(Net assets: \$1,012; Shares outstanding: 124,690)	<u>\$ 8.11</u>
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I Class

(Net assets: \$2,663,317; Shares outstanding: 328,417,478)	<u>\$ 8.11</u>
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Z Class

(Net assets: \$12,355,479; Shares outstanding: 1,523,414,783)	<u>\$ 8.11</u>
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS

(\$000s)

		Year Ended 5/31/23
Investment Income (Loss)		
Income		
Interest	\$	528,617
Dividend		38,603
Securities lending		1,266
Other		8
Total income		568,494
Expenses		
Investment management		50,289
Shareholder servicing		
Investor Class	\$	1,825
Advisor Class		29
R Class		4
I Class		965
		2,823
Rule 12b-1 fees		
Advisor Class		28
R Class		6
		34
Prospectus and shareholder reports		
Investor Class		37
Advisor Class		1
I Class		2
Z Class		4
		44
Custody and accounting		528
Registration		125
Directors		46
Legal and audit		35
Proxy and annual meeting		24
Miscellaneous		18
Waived / paid by Price Associates		(40,280)
Total expenses		13,686
Net investment income		554,808

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 5/31/23
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	(944,743)
Futures	(280,559)
Swaps	(18,693)
Forward currency exchange contracts	(3,914)
Foreign currency transactions	286
Net realized loss	(1,247,623)
Change in net unrealized gain / loss	
Securities	151,473
Futures	22,959
Swaps	5,520
Forward currency exchange contracts	(1,421)
Other assets and liabilities denominated in foreign currencies	28
Change in net unrealized gain / loss	178,559
Net realized and unrealized gain / loss	(1,069,064)
DECREASE IN NET ASSETS FROM OPERATIONS	\$ (514,256)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year	
	Ended	
	5/31/23	5/31/22
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 554,808	\$ 377,683
Net realized loss	(1,247,623)	(570,223)
Change in net unrealized gain / loss	178,559	(1,435,851)
Decrease in net assets from operations	(514,256)	(1,628,391)
Distributions to shareholders		
Net earnings		
Investor Class	(27,221)	(64,996)
Advisor Class	(332)	(288)
R Class	(30)	(33)
I Class	(87,651)	(54,707)
Z Class	(438,273)	(478,357)
Decrease in net assets from distributions	(553,507)	(598,381)
Capital share transactions*		
Shares sold		
Investor Class	82,621	229,652
Advisor Class	857	2,105
R Class	119	263
I Class	472,373	2,279,921
Z Class	1,093,418	2,376,092
Distributions reinvested		
Investor Class	25,930	61,630
Advisor Class	327	283
R Class	30	32
I Class	84,613	53,154
Z Class	438,273	478,357
Shares redeemed		
Investor Class	(230,029)	(1,996,307)
Advisor Class	(5,277)	(6,558)
R Class	(463)	(743)
I Class	(727,108)	(1,586,925)
Z Class	(2,198,371)	(3,066,111)
Decrease in net assets from capital share transactions	(962,687)	(1,175,155)

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year	
	Ended	5/31/22
	5/31/23	5/31/22
Net Assets		
Decrease during period	(2,030,450)	(3,401,927)
Beginning of period	17,877,971	21,279,898
End of period	\$ 15,847,521	\$ 17,877,971
*Share information (000s)		
Shares sold		
Investor Class	10,027	23,900
Advisor Class	104	218
R Class	14	28
I Class	57,367	244,266
Z Class	133,534	246,132
Distributions reinvested		
Investor Class	3,166	6,425
Advisor Class	40	30
R Class	4	3
I Class	10,336	5,651
Z Class	53,524	50,389
Shares redeemed		
Investor Class	(27,871)	(214,678)
Advisor Class	(654)	(684)
R Class	(56)	(77)
I Class	(87,780)	(163,540)
Z Class	(263,861)	(325,143)
Decrease in shares outstanding	(112,106)	(127,080)

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price New Income Fund, Inc. (the fund) is registered under the Investment Company Act of 1940 (the 1940 Act) as a diversified, open-end management investment company. The fund seeks to maximize total return through income and capital appreciation. The fund has five classes of shares: the New Income Fund (Investor Class), the New Income Fund–Advisor Class (Advisor Class), the New Income Fund–R Class (R Class), the New Income Fund–I Class (I Class), and the New Income Fund–Z Class (Z Class). Advisor Class shares are sold only through various brokers and other financial intermediaries, and R Class shares are available through financial intermediaries for employer-sponsored defined contribution retirement plans and certain other retirement accounts. I Class shares require a \$500,000 initial investment minimum, although the minimum generally is waived or reduced for financial intermediaries, eligible retirement plans, and certain other accounts. Prior to November 15, 2021, the initial investment minimum was \$1 million and was generally waived for financial intermediaries, eligible retirement plans, and other certain accounts. As a result of the reduction in the I Class minimum, certain assets transferred from the Investor Class to the I Class. This transfer of shares from Investor Class to I Class is reflected in the Statement of Changes in Net Assets within the Capital shares transactions as Shares redeemed and Shares sold, respectively. The Z Class is only available to funds advised by T. Rowe Price Associates, Inc. and its affiliates and other clients that are subject to a contractual fee for investment management services. The Advisor Class and R Class each operate under separate Board-approved Rule 12b-1 plans, pursuant to which each class compensates financial intermediaries for distribution, shareholder servicing, and/or certain administrative services; the Investor, I and Z Classes do not pay Rule 12b-1 fees. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to all classes; and, in all other respects, the same rights and obligations as the other classes.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates

and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

Investment Transactions, Investment Income, and Distributions Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Paydown gains and losses are recorded as an adjustment to interest income. Inflation adjustments to the principal amount of inflation-indexed bonds are reflected as interest income. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared by each class daily and paid monthly. A capital gain distribution, if any, may also be declared and paid by the fund annually.

Currency Translation Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

Class Accounting Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. Expenses common to all classes and investment income are allocated to the classes based upon the relative daily net assets of each class's settled shares; realized and unrealized gains and losses are allocated based upon the relative daily net assets of each class's outstanding shares. The Advisor Class and R Class each pay Rule 12b-1 fees, in an amount not exceeding 0.25% and 0.50%, respectively, of the class's average daily net assets.

Capital Transactions Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open

for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

New Accounting Guidance The FASB issued Accounting Standards Update (ASU), ASU 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

Indemnification In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

NOTE 2 - VALUATION

Fair Value The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date
- Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)
- Level 3 – unobservable inputs (including the Valuation Designee’s assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

Valuation Techniques Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

Investments in mutual funds are valued at the mutual fund’s closing NAV per share on the day of valuation. Listed options, and OTC options with a listed equivalent, are valued at the mean of the closing bid and asked prices and exchange-traded options on futures contracts are valued at closing settlement prices. Futures contracts are valued at closing settlement prices. Forward currency exchange contracts are valued using the prevailing forward exchange rate. Swaps are valued at prices furnished by an

independent pricing service or independent swap dealers. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on May 31, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Fixed Income Securities ¹	\$ —	\$ 15,256,589	\$ —	\$ 15,256,589
Bond Mutual Funds	284	—	—	284
Short-Term Investments	1,929,713	—	—	1,929,713
Securities Lending Collateral	89,200	—	—	89,200
Options Purchased	—	148	—	148
Total Securities	2,019,197	15,256,737	—	17,275,934
Swaps*	—	5,552	—	5,552
Forward Currency Exchange Contracts	—	5,688	—	5,688
Futures Contracts*	11,250	—	—	11,250
Total	\$ 2,030,447	\$ 15,267,977	\$ —	\$ 17,298,424
Liabilities				
Forward Currency Exchange Contracts	\$ —	\$ 8,509	\$ —	\$ 8,509
Futures Contracts*	17,623	—	—	17,623
Total	\$ 17,623	\$ 8,509	\$ —	\$ 26,132

¹ Includes Asset-Backed Securities, Bank Loans, Corporate Bonds, Foreign Government Obligations & Municipalities, Non-U.S. Government Mortgage-Backed Securities, U.S. Government & Agency Mortgage-Backed Securities and U.S. Government Agency Obligations (Excluding Mortgage-Backed).

* The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the net value reflected on the accompanying Portfolio of Investments is only the unsettled variation margin receivable (payable) at that date.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the year ended May 31, 2023, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes and may use them to establish both long and short positions within the fund's portfolio. Potential uses include to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust portfolio duration and credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. The following table summarizes the fair value of the fund's derivative instruments held as of May 31, 2023, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

(\$000s)	Location on Statement of Assets and Liabilities	Fair Value*
Assets		
Interest rate derivatives	Futures	\$ 11,250
Foreign exchange derivatives	Forwards, Securities^	5,836
Credit derivatives	Bilateral Swaps and Premiums, Centrally Cleared Swaps	5,552
Total		\$ 22,638
Liabilities		
Interest rate derivatives	Futures	\$ 17,623
Foreign exchange derivatives	Forwards	8,509
Total		\$ 26,132

* The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

^ Options purchased are reported as securities and are reflected in the accompanying Portfolio of Investments.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the year ended May 31, 2023, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

(\$000s)	Location of Gain (Loss) on Statement of Operations				
	Securities [^]	Futures	Forward Currency Exchange Contracts	Swaps	Total
Realized Gain (Loss)					
Interest rate derivatives	\$ —	\$ (280,559)	\$ —	\$ 638	\$ (279,921)
Foreign exchange derivatives	—	—	(3,914)	—	(3,914)
Credit derivatives	—	—	—	(19,331)	(19,331)
Total	\$ —	\$ (280,559)	\$ (3,914)	\$ (18,693)	\$ (303,166)
Change in Unrealized Gain (Loss)					
Interest rate derivatives	\$ —	\$ 22,959	\$ —	\$ —	\$ 22,959
Foreign exchange derivatives	(3,390)	—	(1,421)	—	(4,811)
Credit derivatives	—	—	—	5,520	5,520
Total	\$ (3,390)	\$ 22,959	\$ (1,421)	\$ 5,520	\$ 23,668

[^] Options purchased are reported as securities.

Counterparty Risk and Collateral The fund invests in derivatives in various markets, which expose it to differing levels of counterparty risk. Counterparty risk on exchange-traded and centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps, is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Derivatives, such as non-cleared bilateral swaps, forward currency exchange contracts, and OTC options, that are transacted and settle directly with a counterparty (bilateral derivatives) may expose the fund to greater counterparty risk. To mitigate this risk, the fund has entered into master netting arrangements (MNAs) with certain counterparties that permit net settlement under specified conditions and, for certain counterparties, also require the exchange of collateral to cover mark-to-market exposure. MNAs may be in the form of International Swaps and Derivatives Association master agreements (ISDAs) or foreign exchange letter agreements (FX letters).

MNAs provide the ability to offset amounts the fund owes a counterparty against amounts the counterparty owes the fund (net settlement). Both ISDAs and FX letters generally allow termination of transactions and net settlement upon the occurrence of contractually specified events, such as failure to pay or bankruptcy. In addition, ISDAs specify other events, the occurrence of which would allow one of the parties to terminate. For example, a downgrade in credit rating of a counterparty below a specified rating would allow the fund to terminate, while a decline in the fund's net assets of more than a specified percentage would allow the counterparty to terminate. Upon termination, all transactions with that counterparty would be liquidated and a net termination amount settled. ISDAs typically include collateral agreements whereas FX letters do not. Collateral requirements are determined daily based on the net aggregate unrealized gain or loss on all bilateral derivatives with a counterparty, subject to minimum transfer amounts that typically range from \$100,000 to \$250,000. Any additional collateral required due to changes in security values is typically transferred the next business day.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies, although other securities may be used depending on the terms outlined in the applicable MNA. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. Collateral pledged by counterparties is not included in the fund's assets because the fund does not obtain effective control over those assets. For bilateral derivatives, collateral posted or received by the fund is held in a segregated account at the fund's custodian. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were cleared, and OTC and bilateral derivatives may be unwound with counterparties or transactions assigned to other counterparties to allow the fund to exit the transaction. This ability is subject to the liquidity of underlying positions. As of May 31, 2023, securities valued at \$3,605,000 had been pledged or posted by the fund to counterparties

for bilateral derivatives. As of May 31, 2023, collateral pledged by counterparties to the fund for bilateral derivatives consisted of \$1,520,000 cash and securities valued at \$283,000. As of May 31, 2023, securities valued at \$168,286,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Forward Currency Exchange Contracts The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. It may use forward currency exchange contracts (forwards) primarily to protect its non-U.S. dollar-denominated securities from adverse currency movements or to increase exposure to a particular foreign currency, to shift the fund's foreign currency exposure from one country to another, or to enhance the fund's return. A forward involves an obligation to purchase or sell a fixed amount of a specific currency on a future date at a price set at the time of the contract. Although certain forwards may be settled by exchanging only the net gain or loss on the contract, most forwards are settled with the exchange of the underlying currencies in accordance with the specified terms. Forwards are valued at the unrealized gain or loss on the contract, which reflects the net amount the fund either is entitled to receive or obligated to deliver, as measured by the difference between the forward exchange rates at the date of entry into the contract and the forward rates at the reporting date. Appreciated forwards are reflected as assets and depreciated forwards are reflected as liabilities on the accompanying Statement of Assets and Liabilities. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the agreements; that anticipated currency movements will not occur, thereby reducing the fund's total return; and the potential for losses in excess of the fund's initial investment. During the year ended May 31, 2023, the volume of the fund's activity in forwards, based on underlying notional amounts, was generally less than 1% of net assets.

Futures Contracts The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial

instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund's initial investment. During the year ended May 31, 2023, the volume of the fund's activity in futures, based on underlying notional amounts, was generally between 10% and 29% of net assets.

Options The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives and uses options to help manage such risk. The fund may use options to manage exposure to security prices, interest rates, foreign currencies, and credit quality; as an efficient means of adjusting exposure to all or a part of a target market; to enhance income; as a cash management tool; or to adjust credit exposure. Options are included in net assets at fair value, options purchased are included in Investments in Securities, and options written are separately reflected as a liability on the accompanying Statement of Assets and Liabilities. Premiums on unexercised, expired options are recorded as realized gains or losses; premiums on exercised options are recorded as an adjustment to the proceeds from the sale or cost of the purchase. The difference between the premium and the amount received or paid in a closing transaction is also treated as realized gain or loss. In return for a premium paid, currency options give the holder the right, but not the obligation, to buy and sell currency at a specified exchange rate; although certain currency options may be settled by exchanging only the net gain or loss on the contract. In return for a premium paid, call and put options on futures give the holder the right, but not the obligation, to purchase or sell, respectively, a position in a particular futures contract at a specified exercise price. Risks related to the use of options include possible illiquidity of the options markets; trading restrictions imposed by an exchange or counterparty; possible failure of counterparties to meet the terms of the agreements; movements in the underlying asset values and currency values; and, for options written, the potential for losses to exceed any premium received by the fund. During the year ended May 31, 2023, the volume of the fund's activity in options, based on underlying notional amounts, was generally between 0% and 2% of net assets.

Swaps The fund is subject to interest rate risk and credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risks. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to

certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust portfolio duration and credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the swap and are recognized as realized gain or loss in the Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities.

Interest rate swaps are agreements to exchange cash flows based on the difference between specified interest rates applied to a notional principal amount for a specified period of time. Risks related to the use of interest rate swaps include the potential for unanticipated movements in interest or currency rates, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the

index. Generally, the payment risk for the seller of protection is inversely related to the current market price or credit rating of the underlying credit or the market value of the contract relative to the notional amount, which are indicators of the markets' valuation of credit quality. As of May 31, 2023, the notional amount of protection sold by the fund totaled \$1,045,786,000 (6.6% of net assets), which reflects the maximum potential amount the fund could be required to pay under such contracts. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund's swap investments, and potential losses in excess of the fund's initial investment.

During the year ended May 31, 2023, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 1% and 7% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

Collateralized Loan Obligations The fund invests in collateralized loan obligations (CLOs) which are entities backed by a diversified pool of syndicated bank loans. The cash flows of the CLO can be split into multiple segments, called "tranches" or "classes", which will vary in risk profile and yield. The riskiest segments, which are the subordinate or "equity" tranches, bear the greatest risk of loss from defaults in the underlying assets of the CLO and serve to protect the other, more senior, tranches. Senior tranches will typically have higher credit ratings and lower yields than the securities underlying the CLO. Despite the protection from the more junior tranches, senior tranches can experience substantial losses.

Mortgage-Backed Securities The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however,

the degree of protection differs based on the issuer. The fund also invests in stripped MBS, created when a traditional MBS is split into an interest-only (IO) and a principal-only (PO) strip. MBS, including IOs and POs, are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments. IOs also risk loss of invested principal from faster-than-anticipated prepayments.

TBA Purchase, Sale Commitments and Forward Settling Mortgage Obligations The fund enters into to-be-announced (TBA) purchase or sale commitments (collectively, TBA transactions), pursuant to which it agrees to purchase or sell, respectively, mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for such securities. With TBA transactions, the particular securities to be received or delivered by the fund are not identified at the trade date; however, the securities must meet specified terms, including rate and mortgage term, and be within industry-accepted “good delivery” standards. The fund may enter into TBA transactions with the intention of taking possession of or relinquishing the underlying securities, may elect to extend the settlement by “rolling” the transaction, and/or may use TBA transactions to gain or reduce interim exposure to underlying securities. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a TBA or, in the case of a sale commitment, the fund maintains an entitlement to the security to be sold.

To mitigate counterparty risk, the fund has entered into Master Securities Forward Transaction Agreements (MSFTA) with counterparties that provide for collateral and the right to offset amounts due to or from those counterparties under specified conditions. Subject to minimum transfer amounts, collateral requirements are determined and transfers made based on the net aggregate unrealized gain or loss on all TBA commitments and other forward settling mortgage obligations with a particular counterparty (collectively, MSFTA Transactions). At any time, the fund’s risk of loss from a particular counterparty related to its MSFTA Transactions is the aggregate unrealized gain on appreciated MSFTA Transactions in excess of unrealized loss on depreciated MSFTA Transactions and collateral received, if any, from such counterparty. As of May 31, 2023, securities valued at \$27,910,000 had been posted by the fund to counterparties for MSFTA Transactions. No collateral was pledged by counterparties to the fund for MSFTA Transactions as of May 31, 2023.

Dollar Rolls The fund enters into dollar roll transactions, pursuant to which it sells a mortgage-backed TBA or security and simultaneously agrees to purchase a similar, but not identical, TBA with the same issuer, rate, and terms on a later date at a set price from the same counterparty. The fund may execute a “roll” to obtain better underlying

mortgage securities or to enhance returns. While the fund may enter into dollar roll transactions with the intention of taking possession of the underlying mortgage securities, it may also close a contract prior to settlement or “roll” settlement to a later date if deemed to be in the best interest of shareholders. Actual mortgages received by the fund may be less favorable than those anticipated. The fund accounts for dollar roll transactions as purchases and sales, which has the effect of increasing its portfolio turnover rate.

Bank Loans The fund invests in bank loans, which represent an interest in amounts owed by a borrower to a syndicate of lenders. Bank loans are generally noninvestment grade and often involve borrowers whose financial condition is highly leveraged. The fund may invest in fixed and floating rate loans, which may include senior floating rate loans; secured and unsecured loans, second lien or more junior loans; and bridge loans or bridge facilities. Certain bank loans may be revolvers which are a form of senior bank debt, where the borrower can draw down the credit of the revolver when it needs cash and repays the credit when the borrower has excess cash. Certain loans may be “covenant-lite” loans, which means the loans contain fewer maintenance covenants than other loans (in some cases, none) and do not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. As a result of these risks, the fund’s exposure to losses may be increased.

Bank loans may be in the form of either assignments or participations. A loan assignment transfers all legal, beneficial, and economic rights to the buyer, and transfer typically requires consent of both the borrower and agent. In contrast, a loan participation generally entitles the buyer to receive the cash flows from principal, interest, and any fee payments on a portion of a loan; however, the seller continues to hold legal title to that portion of the loan. As a result, the buyer of a loan participation generally has no direct recourse against the borrower and is exposed to credit risk of both the borrower and seller of the participation.

Bank loans often have extended settlement periods, generally may be repaid at any time at the option of the borrower, and may require additional principal to be funded at the borrowers’ discretion at a later date (e.g. unfunded commitments and revolving debt instruments). Until settlement, the fund maintains liquid assets sufficient to settle its unfunded loan commitments. The fund reflects both the funded portion of a bank loan as well as its unfunded commitment in the Portfolio of Investments. However, if a credit agreement provides no initial funding of a tranche, and funding of the full commitment at a future date(s) is at the borrower’s discretion and considered uncertain, a loan is reflected in the Portfolio of Investments only if, and only to the extent that, the fund has actually settled a funding commitment.

LIBOR Transition The fund may invest in instruments that are tied to reference rates, including LIBOR. Over the course of the last several years, global regulators have indicated an intent to phase out the use of LIBOR and similar interbank offered rates (IBOR). There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. Any potential effects of the transition away from LIBOR on the fund, or on certain instruments in which the fund invests, cannot yet be determined. The transition process may result in, among other things, an increase in volatility or illiquidity of markets for instruments that currently rely on LIBOR, a reduction in the value of certain instruments held by the fund, or a reduction in the effectiveness of related fund transactions such as hedges. Any such effects could have an adverse impact on the fund's performance.

Securities Lending The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At May 31, 2023, the value of loaned securities was \$86,173,000, including securities sold but not yet settled, which are not reflected in the accompanying Portfolio of Investments; the value of cash collateral and related investments was \$89,200,000.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated \$2,409,373,000 and \$4,960,193,000, respectively, for the year ended May 31, 2023. Purchases and sales of U.S. government securities aggregated \$24,270,984,000 and \$23,309,645,000, respectively, for the year ended May 31, 2023.

NOTE 5 - FEDERAL INCOME TAXES

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes.

The fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Capital accounts within the financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The permanent book/tax adjustments, if any, have no impact on results of operations or net assets.

(\$000s)	May 31, 2023	May 31, 2022
Ordinary income (including short-term capital gains, if any)	\$ 553,507	\$ 383,359
Long-term capital gain	—	215,022
Total distributions	<u>\$ 553,507</u>	<u>\$ 598,381</u>

At May 31, 2023, the tax-basis cost of investments (including derivatives, if any) and gross unrealized appreciation and depreciation were as follows:

(\$000s)	
Cost of investments	<u>\$ 18,081,527</u>
Unrealized appreciation	\$ 24,242
Unrealized depreciation	(833,050)
Net unrealized appreciation (depreciation)	<u>\$ (808,808)</u>

At May 31, 2023, the tax-basis components of accumulated net earnings (loss) were as follows:

(\$000s)	
Undistributed ordinary income	\$ 34,467
Net unrealized appreciation (depreciation)	(808,808)
Loss carryforwards and deferrals	(2,092,252)
Total distributable earnings (loss)	\$ (2,866,593)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement purposes versus for tax purposes; these differences will reverse in a subsequent reporting period. The temporary differences relate primarily to the deferral of losses from wash sales and the realization of gains/losses on certain open derivative contracts. The loss carryforwards and deferrals primarily relate to capital loss carryforwards and straddle deferrals. Capital loss carryforwards are available indefinitely to offset future realized capital gains.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management agreement between the fund and Price Associates provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee equal to 0.03% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.260% for assets in excess of \$845 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At May 31, 2023, the effective annual group fee rate was 0.29%. Effective October 1, 2022, Price Associates has contractually agreed, at least through September 30, 2023, to waive a portion of its management fee so that an individual fund fee of 0.0255% is applied to the fund's average daily net assets that are equal to or greater than \$20 billion. Thereafter, this agreement will automatically renew for one-year terms unless terminated by the fund's

Board. Any fees waived under this agreement are not subject to reimbursement to Price Associates by the fund. No management fees were waived under this arrangement for the year ended May 31, 2023.

The Investor Class and R Class are each subject to a contractual expense limitation through the expense limitation dates indicated in the table below. During the limitation period, Price Associates is required to waive its management fee or pay any expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; non-recurring, extraordinary expenses; and acquired fund fees and expenses) that would otherwise cause the class's ratio of annualized total expenses to average net assets (net expense ratio) to exceed its expense limitation. Each class is required to repay Price Associates for expenses previously waived/paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's net expense ratio (after the repayment is taken into account) to exceed the lesser of: (1) the expense limitation in place at the time such amounts were waived; or (2) the class's current expense limitation. However, no repayment will be made more than three years after the date of a payment or waiver.

The I Class is also subject to an operating expense limitation (I Class Limit) pursuant to which Price Associates is contractually required to pay all operating expenses of the I Class, excluding management fees; interest; expenses related to borrowings, taxes, and brokerage; non-recurring, extraordinary expenses; and acquired fund fees and expenses, to the extent such operating expenses, on an annualized basis, exceed the I Class Limit. This agreement will continue through the expense limitation date indicated in the table below, and may be renewed, revised, or revoked only with approval of the fund's Board. The I Class is required to repay Price Associates for expenses previously paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's operating expenses (after the repayment is taken into account) to exceed the lesser of: (1) the I Class Limit in place at the time such amounts were paid; or (2) the current I Class Limit. However, no repayment will be made more than three years after the date of a payment or waiver.

The Z Class is also subject to a contractual expense limitation agreement whereby Price Associates has agreed to waive and/or bear all of the Z Class' expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; non-recurring, extraordinary expenses; and acquired fund fees and expenses) in their entirety. This fee waiver and/or expense reimbursement arrangement is expected to remain in place indefinitely, and the agreement may only be amended or terminated with approval by the fund's Board. Expenses of the fund waived/paid by the manager are not subject to later repayment by the fund.

Pursuant to these agreements, expenses were waived/paid by and/or repaid to Price Associates during the year ended May 31, 2023 as indicated in the table below. Including these amounts, expenses previously waived/paid by Price Associates in the amount of \$987,000 remain subject to repayment by the fund at May 31, 2023. Any repayment of expenses previously waived/paid by Price Associates during the period would be included in the net investment income and expense ratios presented on the accompanying Financial Highlights.

	Investor Class	R Class	I Class	Z Class
Expense limitation/I Class Limit	0.44%	1.08%	0.05%	0.00%
Expense limitation date	09/30/23	09/30/23	09/30/23	N/A
(Waived)/repaid during the period (\$000s)	\$(811)	\$1	\$—	\$(39,470)

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates, each an affiliate of the fund (collectively, Price). Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. T. Rowe Price Retirement Plan Services, Inc. provides subaccounting and recordkeeping services for certain retirement accounts invested in the Investor Class, R Class and Advisor Class. For the year ended May 31, 2023, expenses incurred pursuant to these service agreements were \$111,000 for Price Associates; \$1,726,000 for T. Rowe Price Services, Inc.; and \$154,000 for T. Rowe Price Retirement Plan Services, Inc. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities.

Additionally, the fund is one of several mutual funds in which certain college savings plans managed by Price Associates invests. As approved by the fund's Board of Directors, shareholder servicing costs associated with each college savings plan are borne by the fund in proportion to the average daily value of its shares owned by the college savings plan. Price has agreed to waive/reimburse shareholder servicing costs in excess of 0.05% of the fund's average daily value of its shares owned by the college savings plan. Any amounts waived/paid by Price under this voluntary agreement are not subject to repayment by the fund. Price may amend or terminate this voluntary arrangement at any time without prior notice. For the year ended May 31, 2023, the

fund was charged \$322,000 for shareholder servicing costs related to the college savings plans, of which \$37,000 was for services provided by Price. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities. At May 31, 2023, approximately 25% of the outstanding shares of the I Class were held by college savings plans.

Mutual funds, trusts, and other accounts managed by Price Associates or its affiliates (collectively, Price Funds and accounts) may invest in the fund. No Price fund or account may invest for the purpose of exercising management or control over the fund. At May 31, 2023, approximately 100% of the Z Class's outstanding shares were held by Price Funds and accounts.

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may also invest in certain other T. Rowe Price funds (Price Funds) as a means of gaining efficient and cost-effective exposure to certain markets. The fund does not invest for the purpose of exercising management or control; however, investments by the fund may represent a significant portion of an underlying Price Fund's net assets. Each underlying Price Fund is an open-end management investment company managed by Price Associates and is considered an affiliate of the fund. To ensure that the fund does not incur duplicate management fees (paid by the underlying Price Fund(s) and the fund), the fund invests in the Z Class of each underlying Price Fund, for which Price Associates is contractually obligated to waive and/or bear all of the Z Class's expenses, other than interest; expenses related to borrowings, taxes and brokerage; nonrecurring, extraordinary expenses; and acquired fund fees and expenses.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the year ended May 31, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

NOTE 7 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

Since 2020, a novel strain of coronavirus (COVID-19) has resulted in disruptions to global business activity and caused significant volatility and declines in global financial markets.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict leading to economic sanctions being imposed on Russia and certain of its citizens, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the collapse of some US regional and global banks as well as overall concerns around the soundness and stability of the global banking sector has sparked concerns of a broader financial crisis impacting the overall global banking sector. In certain cases, government agencies have assumed control or otherwise intervened in the operations of certain banks due to liquidity and solvency concerns. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of T. Rowe Price New Income Fund, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price New Income Fund, Inc. (the "Fund") as of May 31, 2023, the related statement of operations for the year ended May 31, 2023, the statement of changes in net assets for each of the two years in the period ended May 31, 2023, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of May 31, 2023, 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 ended May 31, 2023 and the financial highlights for each of the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(CONTINUED)**

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of May 31, 2023 by correspondence with the custodians, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Baltimore, Maryland
July 20, 2023

We have served as the auditor of one or more investment companies in the T. Rowe Price group of investment companies since 1973.

TAX INFORMATION (UNAUDITED) FOR THE TAX YEAR ENDED 5/31/23

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

For shareholders subject to interest expense deduction limitation under Section 163(j), \$512,011,000 of the fund's income qualifies as a Section 163(j) interest dividend and can be treated as interest income for purposes of Section 163(j), subject to holding period requirements and other limitations.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on **troweprice.com**.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser), as well as the investment subadvisory agreements (Subadvisory Contracts) that the Adviser has entered into with T. Rowe Price International Ltd and T. Rowe Price Hong Kong Limited (Subadvisers) on behalf of the fund. In that regard, at a meeting held on March 6–7, 2023 (Meeting), the Board, including all of the fund's independent directors, approved the continuation of the fund's Advisory Contract and Subadvisory Contracts. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadvisers and the approval of the Advisory Contract and Subadvisory Contracts. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory Contracts by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract and Subadvisory Contracts, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting but also the knowledge gained over time through interaction with the Adviser and Subadvisers about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders

Services Provided by the Adviser and Subadvisers

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser and Subadvisers. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Adviser's and Subadvisers' senior management teams and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser and Subadvisers, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)

Investment Performance of the Fund

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2022. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2022, which ranked the returns of the fund's Investor Class for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data. In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board noted that, as of December 31, 2022, the fund lagged its benchmark for certain performance periods and the fund's total returns ranked in the fourth quartile for certain periods when compared with performance peer groups selected by third-party data providers. The Adviser provided the Board with information addressing the fund's performance relative to its benchmarks and performance peers during the applicable periods and the primary reasons for such results. The Board considered the Adviser's responses relating to the fund's performance during certain of the evaluated periods. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contracts.

Costs, Benefits, Profits, and Economies of Scale

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that the Adviser bears the cost of research services for all client accounts that it advises, including the T. Rowe Price funds. The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. The Board also reviewed estimates of the profits realized from managing the fund in particular, and the Board concluded that the Adviser's profits were reasonable in light of the services provided to the fund.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays a fee to the Adviser for investment management services composed of two components—a group fee rate based on the combined average net assets of most of the T. Rowe Price funds (including the fund) that declines at certain asset levels and an individual fund fee rate based on the fund's average daily net assets—and the fund pays its own expenses of operations. Under each Subadvisory Contract, the Adviser may pay the Subadviser up to 60% of the advisory fees that the Adviser receives from the fund. The group fee rate decreases as total T. Rowe Price fund assets grow, which reduces the management fee rate for any fund that has a group fee component to its management fee, and reflects that certain resources utilized to operate the fund are shared with other T. Rowe Price funds thus allowing shareholders of those funds to share potential economies of scale. In addition, the fund's individual fund fee contains a breakpoint that reduces the individual fund fee rate once the fund's assets reach a certain level and provides additional opportunities for sharing potential economies of scale. The fund is also subject to contractual expense limitations that require the Adviser to waive its fees and/or bear any expenses that would cause a share class of the fund to exceed a certain percentage based on the class's net assets. The expense limitations mitigate the potential for an increase in operating expenses above a certain level that could impact shareholders.

The fund also offers a Z Class, which serves as an underlying investment within certain T. Rowe Price fund of fund arrangements. The Adviser waives its advisory fee on the Z Class and waives or bears the Z Class's other operating expenses, with certain exceptions. The Board considered whether the advisory fee and operating expense waivers on the Z Class may present a means for cross-subsidization of the Z Class by other share classes of the fund. In that regard, the Board noted that the Z Class operating expenses are largely covered by the all-inclusive fees charged by the investing T. Rowe Price fund of funds and that any Z Class operating expenses not covered by the investing T. Rowe Price funds of funds' fees are paid by the Adviser and not by shareholders of any other share class of the fund.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's ongoing investments in its business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND
SUBADVISORY AGREEMENTS (CONTINUED)****Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the Investor Class of the fund with a group of competitor funds selected by Broadridge (Investor Class Expense Group); (ii) actual management fees and total expenses of the Advisor Class of the fund with a group of competitor funds selected by Broadridge (Advisor Class Expense Group); and (iii) actual management fees, nonmanagement expenses, and total expenses of the Investor Class of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the management fees actually received from the fund by the Adviser after any applicable waivers, reductions, or reimbursements), operating expenses, and total expenses (which reflect the net total expense ratio of the fund after any waivers, reductions, or reimbursements) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size, and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the second quintile (Investor Class Expense Group), the fund's actual management fee rate ranked in the second quintile (Investor Class Expense Group and Expense Universe) and third quintile (Advisor Class Expense Group), and the fund's total expenses ranked in the second quintile (Investor Class Expense Group and Expense Universe) and first quintile (Advisor Class Expense Group).

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENTS (CONTINUED)

regulations associated with the Adviser's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

Approval of the Advisory Contract and Subadvisory Contracts

As noted, the Board approved the continuation of the Advisory Contract and Subadvisory Contracts. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract and Subadvisory Contracts (including the fees to be charged for services thereunder).

ABOUT THE FUND'S DIRECTORS AND OFFICERS

Your fund is overseen by a Board of Directors (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. The directors who are also employees or officers of T. Rowe Price are considered to be "interested" directors as defined in Section 2(a)(19) of the 1940 Act because of their relationships with T. Rowe Price Associates, Inc. (T. Rowe Price), and its affiliates. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund directors and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

INDEPENDENT DIRECTORS^(a)

Name (Year of Birth) Year Elected	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
[Number of T. Rowe Price Portfolios Overseen] Teresa Bryce Bazemore (1959) 2018 [210]	President and Chief Executive Officer, Federal Home Loan Bank of San Francisco (2021 to present); Chief Executive Officer, Bazemore Consulting LLC (2018 to 2021); Director, Chimera Investment Corporation (2017 to 2021); Director, First Industrial Realty Trust (2020 to present); Director, Federal Home Loan Bank of Pittsburgh (2017 to 2019)
Melody Bianchetto (1966) 2023 [210]	Advisory Board Member; Vice President for Finance, University of Virginia (2015 to 2023)
Bruce W. Duncan (1951) 2013 [210]	President, Chief Executive Officer, and Director, CyrusOne, Inc. (2020 to 2021); Chair of the Board (2016 to 2020) and President (2009 to 2016), First Industrial Realty Trust, owner and operator of industrial properties; Member, Investment Company Institute Board of Governors (2017 to 2019); Member, Independent Directors Council Governing Board (2017 to 2019); Senior Advisor, KKR (2018 to 2022); Director, Boston Properties (2016 to present); Director, Marriott International, Inc. (2016 to 2020)
Robert J. Gerrard, Jr. (1952) 2013 [210]	Chair of the Board, all funds (July 2018 to present)
Paul F. McBride (1956) 2013 [210]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to 2018)

INDEPENDENT DIRECTORS^(a) (CONTINUED)

Name (Year of Birth) Year Elected [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Mark J. Parrell (1966) 2023 [210]	Advisory Board Member; Board of Trustees Member and Chief Executive Officer (2019 to present), President (2018 to present), Executive Vice President and Chief Financial Officer (2007 to 2018), and Senior Vice President and Treasurer (2005 to 2007), EQR; Member and Chair, Nareit Dividends Through Diversity, Equity & Inclusion CEO Council, Nareit 2021 Audit and Investment Committee (2021); Advisory Board, Ross Business School at University of Michigan (2015 to 2016); Member and Chair of the Finance Committee, National Multifamily Housing Council (2015 to 2016); Member, Economic Club of Chicago; Director, Brookdale Senior Living, Inc. (2015 to 2017); Director, Aviv REIT, Inc. (2013 to 2015); Director, Real Estate Roundtable (July 2021 to present) and the 2022 Executive Board Nareit (November 2021 to present); Board of Directors and Chair of the Finance Committee, Greater Chicago Food Depository (July 2017 to present)
Kellye L. Walker (1966) 2021 [210]	Executive Vice President and Chief Legal Officer, Eastman Chemical Company (April 2020 to present); Executive Vice President and Chief Legal Officer, Huntington Ingalls Industries, Inc. (January 2015 to March 2020); Director, Lincoln Electric Company (October 2020 to present)

^(a)All information about the independent directors was current as of December 31, 2022, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

INTERESTED DIRECTORS^(a)

Name (Year of Birth) Year Elected [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
David Oestreicher (1967) 2018 [210]	Director, Vice President, and Secretary, T. Rowe Price, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., and T. Rowe Price Services, Inc.; Director and Secretary, T. Rowe Price Investment Management, Inc. (Price Investment Management); Vice President and Secretary, T. Rowe Price International (Price International); Vice President, T. Rowe Price Hong Kong (Price Hong Kong), T. Rowe Price Japan (Price Japan), and T. Rowe Price Singapore (Price Singapore); General Counsel, Vice President, and Secretary, T. Rowe Price Group, Inc.; Chair of the Board, Chief Executive Officer, President, and Secretary, T. Rowe Price Trust Company; Principal Executive Officer and Executive Vice President, all funds

INTERESTED DIRECTORS^(a) (CONTINUED)

Name (Year of Birth) Year Elected	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Eric L. Veiel, CFA (1972) 2022 [210]	Director and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; Vice President, Global Funds

^(a)All information about the interested directors was current as of December 31, 2022, unless otherwise indicated, except for the number of portfolios overseen, which is current as of the date of this report.

OFFICERS

Name (Year of Birth) Position Held With New Income Fund	Principal Occupation(s)
Stephen L. Bartolini, CFA (1977) President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Jason A. Bauer (1979) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Steven E. Boothe, CFA (1977) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Christopher P. Brown, CFA (1977) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Armando (Dino) Capasso (1974) Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price and Price Investment Management; Vice President, T. Rowe Price Group, Inc.; formerly, Chief Compliance Officer, PGIM Investments LLC and AST Investment Services, Inc. (ASTIS) (to 2022); Chief Compliance Officer, PGIM Retail Funds complex and Prudential Insurance Funds (to 2022); Vice President and Deputy Chief Compliance Officer, PGIM Investments LLC and ASTIS (to 2019)
Ramon Roberto de Castro (1966) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Anna Alexandra Dreyer, Ph.D., CFA (1981) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Alan S. Dupski, CPA (1982) Principal Financial Officer, Vice President, and Treasurer	Vice President, Price Investment Management, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company

Unless otherwise noted, officers have been employees of T. Rowe Price or Price International for at least 5 years.

OFFICERS (CONTINUED)

Name (Year of Birth)	Position Held With New Income Fund	Principal Occupation(s)
Gary J. Greb (1961)	Vice President	Vice President, Price Investment Management, T. Rowe Price, Price International, and T. Rowe Price Trust Company
Cheryl Hampton, CPA (1969)	Vice President	Vice President, T. Rowe Price; formerly, Tax Director, Invesco Ltd. (to 2021); Vice President, Oppenheimer Funds, Inc. (to 2019)
Geoffrey M. Hardin (1971)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Benjamin Kersse, CPA (1989)	Vice President	Vice President, T. Rowe Price
Paul J. Krug, CPA (1964)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Robert M. Larkins, CFA (1973)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Matthew Lawton, CFA (1983)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Samy B. Muaddi, CFA (1984)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Fran M. Pollack-Matz (1961)	Vice President and Secretary	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
Shannon H. Rauser (1987)	Assistant Secretary	Assistant Vice President, T. Rowe Price
Richard Sennett, CPA (1970)	Assistant Treasurer	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Lauren T. Wagandt (1984)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Megan Warren (1968)	Vice President	OFAC Sanctions Compliance Officer and Vice President, Price Investment Management; Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company

Unless otherwise noted, officers have been employees of T. Rowe Price or Price International for at least 5 years.

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T.RowePrice®

100 East Pratt Street
Baltimore, MD 21202

Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.