



T. Rowe Price

PORTFOLIO UPDATE

Inflation Protected Bond Fund - I Class

As of March 31, 2024



Portfolio Manager:
Michael Sewell

Managed Fund Since:
2020

Joined Firm:
2004

MARKET COMMENTARY

Treasury inflation protected securities and nominal Treasuries generated positive total returns in March as rates decreased along the curve. A dovish tilt from the Federal Reserve and cooling employment data decreased the market's expectations for rate cuts for 2024 and put downward pressure on yields. Long-dated bond yields fell more than short- and intermediate-maturity bond yields, flattening the bell curve. Nominal Treasuries underperformed their inflation-linked counterparts over the one-month period amid mixed inflation data. Break-even spread movement differed across the curve. Two-year and 30-year breakevens narrowed while 1-, 5-, and 10-year breakevens moved wider over the period.

INVESTMENT OBJECTIVE

The fund seeks to provide inflation protection and income by investing primarily in inflation-protected debt securities.

FUND INFORMATION

Symbol	TIIPX
CUSIP	77958D200
Inception Date of Fund	December 17, 2015
Benchmark	Bloomberg US TIPS Index
Expense Information (as of the most recent Prospectus)*	0.44% (Gross) 0.22% (Net)
Fiscal Year End	May 31
12B-1 Fee	–

*The I Class operates under a contractual operating expense limitation that expires on September 30, 2024.

During the March Federal Open Market Committee meeting, the central bank left policy rates unchanged as widely expected, but the post-meeting press conference was perceived as dovish. Fed Chair Powell expressed conviction that rate cuts will be delivered this year despite hotter-than-expected inflation reports in January and February. The Fed's updated Summary of Economic Projections continued to imply three rate cuts in 2024, though its median growth and inflation expectations were revised higher for the year while implying one less cut for 2025.

Economic releases highlighted warm inflation data while employment data marginally cooled. Inflation pressures persisted as the annualized headline CPI number for February ticked up to 3.2%. The Fed's preferred inflation measure, the core PCE price index, was milder, rising by 2.8% year over year, the smallest increase in almost three years. While the nonfarm payrolls surpassed expectations at 275,000, the gains stemmed entirely from part-time jobs. Notably, nonfarm payroll totals from the previous two months were downwardly revised by 167,000. Meanwhile, the unemployment rate ticked upward to 3.9%, up from 3.7%.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized				30-Day SEC Yield	30-Day SEC Yield w/o Waiver ^o
				Three Years	Five Years	Ten Years	Fifteen Years		
Inflation Protected Bond Fund - I Class	0.72%	-0.07%	-0.31%	-1.42%	2.06%	1.89%	2.76%	8.49%	8.24%
Bloomberg U.S. TIPS Index	0.82	-0.08	0.45	-0.53	2.49	2.21	3.10	–	–

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund referred to as the "investor class"). The total return figures for the I Class shares have been calculated using the performance data of the investor class up to the inception date of the I Class (12/17/15) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, the I Class performance, had it existed over the periods shown, would have been higher.

The Fund's high current yield is due to the rise in the inflation rate, which might not be repeated. Changes in the rate of inflation may cause the Fund's yield to vary substantially from one month to the next.

^oExcludes the effect of contractual expense limitation arrangements. If the expense waiver was not in effect for the 30-Day period shown, there may not be a difference in the 30-day SEC yields shown above.

Investors should note that if interest rates rise significantly from current levels, total returns will decline and may even turn negative in the short term.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS, OR SUMMARY PROSPECTUS IF AVAILABLE.

RISK RETURN CHARACTERISTICS

(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Inflation Protected Bond Fund - I Class	6.02%	-0.41%	0.98	0.99	-0.68	0.00	0.63%
Bloomberg US TIPS Index	6.14	0.00	1.00	1.00	0.00	0.07	0.00

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.**PORTFOLIO CHARACTERISTICS**

	Inflation Protected Bond Fund - I Class	Bloomberg US TIPS Index
Number of Holdings	27	48
Weighted Average Maturity	7.47 years	7.34 years
Weighted Average Effective Duration	6.57 years	6.70 years
Weighted Average Coupon	0.80%	0.88%
Yield to Maturity	4.62%	4.56%
Percent of Portfolio in Cash	2.0%	–
Total Assets (all share classes)	387,729,219	–

SECTOR DIVERSIFICATION

	TIPS	Government Re- lated	Reserves
Inflation Protected Bond Fund - I Class	98.0%	0.1%	2.0%
Bloomberg US TIPS Index	100.0	0.0	0.0
Over/Underweight	-2.0	0.1	2.0

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	A	Not Rated	Reserves
Inflation Protected Bond Fund - I Class	98.0%	0.1%	-0.1%	2.0%
Bloomberg US TIPS Index	100.0	0.0	0.0	0.0
Over/Underweight	-2.0	0.1	-0.1	2.0

MATURITY DIVERSIFICATION

	0-1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	10-20 Years	20-30 Years	30+ Years
Inflation Protected Bond Fund - I Class	2.0%	22.1%	35.4%	3.2%	23.2%	5.2%	8.9%	0.0%
Bloomberg US TIPS Index	0.0	24.8	27.2	12.8	20.6	5.6	9.0	0.0
Over/Underweight	2.0	-2.7	8.2	-9.6	2.5	-0.4	-0.1	0.0

Definitions

Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond Fund to changes in interest rates. In general, the longer the average duration, the greater the Fund's sensitivity to interest rates.

Additional Disclosures

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit troweprice.com. Read it carefully.

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Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

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Source for Maturity Diversification: T Rowe Price.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

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