



PORTFOLIO UPDATE

U.S. Treasury Long-Term Index Fund- I Class

As of March 31, 2024



Portfolio Manager:
Michael Sewell

Managed Fund Since:
2022

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 high income consistent with maximum credit protection.

FUND INFORMATION

Symbol	PRUUX
CUSIP	77957T503
Inception Date of Fund	May 03, 2017
Benchmark	Bloomberg US Long Treasury Index
Expense Information (as of the most recent Prospectus)	0.10%
Fiscal Year End	May 31
12B-1 Fee	–

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
				Three Years	Five Years	Ten Years	Fifteen Years	
U.S. Treasury Long-Term Index Fund- I Class	1.13%	-3.42%	-6.64%	-8.71%	-3.14%	0.78%	2.01%	4.46%
Bloomberg U.S. Long Treasury Bond Index	1.23	-3.26	-6.08	-8.04	-2.78	1.25	2.42	–

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](https://www.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 (5/3/17) 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.

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 is subject to risks of fixed income investing, including interest rate risk and credit risk.

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

RISK RETURN CHARACTERISTICS

(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
U.S. Treasury Long-Term Index Fund- I Class	15.27%	-0.30%	1.01	1.00	-0.45	-0.34	0.79%
Bloomberg US Long Treasury Index	15.08	0.00	1.00	1.00	0.00	-0.32	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**

	U.S. Treasury Long-Term Index Fund- I Class	Bloomberg US Long Treasury Index
Number of Holdings	43	82
Weighted Average Maturity	22.57 years	22.62 years
Weighted Average Effective Duration	15.19 years	15.34 years
Weighted Average Coupon	2.94%	3.03%
Yield to Maturity	4.41%	4.42%
Percent of Portfolio in Cash	0.1%	–
Total Assets (all share classes)	4,975,071,087	–

SECTOR DIVERSIFICATION

	US Treas- ury Bonds & Notes	TIPS	Reserves
U.S. Treasury Long-Term Index Fund- I Class	98.8%	1.1%	0.1%
Bloomberg US Long Treasury Index	100.0	0.0	0.0
Over/Underweight	-1.2	1.1	0.1

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	Not Rated	Reserves
U.S. Treasury Long-Term Index Fund- I Class	99.9%	0.0%	0.1%
Bloomberg US Long Treasury Index	100.0	0.0	0.0
Over/Underweight	-0.1	0.0	0.1

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
U.S. Treasury Long-Term Index Fund- I Class	0.1%	0.0%	0.0%	0.0%	1.1%	54.7%	44.1%	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](https://www.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.

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 (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The Fund is not rated by any agency. U.S. Government Agency securities, if any, may include conventional pass-through securities and collateralized mortgage obligations. This category may include rated and unrated securities.

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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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