



FACT SHEET

GNMA Fund

As of September 30, 2018



Portfolio Manager:
Andrew C. McCormick
Managed Fund Since:
2008
Joined Firm:
2008

FUND INFORMATION

Symbol	PRGMX
CUSIP	779549104
Inception Date of Fund	November 26, 1985
Benchmark	Bloomberg Barclays US GNMA Index
Expense Information (as of the most recent Prospectus)*	0.60%
Fiscal Year End	May 31
Total Annual Operating Expenses per \$1,000	\$6.00
12B-1 Fee	-
Redemption Fee	-
Portfolio Holdings Turnover†	675.1%
Total Assets (all share classes)	\$1,289,998,501
Percent of Portfolio in Cash	-6.1%
Beta	0.89

* Figure is equivalent to the annual Operating Expense ratio.

† Portfolio Turnover represents 1 year period ending 12/31/17.

PERFORMANCE

(NAV, total return)

	Three Months	Year-to-Date	One Year	Annualized				30-Day SEC Yield
				Three Years	Five Years	Ten Years	Fifteen Years	
GNMA Fund	-0.11%	-0.81%	-1.13%	0.66%	1.56%	3.09%	3.38%	2.90%
Bloomberg Barclays U.S. GNMA Index	-0.05	-0.91	-0.89	0.88	1.85	3.38	3.84	-

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. The performance information shown does not reflect the deduction of any redemption fee; if it did, the performance would be lower. To obtain the most recent month-end performance, or to request a prospectus or summary prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing, please visit our website or contact a T. Rowe Price representative at 1-855-405-6488. The average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions.

INVESTMENT OBJECTIVE AND STRATEGY

The fund seeks high current income consistent with high overall credit quality and moderate price fluctuation by investing at least 80% of its total assets in Government National Mortgage Association securities backed by the full faith and credit of the U.S. government.

Invests at least 80% of assets in securities that are backed by the full faith and credit of the U.S. government, primarily GNMA mortgage-backed securities, and investments linked to these securities.

BENEFITS AND RISKS

Has negligible credit risk since it invests only in securities guaranteed by the U.S. government. Mortgage-backed bonds offer higher income than Treasuries without any decrease in credit quality.

Yield and share price will vary with interest rate changes.

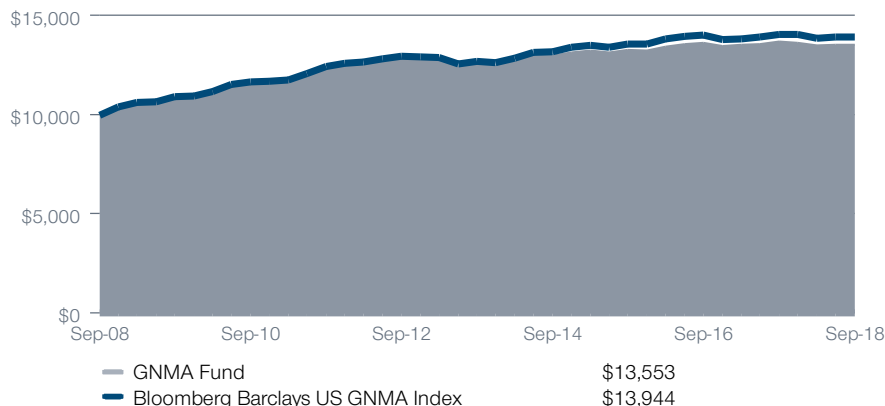
If interest rates rise significantly from current levels, total returns will decline and may even turn negative in the short term.

Susceptible to prepayment risk, which occurs when homeowners pay off their loans early.

Investment is not insured or guaranteed by the U.S. government.

CUMULATIVE RETURNS

Growth of \$10,000



MORNINGSTAR™

Overall Morningstar Rating™

Morningstar Category™ Intermediate Government

Rated against 211 Intermediate Government funds, as of 9/30/2018, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.

SECTOR DIVERSIFICATION

	GNMA MBS	Agency MBS	ABS	CMO	IO/PO	Reserves
GNMA Fund	91.8%	8.6%	2.2%	2.2%	1.3%	-6.1%
Bloomberg Barclays US GNMA Index	100.0	0.0	0.0	0.0	0.0	0.0
Over/Underweight	-8.2	8.6	2.2	2.2	1.3	-6.1

CREDIT QUALITY DIVERSIFICATION

	U.S. Govt Ag**	AAA	Not Rated	Reserves
GNMA Fund	103.9%	2.2%	0.0%	-6.1%
Bloomberg Barclays US GNMA Index	100.0	0.0	0.0	0.0
Over/Underweight	3.9	2.2	0.0	-6.1

**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.

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
GNMA Fund	-6.3%	1.1%	18.6%	78.7%	7.9%	0.0%	0.0%	0.0%

Definitions

Beta: A measure of market risk of an investment option that shows how responsive the investment is to a given market index, such as the Standard & Poor's 500 Index. By definition, the beta of the benchmark is 1.00. An investment with a beta of 1.10 is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments.

Additional Disclosures

Morningstar rated the fund 4, 4, and 4 stars among 211, 199 and 149 Intermediate Government funds for the 3-, 5-, and 10-year periods (as applicable) ending 9/30/2018, respectively. The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. Source for Morningstar data: © 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

Source for Bloomberg Barclays index data: Bloomberg Index Services Ltd. Copyright 2018, Bloomberg Index Services Ltd. Used with permission.

T. Rowe Price uses a custom structure for diversification reporting on this product.

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

Sources for credit quality: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings, but simply assigns them to the appropriate credit quality category as determined by the rating agency. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps.

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.

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