



**FACT SHEET**

**New Income Fund**

As of September 30, 2018

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Daniel O. Shackelford	2002	1999
Stephen L. Bartolini	2018	2010

**FUND INFORMATION**

Symbol	PRCIX
CUSIP	779570100
Inception Date of Fund	August 31, 1973
Benchmark	Bloomberg Barclays US Agg Index
Expense Information (as of the most recent Prospectus)*	0.56% (Gross) 0.53% (Net)
Fiscal Year End	May 31
Total Annual Operating Expenses per \$1,000	\$5.60 (Gross) \$5.30 (Net)
12B-1 Fee	-
Redemption Fee	-
Portfolio Holdings Turnover†	98.6%
Total Assets (all share classes)	\$27,899,433,316
Percent of Portfolio in Cash	0.6%
Beta	0.95

\*The Fund operates under a contractual expense limitation that expires on September 30, 2019. The fund's net expense ratio reflects a permanent waiver of a portion of the T. Rowe Price Associates, Inc. management fee charged to the fund. This waiver is an amount sufficient to fully offset any acquired fund fees and expenses related to investments in other T. Rowe Price mutual funds. T. Rowe Price funds would be required to seek regulatory approval in order to terminate this arrangement. 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	30-Day SEC Yield w/o Waiver <sup>o</sup>
				Three Years	Five Years	Ten Years	Fifteen Years			
New Income Fund	0.11%	-1.64%	-1.17%	1.47%	2.21%	4.11%	3.96%	3.25%	3.25%	
Bloomberg Barclays U.S. Aggregate Bond Index	0.02	-1.60	-1.22	1.31	2.16	3.77	3.78	-	-	

**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.

<sup>o</sup>Excludes the effect of contractual expense limitation arrangements.

**INVESTMENT OBJECTIVE AND STRATEGY**

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

Invest at least 80% of assets in income producing investment-grade debt securities.

No maturity restrictions, but the weighted average maturity is expected to range from four to 15 years.

Flexibility in purchasing investment grade debt securities at various credit quality levels to achieve a higher yield.

**BENEFITS AND RISKS**

The fund provides a higher level of income for moderately more risk relative to a money market or short-term bond fund.

Generally less volatile than longer-term bond funds.

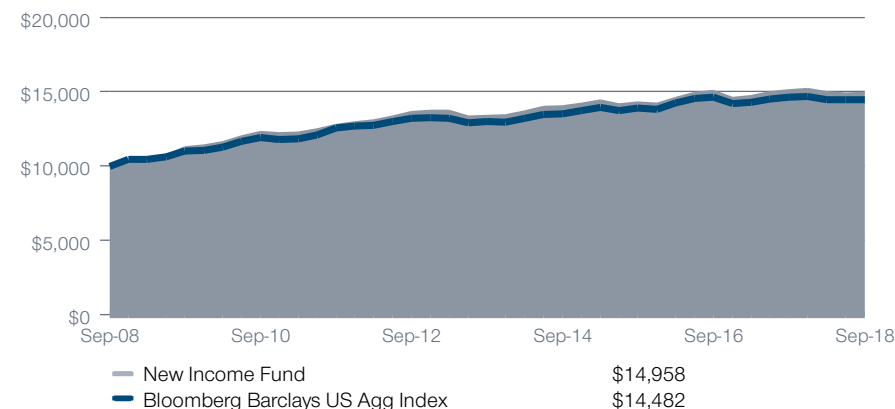
High-quality bonds provide low credit risk.

The fund is subject to interest rate risk.

The fund is not a money market fund and its price and yield will fluctuate.

**CUMULATIVE RETURNS**

Growth of \$10,000



**TOP ISSUERS**

	Industry	% of Fund
Morgan Stanley	Banking	1.1%
Bank of America	Banking	1.0
JPMorgan Chase	Banking	0.9
Goldman Sachs	Banking	0.8
Republic of Colombia	Sovereign	0.8
Petroleos Mexicanos	Government Related	0.8
Becton Dickinson & Company	Consumer Non Cyclical	0.7
Brixmor Property	REITs	0.6
SBA Communications	Communications	0.6
CVS Health	Consumer Cyclical	0.6

**MORNINGSTAR™**

Overall Morningstar Rating™	Intermediate-Term Bond
Morningstar Category™	Intermediate-Term Bond
Rated against 902 Intermediate-Term Bond 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**

	U.S. Treasuries	TIPS	Government Related	Corporate	Mortgage	CMBS	ABS	High Yield	Non-U.S. \$ Denom	Reserves
New Income Fund	11.2%	2.1%	5.9%	28.7%	25.1%	7.2%	10.6%	7.5%	1.1%	0.6%
Bloomberg Barclays US Agg Index	38.1	0.0	6.4	24.4	27.9	1.2	0.6	0.8	0.0	0.0
<b>Over/Underweight</b>	<b>-26.8</b>	<b>2.1</b>	<b>-0.4</b>	<b>4.3</b>	<b>-2.8</b>	<b>6.0</b>	<b>10.1</b>	<b>6.7</b>	<b>1.1</b>	<b>0.6</b>

**CREDIT QUALITY DIVERSIFICATION**

	U.S. Treas*	U.S. Govt Ag**	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Reserves
New Income Fund	13.3%	19.4%	16.0%	4.9%	11.8%	25.0%	4.7%	4.0%	0.2%	0.3%	0.6%
Bloomberg Barclays US Agg Index	38.1	29.3	5.1	3.5	10.6	12.7	0.8	0.0	0.0	0.0	0.0
<b>Over/Underweight</b>	<b>-24.8</b>	<b>-9.9</b>	<b>10.9</b>	<b>1.3</b>	<b>1.2</b>	<b>12.3</b>	<b>3.9</b>	<b>4.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.6</b>

\*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.

\*\*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
New Income Fund	4.2%	17.0%	21.4%	23.7%	24.1%	2.7%	6.2%	0.7%

**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 3, 3, and 3 stars among 902, 796 and 577 Intermediate-Term Bond 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.

The Top Issuers excludes U.S. Treasuries, institutional funds, agencies and securitized products.

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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