

# Floating Rate Fund

## Investor Class (PRFRX)

This annual shareholder report contains important information about Floating Rate Fund (the "fund") for the period of June 1, 2024 to May 31, 2025. You can find the fund's prospectus, financial information on Form N-CSR (which includes required tax information for dividends), holdings, proxy voting information, and other information at [www.troweprice.com/prospectus](http://www.troweprice.com/prospectus). You can also request this information without charge by contacting T. Rowe Price at 1-800-638-5660 or [info@troweprice.com](mailto:info@troweprice.com) or contacting your intermediary. **This report describes changes to the fund that occurred during the reporting period.**

### What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

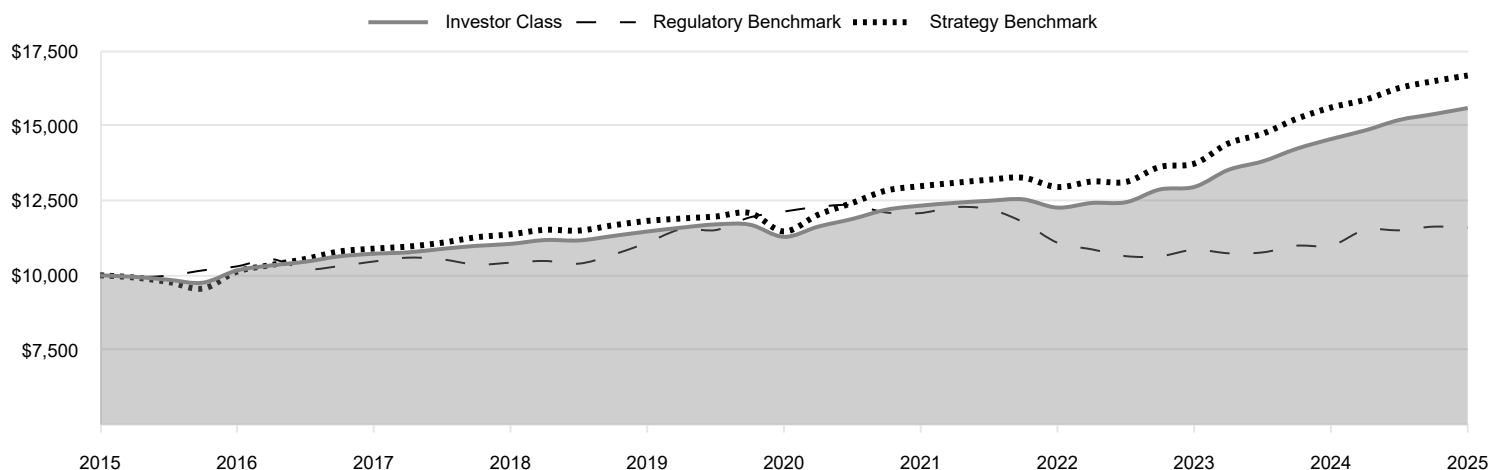
	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Floating Rate Fund - Investor Class	\$80	0.77%

### What drove fund performance during the past 12 months?

- Leveraged loans posted gains in the year ended May 31, 2025, despite growing concerns about the Trump administration's trade policies during the last few months of the period. The resilient economy, mostly favorable technical conditions, and expectations that the Federal Reserve would keep interest rates "higher for longer" supported the asset class's performance.
- Compared with the style-specific Morningstar LSTA Performing Loan Index, credit selection in the automotive and cable operators segments aided relative performance, with notable contributions from electric vehicle manufacturer Rivian and broadband communications and video services provider Altice USA. Avoiding troubled issuers that underperformed during the period, including fruit-based beverage company Tropicana and chemicals manufacturing company Ascend Performance Materials added further value.
- Relative to the style-specific benchmark, selection in the health care segment weighed on relative results, partly due to not owning pharmaceutical company Bausch Health throughout most of the period. Within the other telecommunications (aka wirelines) segment, the portfolio's lower relative weight in Zayo Group and Lumen Technologies detracted as the growth of artificial intelligence technology was a significant performance tailwind for these issuers due to increased fiber demand.
- The fund seeks high current income and some capital appreciation. We continued to position the portfolio defensively with a relative underweight in the B rating tier and a higher average price. We also maintained an underweight to BBs, primarily due to relative value and the pricing on BB new issues, and endeavored to enhance the portfolio's income potential with second-lien positions from high-conviction issuers.

### How has the fund performed?

Cumulative Returns of a Hypothetical \$10,000 Investment as of May 31, 2025



Average Annual Total Returns			
	1 Year	5 Years	10 Years
Floating Rate Fund (Investor Class)	7.13%	6.69%	4.55%
Bloomberg U.S. Aggregate Bond Index (Regulatory Benchmark)	5.46	-0.90	1.49
Morningstar LSTA Performing Loan Index (Strategy Benchmark)	6.87	7.79	5.26

The preceding line graph 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 fund’s performance information included in the line graph and table above is compared with a regulatory required index that represents an overall securities market (Regulatory Benchmark). In addition, the line graph and table may also include one or more indexes that more closely aligns to the fund's investment strategy (Strategy Benchmark(s)). The fund's total return figures reflect the reinvestment of dividends and capital gains, if any. Neither the fund’s returns nor the index returns reflect the deduction of taxes that a shareholder would pay on fund distributions or redemptions of fund shares. **The fund’s past performance is not a good predictor of the fund’s future performance.** Updated performance information can be found at [www.troweprice.com](http://www.troweprice.com).

### What are some fund statistics?

Fund Statistics			
Total Net Assets (000s)	\$4,204,033	Investment Advisory Fees Paid (000s)	\$15,390
Number of Portfolio Holdings	320	Portfolio Turnover Rate	106.9%

### What did the fund invest in?

Security Allocation (as a % of Net Assets)	
Bank Loans	87.8%
Corporate Bonds	7.8
Preferred Stocks	0.2
Convertible Preferred Stocks	0.1
Asset-Backed Securities	0.0
Short-Term and Other	4.1

Top Ten Holdings (as a % of Net Assets)	
Cloud Software Group	2.1%
Applied Systems	2.0
HUB International	2.0
TIH Insurance Holdings	1.8
AssuredPartners	1.8
Asurion	1.6
Medline Borrower	1.6
Epicor Software	1.6
Ellucian Holdings	1.5
Level 3 Financing	1.5

### How has the fund changed?

This is a summary of certain material changes to Floating Rate Fund. Effective August 1, 2025, the fund may invest up to 20% of its net assets in fixed rate debt instruments. The fund’s August 1, 2025 prospectus contains more information.

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