

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, 2023 to May 31, 2024. 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. You can also request this information without charge by contacting T. Rowe Price at 1-800-638-5660 or info@troweprice.com or contacting your intermediary.

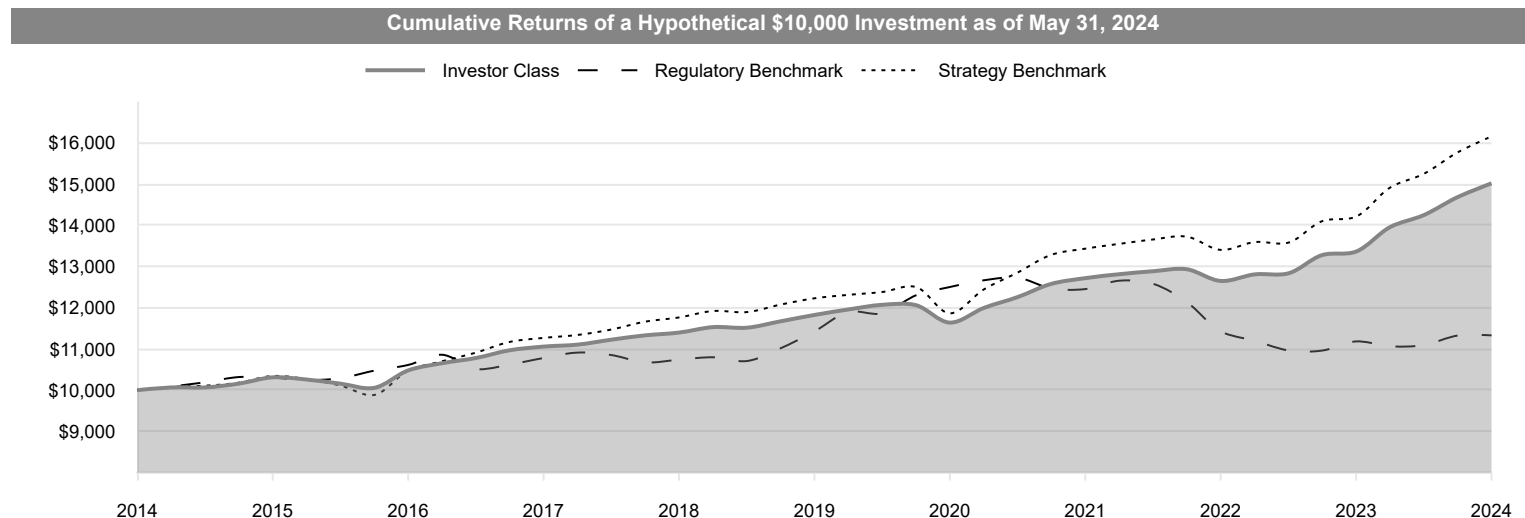
What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

| | Costs of a \$10,000 investment | Costs paid as a percentage of a \$10,000 investment |
|-------------------------------------|--------------------------------|---|
| Floating Rate Fund - Investor Class | \$82 | 0.77% |

What drove fund performance during the past 12 months?

- Leveraged loans strongly advanced and outpaced most fixed income alternatives in the year ended May 31, 2024, amid growing expectations that the Federal Reserve would keep interest rates "higher for longer." The resilient economy, investors' healthy risk appetite, and favorable technical conditions also supported the asset class's performance.
- Compared with the style-specific Morningstar LSTA Performing Loan Index, credit selection in the services sector aided relative performance, driven by our holdings in Ultimate Kronos Group and Ascend Learning. Asurion was a leading contributor in the wireless communications sector. Its dominant market position, solid credit profile, and near-term revenue visibility—as well as an attractive coupon—support our conviction.
- Selection among cable operators detracted, largely due to Altice France. In March, the company aggressively moved pending asset sales to an unrestricted subsidiary and threatened to withhold them from creditors unless they took a haircut to their claims. Our conservative positioning relative to the style-specific benchmark held back gains as loans from several fundamentally challenged issuers we did not own, such as Air Medical, rallied in the strong performance environment.
- The fund seeks high current income and some capital appreciation. Over the past year, we positioned the fund with a bias for discounted paper with shorter-dated maturities from higher-conviction issuers. Greater visibility on the trajectory of short-term interest rates and a high degree of confidence that issuers would be able to access capital markets and refinance the loans 12 to 24 months ahead of maturity supported our participation in these deals.

How has the fund performed?



| Average Annual Total Returns | | | |
|---|--------|---------|----------|
| | 1 Year | 5 Years | 10 Years |
| Floating Rate Fund (Investor Class) | 12.38% | 4.90% | 4.15% |
| Bloomberg U.S. Aggregate Bond Index (Regulatory Benchmark) | 1.31 | -0.17 | 1.26 |
| Morningstar LSTA Performing Loan Index (Strategy Benchmark) | 13.68 | 5.73 | 4.91 |

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)). Due to new SEC Rules on shareholder reporting the fund adopted a new broad-based securities market index, referred to as the Regulatory Benchmark. Market index returns do not include expenses, which are deducted from fund returns. 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.

What are some fund statistics?

| Fund Statistics | | | |
|------------------------------|-------------|--------------------------------------|----------|
| Total Net Assets (000s) | \$3,632,550 | Investment Advisory Fees Paid (000s) | \$12,387 |
| Number of Portfolio Holdings | 321 | Portfolio Turnover Rate | 77.9% |

What did the fund invest in?

| Credit Quality Allocation* (as a % of Net Assets) | |
|---|------|
| BBB/BB Rated and Above | 2.8% |
| BB Rated | 11.0 |
| BB/B Rated | 6.8 |
| B Rated | 57.8 |
| B/CCC Rated | 1.9 |
| CCC Rated and Below | 9.8 |
| Not Rated | 6.5 |
| Short-Term Holdings | 3.4 |

| Top Ten Holdings (as a % of Net Assets) | |
|---|------|
| Truist Insurance Holdings | 3.4% |
| HUB International | 2.8 |
| Applied Systems | 2.3 |
| Cloud Software Group | 2.3 |
| UKG | 2.3 |
| AssuredPartners | 2.2 |
| Asurion | 1.7 |
| Epicor Software | 1.7 |
| UFC Holdings | 1.6 |
| Boxer Parent | 1.5 |

*Credit ratings for the securities held in the Fund are provided by Moody’s and Standard & Poor’s 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. Split ratings (e.g., BB/B and B/CCC) are assigned when Moody’s and S&P differ. If a rating is not available, the security is classified as Not Rated. The rating of the underlying investment vehicle is used to determine the creditworthiness of credit default swaps and sovereign securities. The Fund is not rated by any agency.

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