

# Credit Opportunities Fund (PRCPX)

As of December 31, 2025



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Rodney Rayburn	2015	2014

### Investment Objective

The fund seeks a combination of long-term capital appreciation and high income.

### General Information

CUSIP	87279J109
Inception Date	April 29, 2014
Benchmark	Bloomberg US HY 2% Iss Cap Index
Expense Information (as of the most recent Prospectus) <sup>(1)</sup>	0.93%(Gross) 0.81%(Net)

<sup>(1)</sup>The fund's net expense ratio reflects a credit received from investing in other T. Rowe Price funds. The fund will always receive a credit if it invests in other T. Rowe Price funds but the credit will vary each year based on the amount invested.

### Market Commentary

High yield bonds produced positive returns in December. Despite mixed equity performance due in part to concerns about heightened valuations and robust spending in the artificial intelligence (AI) space, mostly favorable economic data and the Federal Reserve's widely anticipated decision to cut interest rates bolstered investor sentiment. AI and data center names were often in the spotlight as credit-specific headlines and recent new issues drove a large portion of the month's trading activity.

The yield of the benchmark 10-year Treasury note rose from 4.02% to 4.18% by month-end. The Bureau of Labor Statistics (BLS) reported that U.S. employers added 64,000 jobs in November, ahead of estimates and a sharp rebound from job losses in October. However, the unemployment rate rose to 4.6% in November, the highest level in over four years. The BLS later reported that U.S. inflation unexpectedly cooled in November. According to its consumer price index, prices rose 2.7% year over year, below estimates and down from a 3% rise in September. Core prices, which exclude volatile food and energy costs, rose 2.6% over the same period, the lowest level since March 2021. The Fed lowered its target range for the federal funds rate by 25 basis points to 3.50%-3.75%. During his post-meeting press conference, Fed Chair Jerome Powell noted that the fed funds rate is "within a broad range of estimates of its neutral value" and that policymakers are "well positioned to wait and see how the economy evolves," but he also referenced concerns about "significant downside risks" to the labor market.

High yield funds reported an inflow of USD 1.7 billion in December. According to J.P. Morgan, issuance declined month over month, as 27 bonds priced for USD 21.8 billion. Refinancing transactions were the largest category of issuance at 77% of the total volume. J.P. Morgan's par-weighted default rate rose to 0.99% from 0.81% in November.

### Performance (%) (NAV, total return Performance > 1yr is Annualized)

	1m	3m	1yr	3yrs	5yrs	10yrs	Since Inception	30-Day SEC Yield	30-Day SEC Yield w/o Waiver <sup>(2)</sup>
Credit Opportunities Fund (PRCPX)	0.97	1.37	8.84	9.92	5.13	6.56	4.35	6.02	5.96
Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index (LBHY2)	0.57	1.31	8.62	10.06	4.50	6.52	5.05	N/A	N/A

**Past performance is not a guarantee or a reliable indicator of future results. 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://troweprice.com).**

The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

<sup>(2)</sup>Excludes the effect of contractual expense limitation arrangements. If the expense waiver was not in effect for the 30-Day period shown, there may not be a difference in the 30-day SEC yields shown above.

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

**Risks: Interest rates:** A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. **Emerging markets:** Investments in emerging market countries are subject to greater risk and overall volatility than investments in the U.S. and other developed markets. See the prospectus for more detail on the fund's principal risks.

THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS, OR SUMMARY PROSPECTUS IF AVAILABLE.  
<https://prospectus-express.broadridge.com/summary.asp?doctype=pros&clientid=trowepll&fundid=87279J109>

## Risk Return Characteristics (Five Years ended December 31, 2025)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
Credit Opportunities Fund	6.14	0.70	0.90	0.97	0.51	0.29	1.23
Bloomberg US HY 2% Iss Cap Index	6.69	0.00	1.00	1.00	0.00	0.18	0.00

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Top 10 Issuers (%)	Industry	Fund
Vistra Corp	Utilities	3.4
TransDigm Group Inc	Aerospace & Defense	2.5
Venture Global LNG Inc	Energy	2.3
Talen Energy Supply LLC	Utilities	2.3
Asurion LLC	Wireless Communications	2.3
EchoStar Corp	Cable Operators	2.1
LifePoint Health Inc	Health Care	2.0
Service Properties Trust	Real Estate Investment Trust Securities	2.0
Charter Communications Inc	Cable Operators	1.8
HUB International Ltd	Financial	1.6

Comprising 22.3% of total net assets.

Portfolio Characteristics	Fund	LBHY2
Weighted Average Maturity	6.04 years	4.71 years
Weighted Average Effective Duration	2.44 years	2.87 years
Weighted Average Coupon	7.74%	6.57%
Yield to Maturity	7.47%	7.05%
Total Assets (all share classes)	\$353,441,126	N/A
Percent of Portfolio in Cash	4.2%	N/A

## Geographical

Diversification (%)	Fund	Fund vs LBHY2
North America	92.2	2.0
Europe	2.7	-4.1
Japan	0.4	-0.7
Latin America	0.4	0.2
Middle East & Africa	0.1	0.1
Pacific Ex Japan	0.0	-1.6
Multi - Region	0.0	0.0
Reserves	4.2	4.2

**Credit Quality**

<b>Diversification (%)</b>	<b>Fund</b>	<b>LBHY2</b>
BBB/BB & Abv	2.7	3.1
BB	23.6	41.3
BB/B	9.1	14.8
B	27.5	26.7
B/CCC	10.7	5.4
CCC & Below	11.5	8.3
CDS	0.0	0.0
Default	0.0	0.0
Equities	2.0	0.0
Not Rated	8.7	0.3
Short- Term	4.2	0.0

**Additional Disclosures & Definitions**

**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](http://troweprice.com). Read it carefully.**

Visit [Troweprice.com/glossary](http://Troweprice.com/glossary) for a glossary of financial terminology.

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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.

Derivative valuations are based on standard derivative market valuation methods.

T. Rowe Price uses a custom structure for sector and industry reporting for this product.

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 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 (NR). 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. 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.

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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202009-1318442 202601-4865858