



T. Rowe Price

PORTFOLIO UPDATE

Credit Opportunities Fund

As of March 31, 2024



Portfolio Manager:
Rodney Rayburn

Managed Fund Since:
2015

Joined Firm:
2014

INVESTMENT OBJECTIVE

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

FUND INFORMATION

Symbol	PRCPX
CUSIP	87279J109
Inception Date of Fund	April 29, 2014
Benchmark	Bloomberg US HY 2% Iss Cap Index
Expense Information (as of the most recent Prospectus)*	1.18% (Gross) 0.81% (Net)
Fiscal Year End	May 31
12B-1 Fee	–

*The Fund operates under a contractual expense limitation that expires on September 30, 2025.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			30-Day SEC Yield	30-Day SEC Yield w/o Waiver ^o
				Three Years	Five Years	Since Inception 4/29/14		
Credit Opportunities Fund	0.85%	1.20%	11.09%	3.15%	4.58%	3.62%	7.09%	6.92%
Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index	1.18	1.47	11.15	2.19	4.19	4.42	–	–

Performance data quoted represents past performance and is not a reliable indicator of future performance. 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://www.troweprice.com). The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

^oExcludes 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.

This fund could have greater price declines than a fund that invests primarily in high-quality bonds or loans: the loans and debt securities held by the fund are usually considered speculative and involve a greater risk of default and price decline than higher-rated bonds.

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

MARKET COMMENTARY

High yield bonds traded higher alongside equities in March amid growing confidence that the Federal Reserve would cut interest rates later in the year despite mixed growth and inflation signals. The below investment-grade market appeared to view persistent inflation pressures as manageable, while the asset class's technical conditions of healthy cash balances and modest net issuance prompted investors to view bouts of weakness as buying opportunities. Returns across the ratings spectrum were positive, and nearly all high yield industries posted gains.

The yield of the benchmark 10-year U.S. Treasury note decreased from 4.25% to 4.20% by month-end. The Labor Department reported that core (less food and energy) prices had increased 0.36% in February, slightly less than the previous month but above expectations. Some signs of cooling in the labor market and elsewhere in the economy may have reassured investors about inflation and interest rates. Although the nonfarm payroll report for February looked strong at the headline level with job growth exceeding expectations at 275,000, the gains stemmed almost entirely from part-time employment. The Labor Department later reported that the unemployment rate had risen to 3.9% in February, its highest level in over two years. The Fed's mid-month policy meeting revealed that policymakers still expect three rate cuts in 2024. In a press conference widely regarded as dovish, Fed Chair Jerome Powell expressed conviction that rate cuts will be delivered this year despite hotter-than-expected inflation reports in January and February, which Powell said, "haven't really changed the overall story."

High yield funds reported a negative flow of USD 815 million in March, although calls, coupon payments, and tenders during the period added significant cash to the market. According to J.P. Morgan, 40 bonds priced for USD 28.3 billion, but refinancing transactions accounted for 72% of the gross volume. J.P. Morgan's par-weighted default rate ticked higher to 1.67% from 1.66% in February.

THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS, OR SUMMARY PROSPECTUS IF AVAILABLE.

RISK RETURN CHARACTERISTICS

(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Credit Opportunities Fund	9.19%	0.42%	0.98	0.97	0.25	0.27	1.57%
Bloomberg US HY 2% Iss Cap Index	9.25	0.00	1.00	1.00	0.00	0.23	0.00

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.**TOP 10 ISSUERS**

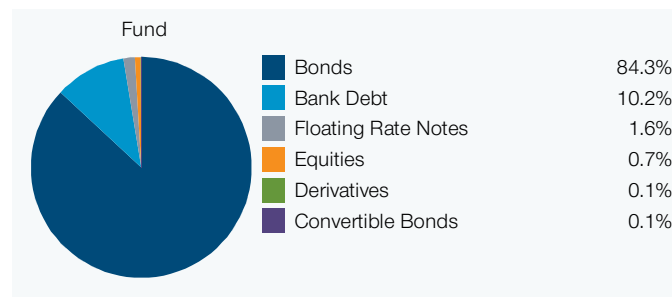
Comprising 22.8% of total net assets.

	Industry	% of Fund
Vistra Corp	Utilities	4.4%
UKG Inc	Services	3.2
TransDigm Group Inc	Aerospace & Defense	2.2
HUB International Ltd	Financial	2.0
Talen Energy Supply LLC	Utilities	1.9
Venture Global LNG Inc	Energy	1.9
Asurion LLC	Wireless Communications	1.9
Charter Communications Inc	Cable Operators	1.8
Navient Corp	Financial	1.8
Navacord Corp	Financial	1.7

Issuers are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

	Credit Opportunities Fund	Bloomberg US HY 2% Iss Cap Index
Number of Holdings	303	1,949
Weighted Average Maturity	5.41 years	4.83 years
Weighted Average Effective Duration	2.99 years	3.53 years
Weighted Average Coupon	7.82%	6.23%
Yield to Worst	8.15%	7.67%
Percent of Portfolio in Cash	3.1%	–
Total Assets (all share classes)	179,244,619	–

ASSET DIVERSIFICATION**GEOGRAPHICAL DIVERSIFICATION**

	North America	Europe	Middle East & Afri- ca	Latin America	Pacific Ex Japan	Japan	Reserves
Credit Opportunities Fund	90.0%	5.6%	1.0%	0.3%	0.0%	0.0%	3.1%
Bloomberg US HY 2% Iss Cap Index	90.9	7.1	0.0	0.0	1.7	0.3	0.0
Over/Underweight	-0.8	-1.6	1.0	0.3	-1.7	-0.3	3.1

CREDIT QUALITY DIVERSIFICATION

	BBB/BB & Abv	BB	BB/B	B	B/CCC	CCC & Be- low	Equities	Not Rated	Short- Term
Credit Opportunities Fund	2.1%	18.6%	20.3%	30.1%	4.8%	14.6%	0.8%	5.6%	3.0%
Bloomberg US HY 2% Iss Cap Index	2.8	34.5	19.1	28.1	4.6	10.7	0.0	0.2	0.0
Over/Underweight	-0.7	-15.9	1.2	2.0	0.2	3.9	0.8	5.4	3.0

Definitions

Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond Fund to changes in interest rates. In general, the longer the average duration, the greater the Fund's sensitivity to interest rates.

Additional Disclosures

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. Read it carefully.

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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 diversification reporting on this product.

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.

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Unless indicated otherwise the source of all data is T. Rowe Price.

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