



PORTFOLIO UPDATE

Credit Opportunities Fund

As of September 30, 2020



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 Barclays US HY 2% Iss Cap Index
Expense Information (as of the most recent Prospectus)*	1.20% (Gross) 0.91% (Net)
Fiscal Year End	May 31
12B-1 Fee	-

*The Fund operates under a contractual expense limitation that expires on September 30, 2021.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	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	-1.09%	3.81%	-0.36%	1.63%	3.94%	5.98%	3.00%	4.60%	4.26%
Bloomberg Barclays U.S. High-Yield 2% Issuer Capped Bond Index	-1.03	4.58	0.57	3.20	4.19	6.78	4.67	-	-

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. 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. 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. For Sourcing Information, please see Additional Disclosures.

MARKET COMMENTARY

After five consecutive monthly gains, high yield bonds posted a loss in September. Equity weakness, gridlock in Washington over another round of stimulus, the runup to the U.S. presidential election, and concerns over a rise in coronavirus infections fostered broad risk-off sentiment, while heavy new issuance and negative flows challenged the technical support the asset class has enjoyed most of the year. Oil prices retreated, causing energy to significantly underperform as most high yield industries ended in the red. In terms of quality, CCC bonds held up best as all rating tiers declined.

Treasury yields ended little changed from where they began. Negotiations over the size and scope of a "Phase 5" stimulus package showed few signs of progress, and investors appeared particularly concerned about the lack of additional aid for fiscally strained states and municipalities. The controversy over appointing a new Supreme Court Justice deepened worries that the two parties would fail to reach an agreement. The month's economic data generally pointed to a continuing but slowing recovery. August's inflation readings surprised on the upside, with core consumer prices rising 1.7% on a year-over-year basis, the fastest pace since March. Declines in weekly jobless claims stalled, although gauges of consumer confidence rose sharply. Fears over a second wave of the coronavirus in Europe as well as an uptick in cases in the U.S. seemed to weigh on markets late in the month.

High yield funds reported outflows totaling USD 4.3 billion. According to J.P. Morgan, new issuance declined month over month but remained strong as 77 bonds priced for USD 50.9 billion. Net issuance was considerably lower, however, as refinancing transactions accounted for 80% of the total volume, which helped companies lower financing costs and extend maturities. Four companies defaulted and one completed a distressed exchange, affecting USD 3.2 billion in bonds and loans. J.P. Morgan's par-weighted U.S. default rate ticked up to 5.80% from 5.77% in August.

RISK RETURN CHARACTERISTICS

(Five Years ended September 30, 2020)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Credit Opportunities Fund	7.95%	-0.64%	0.98	0.95	-0.42	0.60	1.88%
Bloomberg Barclays US HY 2% Iss Cap Index	7.87	0.00	1.00	1.00	0.00	0.71	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

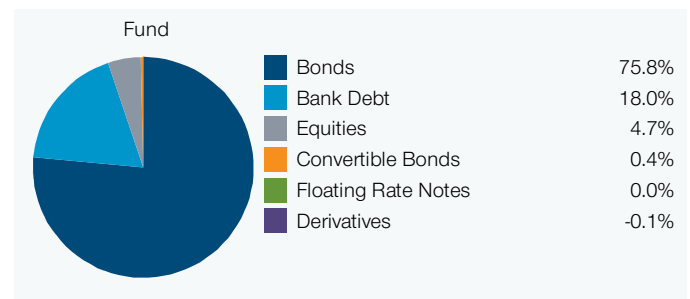
Comprising 28.9% of total net assets.

	Industry	% of Fund
Asurion LLC	Wireless Communications	4.4%
Intelsat Jackson Holdings SA	Satellites	4.3
Hellman & Friedman LLC	Services	4.0
Charter Communications Inc	Cable Operators	3.0
Altice USA Inc	Cable Operators	2.3
Bausch Health Cos Inc	Health Care	2.3
Occidental Petroleum Corp	Petroleum	2.3
Targa Resources Corp	Energy/Oil, Gas & Consumable Fuels	2.1
HCA Healthcare Inc	Health Care	2.1
iHeartMedia Inc	Broadcasting/Media	2.0

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

PORTFOLIO CHARACTERISTICS

	Credit Opportunities Fund	Bloomberg Barclays US HY 2% Iss Cap Index
Number of Holdings	254	2,103
Weighted Average Maturity	6.12 years	6.25 years
Weighted Average Effective Duration	2.86 years	3.69 years
Weighted Average Coupon	6.87%	6.08%
Yield to Worst	5.96%	5.84%
Percent of Portfolio in Cash	1.0%	-
Total Assets (all share classes)	66,022,537	-

ASSET DIVERSIFICATION**GEOGRAPHICAL DIVERSIFICATION**

	North America	Europe	Latin America	Middle East & Africa	Pacific Ex Japan	Reserves
Credit Opportunities Fund	87.4%	9.4%	1.0%	0.8%	0.3%	1.0%
Bloomberg Barclays US HY 2% Iss Cap Index	90.9	7.4	0.3	0.0	1.4	0.0
Over/Underweight	-3.5	2.0	0.7	0.8	-1.1	1.0

For Sourcing Information, please see Additional Disclosures.

CREDIT QUALITY DIVERSIFICATION

	BBB/BB & Abv	BB	BB/B	B	B/CCC	CCC & Be- low	Equities	Not Rated	Short- Term
Credit Opportunities Fund	5.1%	22.7%	12.7%	26.8%	6.6%	15.5%	4.7%	4.9%	1.0%
Bloomberg Barclays US HY 2% Iss Cap Index	6.3	40.3	15.9	22.3	6.3	8.9	0.0	0.0	0.0
Over/Underweight	-1.2	-17.6	-3.2	4.5	0.2	6.6	4.7	4.9	1.0

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.

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T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps. Short-term holdings are not rated.

Bloomberg Barclays data is based on the Returns Universe. The composition of the index is reset on the first day of each month; the holdings remain constant thereafter throughout the month until it is reset the following month.

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