

Floating Rate Fund (PRFRX)

As of April 30, 2026



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Paul Massaro	2011	2003

Investment Objective

The fund seeks high current income and, secondarily, capital appreciation.

General Information

CUSIP	87279B106
Inception Date	July 29, 2011
Benchmark	Morningstar LSTA Performing Loan Index
Expense Information (as of the most recent Prospectus)	0.76%

Market Commentary

Leveraged loans advanced in April amid improved sentiment as the U.S.-Iran ceasefire and further negotiations raised hopes for a resolution to the Middle East conflict. Solid demand, modest issuance, and healthy cash balances which kept most sellers on the sidelines provided technical support for the asset class. All loan industries recorded gains, although renewed concerns about artificial intelligence displacement risk were a headwind at times.

Treasury yields moved higher, reflecting stronger-than-expected economic data and continued resilience in labor market conditions. The benchmark 10-year U.S. Treasury yield increased from 4.30% at the beginning of April to 4.40% by month-end. The Bureau of Labor Statistics (BLS) reported that its core consumer price index, which excludes food and energy costs, rose 2.6%, a modest uptick from February's 2.5% reading. Producer prices rose at a slower-than-expected pace in March, according to data from the BLS, which reported that its producer price index rose 0.5% month over month, below estimates for around a 1% rise and in line with February's revised increase. The March nonfarm payrolls report showed a net addition of 178,000 jobs, a strong rebound from prior-month weakness that exceeded consensus expectations. The initial wave of first-quarter earnings reports from several major U.S. banks revealed generally upbeat commentary on current economic conditions, particularly around consumer spending. At Jerome Powell's last policy meeting as Federal Reserve chair, central bank officials held the target range for the benchmark federal funds rate at 3.50% to 3.75%.

Loan funds reported a positive flow of USD 1.3 billion, the first inflow since January. According to J.P. Morgan, issuance declined to a 12-month low as USD 27.8 billion in loans came to the market. The gross volume of collateralized loan obligations, a key source of demand, was USD 30.8 billion. The Morningstar LSTA 12-month par-weighted leveraged loan default rate decreased to 1.34% from 1.44% at the end of March.

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

	1m	3m	YTD	1yr	3yrs	5yrs	10yrs	Since Inception	30-Day SEC Yield
Floating Rate Fund (PRFRX)	1.31	0.91	0.82	6.81	8.07	5.96	4.97	4.48	6.31
Morningstar LSTA Performing Loan Index (SPLST)	1.31	0.98	0.63	6.26	8.23	6.23	5.70	5.16	N/A

The 1-, 5-, and 10-year annualized returns as of 2026-03-31 were 5.47%, 5.80% and 4.97% for the Fund.

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://www.troweprice.com).

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

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. **Floating rate loans:** Transactions involving floating rate loans may have significantly longer settlement periods than more traditional bond investments (settlement can take longer than 7 days) and often involve borrowers whose financial condition is troubled or highly leveraged, which increases the risk that the fund may not receive its proceeds in a timely manner and that the fund may incur unexpected losses in order to pay redemption proceeds to its shareholders. 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=87279B106>

Risk Return Characteristics (Five Years ended April 30, 2026)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
Floating Rate Fund	3.10	-0.10	0.94	0.97	-0.48	0.77	0.56
Morningstar LSTA Performing Loan Index	3.23	0.00	1.00	1.00	0.00	0.82	0.00

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Figures are calculated using monthly data and are net of fees.

Top 10 Issuers (%)	Industry	Fund
Hopper Merger Sub Inc	Health Care	2.5
TransDigm Group Inc	Aerospace & Defense	1.9
Applied Systems Inc	Info Tech	1.8
Alera Group Inc	Financial	1.7
Nielsen Finance LLC	Media	1.7
Sophia Holding II LP	Info Tech	1.6
Asurion LLC	Wireless	1.5
Resilience Parent LLC	Utilities	1.4
CRC Insurance Group LLC	Financial	1.4
Duravant LLC	Manufacturing	1.4

Comprising 16.9% of total net assets.

Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All rights reserved.

Portfolio Characteristics	Fund	SPLST
Number of Holdings	323	1,256
Weighted Average Maturity	5.02 years	4.58 years
Weighted Average Effective Duration	0.60 years	N/A
Weighted Average Coupon	7.03%	N/A
Yield to Maturity	7.53%	8.27%
Total Assets (all share classes)	\$4,067,960,233	N/A
Percent of Portfolio in Cash	2.6%	N/A

Industry Diversification (%)	Fund	SPLST
Financial	16.0	9.9
Info Tech	12.2	12.9
Health Care	10.3	11.6
Services	8.2	16.8
Media	5.8	1.3
Utilities	5.5	2.6
Manufacturing	4.6	5.1
Automotives	4.1	3.0
Entertainment & Leisure	3.6	2.7
Aerospace & Defense	3.3	3.6
Other	23.8	30.7

Credit Quality Diversification (%)	Fund	SPLST
BBB/BB & Abv	3.2	0.7
BB	14.7	19.5
BB/B	6.9	6.9
B	56.4	62.9
B/CCC	2.7	2.7
CCC & Below	8.6	4.2
CDS	0.0	0.0
Equities	0.5	0.0
Not Rated	4.5	3.2
Short- Term	2.6	0.0

Maturity Diversification (%)	Fund
0-2 Years	3.1
2-4 Years	19.7
4-7 Years	69.9
7-10 Years	4.5
10+ Years	0.2

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. Read it carefully.

Visit 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.

Industry classification was determined by T. Rowe Price's high yield industry structure.

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.

"Other" includes any categories not explicitly mentioned.

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.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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