

High Yield Fund (PRHYX)

As of February 28, 2026



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Rodney Rayburn	2019	2014

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

General Information

CUSIP	741481105
Inception Date	December 31, 1984
Benchmark	Bloomberg US HY 2% Iss Cap Index
Expense Information (as of the most recent Prospectus) ⁽¹⁾	0.80%(Gross) 0.70%(Net)

⁽¹⁾The Fund operates under a contractual expense limitation that expires on July 31, 2027.

Market Commentary

High yield bonds modestly advanced in February as concerns about artificial intelligence (AI) displacement risk and geopolitical uncertainty sparked significant volatility. The outperformance of higher-quality credits underscored investors' preference for more conservative positioning amid the unsettled backdrop. Industry results were mixed as risk aversion extended beyond the technology/software space to other sectors perceived as vulnerable to rapid advancements in AI technology.

The flight to quality stemming from concerns regarding the disruptive potential of AI, escalating Middle East tensions, and worries about mixed economic data drove longer-term Treasury yields lower. After starting the period at 4.26%, the benchmark 10-year Treasury yield declined to 3.97% at month-end. The Bureau of Labor Statistics reported that U.S. employers added 130,000 jobs during January, well ahead of consensus forecasts and the highest monthly gain in over a year. The unemployment rate ticked lower to 4.3% from 4.4% in December. The Bureau of Economic Analysis (BEA) reported that its core (excluding food and energy) personal consumption expenditures price index, the Federal Reserve's preferred measure of inflation, rose 0.4% month over month and 3.0% year over year in December, up from 0.2% and 2.8% in November, respectively. The BEA also indicated that U.S. economic growth slowed sharply in the fourth quarter to an annual rate of 1.4% compared with 4.4% in the third quarter. The Fed's January meeting minutes showed that policymakers remained divided regarding the path forward for monetary policy. The minutes revealed that the "vast majority of participants" believed the "downside risks to employment had moderated," but "the risk of more persistent inflation remained."

High yield funds reported an outflow of USD 726 million in February. According to J.P. Morgan, 32 bonds priced for USD 28.7 billion. Refinancing transactions were the largest category of issuance at 62% of the total volume. J.P. Morgan's par-weighted default rate rose to 1.17% from 1.12% at the end of January.

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

	1m	3m	YTD	1yr	3yrs	5yrs	10yrs	15yrs	30-Day SEC Yield	30-Day SEC Yield w/o Waiver ⁽²⁾
High Yield Fund (PRHYX)	-0.01	1.40	0.55	7.08	8.76	4.22	6.00	5.35	5.81	5.68
Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index (LBHY2)	0.19	1.27	0.69	7.18	9.42	4.50	6.71	5.82	N/A	N/A

The 1-, 5-, and 10-year annualized returns as of 2025-12-31 were 8.59%, 4.22% and 5.80% 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.

⁽²⁾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. **"Junk" bonds:** Investments in bonds that are rated below investment grade, commonly referred to as junk bonds, and loans that are rated below investment grade, expose the fund to greater volatility and credit risk than investments in securities that are rated investment grade. 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=741481105>

Risk Return Characteristics (Five Years ended February 28, 2026)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
High Yield Fund	6.92	-0.30	1.03	0.99	-0.37	0.11	0.76
Bloomberg US HY 2% Iss Cap Index	6.69	0.00	1.00	1.00	0.00	0.16	0.00

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

Top 10 Issuers (%)

	Industry	Fund
TransDigm Group Inc	Aerospace & Defense	2.6
Venture Global LNG Inc	Energy	1.8
Charter Communications Inc	Cable Operators	1.8
Vistra Corp	Utilities	1.8
LifePoint Health Inc	Health Care	1.6
Cloud Software Group Inc	Info Tech	1.6
Alliant Holdings Intermediate LLC	Financial	1.6
Navient Corp	Financial	1.5
Jane Street Group LLC	Financial	1.4
Nielsen Finance LLC	Media	1.3

Comprising 17.0% of total net assets.

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

Portfolio Characteristics

	Fund	LBHY2
Number of Holdings	433	1,940
Weighted Average Maturity	5.84 years	4.72 years
Weighted Average Effective Duration	2.73 years	2.93 years
Weighted Average Coupon	7.27%	6.62%
Yield to Maturity	7.19%	7.19%
Total Assets (all share classes)	\$6,601,912,202	N/A
Percent of Portfolio in Cash	1.4%	N/A

Industry Diversification (%)

	Fund	LBHY2
Energy	12.4	11.4
Financial	11.9	9.4
Health Care	8.4	7.8
Utilities	6.6	3.6
Cable Operators	6.5	6.0
Info Tech	6.4	5.0
Media	6.2	4.5
Automotives	3.9	4.6
Services	3.8	8.1
Chemicals	3.7	3.5
Other	28.8	36.3

Credit Quality

Diversification (%)	Fund	LBHY2
BBB/BB & Abv	3.2	2.5
BB	33.4	42.8
BB/B	14.4	15.1
B	26.2	26.3
B/CCC	7.4	5.2
CCC & Below	8.0	7.8
CDS	0.0	0.0
Default	0.0	0.1
Equities	1.6	0.0
Not Rated	4.6	0.3
Short- Term	1.4	0.0

Maturity

Diversification (%)	Fund	Fund vs. LBHY2
0-2 Years	2.9	-4.3
2-4 Years	26.0	-7.5
4-7 Years	51.2	7.2
7-10 Years	14.4	1.1
10+ Years	4.0	2.1

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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201705-152335 202603-5270624