



PORTFOLIO UPDATE

# Institutional Floating Rate Fund

As of September 30, 2020



**Portfolio Manager:**  
Paul Massaro

**Managed Fund Since:**  
2009

**Joined Firm:**  
2003

## INVESTMENT OBJECTIVE

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

## FUND INFORMATION

Symbol	RPIFX
CUSIP	77958B402
Inception Date of Fund	January 31, 2008
Benchmark	S&P/LSTA Performing Loan Index
Expense Information (as of the most recent Prospectus)	0.58%
Fiscal Year End	May 31
12B-1 Fee	-

## MARKET COMMENTARY

Leveraged loans advanced in September as supportive technical conditions kept loan prices somewhat insulated from macro concerns and volatility that weighed on the performance of other risk assets. Strong demand from collateralized loan obligations (CLOs) offset steady new issuance, and negative flows from the asset class were manageable. Sellers were largely focused on higher dollar loans and generally used the proceeds to fund purchases of new deals or to opportunistically invest in names offering better relative value. Buyers seemed to prefer discounted/lower qualities, which caused CCC loans to significantly outperform the higher rating tiers, and nearly all loan industries posted gains.

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 come to 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, but declines in weekly jobless claims stalled. 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.

Loan funds reported a negative flow of USD 566 million, which represents the third-lowest monthly outflow of the past two years. According to J.P. Morgan, loan issuance accelerated in September as USD 33.7 billion came to the market, although refinancing activity represented 34% of the total volume. CLO issuance more than doubled from August to a seven-month high of USD 12 billion. The S&P/LSTA 12-month par-weighted leveraged loan default rate rose to 4.17% from 4.08% in August.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized				30-Day SEC Yield
					Three Years	Five Years	Ten Years	Since Inception 1/31/08	
Institutional Floating Rate Fund	0.25%	3.23%	-0.94%	0.78%	3.02%	3.73%	4.12%	4.75%	3.64%
S&P/LSTA Performing Loan Index	0.71	4.30	-0.50	1.35	3.26	4.18	4.48	4.95	-

**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](http://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](http://troweprice.com). Read it carefully.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

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.

**RISK RETURN CHARACTERISTICS**

(Five Years ended September 30, 2020)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Institutional Floating Rate Fund	5.86%	0.09%	0.81	0.98	-0.28	0.44	1.61%
S&P/LSTA Performing Loan Index	7.18	0.00	1.00	1.00	0.00	0.42	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 22.5% of total net assets.

	Industry	% of Fund
Hellman & Friedman LLC	Services	4.2%
Asurion LLC	Wireless Communications	3.8
HUB International Ltd	Financial	2.9
UFC Holdings LLC	Entertainment & Leisure	2.1
Refinitiv US Holdings Inc	Info Tech	2.0
USI Advantage Corp	Financial	1.7
Caesars Entertainment Inc	Gaming	1.5
Versant Health Inc	Health Care	1.4
Solera LLC	Info Tech	1.4
Applied Systems Inc	Info Tech	1.4

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

**PORTFOLIO CHARACTERISTICS**

	Institutional Floating Rate Fund	S&P/LSTA Per- forming Loan Index
Number of Holdings	331	1,324
Weighted Average Maturity	4.90 years	4.64 years
Weighted Average Duration	0.41 years	- years
Weighted Average Coupon	4.65%	-
Yield to Worst	5.35%	-
Percent of Portfolio in Cash	5.6%	-
Total Assets (all share classes)	2,760,160,214	-

**INDUSTRY DIVERSIFICATION**

	Info Tech	Health Care	Services	Finan- cial	Energy	Wireless Commu- nica- tions	Enter- tain- ment & Leisure	Gaming	Automo- tives	Utilities	Other
Institutional Floating Rate Fund	13.7%	13.1%	11.1%	9.4%	4.0%	3.9%	3.7%	3.6%	3.4%	3.1%	25.5%
S&P/LSTA Performing Loan Index	13.8	13.2	13.9	5.6	2.7	1.6	3.1	2.6	3.1	3.0	37.4
<b>Over/Underweight</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-2.8</b>	<b>3.8</b>	<b>1.3</b>	<b>2.4</b>	<b>0.6</b>	<b>1.0</b>	<b>0.3</b>	<b>0.1</b>	<b>-11.9</b>

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
Institutional Floating Rate Fund	4.1%	8.4%	10.1%	56.8%	3.4%	8.1%	1.3%	2.2%	5.6%
S&P/LSTA Performing Loan Index	1.5	17.7	11.3	56.1	6.1	6.1	0.0	1.2	0.0
<b>Over/Underweight</b>	<b>2.5</b>	<b>-9.3</b>	<b>-1.2</b>	<b>0.7</b>	<b>-2.6</b>	<b>2.0</b>	<b>1.3</b>	<b>1.0</b>	<b>5.6</b>

**MATURITY DIVERSIFICATION**

	0-2 Years	2-4 Years	4-7 Years	7-10 Years	10+ Years
Institutional Floating Rate Fund	3.1%	20.8%	66.5%	3.8%	0.1%

**Definitions**

Weighted Average 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**

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

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

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Source for Maturity Diversification: T Rowe Price.

"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.

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