



PORTFOLIO UPDATE

Institutional Long Duration Credit Fund

As of March 31, 2024



Portfolio Manager:

Rob Larkins

Managed Fund Since:

2018

Joined Firm:

2003

INVESTMENT OBJECTIVE

The fund seeks to provide high income.

FUND INFORMATION

Symbol	RPLCX
CUSIP	77958B600
Inception Date of Fund	June 03, 2013
Benchmark	Bloomberg US Long Credit Index
Expense Information (as of the most recent Prospectus)	0.45%
Fiscal Year End	May 31
12B-1 Fee	—

MARKET COMMENTARY

Investment-grade (IG) corporate bonds, as represented by the Bloomberg U.S. Corporate Investment Grade Bond Index, generated positive total returns in March. Fluctuating Treasury yields aided benchmark returns overall amid warm inflation data and the Fed's press conference that was largely viewed as dovish. Fed Chair 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." While the Fed still expects 75 basis points of cuts in 2024, one fewer cut was expected in 2025.

U.S. IG corporates saw demand remain strong as supply lightened throughout March, helping spreads to close the month near their one-year tight. The credit curve remains relatively flat and well below long-term averages. While buyers remained yield-focused and long-end supply remained low, intermediate-term corporates slightly outperformed long-term corporates. From an excess return standpoint, however, long-term corporates outperformed intermediate-term corporates. Financials modestly underperformed industrials in the back half of the month as tight credit spreads and lower-than-expected issuance increased the market's expectations for elevated bank supply over the coming weeks. Approximately USD 144 billion in new gross issuance was brought to market in March increasing the first quarter's (Q1) total issuance to USD 537 billion, the largest Q1 issuance of all time.

Economic releases highlighted marginally softer employment data though inflation data remained warm. While February's nonfarm payroll report exceeded expectations at 275,000, the jobs gains stemmed entirely from part-time employment. Notably, the totals from the previous two months were downwardly revised by 167,000 and, in February, the unemployment rate rose from 3.7% to 3.9%. In terms of inflation, the annualized headline consumer price index for February ticked up to 3.2%. The Fed's preferred inflation measure, the core PCE price index, was milder, rising by 2.8% year over year, the smallest increase in almost three years.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			Since Inception 6/3/13	30-Day SEC Yield
				Three Years	Five Years	Ten Years		
Institutional Long Duration Credit Fund	1.63%	-1.62%	2.19%	-4.57%	1.29%	3.24%	3.19%	5.01%
Bloomberg U.S. Long Credit Bond Index	1.91	-1.65	3.31	-4.26	0.83	3.08	3.04	—

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.

The fund is subject to the risks of fixed income investing, including interest rate risk and credit risk. High yield bonds are subject to additional credit risk and volatility. Any investments in foreign markets are subject to political risk and currency risk.

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

RISK RETURN CHARACTERISTICS

(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Institutional Long Duration Credit Fund	14.35%	0.44%	0.99	0.99	0.33	-0.05	1.40%
Bloomberg US Long Credit Index	14.51	0.00	1.00	1.00	0.00	-0.08	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 13.7% of total net assets.

	Industry	% of Fund
U.S. Treasuries	Treasuries	14.7%
AT&T	Communications	1.9
Anheuser-Busch InBev SA/NV	Consumer Non Cyclical	1.6
UnitedHealth Group	Insurance	1.4
Bank of America	Banking	1.3
Charter Communications	Communications	1.3
Comcast	Communications	1.3
JPMorgan Chase	Banking	1.3
AbbVie	Consumer Non Cyclical	1.2
Wells Fargo	Banking	1.2

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

PORTFOLIO CHARACTERISTICS

	Institutional Long Duration Credit Fund	Bloomberg US Long Credit Index
Number of Holdings	417	3,340
Weighted Average Maturity	19.65 years	22.61 years
Weighted Average Effective Duration	12.71 years	12.64 years
Weighted Average Coupon	5.13%	4.71%
Yield to Maturity	5.70%	5.46%
Percent of Portfolio in Cash	0.4%	–
Total Assets (all share classes)	148,221,306	–

SECTOR DIVERSIFICATION

	US Treas- uries	Banking	Electric Utility	Health/ Pharma	Non Corpo- rate	Insur- ance	Tele- com	Energy	Media	Non Cy- clicals	Other
Institutional Long Duration Credit Fund	14.8%	12.8%	8.9%	8.5%	7.6%	6.0%	5.6%	5.0%	4.9%	3.5%	22.5%
Bloomberg US Long Credit Index	0.0	7.3	10.5	12.6	8.6	5.6	5.5	8.2	5.0	6.1	30.4
Over/Underweight	14.8	5.5	-1.7	-4.1	-1.0	0.3	0.0	-3.2	-0.1	-2.6	-8.0

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	U.S. Govt Ag**	AAA	AA	A	BBB	Not Rated	Reserves
Institutional Long Duration Credit Fund	14.7%	0.4%	1.1%	8.2%	34.2%	40.1%	0.8%	0.4%
Bloomberg US Long Credit Index	0.0	0.0	4.3	16.1	41.5	38.1	0.0	0.0
Over/Underweight	14.7	0.4	-3.2	-7.9	-7.3	2.0	0.8	0.4

MATURITY DIVERSIFICATION

	0-1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	10-20 Years	20-30 Years	30+ Years
Institutional Long Duration Credit Fund	0.4%	0.0%	1.2%	0.7%	15.0%	30.0%	46.0%	6.7%
Bloomberg US Long Credit Index	0.0	0.0	0.0	0.0	0.0	38.4	52.0	9.6
Over/Underweight	0.4	0.0	1.2	0.7	15.0	-8.4	-6.0	-2.9

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.

"Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by T. Rowe Price. Bloomberg is not affiliated with this product, and Bloomberg does not approve, endorse, review, or recommend this product. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to this product.

Copyright © 2024, S&P Global Market Intelligence (and its affiliates, as applicable). Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the appropriateness of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

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.

T. Rowe Price uses a custom structure for diversification reporting on 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, Standard & Poor's and Fitch 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. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle 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.

© 2024, Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "Moody's"). All rights reserved. Moody's ratings and other information ("Moody's Information") are proprietary to Moody's and/or its licensors and are protected by copyright and other intellectual property laws. Moody's Information is licensed to Client by Moody's. MOODY'S INFORMATION MAY NOT BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. Moody's (R) is a registered trademark.

Copyright © 2024 Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries.

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.

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

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

© 2024 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc.

T. Rowe Price Investment Services, Inc., Distributor.
201807-546315 202404-3473513