



**FACT SHEET**

# Tax-Free High Yield Fund

As of September 30, 2020



**Portfolio Manager:**

Jim Murphy

**Managed Fund Since:**

2002

**Joined Firm:**

2000

## FUND INFORMATION

Symbol	PRFHX
CUSIP	741486104
Inception Date of Fund	March 01, 1985
Benchmark	Bloomberg Barclays 65% HG/35% HY Index
Expense Information (as of the most recent Prospectus)*	0.72% (Gross) 0.62% (Net)
Fiscal Year End	February 29
Total Annual Operating Expenses per \$1,000	\$7.20 (Gross) \$6.20 (Net)
12B-1 Fee	-
Portfolio Holdings Turnover†	15.7%
Total Assets (all share classes)	\$4,760,693,603
Percent of Portfolio in Cash	-0.3%

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

† Portfolio Turnover represents 1 year period ending 12/31/19.

## INVESTMENT OBJECTIVE AND STRATEGY

The fund seeks to provide a high level of income exempt from federal income taxes by investing primarily in long-term low- to upper-medium-grade municipal securities.

Invests a substantial portion of assets in below-investment-grade municipal or “junk” bonds and may buy bonds in default as long as they do not exceed 10% of assets.

Weighted average maturity is expected to exceed 10 years.

May invest in bonds whose income is subject to the calculation of the alternative minimum tax.

## BENEFITS AND RISKS

Offers the highest potential for current income and capital appreciation of all of the T. Rowe Price federal tax-free funds. Some income may be subject to state and local taxes and the federal alternative minimum tax.

Offers the potential for a high level of tax-exempt income and some capital appreciation by investing in below-investment-grade bonds. These bonds tend to offer higher yields to compensate for a greater default risk.

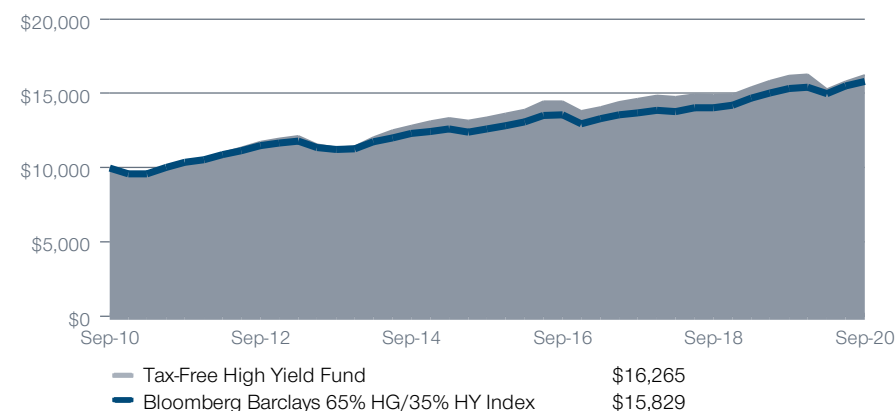
Yield and share price will vary with interest rate changes. Some income may be subject to state and local taxes and the federal alternative minimum tax.

If interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term.

High-yield bonds carry a significant level of credit risk.

## CUMULATIVE RETURNS

Growth of \$10,000



## PERFORMANCE

(NAV, total return)

	Annualized							30-Day SEC Yield	30-Day SEC Yield w/o Waiver <sup>o</sup>
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Fifteen Years		
Tax-Free High Yield Fund	2.79%	-0.37%	0.29%	3.53%	3.95%	4.98%	4.58%	2.76%	2.66%
Bloomberg Barclays 65% High-Grade/35% High-Yield Index	1.88	2.38	3.19	4.85	4.62	4.70	4.71	-	-

**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 1-855-405-6488 or visit [troweprice.com](http://troweprice.com). Read it carefully.** The average annual 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.

<sup>o</sup>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.

For Sourcing Information, please see Additional Disclosures.

**TOP GUARANTORS**

	% of Fund
Tobacco Industry	3.7%
Puerto Rico Sales Tax Financing Corp Sales Tax Revenue	2.5
I-66 Express Mobility Partners LLC	2.3
Metropolitan Pier & Exposition Authority	1.6
Puerto Rico Commonwealth Aqueduct & Sewer Authority	1.6
Goldman Sachs Group Inc/The	1.6
95 Express Lanes LLC	1.5
State of Illinois	1.5
United Air Lines Inc	1.4
Puerto Rico Electric Power Authority	1.4

**MORNINGSTAR™**

Overall Morningstar Rating™

Morningstar Category™ High Yield Muni

Rated against 177 High Yield Muni funds, as of 9/30/2020, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. **Past performance is no guarantee of future results.**

**INDUSTRY DIVERSIFICATION**

	Health Care	Ind Dev Rev / Pollut Ctrl Rev	Transportation	Special Tax	Education	Water & Sewer	Leasing	Electric	Prere-funded	GO-Local	Other
Tax-Free High Yield Fund	28.2%	17.8%	13.7%	7.2%	6.0%	4.7%	3.1%	2.6%	2.5%	2.3%	11.9%
Bloomberg Barclays 65% HG/35% HY Index	13.0	10.7	11.0	13.4	8.0	6.8	4.8	3.2	3.9	11.8	13.0
<b>Over/Underweight</b>	<b>15.3</b>	<b>7.0</b>	<b>2.7</b>	<b>-6.2</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-1.7</b>	<b>-0.6</b>	<b>-1.4</b>	<b>-9.5</b>	<b>-1.1</b>

**CREDIT QUALITY DIVERSIFICATION**

	AAA	AA	A	BBB	BB	B	CCC	CC	D	Not Rated
Tax-Free High Yield Fund	-0.1%	1.8%	14.6%	32.9%	12.7%	5.3%	1.5%	2.1%	1.6%	27.5%
Bloomberg Barclays 65% HG/35% HY Index	9.7	33.4	16.5	7.7	7.6	2.9	1.0	0.7	0.0	20.5
<b>Over/Underweight</b>	<b>-9.8</b>	<b>-31.6</b>	<b>-1.8</b>	<b>25.2</b>	<b>5.1</b>	<b>2.4</b>	<b>0.5</b>	<b>1.5</b>	<b>1.6</b>	<b>7.1</b>

**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
Tax-Free High Yield Fund	1.1%	2.3%	2.2%	3.1%	6.2%	32.6%	36.3%	16.2%
Bloomberg Barclays 65% HG/35% HY Index	0.0	8.7	8.1	7.8	10.7	29.8	26.8	7.9
<b>Over/Underweight</b>	<b>1.1</b>	<b>-6.5</b>	<b>-5.9</b>	<b>-4.7</b>	<b>-4.6</b>	<b>2.7</b>	<b>9.5</b>	<b>8.3</b>

For Sourcing Information, please see Additional Disclosures.

Not FDIC-Insured. May lose value. No bank guarantee.

INVEST WITH CONFIDENCE®

## Additional Disclosures

Morningstar rated the fund 3, 3, and 3 stars among 177, 152 and 99 High Yield Muni funds for the 3-, 5-, and 10-year periods (as applicable) ending 9/30/2020, respectively. The Morningstar Rating™ for funds, or “star rating”, is calculated for funds with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

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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.

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