QUARTERLY REVIEW

U.S. High Yield Fund — Multi-Class[1]

As of March 31, 2024

PORTFOLIO HIGHLIGHTS

The portfolio outperformed the ICE BofA US High Yield Constrained Index for the three-month period ended March 31, 2024.

Relative performance drivers:

- In aggregate, credit selection and quality tier positioning contributed, as did industry allocation.
- Credit selection, which was especially strong in the B and CCC rating tiers, drove our relative results.
- On an industry basis, our strongest gains were generated in the energy, technology and electronics, and media segments. Conversely, the capital goods, health care, and automotive segments produced the portfolio's weakest results.

Additional highlights:

- Due to our expectation for more income-like returns in 2024, we have positioned the portfolio with a sizable current yield advantage relative to the index, which should provide greater opportunities to outperform.
- Unlike some of the low-coupon pandemic-era bonds that are available in the secondary market, we recently found some compelling opportunities in select BB and B rated bonds with favorable bond structures and attractive coupons via the new issue market.
- We believe that a strong income cushion and the potential for declining Treasury yields in 2024 should offset the impact of widening spreads. We continue to view high yield as a strategic long-term investment and a mainstay allocation in a diversified portfolio.

FUND INFORMATION

Symbol	TUHYX
Inception Date of Fund[1]	April 30, 2013
Benchmark	ICE BofA US HY Constrained Index
Expense Information (as of the most recent Prospectus)*	0.87% (Gross) 0.75% (Net)
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	$478,957,348
Percent of Portfolio in Cash	4.31%

*The Fund operates under a contractual expense limitation that expires on September 30, 2025.

PERFORMANCE[2]

(NAV, total return)

				Annualized					
	Inception Date	Three Months	One Year	Three Years	Five Years	Ten Years	Since Inception	30-Day SEC Yield	30-Day SEC Yield w/o Waiver°
U.S. High Yield Fund	May 19 2017	1.96%	11.96%	1.08%	3.75%	–	3.78%	7.56%	7.52%
U.S. High Yield Fund – Advisor Class	Apr 30 2013	1.92	11.80	0.92	3.57	4.23%	4.80	7.42	7.17
U.S. High Yield Fund – I Class	Apr 30 2013	2.12	12.14	1.24	3.89	4.53	5.10	7.69	7.64
ICE BofA US High Yield Constrained Index	–	1.51	11.06	2.21	4.01	–	4.09	–	–

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

The Advisor Class must be purchased through an eligible financial intermediary and requires an agreement between the financial intermediary and T. Rowe Price to be executed prior to investment.

°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.

Investors should note that if interest rates rise significantly from current levels, total returns will decline and may even turn negative in the short term. The Fund is subject to risks of fixed income investing, including interest rate risk and credit risk. High-yield bonds carry a greater default risk than higher-rated bonds, as well as liquidity risk.

[1] The T. Rowe Price US High Yield Fund ("Fund") commenced operations on May 19, 2017. At that time, the Fund received all of the assets and liabilities of the Henderson High Yield Opportunities Fund (the "Predecessor Fund") and adopted its performance and accounting history. The Fund and the Predecessor Fund have substantially similar investment objectives and strategies. The Predecessor Fund was managed by the same portfolio manager as the Fund.

[2] The Fund commenced operations on May 19, 2017. Performance for the Investor and Advisor Classes prior to that date reflects the performance of the Class A of the Predecessor Fund. Performance for the I Class prior to that date reflects the performance of the Class I of the Predecessor Fund. Predecessor Fund performance reflects its actual operating expense at the time and was not adjusted to reflect the impact of the Fund's current fees. Since Inception returns are shown from the inception date of the Predecessor Fund, April 30, 2013.

CALENDAR YEAR PERFORMANCE[1]

(NAV, total return)

	Inception Date	2015	2016	2017	2018	2019	2020	2021	2022	2023
U.S. High Yield Fund	May 19 2017	-1.87%	16.09%	8.76%	-3.82%	16.04%	6.97%	4.82%	-14.73%	14.12%
U.S. High Yield Fund – Advisor Class	Apr 30 2013	-1.87	16.09	8.63	-4.07	15.88	6.81	4.66	-14.88	13.96
U.S. High Yield Fund – I Class	Apr 30 2013	-1.68	16.38	8.99	-3.71	16.14	7.14	4.98	-14.72	14.32
ICE BofA US High Yield Constrained Index	–	-4.61	17.49	7.48	-2.27	14.41	6.07	5.35	-11.21	13.47

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The Advisor Class must be purchased through an eligible financial intermediary and requires an agreement between the financial intermediary and T. Rowe Price to be executed prior to investment.

Investors should note that if interest rates rise significantly from current levels, total returns will decline and may even turn negative in the short term.

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[1] The Fund commenced operations on May 19, 2017. Performance for the Investor and Advisor Classes prior to that date reflects the performance of the Class A of the Predecessor Fund. Performance for the I Class prior to that date reflects the performance of the Class I of the Predecessor Fund. Predecessor Fund performance reflects its actual operating expense at the time and was not adjusted to reflect the impact of the Fund’s current fees.

PERFORMANCE REVIEW

Market Review

As measured by the ICE BofA US High Yield Constrained Index, the U.S. high yield market returned 1.51% in the first quarter of 2024.

The yield on the benchmark 10-year U.S. Treasury note rose 32 basis points to 4.20% over the period. The quarter began with some mixed economic data and cautious words from Federal Reserve officials. While consumers appeared to be in good shape as retail sales jumped 0.6% in December, for example, the manufacturing sector remained the weak leg in the expansion.

In early February, the Labor Department reported that employers added 353,000 nonfarm jobs in January, nearly double consensus estimates, while November and December's gains were also revised higher, due in part to an annual benchmark revision. Soon after, S&P Global and the Institute for Supply Management reported solid growth in their respective indexes of service sector activity, although their manufacturing readings remained more subdued.

The better growth brought some unwelcome inflation surprises later in the quarter, however. Core (less food and energy) inflation rose by 0.4% in both January and February, while producer prices jumped 0.6% and 0.4%, respectively. The core personal expenditures price index, the Fed's preferred inflation gauge, also rose more than expected, although the year-over-year increase continued to creep toward the Fed's 2% target and ended February at 2.8%, its lowest level in roughly three years.

While hopes for a March rate cut faded early in the quarter, investors appeared pleasantly surprised by the summary of individual policymakers' rate, growth, and inflation expectations released after the Fed's March meeting. The median expectation remained for three cuts in 2024, with only slightly fewer cuts in following years. Fed Chair Jerome Powell also testified before Congress that policymakers were "not far" from having the confidence that inflation's downtrend will be sustained, enabling them to begin cutting rates.

High yield primary market activity was significantly elevated during the first quarter. The market saw USD 87.6 billion of new issuance for the period, which was primarily driven by refinancing activity. The J.P. Morgan trailing 12-month default rate including distressed exchanges ended the quarter at 2.6%, which is still below the historical average of 3.4% (source: JPM). We expect defaults will continue trending toward their long-term average.

Quality Tier Positioning Contributed in Aggregate

During the first quarter the lower quality credit-rating tiers outperformed the higher credit-rating tiers. Our positioning across the ratings spectrum contributed to performance as credit selection, which was especially strong in the B and CCC rating tiers, drove relative results.

Credit Selection Within Industries Aided Performance

Credit selection aided relative performance in aggregate. The portfolio's top relative performance contributors for the period included Michaels Stores, the largest retailer of craft products and custom framing; Upfield/Sigma Holdco, a leading provider of plant-based nutritional products; and First Quantum Minerals, which explores for, mines, and produces copper cathode, copper in concentrate, and gold. Avoiding exposure to cable provider Altice France also added value. The portfolio's relative performance detractors for the period included rigid packaging company Ardagh Group; Herbalife, a marketing corporation that develops and sells dietary supplements; and satellite television company DISH Network.

Our allocation across industries contributed in aggregate. Our strongest gains were generated in the energy, technology and electronics, and media segments. Conversely, the capital goods, health care, and automotive segments produced the portfolio's weakest results.

Portfolio Positioning and Activity

After the asset class's very strong performance in 2023, our expectation is for more income-like returns in 2024. As such, we have aimed to position the portfolio with a sizable current yield advantage relative to the index, which should provide greater opportunities to outperform.

We utilized the strong rally in 2023 to reduce or exit names that we believed to be fully valued and looked to redeploy proceeds into other, higher conviction ideas alongside the strong new issue calendar during the period. We remained selective with respect to our new issue participation (particularly PE deals) but found some attractive opportunities to invest in select BB and B rated new issues with favorable bond structures and attractive coupons relative to low-coupon pandemic-era bonds available in the secondary market.

Our current bank loan allocation has grown to ~13.5%. Given the current yield differential between bank loans and bonds, we have proactively and opportunistically sought to take advantage of select opportunities via bank loans to pick up yield where it makes sense (while remaining cognizant of repricing risk). We continue to review opportunities in loans alongside bonds on a credit-by-credit basis.

At the end of the reporting period, our duration positioning was roughly a half-year below the index. We typically do not make active duration bets, rather, this positioning is a function of our bottom-up fundamental credit selection and positioning by credit rating as well as our allocation to loans, which has recently increased.

Focus On Resilient Credits

In terms of industry allocation, our largest current industry overweights are currently in the energy, financial services, and consumer goods segments. Our overweight in energy reflects the industry's positive fundamentals, which include increased activity, higher commodity prices (except for natural gas) and merger and acquisitions transactions. Our most notable overweight is the gas distribution subsector, which offers attractive yield for its significant fixed assets and ratings. While we have exposure to natural gas exploration and production companies that are being negatively impacted by weak commodity prices, our exposure is in names that are typically well hedged and/or have recently raised equity financing.

Our largest industry underweights include media, health care and retail, reflecting our view that these segments generally provide less value relative to other segments of the high yield market. Our underweight in media, for example, is due to concerns about evolving consumer viewing habits and the competitive environment. The secular competition between traditional media and new digital platforms leads to shorter visibility and muted financial performance. Additionally, consumer "cord cutting" has weakened subscriber growth trends and changed consumer habits, leading to more volatile earnings streams and drags on growth and margins. We expect overall ad spending to rebound in 2024 from softness last year. Select mediums (i.e., linear TV) should benefit from political ad spending, which is typically elevated in a presential election year. Longer-term trends of ad spending could move from traditional platforms (TV, radio) to digital. Therefore, we remain cautious and selective within the sector.

Improved Overall Quality Positioning

We have significantly increased the fund's overall quality over the past two years (reducing our overweight to CCCs and our underweight to BBs). Our CCC weighting is now roughly in line with that of the index. Within the higher quality rating tiers, we remain underweight BBs and overweight Bs in alignment with our emphasis on current yield. We feel good about our current positioning as we have increased our current yield advantage while also enhancing the overall credit quality of our portfolio.

Manager's Outlook

Given the high yield asset class's double-digit returns in 2023, we expect 2024 to be more of an income-like return year with more limited opportunities for capital appreciation and spread compression. That said, the Fed's rate hiking campaign has caused yields to increase significantly over the last few years. The yield-to-worst on our index is still hovering around ~7.5-8%, which is still attractive relative to the last decade. We believe high yield bonds offer a compelling alternative to equities in today's environment for an asset class that has historically been much less volatile.

At current levels, spreads look a bit tight and have the potential to widen somewhat from here. However, a strong income cushion and the potential for declining Treasury yields in 2024 should offset the impact of widening spreads. Tighter spreads can be partially justified by today's overall higher-quality high yield index relative to the past. While defaults have risen over the past three years, they remain below their long-term average. We expect that defaults will continue to trend toward or just below their long-term average. Manageable default expectations also partially justify tighter spread levels.

While 2025-2027 maturity walls have been a focus in our market over the past year, more accommodative capital market conditions in recent months have spurred a fresh wave of refinancing activity, which has enabled companies to start chipping away at these maturities. As a result, we are less concerned about the maturity walls today relative to last year, though we continue to monitor this as we review individual credits. Slowing growth and the impact of rising rates may be felt differently and could lead to performance dispersion among issuers, creating opportunities for active managers like us.

We continue to view high yield as a strategic long-term investment and a mainstay allocation in a diversified portfolio. History has demonstrated that much of the asset class's long-term value can be realized simply by staying invested and taking advantage of the compounding effect of regular coupon payments. Credit selection remains the cornerstone of our process and portfolio construction. We expect it will be the primary driver of alpha in the year ahead as it has been for us over the long term.

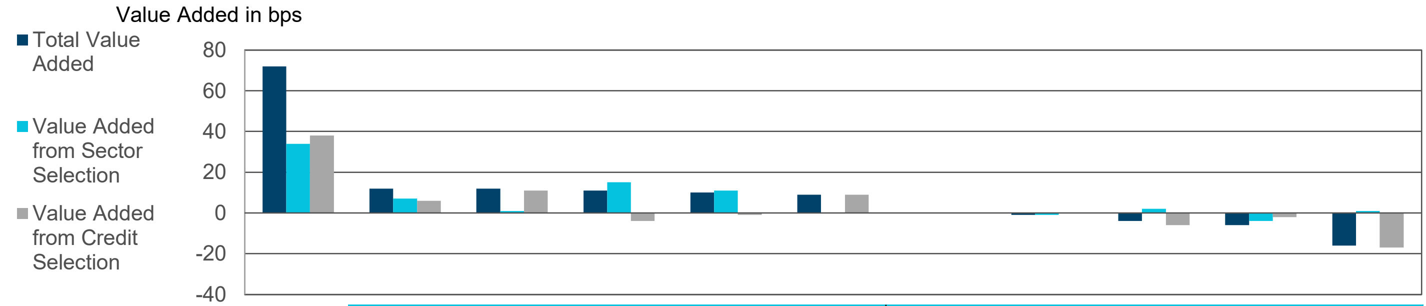
Organizational Update

The following investment team changes occurred during the quarter:
Additions: None
Departure: None

QUARTERLY ATTRIBUTION

INDUSTRY ATTRIBUTION VS. ICE BOFA US HIGH YIELD CONSTRAINED INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(3 months ended March 31, 2024)

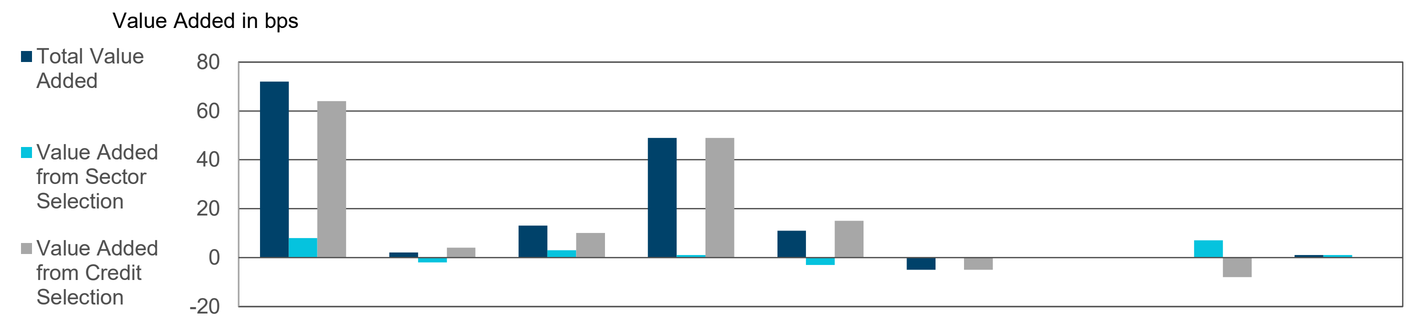


	Total	Top Five Value Added					Bottom Five Value Added				
		Energy	Technology & Electronics	Media	Telecommunications	Utility	Banking	Real Estate	Automotive	Healthcare	Capital Goods
Fund Weight (%)	100	20.8	3.7	4.0	3.3	3.4	0.0	1.0	4.0	4.4	5.2
Benchmark Weight (%)	100	12.0	5.7	8.9	5.1	3.4	0.8	3.3	2.4	7.8	7.2
Fund Performance (%)	2.2	3.0	5.1	-2.8	-2.4	3.6	0.0	2.4	0.8	2.1	-1.9
Benchmark	1.5	2.7	1.6	-1.7	-2.3	1.1	1.4	2.0	2.3	2.5	1.2
Sector Selection (bps)	34	7	1	15	11	0	0	-1	2	-4	1
Credit Selection (bps)	38	6	11	-4	-1	9	0	0	-6	-2	-17
Total Contribution (bps)	72	12	12	11	10	9	0	-1	-4	-6	-16

Past performance is not reliable indicator of future performance. Industry classification was determined by BofA/Merrill Lynch. Performance for each security is obtained in the currency in which it is issued and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown gross of fees. Returns would have been lower as a result of the deduction of such fees. Performance returns are in USD.

CREDIT QUALITY ATTRIBUTION VS. ICE BOFA US HIGH YIELD CONSTRAINED INDEX

(3 months ended March 31, 2024)



	Total	BBB & Above	BB	B	CCC & Below	D	Equities & Derivatives	NR	Reserves
Fund Weight (%)	100.00	2.4	38.4	44.4	10.1	0.4	0.00	0.0	4.3
Benchmark Weight (%)	100.00	1.3	46.8	38.4	13.2	0.2	0.00	0.0	0.0
Fund Performance (%)	2.2	1.9	1.4	2.8	3.1	-10.6	0.00	-1.0	2.5
Benchmark Performance (%)	1.5	0.6	1.2	1.7	2.3	0.5	0.00	16.8	0.0
Sector Selection (bps)	8	-2	3	1	-3	0	0	7	1
Credit Selection (bps)	64	4	10	49	15	-5	0	-8	0
Total Contribution (bps)	72	2	13	49	11	-5	0	0	1

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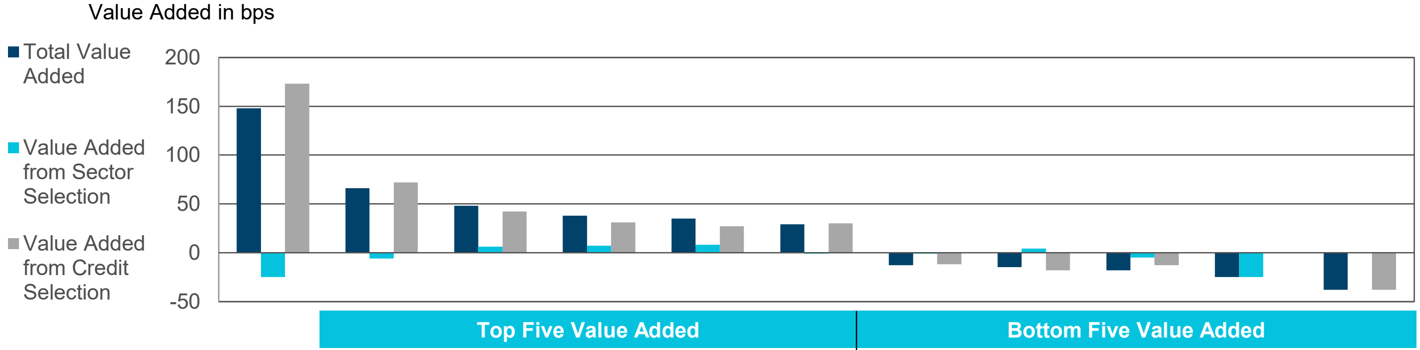
12-MONTH ATTRIBUTION

INDUSTRY ATTRIBUTION VS. ICE BOFA US HIGH YIELD CONSTRAINED INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(12 months ended March 31, 2024)



	Total	Consumer Goods	Telecommunications	Energy	Media	Basic Industry	Services	Technology & Electronics	Transportation	Reserves	Capital Goods
Fund Weight (%)	100.00	6.1	3.3	20.8	4.0	6.5	6.3	3.7	4.2	4.3	5.2
Benchmark Weight (%)	100.00	3.7	5.1	12.0	8.9	8.9	6.6	5.7	2.0	0.0	7.2
Fund Performance (%)	15.0	19.8	17.5	13.7	11.8	15.3	10.3	5.0	2.3	5.1	2.8
Benchmark Performance (%)	13.5	9.3	7.9	11.6	9.3	11.4	11.8	9.1	6.7	0.0	9.0
Sector Selection (bps)	-25	-6	6	7	8	-1	-1	4	-5	-25	0
Credit Selection (bps)	173	72	42	31	27	30	-12	-18	-13	0	-38
Total Contribution (bps)	148	66	48	38	35	29	-13	-15	-18	-25	-38

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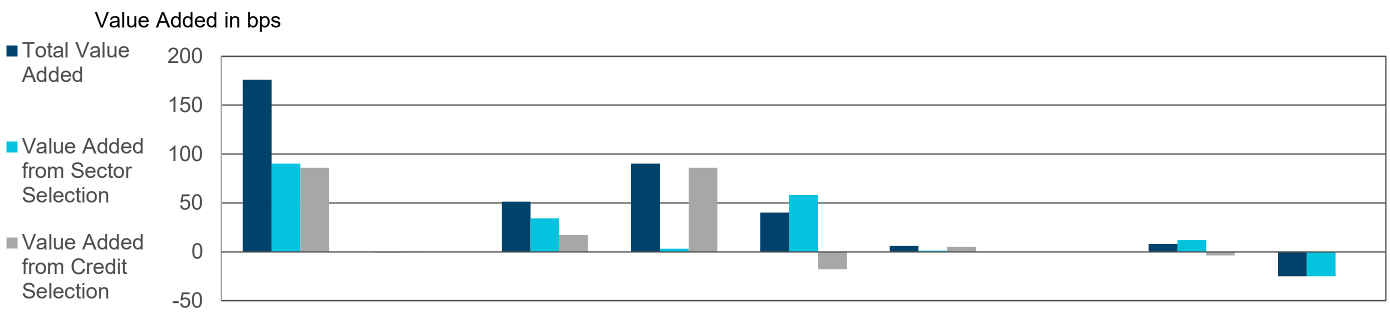
CREDIT QUALITY ATTRIBUTION VS. ICE BOFA US HIGH YIELD CONSTRAINED INDEX

(12 months ended March 31, 2024)



	Total	BBB & Above	BB	B	CCC & Below	D	Equities & Derivatives	NR	Reserves
Fund Weight (%)	100.00	2.4	38.4	44.4	10.1	0.4	0.00	0.0	4.3
Benchmark Weight (%)	100.00	1.3	46.8	38.4	13.2	0.2	0.00	0.0	0.0
Fund Performance (%)	12.8	7.3	9.5	14.1	14.3	28.3	0.00	13.1	5.1
Benchmark Performance (%)	11.1	5.8	9.3	12.0	16.3	-2.4	0.00	16.3	0.0
Sector Selection (bps)	90	-1	34	3	58	1	0	12	-25
Credit Selection (bps)	86	0	17	86	-18	5	0	-4	0
Total Contribution (bps)	176	-1	51	90	40	6	0	8	-25

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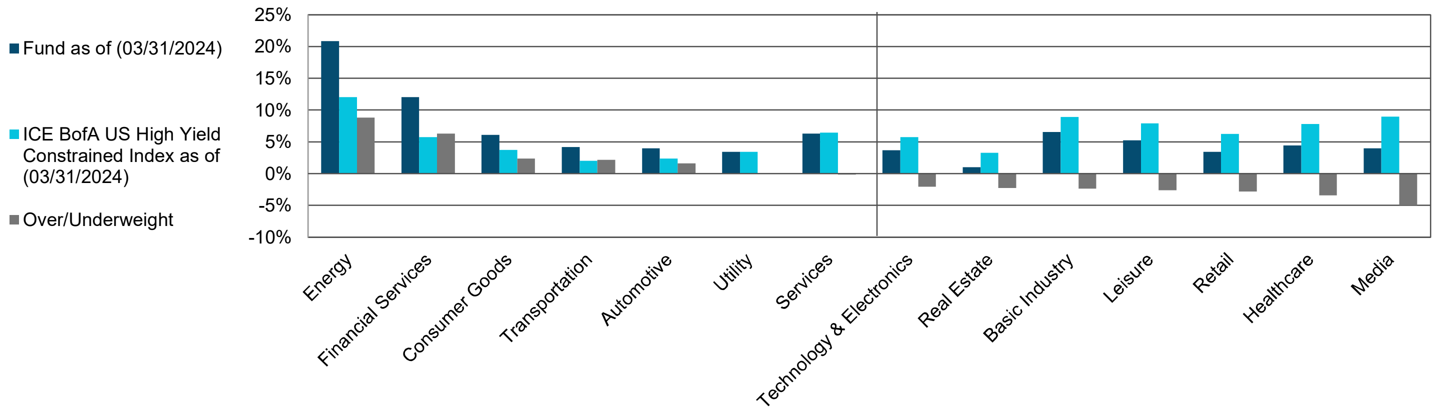
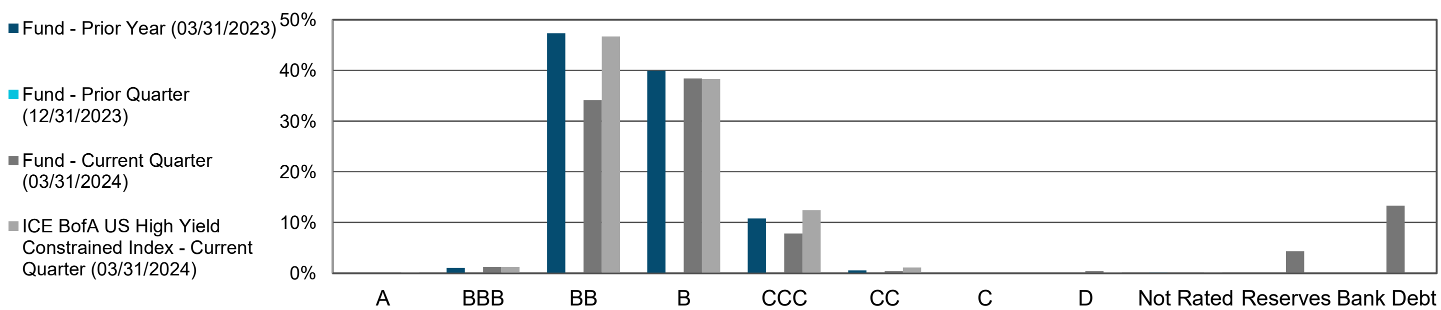
PORTFOLIO POSITIONING

SIGNIFICANT OVER/UNDERWEIGHT SECTORS



CREDIT QUALITY DIVERSIFICATION—CHANGES OVER TIME



HOLDINGS

TOP 10 ISSUERS

Issuer	Industry	% of Fund
Energy Transfer	Energy	2.35%
Osaic Holdings	Financial Services	2.30
RCS Capital	Financial Services	2.01
LSF9 Atlantis Holdings LLC / Victra Finance	Retail	1.83
Sigma Holdco BV	Consumer Goods	1.66
Coty Inc/HFC Prestige Products Inc/HFC Prestige International US	Consumer Goods	1.39
Vistra	Utility	1.33
Ultimate Software Group	Technology & Electronics	1.31
Ascent Resources Utica Holdings LLC / ARU Finance	Energy	1.29
American Airlines Inc/AAdvantage Loyalty IP	Transportation	1.29

FUND INFORMATION

	U.S. High Yield Fund	U.S. High Yield Fund – Advisor Class	U.S. High Yield Fund – I Class
Symbol	TUHYX	TUHAX	TUHIX
Expense Information*	0.87% (Gross) 0.75% (Net)	1.08% (Gross) 0.90% (Net)	0.62%
Fiscal Year End Date	May 31	May 31	May 31
12b-1 Fee	–	0.25%	

The expense ratios shown are as of the fund's most recent prospectus. The stated expense ratio for the Advisor Class includes the applicable 12b-1 fee.
*The fund operates under a contractual expense limitation that expires September 30, 2025.

PORTFOLIO MANAGEMENT

Portfolio Manager:
Kevin Loome

Managed Fund Since:
2013

Joined Firm:
2017

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.

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

The manager’s views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the Fund and no assumptions should be made that the securities identified and discussed were or will be profitable.

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.
T. Rowe Price uses the BofAML structure for sector 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, 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. When a rating is available from all three agencies, the median rating is used. If there are two ratings, the lower rating is used and if only one rating is available, that rating is used. 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.

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

T. Rowe Price Investment Services, Inc., Distributor.

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