

Corporate Income Fund (PRPIX)

As of December 31, 2025



T. Rowe Price

Portfolio Highlights

The portfolio generated positive total returns and performed in line with its benchmark, the Bloomberg U.S. Corporate Investment Grade Bond Index, for the three-month period ended December 31, 2025.

Relative Performance Drivers:

- While contributions from security selection were broad-based, positions in the brokerage and consumer noncyclical industries stood out as helpful to relative results.
- Our underweight exposure in the technology and communications sectors, where AI-related firms issued substantial debt in Q4, were notable contributors.
- Interest rate management hindered performance during the quarter. Treasury yields gyrated with little trend as the lack of data from the U.S. government shutdown left investors searching for clues as to the state of the U.S. economy.

Additional Highlights:

- U.S. investment-grade corporates generated marginally negative excess returns over the period amid heavy issuance.
- As we enter 2026, we see potential for credit to continue to perform well with spreads trading in a tight range. Given lofty valuations, the margin of safety is thin. Active management will be crucial.

Fund Information

CUSIP	741478101
Inception Date of Fund	October 31, 1995
Benchmark	Bloomberg US Corp Invest-Grd Index
Expense Information (as of the most recent Prospectus) ⁽¹⁾	0.72%(Gross) 0.59%(Net)
Total Assets (all share classes)	\$293,758,652
Percent of Portfolio in Cash	3.9%

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

Performance (%) (NAV, total return performance > 1 year is annualized)

	3m	1yr	3yrs	5yrs	10yrs	15yrs	30-Day SEC Yield	30-Day SEC Yield w/o Waiver ⁽²⁾
Corporate Income Fund	0.82	7.90	6.45	-0.13	2.91	3.56	4.54	4.35
Bloomberg U.S. Corporate Investment Grade Bond Index	0.84	7.77	6.10	-0.09	3.27	3.69	N/A	N/A

Calendar Year Performance (%) (NAV, total return)

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Corporate Income Fund	Oct 31 1995	5.08	6.57	-3.06	14.58	7.87	-0.76	-17.02	8.79	2.75	7.90
Bloomberg U.S. Corporate Investment Grade Bond Index		6.11	6.42	-2.51	14.54	9.89	-1.04	-15.76	8.52	2.13	7.77

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.

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. **Derivatives:** The use of derivatives exposes the fund to additional volatility and potential losses. A derivative involves risks different from, and possibly greater than, the risks associated with investing directly in the assets on which the derivative is based, including liquidity risk, valuation risk, correlation risk, market risk, interest rate risk, leverage risk, counterparty and credit risk, operational risk, management risk, legal risk, and regulatory risk. See the prospectus for more detail on the fund's principal risks.

Performance Review

Markets Adjust to Fed Policy Shifts

The U.S. investment-grade fixed income market, as measured by the Bloomberg US Corporate Investment Grade Bond Index, finished the fourth quarter with positive total returns but underperformed relative to duration-matched Treasuries. The U.S. Treasury curve steepened over the three-month period. While U.S. Treasury bill yields fell, intermediate-term U.S. Treasury yields began to marginally rise, and long-term yields rose over the period.

U.S. investment-grade corporates generated marginally negative excess returns over the period amid heavy issuance. That said, demand for the sector stayed resilient, underpinned by solid third-quarter earnings, stable corporate fundamentals, and solid investor demand.

As was widely expected following weakness in the labor market, the Federal Reserve (Fed) cut its policy rate twice by 25 basis points over the fourth quarter. At the end of the year, the fed funds target was in the 3.50% to 3.75% range. Meanwhile, in the central bank's revised Summary of Economic Projections, the median forecast pointed to only one cut in 2026, and market-based indicators were signaling a pause at the Fed's upcoming January meeting.

Relative Performance

The portfolio generated positive total returns and performed in line with its benchmark in the fourth quarter. In aggregate, security selection and asset allocation aided performance, while our overall duration positioning hindered returns.

Security Selection Contributed

Security selection generated notable returns over the quarter. Positioning in the brokerage sector was the most significant driver of performance, followed by the consumer noncyclical and basic industry sectors. Within the brokerage sector, our overweight holdings of Ares Management Corporation drove performance. Ares Management Corporation is a company in the alternative asset management space that outperformed on positive headlines over the fourth quarter.

Our overweight holdings of CVS Health Corporation, whose fundamental earnings outlook continues to improve, within the consumer noncyclical sector and of Celanese US Holdings LLC within the basic industry sector were also top contributors.

Allocation Contributed to Performance

Sector allocation was another notable contributor to returns. Our underweight exposure in the technology and communications sectors were notable contributors. As expected given the insights generated by our research platform, AI-related firms including hyperscalers issued massively sized debt in the fourth quarter to fund increasingly worrisome spending needs.

Interest Rate Management Detracted

Interest rate management hindered performance during the quarter, offsetting some of the outperformance generated by security selection. Treasury yields gyrated with little trend as the lack of data from the U.S. government shutdown left investors searching for clues as to the state of the U.S. economy. Our duration positioning was a headwind to relative performance as rates fluctuated.

Portfolio Positioning And Activity

Actively Managing Risk

Risk, as defined by the portfolio's ratio of DTS relative to its benchmark, was actively adjusted throughout the quarter in response to evolving market conditions. We reduced credit risk early in October amid uncertainty, increased exposure through November as issuance picked up, and modestly reduced risk again in December as valuations tightened. Overall, risk levels ended the quarter near the high end of their typical range given our expectations for strong performance into year-end.

Rotating Across Sectors

Sector positioning reflected our analysts' evolving fundamental views. Early in the quarter, we reduced exposure to financials by increasing our underweight in banking and moved underweight energy, trimming independent E&Ps following a subsector downgrade. In November, we reduced our underweight to industrials by taking advantage of massive deals brought by mostly AI firms, which pushed spreads wider and led to solid concessions in primary markets.

Moving Up in Quality

As the market premium available for holding lower-rated credits fell, we reduced exposure to BBB and BB rated debt and increased exposure in A and AA portions of the market.

Active Interest Rate Management

We actively managed duration throughout the quarter in response to evolving rate expectations and changes in the yield curve. A long USD rates position was maintained for much of the fourth quarter amid limited economic data and shifting issuance dynamics, before moving closer to neutral by quarter-end. Curve positioning remained focused on steepeners, with a 5s30s position held for most of the quarter and modestly reduced in late December, alongside the addition of a smaller 2s10s steepener late in the period.

Manager's Outlook

As we enter 2026, markets have priced in a "Goldilocks" environment including a reacceleration in U.S. growth without a marked deterioration in the labor market. Supportive monetary and fiscal policy and easy financial conditions should underpin this view and help sustain risk appetite.

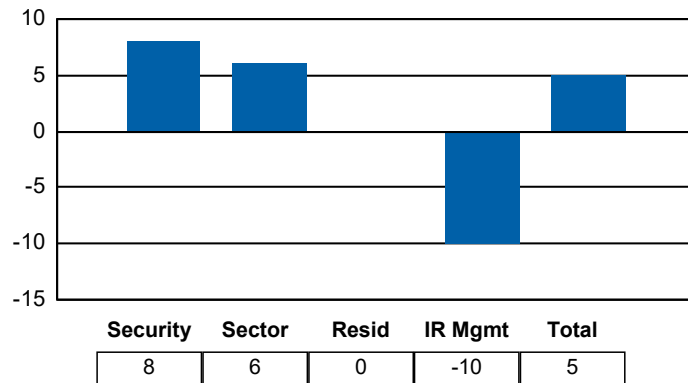
In addition, we believe a near-term growth rebound could forestall another rate cut by the Federal Reserve in the first half of 2026. Meanwhile, there remains meaningful uncertainty around the path of rates in the second half of 2026 as we await the appointment of a new Fed chair. Against this backdrop, we see Treasuries as relatively rich and expect yields to move higher in the near term. In credit sectors, valuations across developed and emerging market corporates and sovereigns are tight compared with historical averages, yet positive sentiment, policy catalysts, and easy financial conditions could compress spreads further in our view.

With January issuance expected to moderate after the initial surge, supply pressure should ease, allowing spreads to grind modestly tighter or remain range-bound. Rising all-in yields also continue to anchor demand, particularly from yield-focused and total return investors.

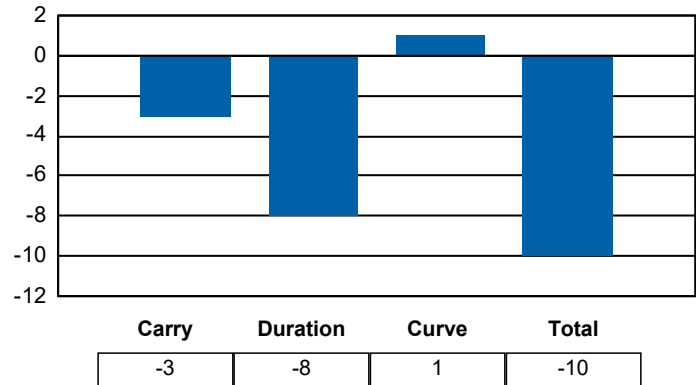
As always, we will rely on our broad and deep global research platform—both quantitative and fundamental—to parse the complex macro environment and inform portfolio positioning.

Quarterly Attribution

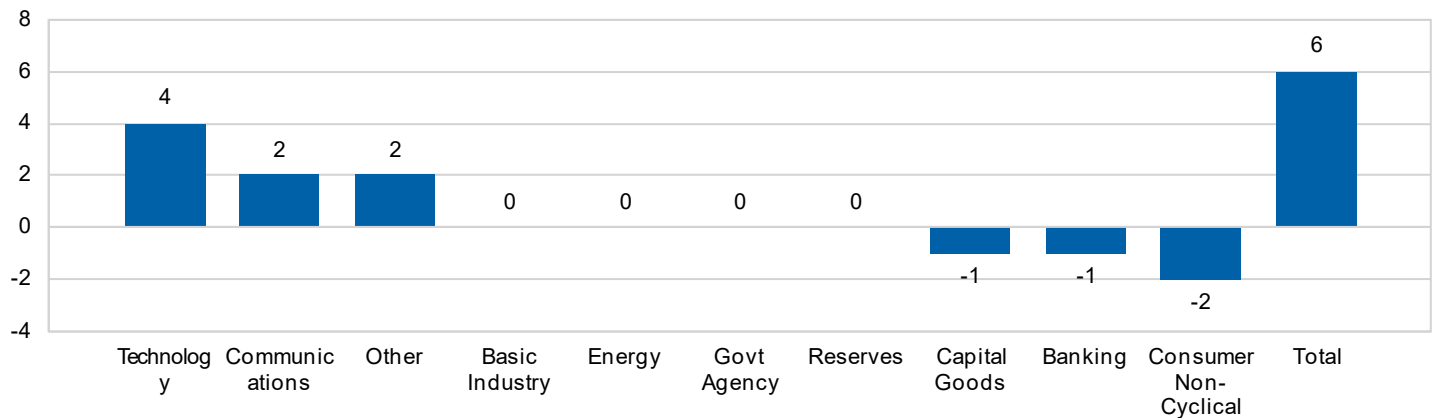
Contribution To Allocation Effect: Fund vs. Bloomberg US Corp Invest-Grd Index (3 months ended December 31, 2025) (bps)



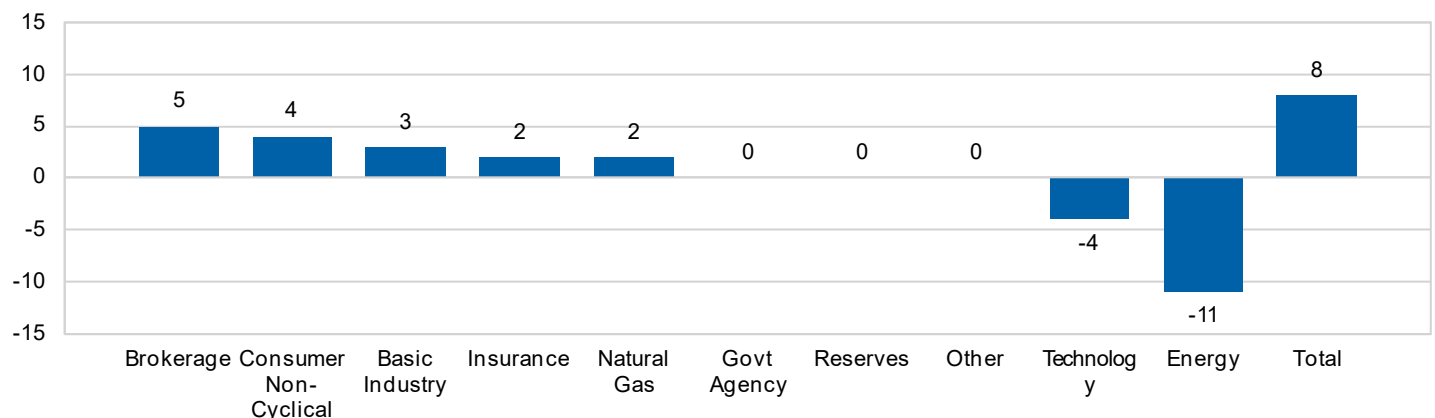
Interest Rate Management: Fund vs. Bloomberg US Corp Invest-Grd Index (3 months ended December 31, 2025) (bps)



USD Sector Allocation - Top 5 and Bottom 5: Fund vs. Bloomberg US Corp Invest-Grd Index (3 months ended December 31, 2025) (bps)



USD Security Selection Details - Top 5 and Bottom 5: Fund vs. Bloomberg US Corp Invest-Grd Index (3 months ended December 31, 2025) (bps)



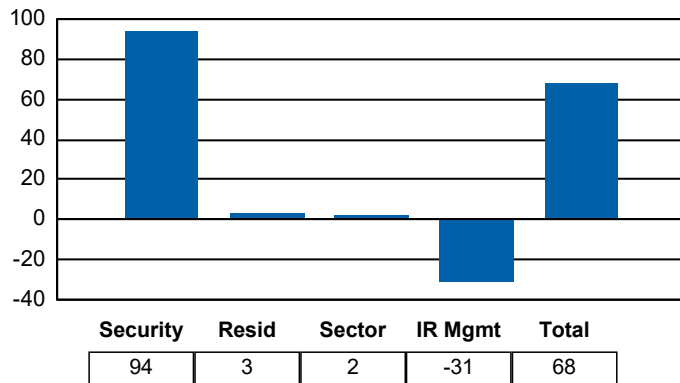
Past performance is not a guarantee or a reliable indicator of future results. Carry is the difference in current yield between the portfolio and the benchmark. Yield curve return refers to return on the portfolio due to reshaping of the overall yield curve as modeled by the key rate points. Residual (Resid) curve return refers to return on the portfolio due to reshaping of the yield curve in between the key rate points.

Source: Bloomberg Index Services Limited.

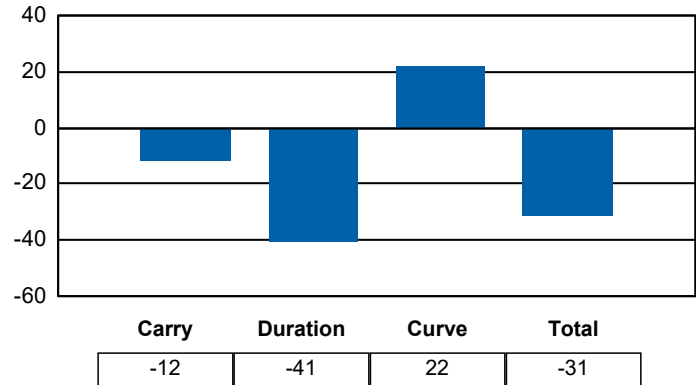
Analysis represents the performance of the portfolio compared to its benchmark as calculated by the Bloomberg attribution model. Performance is attributed to a set of portfolio decisions such as credit quality, duration and yield curve exposures, relative sector weightings, and security selection. Performance for each security is obtained in the local currency and, if necessary, is converted to USD 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.

12-Month Attribution

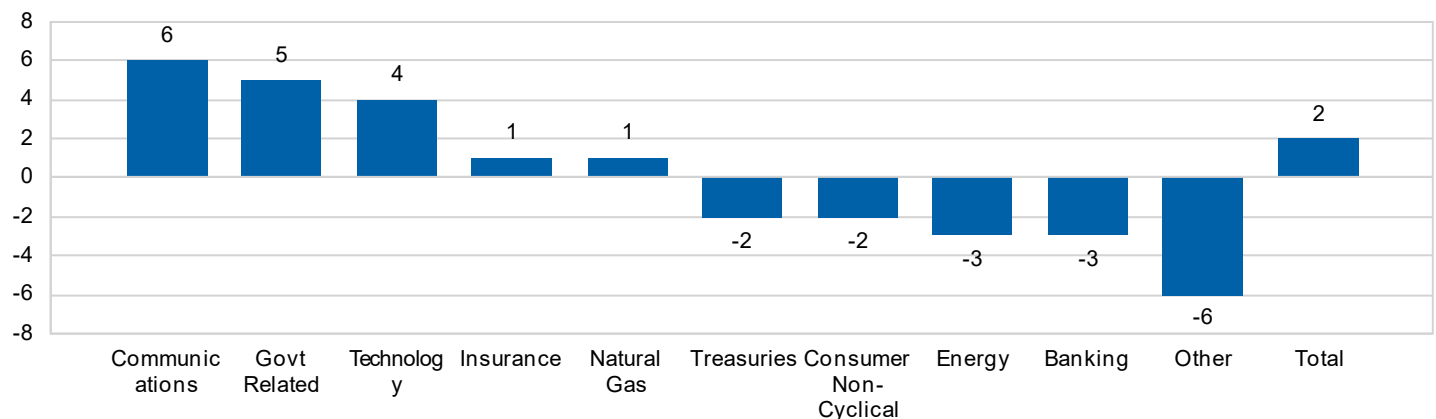
Contribution To Allocation Effect: Fund vs. Bloomberg US Corp Invest-Grd Index (12 months ended December 31, 2025) (bps)



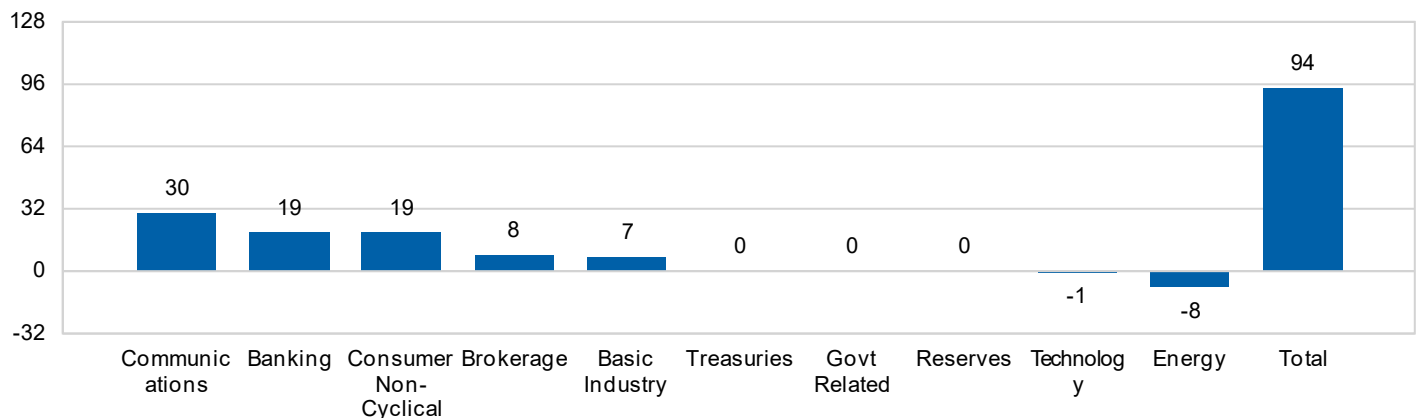
Interest Rate Management: Fund vs. Bloomberg US Corp Invest-Grd Index (12 months ended December 31, 2025) (bps)



USD Sector Allocation - Top 5 and Bottom 5: Fund vs. Bloomberg US Corp Invest-Grd Index (12 months ended December 31, 2025) (bps)



USD Security Selection Details - Top 5 and Bottom 5: Fund vs. Bloomberg US Corp Invest-Grd Index (12 months ended December 31, 2025) (bps)



Past performance is not a guarantee or a reliable indicator of future results. Carry is the difference in current yield between the portfolio and the benchmark. Yield curve return refers to return on the portfolio due to reshaping of the overall yield curve as modeled by the key rate points. Residual (Resid) curve return refers to return on the portfolio due to reshaping of the yield curve in between the key rate points.

Source: Bloomberg Index Services Limited.

Analysis represents the performance of the portfolio compared to its benchmark as calculated by the Bloomberg attribution model. Performance is attributed to a set of portfolio decisions such as credit quality, duration and yield curve exposures, relative sector weightings, and security selection. Performance for each security is obtained in the local currency and, if necessary, is converted to USD 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.

Risk Analysis

Annualized Contribution to Tracking Error Volatility (bps)

Industry	Contribution to TEV	
	9/30/25	12/31/25
Energy	-0.3	14.6
Communications	21.4	11.3
Consumer Non-Cyclical	24.2	5.9
Electric	3.7	4.5
Others	11.3	4.2
Technology	22.1	4.0
Insurance	-9.7	2.2
Basic Industry	1.9	2.2
Consumer Cyclical	8.1	2.0
Banking	1.1	1.8
Securitized	-6.3	0.8
Govt Related	-4.9	0.8
Govt Agency	-3.9	0.6
REITs	-4.0	0.6
Transportation	5.6	0.4
Financial-Other	-1.3	0.4
Brokerage	0.4	0.4
Capital Goods	16.5	0.3
Industrial-Other	0.1	0.3
Finance	0.7	0.2
Utility-Other	0.9	0.1
Natural Gas	-6.7	0.1
Reserves	0.0	0.0
Credit Derivatives	0.0	0.0
Treasuries	-10.9	-2.5
Total	69.8	55.0

Past performance is not a guarantee or a reliable indicator of future results.

Source: Bloomberg Index Services Limited.

Statistics based on monthly data. Contribution to TEV takes into account the correlation between different risk factors. This information demonstrates, in part, the firm's risk analysis. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment actions.

Portfolio Positioning

Top 10 Year Over Year Changes (By Industry)(%)

	Fund 12/31/24	Fund 12/31/25	% of Change
Reserves	0.6	3.9	3.3
Banking	15.4	18.0	2.6
Technology	4.0	6.4	2.4
Electric Utility	5.6	7.0	1.4
US Treasuries	2.8	4.0	1.2
Capital Goods	2.1	0.8	-1.3
Securitized	6.6	5.0	-1.6
Health/ Pharma	8.6	6.5	-2.1
Transportation	3.1	1.0	-2.1
Energy	12.6	7.2	-5.5

Industry Diversification: Top 5 and Bottom 5 Over/Underweights vs. Bloomberg US Corp Invest-Grd Index

Industry	% of Fund	% of Benchmark	Over/Underweight (%)
Securitized	5.0	0.0	5.0
Non Corporate	4.0	0.0	4.0
US Treasuries	4.0	0.0	4.0
Reserves	3.9	0.0	3.9
Insurance	8.5	4.8	3.7
Health/ Pharma	6.5	9.5	-2.9
Non Cyclical	2.4	5.5	-3.2
Technology	6.4	9.7	-3.3
Banking	18.0	22.1	-4.2
Capital Goods	0.8	4.9	-4.2

Credit Quality Diversification—Changes Over Time vs. Bloomberg US Corp Invest-Grd Index (%)

	Fund 12/31/24	Fund 9/30/25	Fund 12/31/25	Benchmark 12/31/25
U.S. Treas	2.8	2.7	4.0	0.0
AAA	0.0	0.0	0.0	1.8
AA	2.6	6.1	8.4	15.5
A	31.1	36.4	35.3	44.8
BBB	51.4	47.3	40.6	37.8
BB	7.4	5.4	5.0	0.0
Not Rated	2.8	3.2	2.9	0.0
Reserves	0.6	-1.0	3.9	0.0

Holdings**Top 10 Issuers**

Issuer	Industry	% of Fund
U.S. Treasuries	Treasuries	4.0
Citigroup	Banking	3.4
Morgan Stanley	Banking	2.7
Goldman Sachs	Banking	2.0
Bank of America	Banking	2.0
Wells Fargo	Banking	1.8
JPMorgan Chase	Banking	1.7
Meta Platforms	Communications	1.6
Oracle	Technology	1.4
Diamondback Energy	Energy	1.4

Portfolio Management

	Managed Since	Joined Firm
Steve Boothe	2018	1999
Lauren Wagandt	2018	2009

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.

Visit Troweprice.com/glossary for a glossary of financial terminology.

Bloomberg, Fitch, Moody's, and S&P Global Market Intelligence do not accept any liability for any errors or omissions in the indexes or data, and hereby expressly disclaim all warranties of originality, accuracy, completeness, timeliness, merchantability, and fitness for a particular purpose. No party may rely on any indexes or data contained in this communication. Visit Troweprice.com/marketdata for additional legal notices & disclaimers.

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 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, 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.

"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.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that investments in the securities identified and discussed were or will be profitable.

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.

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.

© 2026 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, the Bighorn Sheep design, and related indicators (see troweprice.com/ip) are trademarks of T. Rowe Price Group, Inc. All other trademarks are the property of their respective owners. Use does not imply endorsement, sponsorship, or affiliation of T. Rowe Price with any of the trademark owners.

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

202601-5092881