



QUARTERLY REVIEW

Corporate Income Fund

As of June 30, 2020

PORTFOLIO HIGHLIGHTS

The portfolio outperformed the Bloomberg Barclays U.S. Corporate Investment Grade Bond Index for the three-month period ended June 30, 2020.

Relative performance drivers:

- Our overweight allocation to the energy sector and effective security selection within the sector led outperformance.
- Sector allocations supported relative results.
- The banking sector was a source of strength.

Additional highlights:

- Bouts of volatility should provide opportunities, particularly with the view that Fed policy is supportive of the asset class.
- Positioning remains balanced as we have worked to shed lower conviction ideas, added to dislocated names, and taken advantage of record-setting issuance.

FUND INFORMATION

Symbol	PRPIX
CUSIP	741478101
Inception Date of Fund	October 31, 1995
Benchmark	Bloomberg Barclays US Corp Invest-Grd Index
Expense Information (as of the most recent Prospectus)	0.61%
Fiscal Year End	May 31
12B-1 Fee	-
Total Assets (all share classes)	\$761,412,679
Percent of Portfolio in Cash	0.1%

PERFORMANCE

(NAV, total return)

	Three Months	Year-to-Date	One Year	Annualized				30-Day SEC Yield
				Three Years	Five Years	Ten Years	Fifteen Years	
Corporate Income Fund	9.95%	2.73%	7.97%	5.31%	4.98%	5.32%	5.16%	2.31%
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index	8.98	5.02	9.50	6.34	5.83	5.47	5.40	-

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Corporate Income Fund	Oct 31 1995	9.61%	7.68%	11.15%	-1.42%	8.25%	-0.66%	5.08%	6.57%	-3.06%	14.58%
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index		9.00	8.15	9.82	-1.53	7.46	-0.68	6.11	6.42	-2.51	14.54

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. 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. 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. 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.

PERFORMANCE REVIEW

Improved Risk Sentiment Drove Demand for Corporate Bonds

Investment-grade (IG) corporate bonds generated robust returns in the second quarter, benefiting from healthy investor demand for yield amid low global rates and optimism as economies slowly began to reopen. Explicit support from the Federal Reserve's asset purchase programs provided a boost to sentiment as well, and spreads tightened. Spread movements were volatile, though, as increasing coronavirus cases and geopolitical tensions between the U.S. and China put upward pressure on corporate spreads at times. Technical conditions remained supportive. Companies took advantage of extremely low rates, generating a record level of new supply that was met with solid demand.

U.S. Treasuries produced modest returns amid slight yield curve steepening. Investor risk appetite increased as economies slowly began reopening. The U.S. reported stronger-than-expected economic data with unexpected job growth and the largest increase on record in retail sales. The U.S. Federal Reserve made no changes to policy or guidance, and the updated summary of economic projections indicated that low rates would almost certainly extend through at least 2022. The expectations for a rebound in growth and an extended period of low rates supported IG corporate bonds.

Relative Performance

The portfolio produced strong returns and outperformed its benchmark in the second quarter. Sector allocation, security selection, and yield curve positioning all contributed to outperformance.

Recovery in Energy Sector

The energy sector was a source of strength due to our overweight allocation and security selection within the sector. Oil prices advanced from very low levels amid notable volatility. Positions in higher-yielding Western Gas Partners, Boardwalk Pipelines, and EQT Midstream Partners outperformed amid heightened demand for yield. Our preference is for midstream issuers due to their attractive relative value and relative isolation from oil price volatility.

Banking Sector Strength

The banking sector contributed to relative results due to our security selection, led by outperformance from JP Morgan Chase, Wells Fargo, and AIB. U.S. and European banks benefited from higher fees stemming from increased lending activity brought on by low interest rates. Higher-yielding BBVA Bancomer also generated positive results. Our slight underweight to the more defensive sector provided a boost amid increased investor appetite for risk.

Healthcare-Related Selections Helpful

Security selection among health care-related securities rose. Integrated pharmacy health care provider CVS Health Corporation benefited from increases in front-store sales of general household items. Specialty pharmaceutical manufacturer AbbVie also outperformed amid optimism for its participation in coronavirus treatments.

Travel Restrictions Hindered Transportation Selections

Security selection within transportation weighed on relative performance due to selections related to the airline industry, United Airlines and American Airlines, which experienced lower consumer demand due to travel restrictions as a result of coronavirus containment measures.

PORTFOLIO POSITIONING AND ACTIVITY

Fund Selectively Adding to Risk

With spreads tightening significantly over the quarter, the fund has been selectively adding risk to the portfolio based on analyst conviction and relative value. We see value in mid-stream energy names, REITs, and banks\financials. We believe these industries are attractive because they offer solid relative value and/or have lagged the recent recovery. Later in the period, we pared our risk allocation as credit markets partially recovered. Positioning remains balanced as we have worked to shed lower conviction ideas, added to dislocated names, and taken advantage of record-setting issuance.

Increased Overweights to Higher-Conviction Sectors

We added to our overweight to the energy sector by participating in new issuance from Pacific Gas and Electric. The subsidiary of newly restructured PG&E is one of the largest combined natural gas and electric energy companies in the United States.

We increased holdings in the banking sector, moving from underweight to overweight. Additions included Standard and Chartered Bank and Credit Suisse. European countries are further along in controlling the coronavirus spread and re-opening economies which should provide a tailwind for Euro centered banks.

Allocation to the REIT sector was increased. Offering attractive relative value, we added to new issue bonds from Avalonbay Communities and Camden Property Trust.

MANAGER'S OUTLOOK

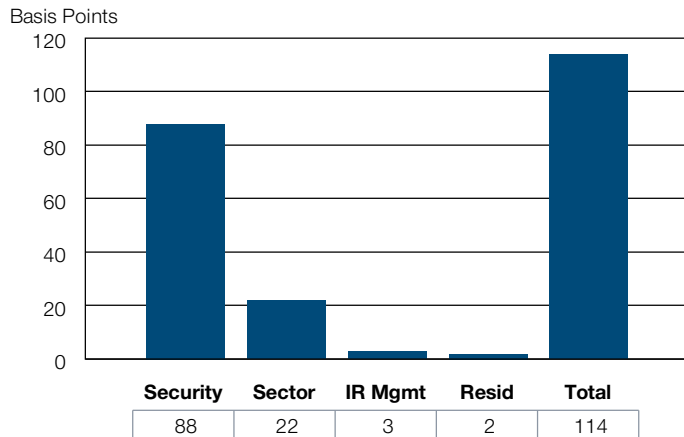
The economy and markets are likely moving from a crisis phase into a prototypical recessionary phase. March appears to have been the peak of the financial market crisis, and April seems to have been the peak of the economic crisis. As the economy reopens in phases, we expect a slow, steady recovery in the second half of 2020 into 2021. This recovery phase will likely be less linear going forward as the primary risk becomes the long tail of the lockdown and associated solvency risk. Fiscal policy risk will also move to the forefront as the current emergency provisions enacted by Congress might be extended to address consumer and small business solvency.

Risks around the outlook and market narrative are now more balanced than they were earlier in the second quarter. Bouts of volatility should provide opportunities, particularly with the view that Fed policy is supportive of the asset class. Credit markets are recovering at different speeds, and we expect the more cyclical parts of the market and industries that were more virus-impacted to experience recoveries alongside the economy into 2021. With that in mind, we will selectively add to risk based on our analyst's convictions going forward. In challenging market environments, we believe our process and approach to credit selection remain key drivers of our long-term performance.

QUARTERLY ATTRIBUTION

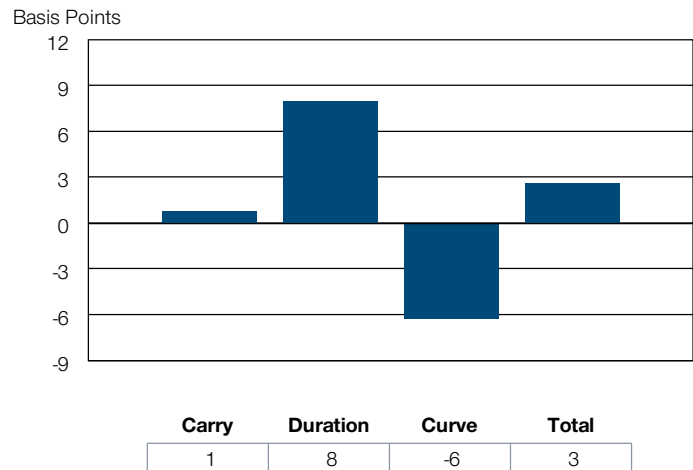
CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended June 30, 2020)



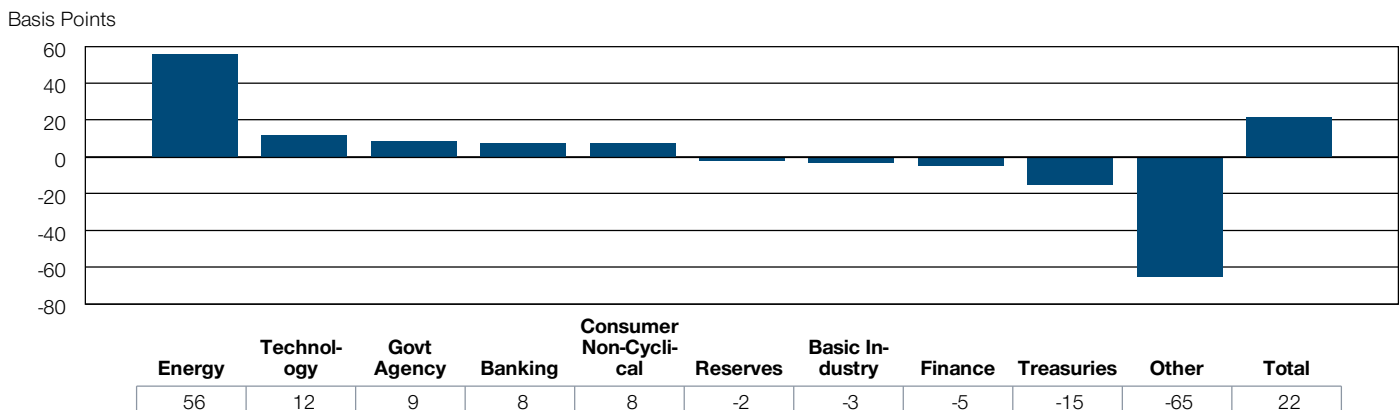
INTEREST RATE MANAGEMENT: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended June 30, 2020)



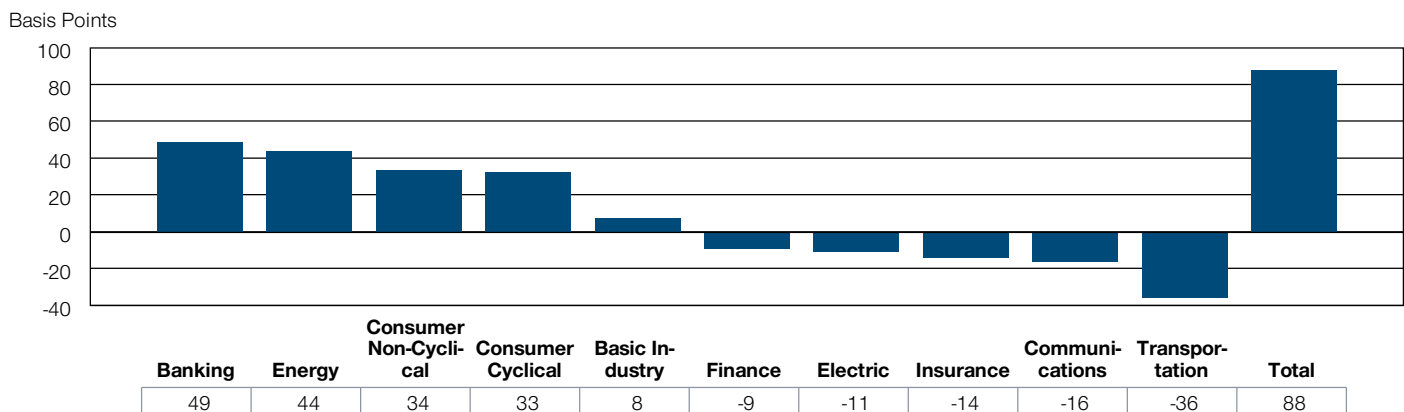
USD SECTOR ALLOCATION - TOP 5/BOTTOM 5: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended June 30, 2020)



USD SECURITY SELECTION DETAILS - TOP 5/BOTTOM 5: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended June 30, 2020)



Past performance is not a reliable indicator of future performance.

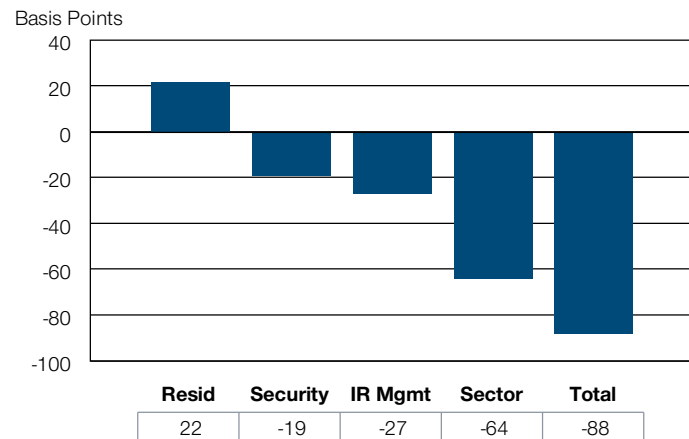
Source: Bloomberg Index Services Limited.

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 U.S. dollars 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. For Sourcing Information, please see Additional Disclosures.

12-MONTH ATTRIBUTION

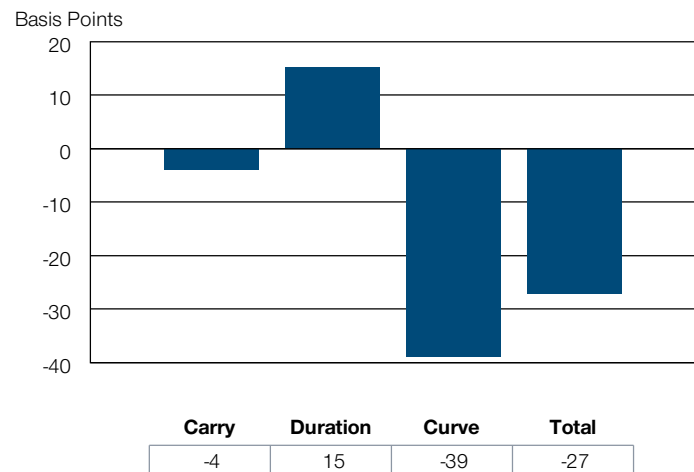
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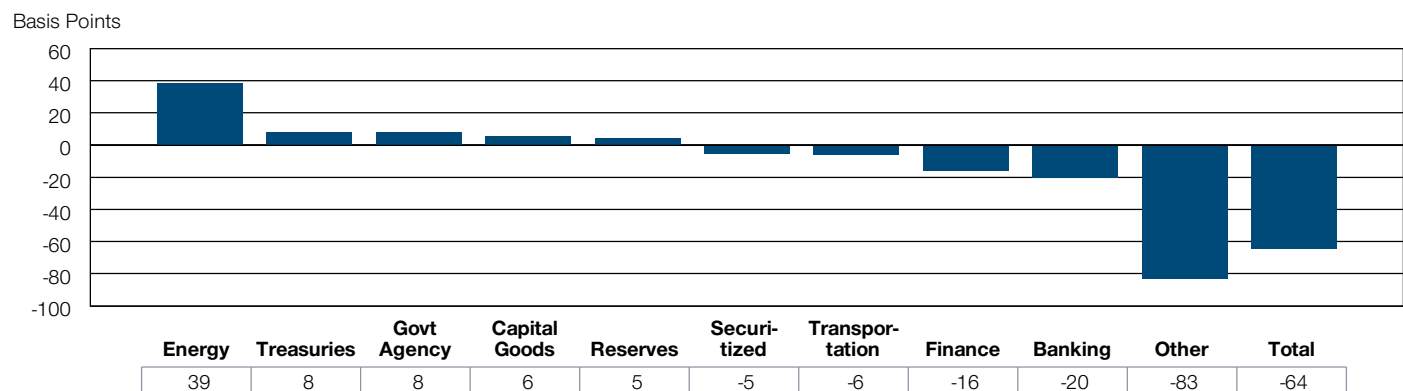
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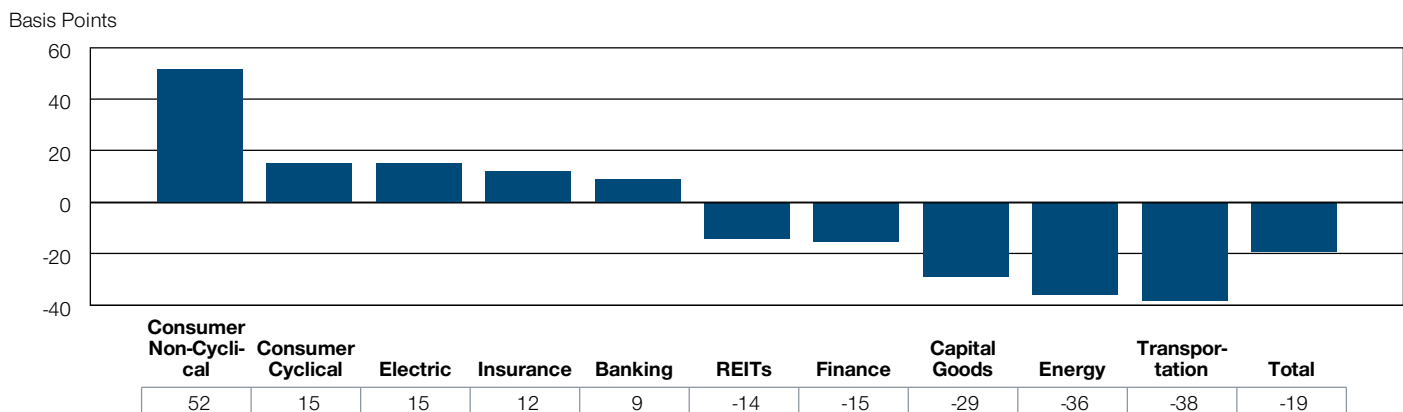
USD SECTOR ALLOCATION - TOP 5/BOTTOM 5: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(12 months ended June 30, 2020)



USD SECURITY SELECTION DETAILS - TOP 5/BOTTOM 5: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(12 months ended June 30, 2020)



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RISK ANALYSIS

ANNUALIZED CONTRIBUTION TO TRACKING ERROR VOLATILITY

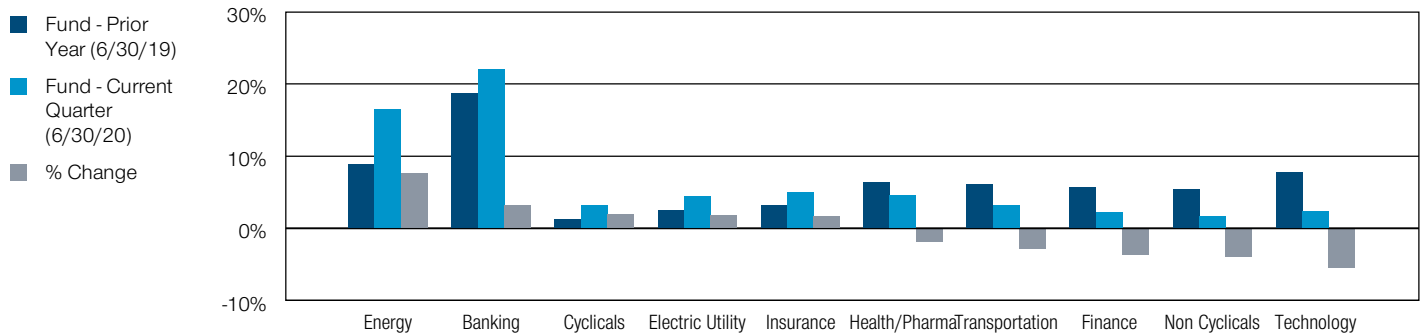
Industry	Contribution to TEV 3/31/20 (Prior Quarter)	Contribution to TEV 6/30/20 (Current Quarter)
REITs	8.5 bps	19.5 bps
Others	47.6	19.0
Energy	11.2	15.9
Banking	2.0	15.0
Consumer Non-Cyclical	5.2	10.4
Technology	3.5	6.0
Insurance	3.5	5.7
Electric	6.3	5.2
Finance	4.9	4.7
Treasuries	11.8	4.5
Capital Goods	-1.9	4.3
Govt Agency	6.4	4.2
Securitized	6.5	4.1
Govt Related	1.6	2.8
Industrial-Other	0.3	1.9
Transportation	6.1	1.8
Brokerage	-0.9	1.2
Communications	0.8	0.8
Natural Gas	-0.2	0.5
Consumer Cyclical	0.9	0.1
Utility-Other	0.0	0.0
Reserves	-0.0	-0.0
Financial-Other	-0.0	-0.1
Basic Industry	-0.3	-0.9
Total	124.0	126.9

Past performance is not a reliable indicator of future performance. 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)



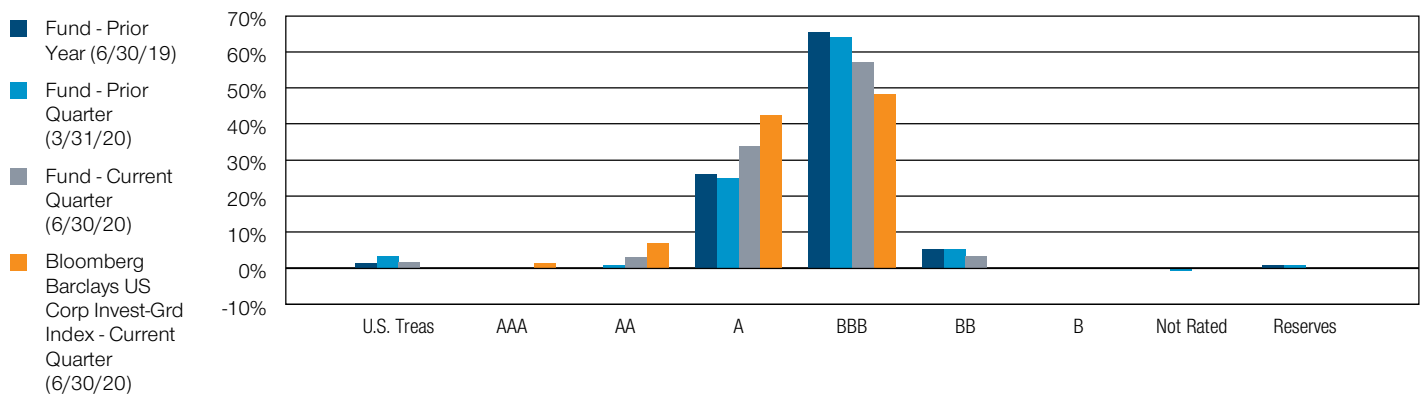
T. Rowe Price uses a custom structure for diversification reporting on this product.

INDUSTRY DIVERSIFICATION

(Top and Bottom Five Over/Underweights vs Bloomberg Barclays US Corp Invest-Grd Index)

Industry	% of Fund	% of Bloomberg Barclays US Corp Invest-Grd Index	Over/Underweight
Energy	16.6%	7.9%	8.6%
REITs	8.6	2.6	6.1
Securitized	5.4	0.0	5.4
Non Corporate	4.1	0.0	4.1
US Treasuries	1.9	0.0	1.9
Electric Utility	4.5	7.0	-2.5
Capital Goods	1.3	5.4	-4.1
Non Cyclicals	1.7	6.5	-4.8
Healthcare/Pharmaceuticals	4.7	10.0	-5.3
Technology	2.4	9.1	-6.7

CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



*U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

For Sourcing Information, please see Additional Disclosures.

HOLDINGS

TOP ISSUERS

Issuer	Industry	% of Fund
Bank of America	Banking	3.3%
Comcast	Communications	2.6
Goldman Sachs	Banking	2.3
Energy Transfer	Energy	2.1
Perrigo	Consumer Non Cyclical	1.9
Woodside Petroleum	Energy	1.8
Wells Fargo	Banking	1.7
Sabine Pass LNG LP	Energy	1.6
Standard Chartered	Banking	1.6
Danske Bank	Banking	1.6

PORTFOLIO MANAGEMENT

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Steve Boothe	2018	1999
Lauren Wagandt	2018	2009

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Additional Disclosures

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The Top Issuers excludes U.S. Treasuries, institutional funds, agencies and securitized products.

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 Quality Ratings are obtained using Bloomberg Barclays methodology using ratings derived from Moody's Investors Service (Moody's), Standard & Poor's (S&P) and Fitch Ratings (Fitch). When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used. T. Rowe Price does not evaluate these ratings, but simply assigns them to the appropriate credit quality category as determined by the rating agency. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps. Unrated securities totaled less than 1% of the portfolio at the end of the reporting period.

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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