QUARTERLY REVIEW

High Yield Fund (PRHYX)

As of March 31, 2026

Portfolio Highlights

The portfolio outperformed theBloomberg US High Yield 2% Issuer Capped Index for the three-month period ended March 31, 2026.

Relative performance drivers:

- Credit selection in the energy and wireless communications industries contributed to relative performance.
- Our defensive, risk-aware positioning added value.
- The financials and information technology segments detracted.

Additional highlights:

- We increased our allocations to the health care and utilities industries and decreased exposure to a few asset-light names.
- Given the market's relatively high quality, meaningful share of secured debt, and compelling income profile, we continue to view high yield as an attractive source of risk-adjusted returns.

Fund Information

CUSIP	741481105
Inception Date of Fund	December 31, 1984
Benchmark	Bloomberg US HY 2% Iss Cap Index
Expense Information (as of the most recent Prospectus)[1]	0.80%(Gross) 0.70%(Net)
Total Assets (all share classes)	$6,322,557,009
Percent of Portfolio in Cash	1.8%

[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]
High Yield Fund	-0.25	7.47	8.20	3.99	5.50	5.27	6.36	6.25
Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index	-0.50	7.01	8.60	4.22	6.12	5.72	N/A	N/A

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

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
High Yield Fund	Dec 31 1984	14.49	7.37	-3.33	14.66	4.95	5.18	-11.14	13.65	6.59	8.59
Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index		17.13	7.50	-2.08	14.32	7.05	5.26	-11.18	13.44	8.19	8.62

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. **"Junk" bonds:** Investments in bonds that are rated below investment grade, commonly referred to as junk bonds, and loans that are rated below investment grade, expose the fund to greater volatility and credit risk than investments in securities that are rated investment grade. See the prospectus for more detail on the fund's principal risks.

Performance Review

Market Review

The high yield market returned -0.50% for the three-month period ended March 31, 2026, according to the Bloomberg US High Yield 2% Issuer Capped Index.

Yields increased across the Treasury curve. After starting the quarter at 4.18%, the yield of the benchmark 10-year U.S. Treasury note ended at 4.30%.

Geopolitical developments were the dominant driver of market performance as the outbreak of war in the Middle East and the effective closure of the Strait of Hormuz reignited inflation concerns. As a result, investors demanded higher yields to compensate for increased uncertainty and potential energy price shocks. These dynamics also led markets to reprice monetary policy expectations. However, optimism in late March around potential de-escalation helped stabilize markets, with Treasury yields declining modestly and risk appetite improving over the final trading days of the period.

The Bureau of Labor Statistics reported that nonfarm payrolls declined by 92,000 in February, well below expectations, and the unemployment rate ticked up to 4.4%. The weaker report could complicate decision-making for the Federal Reserve, as policymakers balance signs of labor market cooling against potential inflation pressures from rising energy prices amid escalating conflict in the Middle East.

The Bureau of Economic Analysis (BEA) revealed that the Fed's preferred inflation gauge, the core personal consumption expenditures price index, increased 0.4% in January, roughly in line with expectations, while the annual rate unexpectedly ticked up to 3.1%, the highest level since early 2024.

The BEA also reported that the U.S. economy grew at a slower pace than initially estimated in the fourth quarter, with the second estimate of gross domestic product growth coming in at an annual rate of 0.7% versus the initial estimate of 1.4%. The downward revision reflected lower exports, consumer spending, government spending, and investment.

At its March monetary policy meeting, the Fed decided to leave the target range for its federal funds rate unchanged at 3.50% to 3.75%, the second consecutive meeting with no change. Updated forecasts from central bank officials showed a median estimate of one more rate cut for the year, unchanged from their prior projection, while forecasts for both inflation and economic growth during the year were revised higher. At his post-meeting press conference, Fed Chair Jerome Powell pointed to heightened economic uncertainty stemming in part from geopolitical developments in the Middle East, particularly related to the potential for an energy shock that "can cause trouble for inflation expectations."

As measured by the J.P. Morgan Global High Yield Index, high yield bond spreads widened (+45 basis points) during the first quarter, ending the period at 386 basis points. According to J.P. Morgan, capital market activity increased quarter over quarter, producing USD 79.8 billion in new paper, and refinancing was the largest category of issuance at roughly 59% of the gross volume. The J.P. Morgan par-weighted default rate rose to 1.19% from 0.99% at the end of December, although it remained well below the long-term average of 3% to 4%.

Energy Industry Contributed

Credit selection in the energy industry contributed to relative performance, partly due to liquefied natural gas (LNG) provider Venture Global. Higher global LNG prices amid supply disruptions due to the conflict in Iran and the closure of the Strait of Hormuz were supportive for the issuer's performance.

Wireless Communications Industry Aided Performance

Within the wireless communications segment, Asurion, the leading provider of mobile protection services, aided relative performance. In our view, the company has a solid track record of innovation, resilience, and execution. Asurion's contracts with Verizon and AT&T, which have been extended through year-end 2031, as well as its growing Connected Home business, provide reasonable earnings visibility.

Defensive Positioning Added Value

Our defensive, risk-aware positioning was supportive. Specifically, avoiding troubled issuers that underperformed during the period including Multi-Color, a leader in global label solutions; car rental company Hertz; and Saks Global, an American holding company of department stores and commercial property, added value.

Financials Segment Held Back Gains

Credit selection and our overweight allocation in the financials segment detracted. The selection impact was partly due to Navient, which originates and services a portfolio of student loans. Fears about artificial intelligence-driven white-collar job displacement contributed to weakness during the period as medical, law, and Master of Business Administration graduates are among the largest segments of borrowers in Navient's portfolio of high-quality Earnest loans.

Information Technology Industry Weighed

The information technology segment weighed on relative results as fears about the potential impacts of displacement amid increased adoption of artificial intelligence (AI) technology hampered the performance of several issuers including Qlik, which offers business intelligence and analytics; Cloud Software Group, a combination of Citrix Systems (software provider of remote desktop access) and Tibco Software (data integration and harmonization); and Dye & Durham, a specialty software provider for the legal and banking industries.

Unowned Credits Detracted

Not owning a few lower-quality names that traded higher during the period including vertically integrated liquefied natural gas infrastructure company New Fortress Energy; Consolidated Energy, the world's second-largest producer of methanol; and CoreWeave, which provides outsourced Graphics Processing Unit and data center management and capacity for hyperscalers, held back relative gains.

Portfolio Positioning And Activity

We increased the portfolio's allocation to the health care segment, partly by participating in a new issue from Hologic, a developer, manufacturer, and supplier of diagnostics products, medical imaging systems, and surgical products with an emphasis on women's health. A dominant market share, diversified noncyclical recurring revenue streams, and significant customer loyalty support the issuer's performance.

We augmented the portfolio's allocation to the utilities industry by initiating a position in MacLean Power Systems, which produces engineered components for electric utility, telecommunications, and civil markets mostly in the U.S. Strong secular tailwinds from U.S. utility transmission and distribution capital expenditures, underpinning high-single- to low-double-digit expected volume growth for seven to nine years, should be supportive for the credit.

We also reduced the portfolio’s exposure to a few asset-light names, including Ultimate Kronos Group (UKG), a provider of workforce management and human capital management solutions, given the growth of AI disintermediation risk.

Manager's Outlook

Our outlook on the high yield market remains balanced, though we have become somewhat more cautious since last quarter. The macro backdrop is still constructive, supported by solid economic data, continued AI-related spending, robust tax refunds, and ongoing mergers and acquisitions activity. Recession is not our base case, and we do not expect default rates to rise materially from current levels. While concerns around AI-driven displacement risk in software have increased, software represents a much smaller share of the high yield market than it does in bank loans or private credit. In our view, the asset class’s predominantly BB composition, greater cyclical exposure, and higher share of hard-asset-backed businesses continue to support its resilience.

The issuer backdrop also remains favorable, with capital markets open and functioning, allowing companies to refinance debt and bring new deals to market. Energy, the largest sector in high yield, continues to trade at tight levels, but we believe a higher floor for oil prices, supported in part by conflict in the Middle East, is constructive for fundamentals. At the same time, those geopolitical developments could prove inflationary and erode some of the recent consumer support from strong tax refunds. Technicals have been somewhat weaker than in loans, with retail outflows more pronounced year-to-date, and spreads remain tight by historical standards. Even so, yields remain attractive at current levels. Given the market’s relatively high quality, meaningful share of secured debt, and compelling income profile, we continue to view high yield as an attractive source of risk-adjusted returns.

As always, we aim to deliver high current income while seeking to contain the volatility inherent in this market. Our team maintains a commitment to credit research and risk-conscious investing that has historically led to favorable returns for our high yield clients over various market cycles.

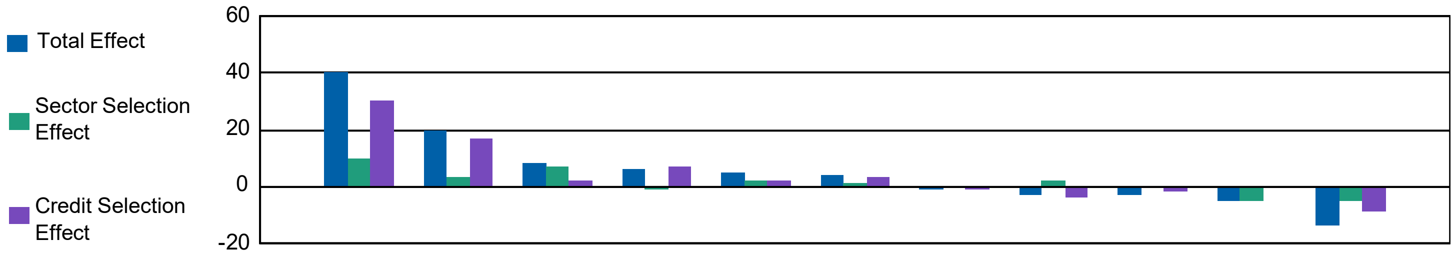
Organizational Update

The following investment team changes occurred during the quarter:

Departure: Tommy O’Neill, Associate Analyst

Quarterly Attribution

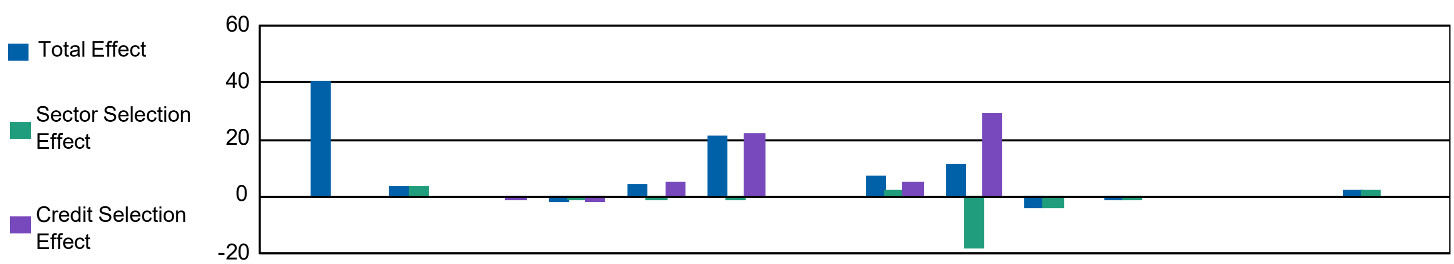
Industry Attribution: Fund vs. Bloomberg US HY 2% Iss Cap Index (Top and Bottom Five By Total Effect) (3 months ended March 31, 2026)



	Total	Energy	Container	Media	Utilities	Building Products	Aerospace & Defense	Service	Chemicals	Info Tech	Financial
Fund Weight (%)	100.00	12.18	0.33	5.86	6.36	2.05	2.63	4.25	3.51	6.52	12.50
Benchmark Weight (%)	100.00	11.30	1.88	4.45	3.60	2.64	2.12	8.03	3.50	5.24	9.42
Fund Performance (%)	-0.10	3.98	0.03	0.37	0.57	-2.19	-0.76	-1.92	0.36	-3.28	-2.84
Benchmark Performance (%)	-0.50	2.51	-4.60	-0.80	0.20	-3.36	-0.26	-1.05	1.13	-3.18	-2.14
Sector Selection Effect (bps)	10	3	7	-1	2	1	0	2	0	-5	-5
Credit Selection Effect (bps)	30	17	2	7	2	3	-1	-4	-2	0	-9
Total Effect (bps)	40	20	8	6	5	4	-1	-3	-3	-5	-14

Past performance is not a guarantee or a reliable indicator of future results.
T. Rowe Price's proprietary attribution model compares the Fund's performance and average market weights with that of the benchmark. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. 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.

Credit Quality Attribution: Fund vs. Bloomberg US HY 2% Iss Cap Index (3 months ended March 31, 2026)



	Total	Bank Debt	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC Rated & Below	Not Rated	Convertible Preferred	Common	Mutual Fund	Credit Default Swap	Short Term
Fund Weight (%)	100.00	3.60	2.89	32.54	13.72	26.21	7.25	7.10	3.89	0.70	0.15	0.00	0.01	1.94
Benchmark Weight (%)	100.00	0.00	2.78	42.20	15.00	26.51	5.35	7.92	0.24	0.00	0.00	0.00	0.00	0.00
Fund Performance (%)	-0.10	0.12	-0.30	-0.47	0.46	0.17	-0.66	-0.47	2.20	-5.99	-6.85	0.00	0.00	0.00
Benchmark Performance (%)	-0.50	0.00	-0.13	-0.41	0.10	-0.69	-0.67	-1.31	-5.15	0.00	0.00	0.00	0.00	0.00
Sector Selection Effect (bps)	0	3	0	-1	-1	-1	0	2	-18	-4	-1	0	0	2
Credit Selection Effect (bps)	0	0	-1	-2	5	22	0	5	29	0	0	0	0	0
Total Effect (bps)	40	3	0	-2	4	21	0	7	11	-4	-1	0	0	2

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Source of credit quality rating: Moody's Investor Services, Standard and Poor's.
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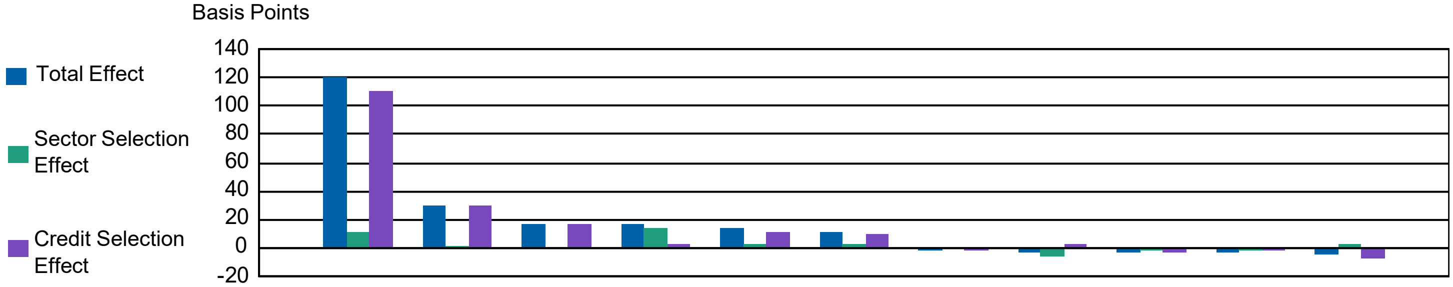
12-Month Attribution

Industry Attribution: Fund vs. Bloomberg US HY 2% Iss Cap Index (Top and Bottom Five By Total Effect) (12 months ended March 31, 2026)



	Total	Energy	Wireless Communi cations	Container	Retail	Utilities	Chemical s	Financial	Entertain ment & Leisure	Satellites	Service
Fund Weight (%)	100.00	12.26	2.14	0.49	1.44	5.44	3.38	13.08	3.04	0.30	5.38
Benchmark Weight (%)	100.00	11.05	0.87	2.08	1.78	3.42	3.41	9.54	2.30	0.42	8.17
Fund Performance (%)	8.22	11.26	14.19	6.72	6.78	8.86	4.37	5.61	5.45	17.04	5.10
Benchmark Performance (%)	7.01	8.78	6.74	-0.90	-0.46	7.21	5.07	5.45	6.08	24.63	6.52
Sector Selection Effect (bps)	11	1	0	13	3	2	0	-6	-1	-2	2
Credit Selection Effect (bps)	111	29	17	3	11	9	-2	3	-3	-2	-7
Total Effect (bps)	121	29	16	16	14	11	-2	-3	-4	-4	-5

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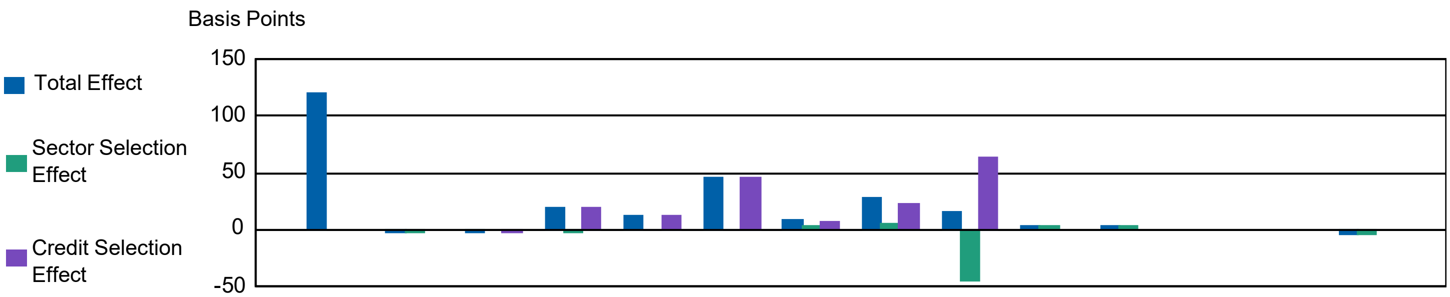
Credit Quality Attribution: Fund vs. Bloomberg US HY 2% Iss Cap Index (12 months ended March 31, 2026)



	Total	Bank Debt	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC Rated & Below	Not Rated	Convert ible Preferre d	Commo n	Mutual Fund	Credit Default Swap	Short Term
Fund Weight (%)	100.00	4.36	2.68	30.97	14.89	27.37	6.41	7.62	3.60	0.63	0.17	0.00	0.01	1.28
Benchmark Weight (%)	100.00	0.00	2.54	39.87	15.95	27.43	5.12	8.80	0.29	0.00	0.00	0.00	0.00	0.00
Fund Performance (%)	8.22	6.72	5.37	7.69	8.49	8.76	9.98	8.15	10.17	9.58	23.95	0.00	0.00	0.00
Benchmark Performance (%)	7.01	0.00	6.10	7.07	7.56	6.95	9.07	5.02	-6.10	0.00	0.00	0.00	0.00	0.00
Sector Selection Effect (bps)	0	-3	0	-1	0	0	2	5	-46	1	3	0	0	-4
Credit Selection Effect (bps)	0	0	-2	19	12	46	6	22	63	0	0	0	0	0
Total Effect (bps)	121	-3	-2	18	12	46	8	27	16	1	3	0	0	-4

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Portfolio Positioning

Significant Over/Underweight Industries vs. Bloomberg US HY 2% Iss Cap Index (%)

Industry	Fund 3/31/26	Benchmark 3/31/26	Over/Underweight
Utilities	6.5	3.5	3.0
Financial	11.9	9.4	2.5
Media	6.4	4.5	1.9
Misc.	0.9	0.0	0.9
Energy	12.2	11.3	0.9
Health Care	8.5	7.7	0.8
Other Telecommunications	3.6	2.9	0.7
Food	0.8	1.5	-0.7
Metals & Mining	2.0	2.7	-0.7
Restaurants	0.3	1.2	-0.8
Airlines	0.0	0.9	-0.9
Gaming	2.1	3.2	-1.1
Container	0.3	1.9	-1.6
Services	3.7	8.0	-4.3

Credit Quality Diversification—Changes Over Time vs. Bloomberg US HY 2% Iss Cap Index (%)

	Fund 3/31/25	Fund 12/31/25	Fund 3/31/26	Benchmark 3/31/26
BBB/BB & Abv	3.1	2.4	3.5	3.3
BB	30.0	31.7	32.8	41.8
BB/B	16.4	12.8	15.0	15.1
B	28.6	29.4	25.6	26.5
B/CCC	6.2	7.6	7.4	5.2
CCC & Below	10.3	8.3	8.4	7.7
CDS	0.0	0.0	0.0	0.0
Default	0.0	0.0	0.0	0.1
Equities	1.3	1.4	1.6	0.0
Not Rated	3.4	3.7	3.8	0.3
Short- Term	0.6	2.7	1.8	0.0

Holdings

Top 10 Issuers

Issuer	Industry	% of Fund
TransDigm Group Inc	Aerospace & Defense	2.5
Vistra Corp	Utilities	1.8
Charter Communications Inc	Cable Operators	1.8
Venture Global LNG Inc	Energy	1.7
Alliant Holdings Intermediate LLC	Financial	1.6
LifePoint Health Inc	Health Care	1.6
Cloud Software Group Inc	Info Tech	1.6
Jane Street Group LLC	Financial	1.4
Navient Corp	Financial	1.4
Nielsen Finance LLC	Media	1.3

Source: Financial data and analytics provider FactSet.

Portfolio Management

	Managed Since	Joined Firm
Rodney Rayburn	2019	2014

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.

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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.

Industry classification was determined by T. Rowe Price’s high yield industry structure.

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 and Standard & Poor's 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. Split ratings (e.g., BB/B and B/CCC) are assigned when Moody's and S&P differ. 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.

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.

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