QUARTERLY REVIEW

Institutional High Yield Fund

As of March 31, 2024

PORTFOLIO HIGHLIGHTS

The portfolio underperformed the J.P. Morgan Global High Yield Index for the three-month period ended March 31, 2024.

Relative performance drivers:
- Credit selection in the services segment contributed to relative performance.
- Issuers in the energy and health care segments added value.
- Security selection among cable operators was the primary detractor from relative results.

Additional highlights:
- We opportunistically increased our allocation to financials by initiating a position in a high-conviction name.
- Years in which the asset class sells off, as it did in 2022, have historically been followed by multiyear periods of positive returns. Given the current high-quality nature of the asset class with roughly 60% is composed of BB rated bonds, we firmly believe this trend will continue.

FUND INFORMATION

Symbol	TRHYX
CUSIP	77958B204
Inception Date of Fund	May 31, 2002
Benchmark	J.P. Morgan Global HY Index
Expense Information (as of the most recent Prospectus)	0.50%
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	$1,744,459,184
Percent of Portfolio in Cash	1.2%

PERFORMANCE

(NAV, total return)

			Annualized				
	Three Months	**One Year**	**Three Years**	**Five Years**	**Ten Years**	**Fifteen Years**	**30-Day SEC Yield**
Institutional High Yield Fund	0.86%	10.78%	2.18%	3.98%	4.09%	7.92%	7.21%
J.P. Morgan Global High Yield Index	2.24	11.89	2.53	4.25	4.53	9.01	–
Lipper High Yield Funds Average	1.64	10.26	1.88	3.71	3.61	7.52	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Institutional High Yield Fund	May 31 2002	2.27%	-3.87%	15.89%	7.68%	-3.13%	14.92%	4.90%	5.45%	-11.19%	13.92%
J.P. Morgan Global High Yield Index		1.67	-4.25	18.27	8.28	-2.37	14.59	5.42	4.89	-10.16	13.26
Lipper High Yield Funds Average		1.00	-4.09	13.27	6.58	-2.84	13.63	5.45	5.07	-10.65	12.03

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 bonds in which the fund invests are at a much higher risk of default and tend to be more volatile than higher-rated bonds. 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. High yield bonds carry a greater default risk than higher-rated bonds.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

PERFORMANCE REVIEW

Market Review
The high yield market returned 2.24% for the three-month period ended March 31, 2024, according to the J.P. Morgan Global High Yield Index.

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-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.

The high yield market's spread compressed (-54 bps) in the first quarter. According to J.P. Morgan, capital market activity increased during the period, producing USD 87.6 billion in new paper. The J.P. Morgan par-weighted default rate decreased to 1.67% from 2.08% in December, remaining well below the long-term average of 3%-4%.

Services Segment Aided Performance
Credit selection in the services segment added value, partly due to Ascend Learning, which provides online educational content, software and analytics serving institutions, students and employers in health care and other licensure-driven professions. We believe that the company has an attractive business model, growth tailwinds in several key end markets, and should be relatively defensive in the event of an economic downturn. The company's 3Q23 earnings report showed that key areas of the business saw solid organic growth, and management's 2024 guidance surprised to the upside. The company's second lien loans steadily rallied from the mid-80s to high-90s throughout the first quarter.

Notable Contribution in Energy
Venture Global, a low-cost provider of American liquified natural gas (LNG), was a leading contributor to relative performance. The company is developing multiple LNG export facilities in Louisiana using modular, mid-scale liquefaction technology, enabling significantly lower cost of development and shorter development timelines. With its demonstrated track record of contracting and executing construction of large-scale projects that are backed by long-term contracts with solid customers, Venture Global is rapidly developing into one of the largest LNG companies in the world. In our view, the company will likely migrate to investment-grade status as it matures.

Health Care Issuer Aided Performance
Our investment in Avantor (AVTR), a manufacturer and distributor of life sciences products and services, added value in the health care segment. The company's scale, diversification, and vertical integration support its performance. For example, AVTR's scale allows customers to receive substantially all laboratory supplies from a single distributor. AVTR manufactures and sells its higher-margin proprietary products, which provides margin expansion opportunities. Roughly 85% of the company's revenue is recurring (customers' repeat orders of disposable products), and customers incur high switching costs in the portion of AVTR's business associated with the ultra-high purity materials. Company management has become increasingly focused on debt repayment following an active merger and acquisition strategy during 2021.

Cable Operators Detracted
Security selection among cable operators was the primary detractor from relative results, largely due to the portfolio's holdings of Altice France. After conciliatory meetings with investors in September to sell assets and pay down debt at par, the Company in March aggressively moved pending asset sales to an unrestricted sub and threatened to withhold them from creditors unless bondholders took a haircut to their claims. Formation of bondholder groups may also lead to creditor-on-creditor violence. Although we believe a filing is not in the best interest of creditors and the company's owner, Patrick Drahi, we cannot rule out a coercive exchange at severe discounts to par. We continue to monitor the situation closely and believe a holistic solution is available that can recover bonds at prices higher than currently marked.

Selection Among BB/B Rated Bonds Weighed
Selection in the BB/B rating tier dragged, partly due to leading broadband communications company Charter Communications, which reported somewhat disappointing 4Q23 results. Specifically, volumes that fell short of expectations across its broadband and wireless segments were the main driver of the weakness.

Wireless Communications Segment Dragged
Credit selection in the wireless communications segment held back relative gains, partly due to Asurion, the leading provider of mobile protection services. The credits sold off late in the period amid an allegation of noncompliance related to a customer contract. Despite some uncertainty around the impacted customer relationship, we are maintaining our conviction in Asurion.

PORTFOLIO POSITIONING AND ACTIVITY

We increased the portfolio's exposure to lower-quality credits. This was largely the result of initiating a high conviction and meaningful position in a second lien loan from Truist Insurance Holdings

Financials Exposure Increased
We initiated a position in insurance broker Truist Insurance Holdings (TIH). Truist Insurance is a high-quality and differentiated broker platform that has been well-managed and able to scale, grow organically, and compete despite being a wholly owned subsidiary of a regulated bank. This is a unique asset in that TIH houses both a retail broker (McGriff) and a property and casualty wholesale broker (CRC). These segments are operated independently, and both are strong, attractive businesses with good scale and the opportunity to accelerate growth as standalone companies.

MANAGER'S OUTLOOK

Financial conditions and lending standards have been tightening for over a year as the Fed and most developed market central banks aggressively raised short-term interest rates to combat inflation. These tighter financial conditions have resulted in historically light new issuance, most of which has been secured paper. Combined with manageable flows, this has created positive technical conditions in the high yield market. Despite modest inflows, the need to reinvest coupon payments has fostered strong demand for new deals in the primary space, while the absence of significant outflows has supported prices in the secondary market.

The economy continues to be resilient which is supportive for sub-investment grade fundamentals. With respect to the maturity wall, the credit space remains bifurcated. High quality issuers, which comprise the majority of the high yield asset class, have accessed the primary markets and addressed near-term maturities. Lower quality issuers, with capital structures not equipped to operate in a high-rate environment, have often resorted to liability-management exercises (LME) or have experienced outright default. As a result of these tighter financial conditions, we anticipate the default rate could continue to normalize over the near to medium term toward the market's long-term average (3%-4%), although it should remain well below levels seen during previous recessionary periods. Despite mediocre spreads, the asset class continues to provide extremely attractive yields, and we believe investors will be fairly compensated for accepting marginally higher default risk.

High yield bonds have never produced two consecutive years of negative returns. Years in which the asset class sells off, as it did in 2022, have historically been followed by multi-year periods of positive returns. Given the current high-quality nature of the asset class with roughly 60% is composed of BB rated bonds, we firmly believe this trend will continue.

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.

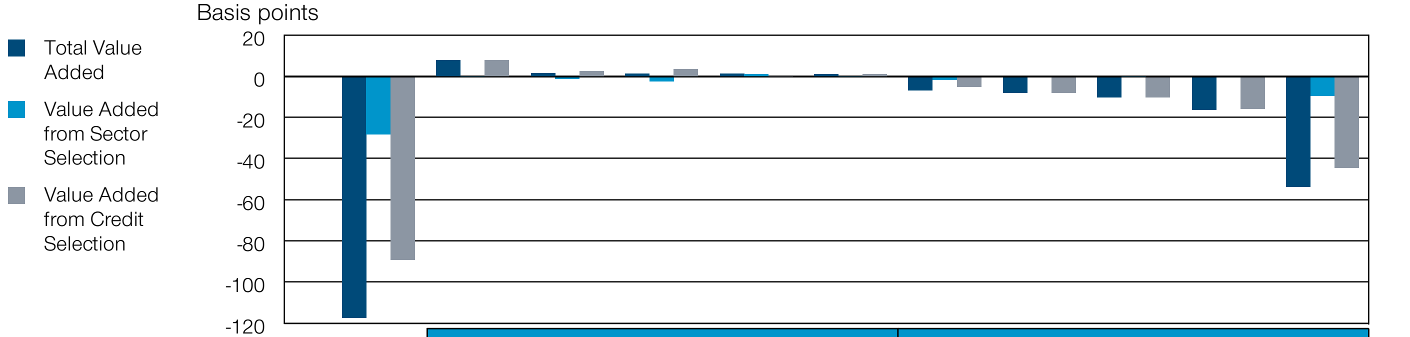
ORGANIZATIONAL UPDATE

The following investment team changes occurred during the quarter:
Departure: Sean Mckenna, Trader

QUARTERLY ATTRIBUTION

INDUSTRY ATTRIBUTION VS. J.P. MORGAN GLOBAL HIGH YIELD INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(3 months ended March 31, 2024)

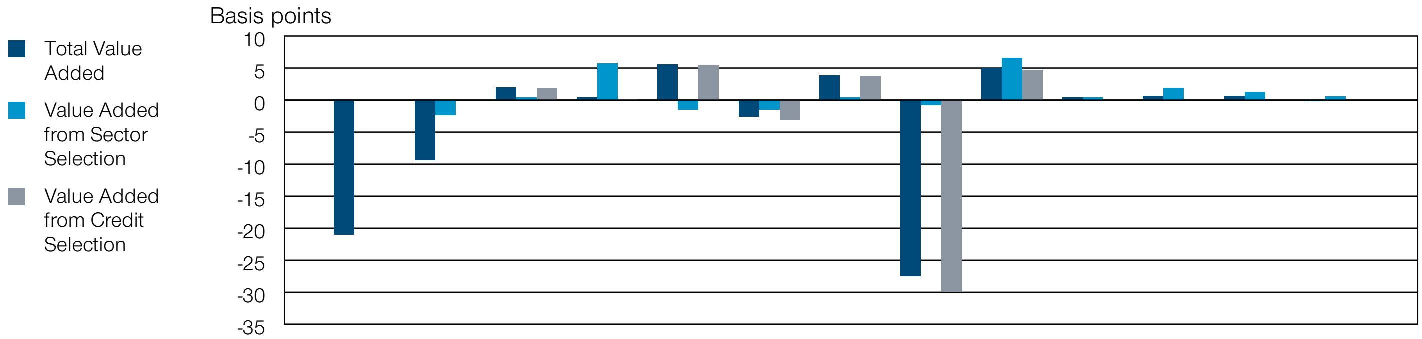


		Top Five Total Value Added					Bottom Five Total Value Added				
	Total	Service	Utilities	Entertainment & Leisure	Supermarkets	Other	Chemicals	Financial	Wireless Communications	Info Tech	Cable Operators
Fund Weight (%)	100.00	7.41	4.24	5.08	0.15	0.40	2.65	9.91	1.94	5.78	6.57
Benchmark Weight (%)	100.00	7.54	3.23	2.56	0.74	0.03	3.87	7.96	1.10	6.09	4.04
Fund Performance (%)	1.07	2.91	1.73	2.11	2.54	0.00	1.45	1.39	-2.63	0.67	-7.76
Benchmark Performance (%)	2.24	1.79	1.07	1.38	0.62	0.00	3.45	2.22	2.49	3.42	-1.30
Sector Selection (bps)	-28	0	-1	-2	1	0	-2	0	0	0	-9
Credit Selection (bps)	-89	8	3	4	0	1	-5	-8	-10	-16	-44
Total Contribution (bps)	-117	8	2	1	1	1	-7	-8	-10	-16	-54

Industry classification was determined by T. Rowe Price's high yield industry structure.
Past performance is not a reliable indicator of future performance. 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. Performance returns are in USD.

CREDIT QUALITY ATTRIBUTION VS. J.P. MORGAN GLOBAL HIGH YIELD INDEX

(3 months ended March 31, 2024)



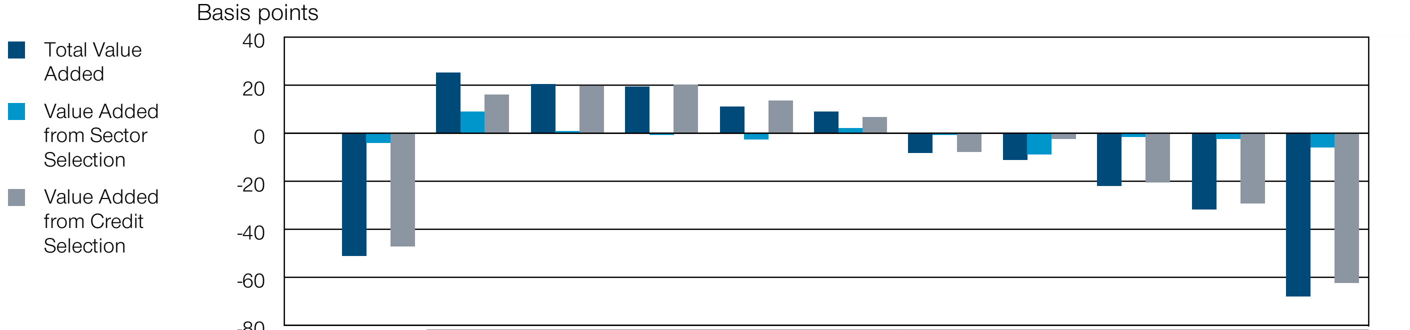
	Total	Bank Debt	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC Rated & Below	Not Rated	Convertible Preferred	Common	Credit Default Swap	Short Term
Fund Weight (%)	100.00	4.27	4.32	25.40	22.82	25.50	4.95	8.73	1.95	0.03	0.90	-0.02	1.15
Benchmark Weight (%)	100.00	0.00	3.61	32.84	17.08	30.54	4.89	10.39	0.65	0.00	0.00	0.00	0.00
Fund Performance (%)	1.07	1.97	1.77	1.02	1.49	1.47	-0.40	-1.50	-0.33	2.22	4.71	0.00	0.00
Benchmark Performance (%)	2.24	0.00	2.32	1.47	2.00	2.50	1.44	4.25	7.75	0.00	0.00	0.00	0.00
Sector Selection (bps)	0	-2	0	6	-1	-1	0	-1	7	0	2	1	1
Credit Selection (bps)	0	0	2	0	5	-3	4	-30	5	0	0	0	0
Total Contribution (bps)	-21	-9	2	0	6	-3	4	-27	5	0	1	1	0

Past performance is not a reliable indicator of future performance. Source of credit quality rating: Moody's Investor Services and Standard and Poor's.
T. Rowe Price's proprietary attribution model compares the portfolio'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. Performance returns are in USD.

12-MONTH ATTRIBUTION

INDUSTRY ATTRIBUTION VS. J.P. MORGAN GLOBAL HIGH YIELD INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(12 months ended March 31, 2024)



		Top Five Total Value Added					Bottom Five Total Value Added				
	Total	Building & Real Estate	Wireless Commu-nications	Service	Utilities	Financial	Manu-facturing	Other Telecom-munica-tions	Energy	Info Tech	Cable Opera-tors
Fund Weight (%)	100.00	1.03	1.99	7.55	4.07	9.07	1.61	0.45	12.86	5.52	6.96
Benchmark Weight (%)	100.00	1.73	1.24	7.45	3.28	7.71	2.02	2.15	14.35	5.82	3.95
Fund Performance (%)	11.38	15.31	22.68	14.44	12.14	15.58	8.63	10.57	11.21	10.82	0.87
Benchmark Performance (%)	11.89	0.20	12.70	11.72	8.68	14.74	13.35	17.27	12.83	16.40	9.80
Sector Selection (bps)	-4	9	1	-1	-3	2	-1	-9	-1	-2	-6
Credit Selection (bps)	-47	16	20	20	14	7	-8	-2	-20	-29	-62
Total Contribution (bps)	-51	25	21	20	11	9	-8	-11	-22	-31	-68

Industry classification was determined by T. Rowe Price’s high yield industry structure.
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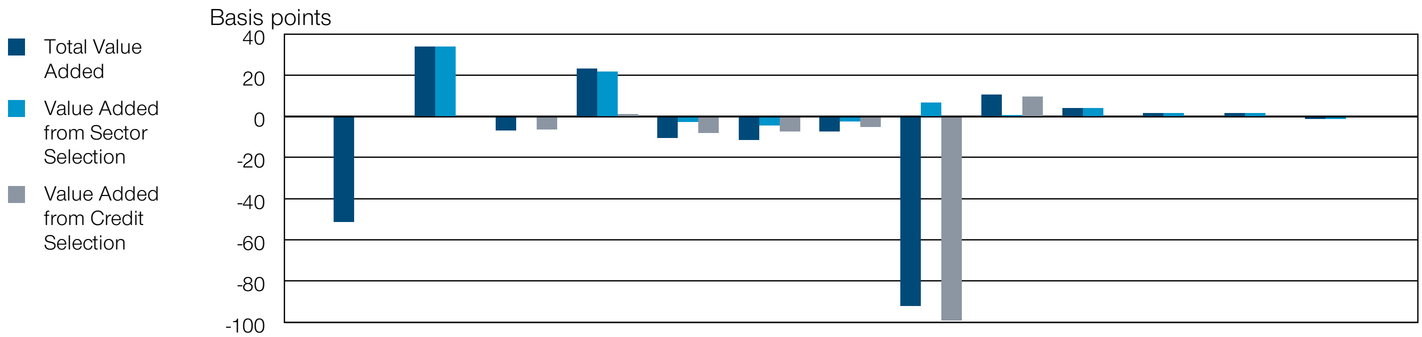
CREDIT QUALITY ATTRIBUTION VS. J.P. MORGAN GLOBAL HIGH YIELD INDEX

(12 months ended March 31, 2024)

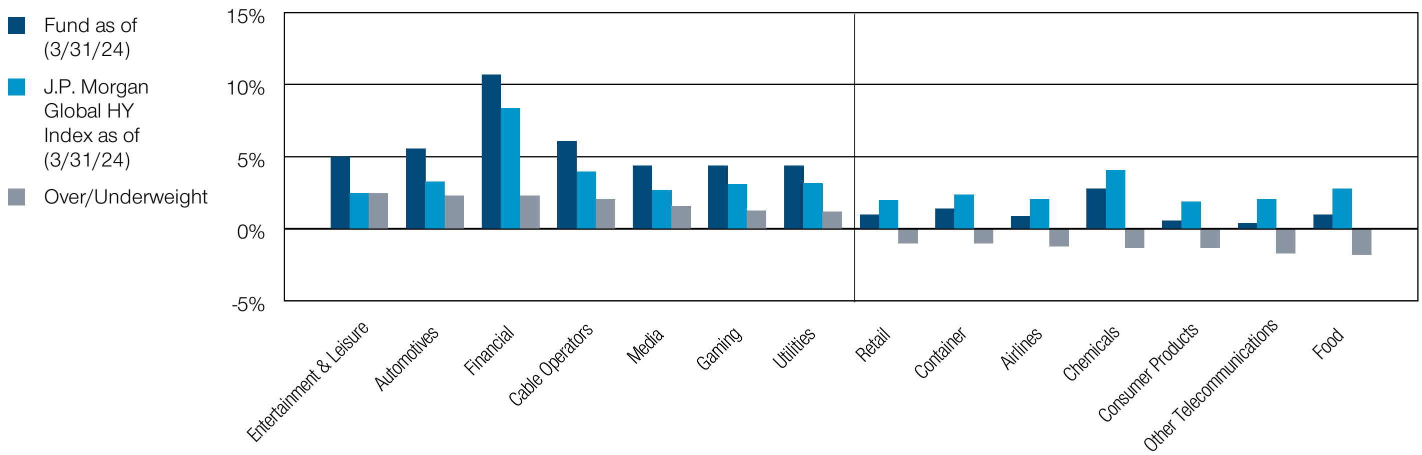


	Total	Bank Debt	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC Rated & Below	Not Rated	Conver-tible Pre-ferred	Com-mon	Credit Default Swap	Short Term
Fund Weight (%)	100.00	4.69	4.59	25.65	20.92	27.22	4.40	8.48	1.93	0.30	0.90	-0.04	0.94
Benchmark Weight (%)	100.00	0.00	3.69	33.31	16.47	30.69	4.82	10.30	0.72	0.00	0.00	0.00	0.00
Fund Performance (%)	11.38	19.25	10.16	9.08	10.69	12.58	11.22	10.17	16.00	21.20	12.88	0.00	0.00
Benchmark Performance (%)	11.89	0.00	11.55	9.03	11.02	12.95	12.66	19.86	10.37	0.00	0.00	0.00	0.00
Sector Selection (bps)	0	34	0	22	-3	-4	-2	7	1	5	2	2	-1
Credit Selection (bps)	0	0	-6	1	-8	-7	-5	-99	10	0	0	0	0
Total Contribution (bps)	-51	34	-7	23	-10	-11	-7	-92	11	5	2	2	-1

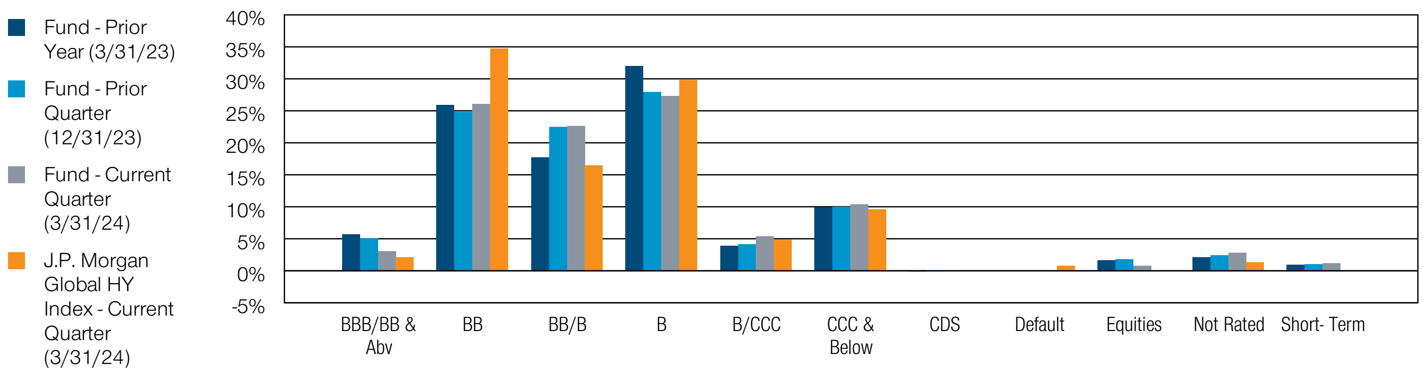
Past performance is not a reliable indicator of future performance. Source of credit quality rating: Moody’s Investor Services and Standard and Poor’s. T. Rowe Price's proprietary attribution model compares the portfolio's performance and average market weights with that of the benchmark. Figures are 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. Performance returns are in USD.

PORTFOLIO POSITIONING

SIGNIFICANT OVER/UNDERWEIGHT INDUSTRIES



CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



HOLDINGS

TOP 10 ISSUERS

Issuer	Industry	% of Fund
Charter Communications Inc	Cable Operators	2.0%
TransDigm Group Inc	Aerospace & Defense	2.0
Venture Global LNG Inc	Energy	1.9
Asurion LLC	Wireless Communications	1.7
UKG Inc	Services	1.7
Tenet Healthcare Corp	Health Care	1.5
HUB International Ltd	Financial	1.5
Rivian Automotive Inc	Automotives	1.4
Navient Corp	Financial	1.4
Vistra Corp	Utilities	1.4

PORTFOLIO MANAGEMENT

Portfolio Manager:
Rodney Rayburn

Managed Fund Since:
2019

Joined Firm:
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.

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