T. Rowe Price®

INVEST WITH CONFIDENCE

QUARTERLY REVIEW

Total Return Fund

As of September 30, 2021

PORTFOLIO HIGHLIGHTS

The portfolio produced positive total returns and outperformed the Bloomberg U.S. Aggregate Bond Index for the three-month period ended September 30, 2021.

Relative performance drivers:

- Sector allocations helped performance.
- Security selection was also positive.
- U.S. interest rate management was more neutral.

Additional highlights:

- Overall exposure to credit risk trended near the lower end of the range since the start of the pandemic with credit risk premiums sitting at low levels across sectors and markets still facing numerous macroeconomic risks.
- While a strong growth environment should continue to support tight spreads, we are not looking to meaningfully add to credit risk exposures at current rich valuation levels. While seeking to keep our credit risk exposures somewhat defensive and well-balanced, we foresee macro opportunities in global rates and currencies.

FUND INFORMATION

Symbol	PTTFX
CUSIP	872803101
Inception Date of Fund	November 15, 2016
Benchmark	Bloomberg US Agg Index
Expense Information (as of the most recent Prospectus)*	0.60% (Gross) 0.46% (Net)
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	$638,392,828 (USD)
Percent of Portfolio in Cash	-14.4%

*The Fund operates under a contractual expense limitation that expires on September 30, 2023.

PERFORMANCE

(NAV, total return)

				Annualized			
	Three Months	**Year-to-Date**	**One Year**	**Three Years**	**Since Inception 11/15/16**	**30-Day SEC Yield**	**30-Day SEC Yield w/o Waiver°**
Total Return Fund	0.58%	0.62%	2.95%	6.71%	4.81%	2.08%	2.07%
Bloomberg U.S. Aggregate Bond Index	0.05	-1.55	-0.90	5.36	3.58	–	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	**2017**	**2018**	**2019**	**2020**
Total Return Fund	Nov 15 2016	5.01%	0.23%	9.98%	8.37%
Bloomberg U.S. Aggregate Bond Index		3.54	0.01	8.72	7.51

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.
°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. The Fund's investments in high-yield securities are subject to greater volatility and credit risk than investment-grade bonds.
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

Investment-Grade Bonds Finish Flat After Late Jump in Yields
The U.S. investment-grade fixed income market, as measured by the Bloomberg U.S. Aggregate Bond Index, produced roughly flat returns for the period. Early gains were erased by a rapid rise in Treasury yields near the end of the quarter.

Concerns about the spread of the coronavirus delta variant, high inflation, and some weaker-than-expected economic data helped drive Treasury yields lower early in the period; however, the Federal Reserve's late-September meeting sparked a sell-off in Treasuries. The yield of the benchmark 10-year Treasury note rose from 1.45% to 1.52% at period-end, while the five-year Treasury yield saw the largest jump, increasing to 0.98%, its highest level in more than a year.

Yields rose as the outcome of the Fed meeting was slightly more hawkish than many market participants expected. Policymakers indicated that they were likely to announce a reduction in their monthly purchases of Treasuries and mortgage-backed securities in November and that an initial rate hike could occur by the end of 2022. Some positive economic news, including better-than-expected retail sales data, and signs that the spread of the delta variant may be easing also pushed yields higher.

Credit spreads ended the quarter slightly wider in most sectors. Investment-grade corporate bonds experienced their first quarter of negative excess returns since the first quarter of 2020 as a result of macro risks and heavy new issuance. Benefiting from their lower duration profile, high yield corporate bonds and leverage loans outperformed investment-grade corporates in the third quarter. In the securitized sectors, excess returns for asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) were slightly positive despite a torrent of supply, though lower-rated tranches fared better as investors searched for yield.

Agency mortgage-backed securities (MBS) eked out slightly positive excess returns as higher-coupon MBS produced good results amid rising longer-term rates while lower-coupon securities, which have been prime beneficiaries of Fed asset purchases, struggled as the market priced in Fed tapering.

Sector Allocations Helped Performance
Sector allocation was the primary driver of relative returns, with meaningful contributions from out-of-benchmark allocations to high yield bonds and bank loans. The below-investment-grade sectors benefited from low default rates; rising commodity prices; and investor demand for higher-yielding, lower-duration assets.

In the high yield and loan spaces, the portfolio leverages the collaboration with our high yield team in making bottom-up security picks. An out-of-benchmark allocation to CLOs, where our securitized team collaborates with our high yield analysts to research securities, delivered a smaller contribution.

The portfolio managed credit risk exposures through credit derivatives. Some of these derivatives were a slight drag on performance.

An overweight in the emerging market corporate bonds detracted, but beneficial security selection in the sector more than offset the detraction.

Security Selection Was Also Positive
Security selection was additive. In the CMBS sector, subordinate single-asset/single-borrower and conduit holdings produced strong results. Taxable municipal debt added value in the government-related sector. In the investment-grade corporate segment, real estate investment trusts, utilities, and energy names were among the contributors.

In the agency MBS sector, our mortgage team's preference for higher-coupon securities was additive as investors favored shorter-duration segments of that market.

Overall Interest Rate Management Had a Mixed Effect
U.S. interest rate management had a largely neutral impact on performance, but non-US rates exposures helped to a greater degree. Specifically, short positions in German, UK, and Canadian sovereign bond markets boosted performance as global rates pushed higher in response to inflationary pressures and less-dovish signals from global central banks.

PORTFOLIO POSITIONING AND ACTIVITY

Overall exposure to credit risk trended near the lower end of the range since the start of the pandemic with credit risk premiums sitting at low levels across sectors and markets still facing numerous macroeconomic risks.

Added to Agency and Non-Agency MBS
We reduced the portfolio's underweight to agency MBS, moving our allocation to slightly higher than the benchmark. After a stretch of underperformance, wider MBS spreads are offering more compelling value to offset the technical risk of the Fed tapering asset purchases. With their high quality and strong liquidity, agency MBS can also help provide ballast for higher-yielding, but less-liquid credit exposures in the portfolio, such as bank loans.

We also added to the portfolio's off-benchmark allocation to non-agency RMBS. Although the residential real estate market has cooled, our securitized team views the slowdown as healthy and remains constructive on housing and mortgage credit fundamentals. They see room for further fundamental improvement as loan forbearance programs end and credit availability increases. Our purchases were primarily focused on the new issue market, which has seen very heavy supply in recent months, resulting in some price concessions to entice investors.

Trimmed ABS and Selectively Added in CLOs
Elsewhere in securitized credit, we trimmed our overweight to ABS, where valuations are broadly expensive—a reflection of strong consumer fundamentals and collateral performance. We added slightly to our out-of-benchmark position in CLOs, a much-maligned sector that has nonetheless demonstrated its resilience during two major financial crises. We bought some higher-yielding CLOs sitting lower in the capital structure, where we can leverage the analytical resources of our strong securitized credit and bank loan research platforms. We also added some subordinate CMBS, an area where we've been highly selective given fundamental challenges in certain property types like lower-tier office buildings and mall-based retail.

Duration Management
In terms of rates, we made tactical adjustments to the portfolio's duration posture during the quarter but generally maintained a shorter-than-benchmark duration stance. However, this duration underweight was mainly being expressed via short positions in

European and Canadian rates markets where we see greater upside risk for sovereign yields. Given that US rates would likely benefit in a flight-to-quality environment, we prefer to maintain US duration as a potential credit-risk hedge.

MANAGER'S OUTLOOK

Credit investors enjoyed a relatively smooth ride for much of the past year. Massive monetary stimulus provided abundant financial liquidity, unprecedented fiscal stimulus bolstered consumer spending, corporations benefited from easy earnings comparisons versus early 2020, and the rapid vaccine rollout boosted investor confidence. However, the so-called reflation trade faded in recent months as economic data failed to meet high expectations, the spread of the delta variant dashed hopes for a rapid return to normalcy, global stimulus peaked, and high inflation was seen as a tax on growth. Most critically, the Fed appeared to have pivoted to a more hawkish mode due to inflation worries, increasing monetary policy uncertainty and concerns about a recovery-killing policy error.

While the path ahead grows more precarious, we see potential for a renewed reflationary trade into early 2022—albeit with less intensity than in the early phase of the recovery, when the bar for improvement was low. The period around year-end has seasonally been good for risk assets, and investors generally appear to be defensively positioned. The latest coronavirus wave appears to be peaking, and society is learning to live with the virus. We believe that inflation is transitory rather than structural, and that supply-chain bottlenecks and labor-market shortfalls should begin to gradually ease. The market has reset its growth expectations to more appropriate levels, and the recent softer data provides the Fed with some cover to maintain relatively easy monetary policy.

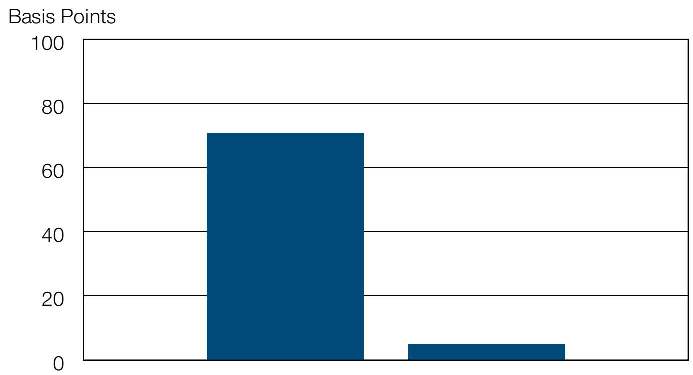
Indeed, while many market participants viewed the updated economic projections from the Fed's September meeting as more hawkish, we would argue that it was a surreptitiously dovish outcome. Although asset purchase tapering and rate hikes could commence sooner than some had expected, the median forecast for the fed funds rate in 2024 is only 1.8%—well below the Fed's longer-run 2.5% projection despite slightly above-target inflation projections over that time frame. This indicates that the Fed remains committed to its average inflation targeting policy, a framework that supports strong economic growth.

While a strong growth environment should continue to support tight spreads, we are not looking to meaningfully add to credit risk exposures at current rich valuation levels. While seeking to keep our credit risk exposures somewhat defensive and well-balanced, we foresee macro opportunities in global rates and currencies. And as always, we will continue to rely on our sector teams to build concentrated positions in their highest-conviction security ideas and identify bonds whose prices are dislocated from fundamentals.

QUARTERLY ATTRIBUTION

OVERALL PERFORMANCE: FUND VS. BLOOMBERG US AGG INDEX

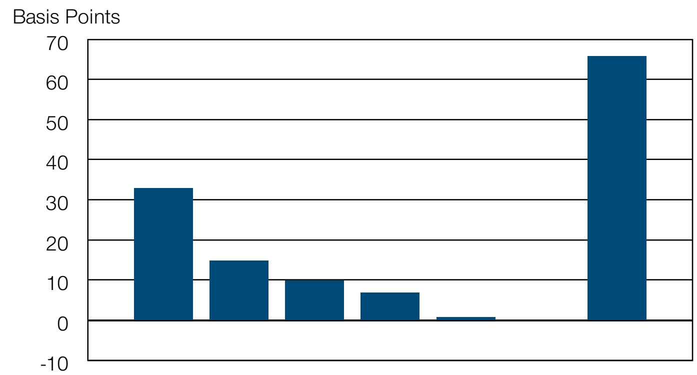
(3 months ended September 30, 2021)



Total Return Fund	Bloomberg US Agg Index
71	5

CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG US AGG INDEX

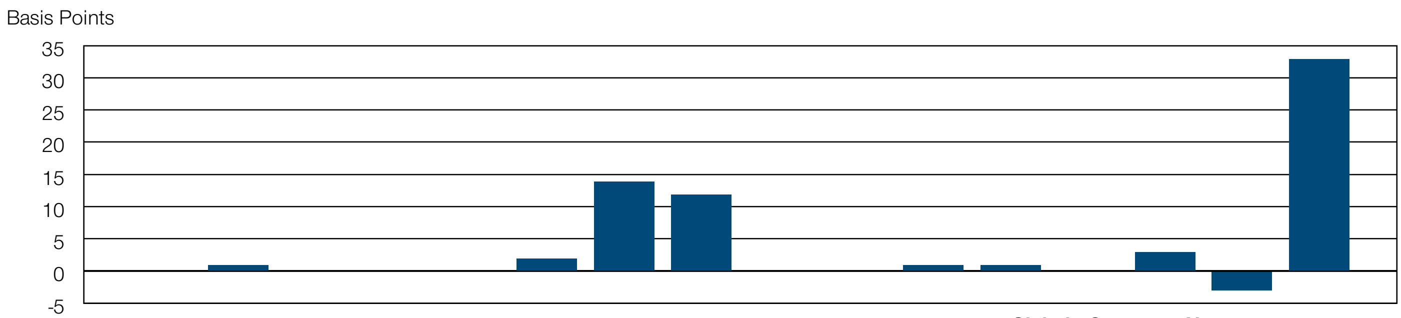
(3 months ended September 30, 2021)



USD Sector	USD Secur-ity	Resid	Non-USD	FX	USD IR Mgmt	Total
33	15	10	7	1	0	66

SECTOR ALLOCATION: FUND VS. BLOOMBERG US AGG INDEX

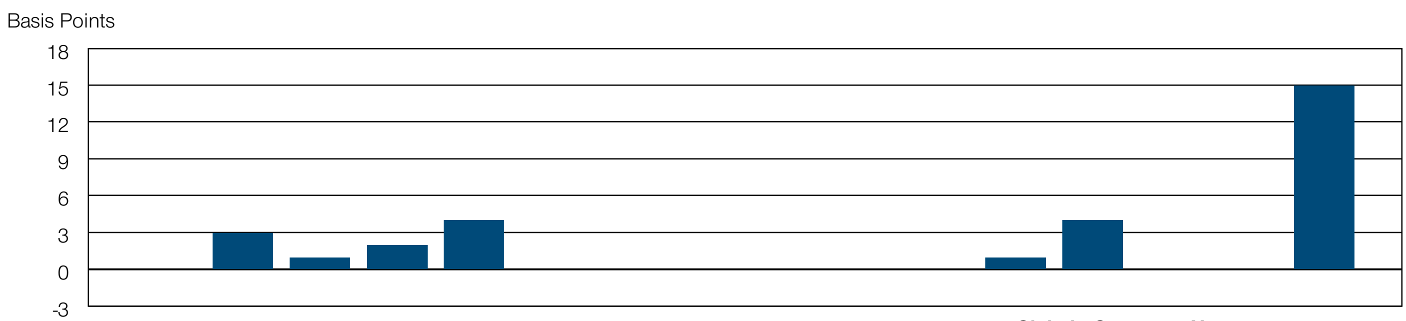
(3 months ended September 30, 2021)



TIPS	IG Corp	MBS	ABS	CMBS	CLO	HIGH YIELD	Bank Loans	EM Corp	EM Lo-cal	EM Sov-ereign	Global Sover-eign	Govern-ment Related	Non-Agency MBS	Other	Total
0	1	0	0	0	2	14	12	0	0	1	1	0	3	-3	33

SECURITY SELECTION DETAILS: FUND VS. BLOOMBERG US AGG INDEX

(3 months ended September 30, 2021)



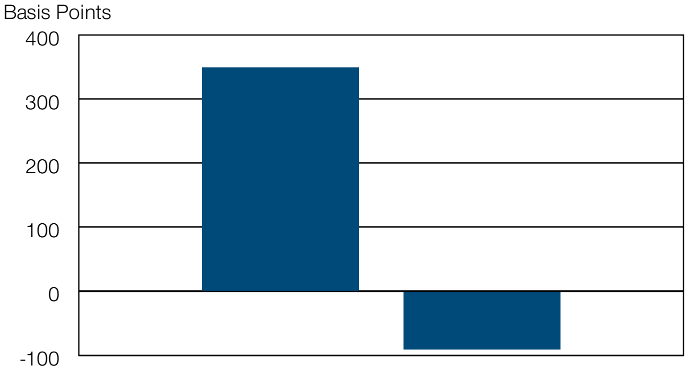
TIPS	IG Corp	MBS	ABS	CMBS	CLO	HIGH YIELD	Bank Loans	EM Corp	EM Lo-cal	EM Sov-ereign	Global Sover-eign	Govern-ment Related	Non-Agency MBS	Other	Total
0	3	1	2	4	0	0	0	0	0	0	1	4	0	0	15

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

OVERALL PERFORMANCE: FUND VS. BLOOMBERG US AGG INDEX

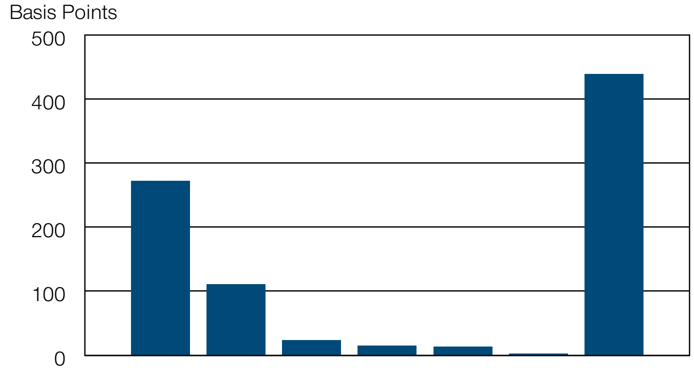
(12 months ended September 30, 2021)



Total Return Fund	Bloomberg US Agg Index
350	-90

CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG US AGG INDEX

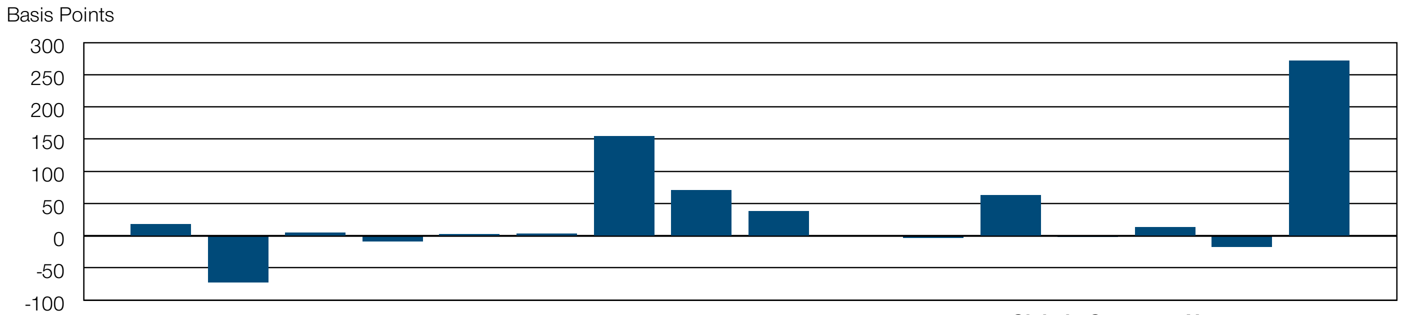
(12 months ended September 30, 2021)



USD Sector	USD Security	USD IR Mgmt	FX	Non-USD	Resid	Total
273	111	24	15	14	3	440

SECTOR ALLOCATION: FUND VS. BLOOMBERG US AGG INDEX

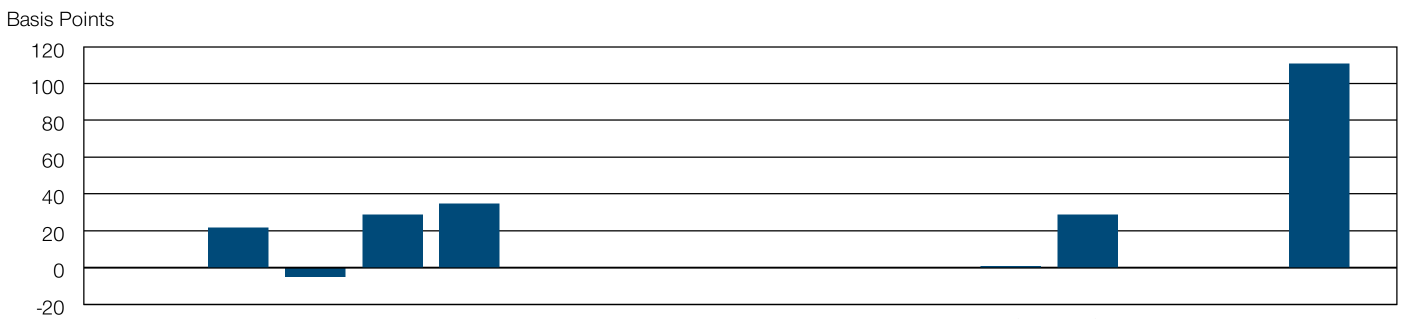
(12 months ended September 30, 2021)



TIPS	IG Corp	MBS	ABS	CMBS	CLO	HIGH YIELD	Bank Loans	EM Corp	EM Local	EM Sovereign	Global Sovereign	Government Related	Non-Agency MBS	Other	Total
19	-72	6	-8	3	4	155	72	39	0	-3	64	-1	14	-17	273

SECURITY SELECTION DETAILS: FUND VS. BLOOMBERG US AGG INDEX

(12 months ended September 30, 2021)



TIPS	IG Corp	MBS	ABS	CMBS	CLO	HIGH YIELD	Bank Loans	EM Corp	EM Local	EM Sovereign	Global Sovereign	Government Related	Non-Agency MBS	Other	Total
0	22	-5	29	35	0	0	0	0	0	0	1	29	0	0	111

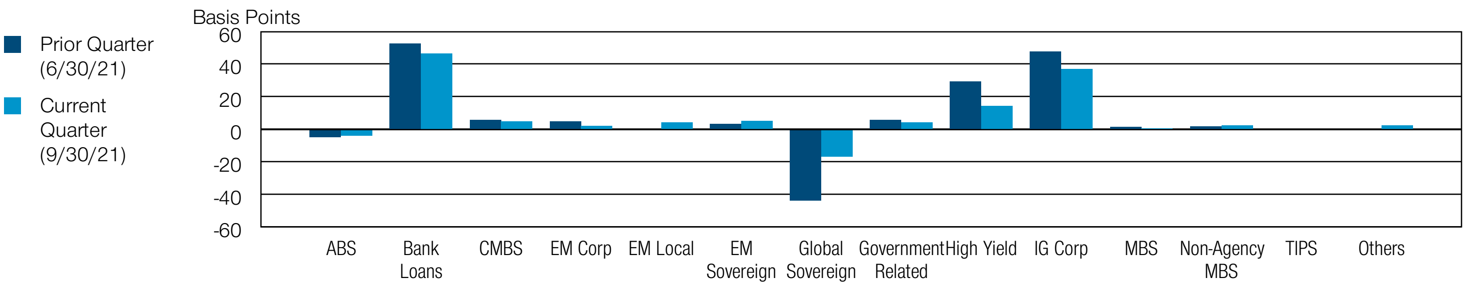
Past performance is not a reliable indicator of future performance.
Source: Bloomberg Index Services Limited.
Analysis represents the performance of the portfolio compared to its benchmark as calculated by the Bloomberg attribution model. Performance is attributed to a set of portfolio decisions such 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.

RISK ANALYSIS

RISK FACTOR CONTRIBUTION

	Contribution to TEV (Annualized) 6/30/21 (Prior Quarter)	Contribution to TEV (Annualized) 9/30/21 (Current Quarter)
Systematic	98.6 bps	88.9 bps
Foreign Exchange	0.0	4.3
Curve	24.1	18.5
Inflation Linked	0.0	0.0
Swap Spreads	12.5	9.9
Volatility	-0.3	0.3
Spread Government Related	-1.5	1.1
Spread Credit and EMG	47.5	34.1
Spread Securitized	13.3	18.3
Spread Other	0.0	1.1
Equity	3.0	1.2
Idiosyncratic	6.1	7.1
Credit Default	14.9	11.1
Total	**119.7**	**107.1**

SECTOR CONTRIBUTION TO RISK VERSUS BENCHMARK

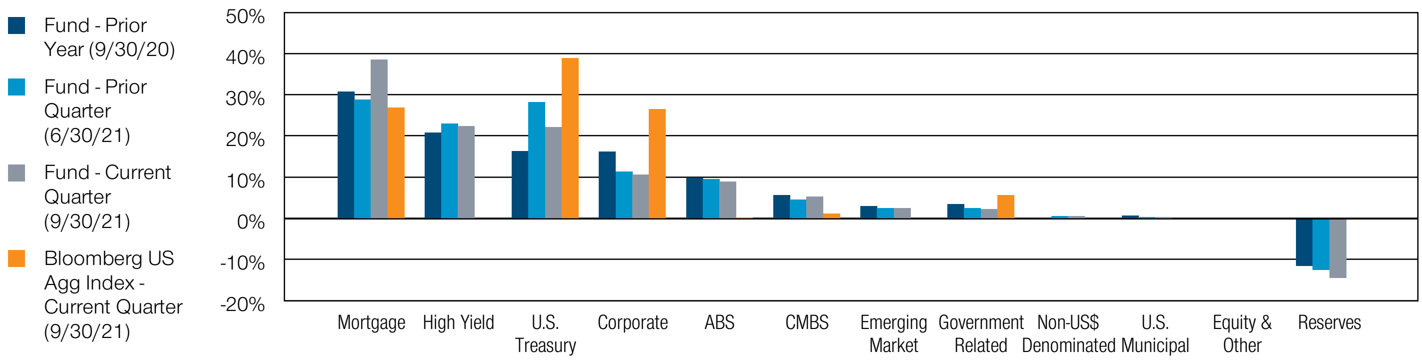


Source: Bloomberg Index Services Limited. Statistics based on monthly data. TEV, or Tracking error volatility, is the standard deviation of the difference between portfolio and benchmark returns. It is the square root of the tracking error variance, or TE variance. The TE variance is the projected variance of the difference between portfolio and benchmark returns. It is estimated from historical return data and from portfolio and benchmark characteristics. It can be decomposed into three sources: Systematic, Idiosyncratic and Default. Systematic (Market) Risk is the risk due to the effect of all systematic factors of the Bloomber risk model. Idiosyncratic (nonsystematic) risk is the risk not explained by the combination of all systematic or default factors. It represents risk due to non-default events that affect only the individual issuer or bond.
The contribution to TEV is the contribution, in basis points, of a risk factor to total TEV. This measure includes the effect of correlation. The risk factors included in this analysis and shown above are credit spreads, currency, and interest rate duration. 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. **Past performance is not a reliable indicator of future performance.**

For Sourcing Information, please see Additional Disclosures.

PORTFOLIO POSITIONING

SECTOR DIVERSIFICATION – CHANGES OVER TIME



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.
**U.S. government agency securities are issued or guaranteed by a U.S. government agency, and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

HOLDINGS

TOP ISSUERS

Issuer	% of Fund
Asurion LLC	0.6%
Intelsat Jackson Holdings	0.5
United Airlines Holdings	0.5
Hellman & Friedman LLC	0.4
AbbVie	0.4
American Airlines	0.4
St Joseph's Healthcare System	0.4
HUB International	0.3
PetSmart	0.3
Applied Systems	0.3

For Sourcing Information, please see Additional Disclosures.

PORTFOLIO MANAGEMENT

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Chris Brown	2016	2005
Anna Dreyer	2021	2008

Additional Disclosures

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.
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 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. 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.

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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