T. Rowe Price

SEMIANNUAL REPORT

November 30, 2023

T. ROWE PRICE

Institutional Long Duration Credit Fund

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Dear Investor

Major global stock and bond indexes produced mixed returns during the first half of your fund's fiscal year, the six-month period ended November 30, 2023. Nearly all equity benchmarks finished the period with positive results after a strong rally in November; however, rising U.S. Treasury yields left some fixed income sectors in negative territory.

Within the S&P 500 Index, the financials sector recovered from the failure of three large regional banks earlier in the year and recorded the best results for the period. The information technology sector also delivered strong gains as technology companies benefited from investor enthusiasm for artificial intelligence developments. Outside the U.S., stocks in developed markets generally outpaced their counterparts in emerging markets, although emerging Europe and Latin America produced very strong returns at the regional level.

The U.S. economy was the strongest among the major markets during the period, with gross domestic product growth coming in at 5.2% in the third quarter's revised estimate, the highest since the end of 2021. Corporate fundamentals were also broadly supportive. Although year-over-year earnings growth contracted in the first and second quarters of 2023, results were better than expected, and earnings growth turned positive again in the third quarter.

Inflation remained a concern for both investors and policymakers, but lower-than-expected inflation data in November helped spur a rally late in the period as many investors concluded that the Federal Reserve had reached the end of its hiking cycle. The Fed raised its short-term lending benchmark rate to a target range of 5.25% to 5.50% in July, the highest level since March 2001, and then held rates steady for the remainder of the period.

Despite a drop in yields as investor sentiment shifted in November, intermediate- and longer-term U.S. Treasury yields finished the period notably higher. After starting the period at 3.64%, the yield on the benchmark 10-year Treasury note briefly reached 5.00% in October for the first time since late 2007 before falling to 4.37% by the end of November. The rise in yields led to negative returns in some fixed income sectors, but both investment-grade and high yield corporate bonds produced solid returns, supported by the higher coupons that have become available over the past year as well as by increasing hopes that the economy might be able to avoid a recession.

Global economies and markets showed surprising resilience in 2023, but considerable uncertainty remains as we look ahead. Geopolitical events, the path of monetary policy, and the impact of the Fed's rate hikes on the economy all raise the potential for additional volatility. We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to help identify securities that can add value to your portfolio over the long term.

You may notice that this report no longer contains the commentary on your fund's performance and positioning that we previously included in the semiannual shareholder letters. The Securities and Exchange Commission adopted new rules recently that will require fund reports to transition to a new format known as a Tailored Shareholder Report. This change will require a much more concise summary of performance rather than the level of detail we have provided historically while also aiming to be more visually engaging. As we prepare to make changes to the annual reports to meet the new regulatory requirements by mid-2024, we felt the time was right to discontinue the optional six-month semiannual fund letter to focus on the changes to come.

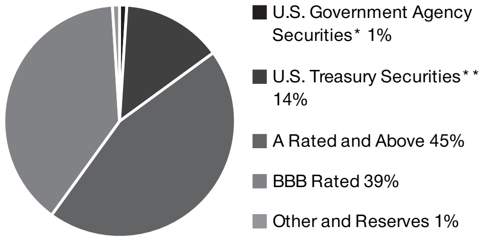
Although semiannual fund letters will no longer be produced, you may continue to access current fund information as well as insights and perspectives from our investment team on our personal investing website.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,

Robert Sharps
CEO and President

CREDIT QUALITY DIVERSIFICATION



Based on net assets as of 11/30/23.

Sources: 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. T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps. The fund is not rated by any agency. Securities that have not been rated by any rating agency totaled 0.55% of the portfolio at the end of the reporting period.

* 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.

** 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.

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of $1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Actual Expenses
The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes
The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

INSTITUTIONAL LONG DURATION CREDIT FUND

	Beginning Account Value 6/1/23	Ending Account Value 11/30/23	Expenses Paid During Period* 6/1/23 to 11/30/23
Actual	$1,000.00	$983.60	$2.23
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.75	2.28

* Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.45%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183), and divided by the days in the year (366) to reflect the half-year period.

(Unaudited)

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	6 Months Ended 11/30/23	Year Ended 5/31/23	5/31/22	5/31/21	5/31/20	5/31/19
NET ASSET VALUE						
Beginning of period	$ 7.77	$ 8.59	$ 10.70	$ 11.00	$ 10.68	$ 10.06
Investment activities						
Net investment income[1][2]	0.18	0.34	0.33	0.36	0.40	0.40
Net realized and unrealized gain/ loss	(0.31)	(0.79)	(1.76)	0.15	1.35	0.66
Total from investment activities	(0.13)	(0.45)	(1.43)	0.51	1.75	1.06
Distributions						
Net investment income	(0.20)	(0.37)	(0.38)	(0.41)	(0.43)	(0.42)
Net realized gain	–	–	(0.27)	(0.40)	(1.00)	(0.02)
Tax return of capital	–	–	(0.03)	–	–	–
Total distributions	(0.20)	(0.37)	(0.68)	(0.81)	(1.43)	(0.44)
NET ASSET VALUE						
End of period	**$ 7.44**	**$ 7.77**	**$ 8.59**	**$ 10.70**	**$ 11.00**	**$ 10.68**

Ratios/Supplemental Data						
Total return[2][3]	**(1.64)%**	**(5.14)%**	**(14.69)%**	**4.39%**	**17.12%**	**10.94%**
Ratios to average net assets:[2]						
Gross expenses before waivers/ payments by Price Associates	0.45%[4]	0.45%	0.45%	0.45%	0.46%	0.45%
Net expenses after waivers/ payments by Price Associates	0.45%[4]	0.45%	0.45%	0.45%	0.46%	0.45%
Net investment income	4.80%[4]	4.26%	3.21%	3.19%	3.56%	4.00%
Portfolio turnover rate	42.7%	46.7%	59.9%	50.9%	70.5%	51.2%
Net assets, end of period (in thousands)	$ 82,249	$ 55,544	$ 24,849	$ 19,168	$ 23,979	$ 34,038

[1] Per share amounts calculated using average shares outstanding method.
[2] See Note 6 for details of expense-related arrangements with Price Associates.
[3] Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.
[4] Annualized

The accompanying notes are an integral part of these financial statements.

PORTFOLIO OF INVESTMENTS‡

(Amounts in 000s)

	Par/Shares	$ Value
CORPORATE BONDS 73.9%		
Banking 11.1%		
Australia & New Zealand Banking Group, 6.742%, 12/8/32 (1)	200	205
Banco Santander, 6.921%, 8/8/33	200	199
Bank of America, 5.00%, 1/21/44	500	465
Bank of America, VR, 2.676%, 6/19/41 (2)	200	135
Bank of America, VR, 3.824%, 1/20/28 (2)	100	94
Bank of America, VR, 4.33%, 3/15/50 (2)	455	376
Bank of New York Mellon, VR, 6.474%, 10/25/34 (2)	230	243
Barclays, VR, 7.437%, 11/2/33 (2)	200	213
BNP Paribas, VR, 2.871%, 4/19/32 (1) (2)	200	162
CaixaBank, VR, 6.84%, 9/13/34 (1)(2)	230	231
Capital One Financial, VR, 3.273%, 3/1/30 (2)	250	214
Capital One Financial, VR, 6.377%, 6/8/34 (2)	100	97
Citigroup, 4.65%, 7/30/45	530	452
Citigroup, VR, 6.174%, 5/25/34 (2)	115	114
Goldman Sachs Group, 2.60%, 2/7/30	100	85
Goldman Sachs Group, 4.75%, 10/21/45	315	281
Goldman Sachs Group, 5.15%, 5/22/45	200	180
Goldman Sachs Group, 6.25%, 2/1/41	200	211
HSBC Holdings, 7.625%, 5/17/32	155	164
HSBC Holdings, VR, 6.332%, 3/9/44 (2)	200	203
HSBC Holdings, VR, 7.399%, 11/13/34 (2)	290	301
ING Groep, VR, 6.114%, 9/11/34 (2)	200	200
Intesa Sanpaolo, 6.625%, 6/20/33 (1)	330	323
JPMorgan Chase, 5.625%, 8/16/43	705	696
JPMorgan Chase, VR, 3.882%, 7/24/38 (2)	430	359
Lloyds Banking Group, 4.344%, 1/9/48	200	145
Morgan Stanley, 4.30%, 1/27/45	450	377
Morgan Stanley, VR, 3.217%, 4/22/42 (2)	200	146
NatWest Group, VR, 6.016%, 3/2/34 (2)	250	250
Standard Chartered, VR, 6.301%, 1/9/29 (1)(2)	200	201
State Street, VR, 5.159%, 5/18/34 (2) (3)	305	293
Sumitomo Mitsui Financial Group, 5.766%, 1/13/33	200	203
UBS Group, VR, 3.179%, 2/11/43 (1) (2)	200	136
UBS Group, VR, 6.301%, 9/22/34 (1) (2)	200	202
Wells Fargo, VR, 2.393%, 6/2/28 (2)	150	134
Wells Fargo, VR, 3.068%, 4/30/41 (2)	500	357
Wells Fargo, VR, 5.557%, 7/25/34 (2)	200	195
Wells Fargo Bank, 6.60%, 1/15/38 (3)	250	263
		9,105
Basic Industry 2.2%		
BHP Billiton Finance USA, 5.50%, 9/8/53	35	35
Celanese U.S. Holdings, 6.70%, 11/15/33	60	62
Dow Chemical, 4.80%, 5/15/49	490	412
Ecolab, 2.70%, 12/15/51	300	188
Ecolab, 3.70%, 11/1/46	30	22
International Paper, 4.35%, 8/15/48 (3)	139	112
LYB International Finance III, 5.625%, 5/15/33 (3)	250	249
Newmont, 5.45%, 6/9/44	195	184
Nucor, 4.40%, 5/1/48	75	63
Southern Copper, 5.25%, 11/8/42	200	179
Westlake, 3.125%, 8/15/51	500	304
		1,810
Brokerage Assetmanagers Exchanges 0.2%		
Nasdaq, 3.95%, 3/7/52	220	162
Nasdaq, 5.95%, 8/15/53	40	41
		203
Capital Goods 2.8%		
Boeing, 5.705%, 5/1/40	300	296
Boeing, 5.805%, 5/1/50	500	488
L3Harris Technologies, 4.854%, 4/27/35	280	263
Martin Marietta Materials, 4.25%, 12/15/47	305	246
Masco, 4.50%, 5/15/47	360	283
Republic Services, 5.00%, 4/1/34	25	25
Stanley Black & Decker, 2.75%, 11/15/50	300	170
Vulcan Materials, 4.50%, 6/15/47	130	109
Waste Connections, 2.95%, 1/15/52	175	113
Waste Management, 4.875%, 2/15/34	350	342
		2,335
Communications 11.9%		
American Tower, 5.90%, 11/15/33 (3)	300	304
AT&T, 3.50%, 6/1/41	850	634
AT&T, 3.80%, 12/1/57	1,378	938
AT&T, 5.40%, 2/15/34	200	197
Bell Canada, 5.10%, 5/11/33	250	245
Charter Communications Operating, 3.70%, 4/1/51	600	369
Charter Communications Operating, 5.75%, 4/1/48	425	359
Charter Communications Operating, 6.65%, 2/1/34	280	286
Comcast, 2.45%, 8/15/52	350	201
Comcast, 3.90%, 3/1/38	150	128
Comcast, 4.049%, 11/1/52	755	591
Cox Communications, 2.95%, 10/1/50 (1)	230	136
Crown Castle, 4.75%, 5/15/47	185	151
Interpublic Group of Companies, 5.375%, 6/15/33	340	330
Meta Platforms, 5.60%, 5/15/53	380	386

	Par/Shares	$ Value
(Amounts in 000s)		
NBCUniversal Media, 4.45%, 1/15/43	600	513
Rogers Communications, 4.35%, 5/1/49	175	135
Rogers Communications, 4.50%, 3/15/42	160	131
Rogers Communications, 5.00%, 3/15/44	350	301
T-Mobile USA, 5.05%, 7/15/33 (3)	250	242
T-Mobile USA, 5.75%, 1/15/54	380	375
Time Warner Cable, 5.875%, 11/15/40	400	347
TWDC Enterprises 18, 4.125%, 6/1/44	700	587
Verizon Communications, 2.65%, 11/20/40	400	271
Verizon Communications, 2.987%, 10/30/56	1,536	944
Videotron, 5.125%, 4/15/27 (1)	70	68
Vodafone Group, 4.875%, 6/19/49	230	196
Warnermedia Holdings, 5.05%, 3/15/42	485	399
		9,764
Consumer Cyclical 4.7%		
AutoZone, 4.75%, 2/1/33	250	235
AutoZone, 5.20%, 8/1/33	200	193
Best Buy, 1.95%, 10/1/30	200	160
CBRE Services, 5.95%, 8/15/34	245	243
Dollar General, 5.45%, 7/5/33 (3)	250	244
Ford Motor, 4.75%, 1/15/43	200	154
Ford Motor Credit, 7.122%, 11/7/33	215	224
General Motors, 6.60%, 4/1/36	350	358
Home Depot, 4.20%, 4/1/43	250	215
Home Depot, 4.40%, 3/15/45	200	174
Lowe's, 5.85%, 4/1/63	300	291
Magna International, 5.50%, 3/21/33 (3)	270	274
McDonald's, 4.20%, 4/1/50	90	73
McDonald's, 5.45%, 8/14/53 (3)	250	245
Mercedes-Benz Finance North America, 5.05%, 8/3/33 (1)(3)	300	294
Tractor Supply, 5.25%, 5/15/33 (3)	250	245
Volkswagen Group of America Finance, 5.90%, 9/12/33 (1)	250	246
		3,868
Consumer Non-Cyclical 13.5%		
AbbVie, 4.25%, 11/21/49	735	619
AbbVie, 4.50%, 5/14/35	400	375
Altria Group, 5.80%, 2/14/39	140	138
Amgen, 5.65%, 3/2/53	1,125	1,109
Anheuser-Busch, 4.90%, 2/1/46 (3)	1,130	1,042
Anheuser-Busch InBev Worldwide, 5.45%, 1/23/39	305	306
Anheuser-Busch InBev Worldwide, 5.55%, 1/23/49	200	204
Astrazeneca Finance, 4.875%, 3/3/33	200	198
Banner Health, 2.913%, 1/1/51	115	72
BAT Capital, 7.079%, 8/2/43	180	182
Bayer U.S. Finance, 6.875%, 11/21/53 (1)(3)	200	200
Becton Dickinson & Company, 4.669%, 6/6/47	200	173
Biogen, 3.15%, 5/1/50	270	175
Bristol-Myers Squibb, 4.125%, 6/15/39	800	683
Centra Health, 4.70%, 1/1/48	190	154
Cigna Group, 3.875%, 10/15/47	370	281
CommonSpirit Health, 3.91%, 10/1/50	170	122
CommonSpirit Health, 4.187%, 10/1/49	135	102
CVS Health, 4.125%, 4/1/40	330	265
CVS Health, 5.05%, 3/25/48	465	406
CVS Health, 6.00%, 6/1/63	250	243
Hackensack Meridian Health, 4.211%, 7/1/48	170	139
HCA, 4.375%, 3/15/42	80	63
HCA, 5.90%, 6/1/53	250	236
IQVIA, 6.25%, 2/1/29 (1)	95	96
Mars, 4.75%, 4/20/33 (1)	225	218
Merck, 5.00%, 5/17/53 (3)	340	326
Nestle Holdings, 4.85%, 3/14/33 (1)	300	297
Pfizer Investment Enterprises, 5.11%, 5/19/43	600	576
Pfizer Investment Enterprises, 5.30%, 5/19/53 (3)	190	184
Reynolds American, 5.70%, 8/15/35	150	141
Reynolds American, 5.85%, 8/15/45	200	175
Sutter Health, 5.547%, 8/15/53	95	94
Sysco, 6.00%, 1/17/34	400	417
Thermo Fisher Scientific, 5.404%, 8/10/43 (3)	350	348
Tyson Foods, 5.10%, 9/28/48	195	164
Viatris, 4.00%, 6/22/50	400	257
West Virginia United Health System Obligated Group, Series 2018, 4.924%, 6/1/48	95	79
Zoetis, 4.70%, 2/1/43	300	266
		11,125
Electric 7.2%		
AEP Texas, 5.40%, 6/1/33	220	215
American Electric Power, 5.625%, 3/1/33	250	249
Appalachian Power, 6.375%, 4/1/36	145	149
Appalachian Power, 7.00%, 4/1/38	200	220
Baltimore Gas & Electric, 5.40%, 6/1/53	95	92
Berkshire Hathaway Energy, 6.125%, 4/1/36	300	307
Commonwealth Edison, 5.30%, 2/1/53	40	38
Consolidated Edison of New York, 6.15%, 11/15/52	400	421
Constellation Energy Generation, 6.25%, 10/1/39	300	302
Duke Energy, 3.75%, 9/1/46	130	94
Duke Energy, 6.10%, 9/15/53	250	253
Duke Energy Indiana, 5.40%, 4/1/53	70	66
Duke Energy Progress, 5.35%, 3/15/53	200	189
El Paso Electric, 5.00%, 12/1/44	110	90
Exelon, 4.10%, 3/15/52 (3)	170	130
Florida Power & Light, 2.875%, 12/4/51	130	83
Georgia Power, 4.95%, 5/17/33	140	136

	Par/Shares	$ Value
(Amounts in 000s)		
Kentucky Utilities, 4.375%, 10/1/45	200	162
Louisville Gas & Electric, 4.375%, 10/1/45	100	80
Nevada Power, 6.00%, 3/15/54	300	304
New York State Electric & Gas, 5.85%, 8/15/33 (1)	90	91
NextEra Energy Capital Holdings, 3.00%, 1/15/52	45	28
NextEra Energy Capital Holdings, 5.25%, 2/28/53	85	77
Pacific Gas & Electric, 6.15%, 1/15/33	150	149
Pacific Gas & Electric, 6.95%, 3/15/34	160	169
PECO Energy, 4.90%, 6/15/33 (3)	300	295
Pennsylvania Electric, 6.15%, 10/1/38	165	164
Public Service Company of Colorado, 5.25%, 4/1/53	100	92
San Diego Gas & Electric, Series TTT, 4.10%, 6/15/49	55	44
Southern, 4.25%, 7/1/36	430	377
Southern, 4.40%, 7/1/46	200	164
Southern California Edison, 5.875%, 12/1/53 (3)	250	247
Southern California Edison, Series C, 4.125%, 3/1/48	150	117
Vistra Operations, 4.30%, 7/15/29 (1)	225	204
Vistra Operations, 6.95%, 10/15/33 (1)	90	92
		5,890
Energy 5.3%		
ConocoPhillips, 5.55%, 3/15/54	350	348
Diamondback Energy, 4.25%, 3/15/52	170	129
Enbridge, 6.70%, 11/15/53 (3)	120	131
Enbridge Energy Partners, 7.375%, 10/15/45	120	134
Energy Transfer, 6.50%, 2/1/42	595	601
Enterprise Products Operating, 3.30%, 2/15/53	700	486
Kinder Morgan Energy Partners, 6.95%, 1/15/38	195	205
MPLX, 5.65%, 3/1/53 (3)	300	277
Occidental Petroleum, 4.40%, 4/15/46	350	269
ONEOK, 6.625%, 9/1/53	295	310
Ovintiv, 6.25%, 7/15/33	75	75
Patterson-UTI Energy, 7.15%, 10/1/33	85	87
Southern Natural Gas, 4.80%, 3/15/47 (1)	205	163
Spectra Energy Partners, 5.95%, 9/25/43	115	111
Suncor Energy, 4.00%, 11/15/47	310	229
Targa Resources, 4.95%, 4/15/52	80	65
Targa Resources, 6.50%, 2/15/53	100	102
TransCanada PipeLines, 6.10%, 6/1/40	200	198
Transcanada Trust, VR, 5.30%, 3/15/77 (2)	120	105
Transcontinental Gas Pipe Line, 4.60%, 3/15/48	275	229
Williams, 4.85%, 3/1/48	100	85
		4,339

	Par/Shares	$ Value
(Amounts in 000s)		
Finance Companies 1.1%		
AerCap Ireland Capital, 3.40%, 10/29/33	300	242
AerCap Ireland Capital, 6.15%, 9/30/30	150	150
GATX, 5.45%, 9/15/33	250	239
GATX, 6.90%, 5/1/34	270	284
		915
Insurance 5.4%		
Aflac, 4.75%, 1/15/49	250	220
American International Group, 5.125%, 3/27/33	425	412
Chubb, Series 1, 6.50%, 5/15/38	200	220
Chubb INA Holdings, 2.85%, 12/15/51	100	66
Corebridge Financial, 4.40%, 4/5/52	300	232
Elevance Health, 4.375%, 12/1/47	355	294
Elevance Health, 5.125%, 2/15/53	100	92
Equitable Holdings, 5.594%, 1/11/33	100	98
Humana, 5.50%, 3/15/53	75	71
Humana, 5.95%, 3/15/34	185	189
Jackson Financial, 4.00%, 11/23/51	300	190
Liberty Mutual Group, 4.85%, 8/1/44 (1)	180	146
Marsh & McLennan, 5.45%, 3/15/53	200	195
Marsh & McLennan, 5.70%, 9/15/53	155	158
Principal Financial Group, 6.05%, 10/15/36	235	239
Reinsurance Group of America, 6.00%, 9/15/33	250	252
Teachers Insurance & Annuity Assn. of America, 4.90%, 9/15/44 (1)	200	177
UnitedHealth Group, 3.25%, 5/15/51	500	351
UnitedHealth Group, 3.50%, 8/15/39	300	240
UnitedHealth Group, 5.875%, 2/15/53	550	585
		4,427
Miscellaneous 0.2%		
Ally Financial, 8.00%, 11/1/31	200	211
		211
Natural Gas 1.3%		
Boston Gas, 6.119%, 7/20/53 (1)	215	211
NiSource, 3.95%, 3/30/48	260	196
NiSource, 5.40%, 6/30/33	75	74
Piedmont Natural Gas, 5.40%, 6/15/33	250	247
Sempra, 4.00%, 2/1/48	120	91
Sempra, 5.50%, 8/1/33 (3)	250	247
		1,066
Real Estate Investment Trusts 1.1%		
Alexandria Real Estate Equities, 4.75%, 4/15/35	70	64
Essex Portfolio, 4.50%, 3/15/48 (3)	130	104
NNN REIT, 4.80%, 10/15/48	235	189
Public Storage Operating, 5.35%, 8/1/53 (3)	55	53
Simon Property Group, 5.85%, 3/8/53	200	194
Simon Property Group, 6.65%, 1/15/54	250	267
		871
Technology 3.2%		
Apple, 2.95%, 9/11/49	400	280

	Par/Shares	$ Value
(Amounts in 000s)		
Apple, 4.85%, 5/10/53 (3)	200	194
Broadcom, 4.926%, 5/15/37 (1)	400	365
Fiserv, 4.40%, 7/1/49	185	152
Fiserv, 5.60%, 3/2/33	85	85
Intuit, 5.50%, 9/15/53	115	118
Oracle, 3.95%, 3/25/51	350	259
Oracle, 5.55%, 2/6/53 (3)	630	593
Texas Instruments, 5.00%, 3/14/53	250	240
Texas Instruments, 5.05%, 5/18/63	180	171
Workday, 3.80%, 4/1/32 (3)	200	178
		2,635
Transportation 2.7%		
Burlington Northern Santa Fe, 5.05%, 3/1/41	75	71
Burlington Northern Santa Fe, 5.20%, 4/15/54	300	290
Canadian National Railway, 5.85%, 11/1/33 (3)	270	285
Canadian Pacific Railway, 3.10%, 12/2/51	125	83
CSX, 4.30%, 3/1/48	140	115
CSX, 4.50%, 11/15/52 (3)	400	341
ERAC USA Finance, 5.40%, 5/1/53 (1)	250	241
FedEx, 4.55%, 4/1/46	400	336
Norfolk Southern, 4.837%, 10/1/41	250	225
Norfolk Southern, 5.35%, 8/1/54	250	238
		2,225
Total Corporate Bonds (Cost $65,989)		**60,789**
FOREIGN GOVERNMENT OBLIGATIONS & MUNICIPALITIES 2.3%		
Owned No Guarantee 0.3%		
Petroleos Mexicanos, 5.50%, 6/27/44	175	100
Petroleos Mexicanos, 7.69%, 1/23/50 (3)	200	133
		233
Sovereign 2.0%		
Republic of Colombia, 4.125%, 5/15/51	200	121
Republic of Colombia, 8.75%, 11/14/53 (3)	200	213
Republic of Panama, 4.50%, 4/16/50	400	261
Republic of Panama, 4.50%, 1/19/63	200	124
Republic of Peru, 3.00%, 1/15/34	400	323
State of Qatar, 4.40%, 4/16/50 (1)	200	168
United Mexican States, 4.40%, 2/12/52	400	297
United Mexican States, 6.338%, 5/4/53	200	191
		1,698
Total Foreign Government Obligations & Municipalities (Cost $2,175)		**1,931**

	Par/Shares	$ Value
(Amounts in 000s)		
MUNICIPAL SECURITIES 6.5%		
California 1.0%		
Bay Area Toll Auth., Series S-10, 3.276%, 4/1/50	400	281
California, Various Purpose, GO, 5.20%, 3/1/43	350	325
Los Angeles Dept. of Water & Power, Build America, 6.574%, 7/1/45	200	223
		829
District of Columbia 0.3%		
Metropolitan Washington Airports Auth., Dulles Toll Road Revenue, Build America, 7.462%, 10/1/46	200	237
		237
Florida 0.9%		
Florida Dev. Finance, Nova Southeastern Univ., Series B, 4.109%, 4/1/50	375	288
Miami-Dade County Transit System, Series B, Build America, 5.624%, 7/1/40	200	199
Miami-Dade County Water & Sewer System, Series C, 3.49%, 10/1/42	275	216
		703
Georgia 0.8%		
Municipal Electric Auth. of Georgia, Build America, Vogtle Units, 6.655%, 4/1/57	641	693
		693
Illinois 0.3%		
Illinois Municipal Electric Agency, Build America, 6.832%, 2/1/35	205	214
		214
Louisiana 0.1%		
Louisiana Local Government Environmental Fac., CDA, Series A, 4.475%, 8/1/39	90	83
		83
Maryland 0.1%		
Maryland Economic Development, Seagirt Marine Terminal, Series B, 4.75%, 6/1/42	150	117
		117
Massachusetts 0.3%		
Massachusetts Bay Transportation Auth., Build America, 5.869%, 7/1/40	115	118
Massachusetts Water Resources Auth., Series C, 2.823%, 8/1/41	200	149
		267
Michigan 0.3%		
Gerald R Ford Int'l. Airport Auth., Series A, 5.435%, 1/1/43	220	220
		220
Minnesota 0.1%		
Western Minnesota Municipal Power Agency, Series A, 3.156%, 1/1/39	150	120
		120

	Par/Shares	$ Value
(Amounts in 000s)		
Tennessee 0.1%		
Metropolitan Government Nashville & Davidson County Health & Ed. Facs, Vanderbilt Univ. Medical, Series B, 3.235%, 7/1/52	85	52
		52
Texas 1.9%		
Board of Regents of the Univ. of Texas System, Series D, Build America, 5.134%, 8/15/42	200	197
Central Texas Regional Mobility Auth., Series E, 3.167%, 1/1/41	150	109
Central Texas Turnpike System, Series C, 3.029%, 8/15/41	305	215
Dallas/Fort Worth Int'l. Airport, Series A, 2.994%, 11/1/38	630	504
Dallas/Fort Worth Int'l. Airport, Series A, 4.507%, 11/1/51	150	129
Dallas/Fort Worth Int'l. Airport, Series A, 5.045%, 11/1/47	250	231
Texas Natural Gas Securitization Fin., Series 2023-1, Class A2, 5.169%, 4/1/41	45	44
Texas Private Activity Bond Surface Transportation, North Tarrant Express, Series B, 3.922%, 12/31/49	125	96
		1,525
Virginia 0.3%		
Univ. of Virginia, Series B, 2.584%, 11/1/51	300	186
Virginia Commonwealth Univ. Health System Auth., Series A, 4.956%, 1/1/44	105	95
		281
Total Municipal Securities (Cost $5,950)		**5,341**
NON-U.S. GOVERNMENT MORTGAGE-BACKED SECURITIES 0.7%		
Commercial Mortgage-Backed Securities 0.7%		
Federal Home Loan Mortgage Multifamily Structured PTC Series K137, Class A2, ARM 2.347%, 11/25/31	460	381
Federal Home Loan Mortgage Multifamily Structured PTC Series K150, Class A2, ARM 3.71%, 9/25/32	265	241
Total Non-U.S. Government Mortgage-Backed Securities (Cost $661)		**622**
U.S. GOVERNMENT AGENCY OBLIGATIONS (EXCLUDING MORTGAGE-BACKED) 14.1%		
U.S. Treasury Obligations 14.1%		
U.S. Treasury Bonds, 1.75%, 8/15/41	620	399
U.S. Treasury Bonds, 2.375%, 2/15/42	75	53

	Par/Shares	$ Value
(Amounts in 000s)		
U.S. Treasury Bonds, 2.50%, 2/15/45	85	60
U.S. Treasury Bonds, 3.375%, 8/15/42	1,505	1,252
U.S. Treasury Bonds, 3.625%, 8/15/43	2,400	2,059
U.S. Treasury Bonds, 3.625%, 2/15/53	55	47
U.S. Treasury Bonds, 3.625%, 5/15/53	1,000	854
U.S. Treasury Bonds, 3.875%, 2/15/43	2,620	2,337
U.S. Treasury Bonds, 4.00%, 11/15/52	975	891
U.S. Treasury Bonds, 4.125%, 8/15/53	2,750	2,573
U.S. Treasury Bonds, 4.75%, 11/15/53	1,000	1,040
Total U.S. Government Agency Obligations (Excluding Mortgage-Backed) (Cost $11,573)		**11,565**
SHORT-TERM INVESTMENTS 1.5%		
Money Market Funds 1.5%		
T. Rowe Price Government Reserve Fund, 5.42% (4)(5)	1,195	1,195
Total Short-Term Investments (Cost $1,195)		**1,195**
SECURITIES LENDING COLLATERAL 8.3%		
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH JPMORGAN CHASE BANK 0.2%		
Money Market Funds 0.2%		
T. Rowe Price Government Reserve Fund, 5.42% (4)(5)	193	193
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		**193**
INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH STATE STREET BANK AND TRUST COMPANY 8.1%		
Money Market Funds 8.1%		
T. Rowe Price Government Reserve Fund, 5.42% (4)(5)	6,637	6,637
Total Investments in a Pooled Account through Securities Lending Program with State Street Bank and Trust Company		**6,637**
Total Securities Lending Collateral (Cost $6,830)		**6,830**
Total Investments in Securities 107.3% of Net Assets (Cost $94,373)		**$ 88,273**

‡ Par/Shares and Notional Amount are denominated in U.S. dollars unless otherwise noted.

(1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers. Total value of such securities at period-end amounts to $4,873 and represents 5.9% of net assets.

(2) Security is a fix-to-float security, which carries a fixed coupon until a certain date, upon which it switches to a floating rate. Reference rate and spread are provided if the rate is currently floating.

(3) See Note 4. All or a portion of this security is on loan at November 30, 2023.

(4) Seven-day yield

(5) Affiliated Companies

ARM Adjustable Rate Mortgage (ARM); rate shown is effective rate at period-end. The rates for certain ARMs are not based on a published reference rate and spread but may be determined using a formula based on the rates of the underlying loans.

CDA Community Development Administration/Authority

GO General Obligation

PTC Pass-Through Certificate

VR Variable Rate; rate shown is effective rate at period-end. The rates for certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and based on current market conditions.

(Amounts in 000s)

SWAPS 0.6%

Description	Notional Amount	$ Value	Initial $ Value**	Unrealized $ Gain/(Loss)
CENTRALLY CLEARED SWAPS 0.6%				
Credit Default Swaps, Protection Sold 0.6%				
Protection Sold (Relevant Credit: Markit CDX.NA.HY-S40, 5 Year Index), Receive 5.00% Quarterly, Pay upon credit default, 6/20/28	3,267	176	39	137
Protection Sold (Relevant Credit: Markit CDX.NA.HY-S41, 5 Year Index), Receive 5.00% Quarterly, Pay upon credit default, 12/20/28	3,960	194	43	151
Protection Sold (Relevant Credit: Markit CDX.NA.IG-S40, 5 Year Index), Receive 1.00% Quarterly, Pay upon credit default, 6/20/28	2,750	55	22	33
Protection Sold (Relevant Credit: Markit CDX.NA.IG-S41, 5 Year Index), Receive 1.00% Quarterly, Pay upon credit default, 12/20/28	1,600	29	22	7
Total Centrally Cleared Credit Default Swaps, Protection Sold				**328**
Total Centrally Cleared Swaps				**328**
Net payments (receipts) of variation margin to date				**(322)**
Variation margin receivable (payable) on centrally cleared swaps				**$ 6**

** Includes interest purchased or sold but not yet collected of $26.

FUTURES CONTRACTS

($000s)

	Expiration Date	Notional Amount	Value and Unrealized Gain (Loss)
Long, 83 U.S. Treasury Long Bond contracts	3/24	9,664	$ 3
Short, 8 U.S. Treasury Notes ten year contracts	3/24	(878)	(4)
Long, 16 Ultra U.S. Treasury Bonds contracts	3/24	1,968	38
Short, 67 Ultra U.S. Treasury Notes ten year contracts	3/24	(7,605)	(37)
Net payments (receipts) of variation margin to date			**(44)**
Variation margin receivable (payable) on open futures contracts			**$ (44)**

AFFILIATED COMPANIES

($000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended November 30, 2023. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund, 5.42%	$ —	$ —	$ 24++
Totals	$ —#	$ —	$ 24+

Supplementary Investment Schedule

Affiliate	Value 05/31/23	Purchase Cost	Sales Cost	Value 11/30/23
T. Rowe Price Government Reserve Fund, 5.42%	$ 1,278	¤	¤	$ 8,025
Total				$ 8,025^

\# Capital gain distributions from underlying Price funds represented $0 of the net realized gain (loss).
++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 4.
\+ Investment income comprised $24 of dividend income and $0 of interest income.
¤ Purchase and sale information not shown for cash management funds.
^ The cost basis of investments in affiliated companies was $8,025.

The accompanying notes are an integral part of these financial statements.

November 30, 2023 (Unaudited)

STATEMENT OF ASSETS AND LIABILITIES

($000s, except shares and per share amounts)

Assets		
Investments in securities, at value (cost $94,373)	$	88,273
Receivable for investment securities sold		2,541
Interest receivable		1,024
Cash deposits on centrally cleared swaps		647
Receivable for shares sold		266
Cash deposits on futures contracts		254
Variation margin receivable on centrally cleared swaps		6
Cash		5
Other assets		2
Total assets		93,018
Liabilities		
Obligation to return securities lending collateral		6,830
Payable for investment securities purchased		3,721
Payable for shares redeemed		109
Investment management and administrative fees payable		47
Variation margin payable on futures contracts		44
Other liabilities		18
Total liabilities		10,769
NET ASSETS	**$**	**82,249**
Net Assets Consist of:		
Total distributable earnings (loss)	$	(10,665)
Paid-in capital applicable to 11,058,830 shares of $0.0001 par value capital stock outstanding; 4,000,000,000 shares of the Corporation authorized		92,914
NET ASSETS	**$**	**82,249**
NET ASSET VALUE PER SHARE	**$**	**7.44**

The accompanying notes are an integral part of these financial statements.

(Unaudited)

STATEMENT OF OPERATIONS

($000s)

	6 Months Ended 11/30/23
Investment Income (Loss)	
Income	
Interest	$ 1,669
Dividend	24
Securities lending	4
Total income	1,697
Investment management and administrative expense	145
Net investment income	1,552
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	(1,382)
Futures	(348)
Swaps	339
Net realized loss	(1,391)
Change in net unrealized gain / loss	
Securities	(521)
Futures	(18)
Swaps	80
Change in net unrealized gain / loss	(459)
Net realized and unrealized gain / loss	(1,850)
DECREASE IN NET ASSETS FROM OPERATIONS	**$ (298)**

The accompanying notes are an integral part of these financial statements.

(Unaudited)

STATEMENT OF CHANGES IN NET ASSETS

($000s)

	6 Months Ended 11/30/23	Year Ended 5/31/23
Increase (Decrease) in Net Assets		
Operations		
Net investment income	$ 1,552	$ 1,330
Net realized loss	(1,391)	(918)
Change in net unrealized gain / loss	(459)	(1,667)
Decrease in net assets from operations	(298)	(1,255)
Distributions to shareholders		
Net earnings	(1,743)	(1,489)
Capital share transactions*		
Shares sold	40,311	34,945
Distributions reinvested	1,577	1,105
Shares redeemed	(13,142)	(2,611)
Increase in net assets from capital share transactions	28,746	33,439
Net Assets		
Increase during period	26,705	30,695
Beginning of period	55,544	24,849
End of period	**$ 82,249**	**$ 55,544**
*Share information (000s)		
Shares sold	5,519	4,439
Distributions reinvested	213	140
Shares redeemed	(1,820)	(326)
Increase in shares outstanding	3,912	4,253

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Institutional Income Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Institutional Long Duration Credit Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks to provide high income.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

Investment Transactions, Investment Income, and Distributions Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Paydown gains and losses are recorded as an adjustment to interest income. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared daily and paid monthly. A capital gain distribution, if any, may also be declared and paid by the fund annually.

Capital Transactions Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

New Accounting Guidance The FASB issued Accounting Standards Update (ASU), ASU 2020–04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting in March 2020 and ASU 2021-01 in January 2021 which provided further amendments and clarifications to Topic 848. These ASUs provide optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR), and other interbank-offered based reference rates, through December 31, 2022. In December 2022, FASB issued ASU 2022-06 which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. Management intends to rely upon the relief provided under Topic 848, which is not expected to have a material impact on the fund's financial statements.

Indemnification In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

NOTE 2 - VALUATION

Fair Value The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

Valuation Techniques Debt securities generally are traded in the over-the-counter (OTC) market and are valued at prices furnished by independent pricing services or by broker dealers who make markets in such securities. When valuing securities, the independent pricing services consider factors such as, but not limited to, the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Futures contracts are valued at closing settlement prices. Swaps are valued at prices furnished by an independent pricing service or independent swap dealers. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on November 30, 2023 (for further detail by category, please refer to the accompanying Portfolio of Investments):

($000s)	Level 1	Level 2	Level 3	Total Value
Assets				
Fixed Income Securities[1]	$ —	$ 80,248	$ —	$ 80,248
Short-Term Investments	1,195	—	—	1,195
Securities Lending Collateral	6,830	—	—	6,830
Total Securities	8,025	80,248	—	88,273
Swaps*	—	328	—	328
Futures Contracts*	41	—	—	41
Total	$ 8,066	$ 80,576	$ —	$ 88,642
Liabilities				
Futures Contracts*	$ 41	$ —	$ —	$ 41

[1] Includes Corporate Bonds, Foreign Government Obligations & Municipalities, Municipal Securities, Non-U.S. Government Mortgage-Backed Securities and U.S. Government Agency Obligations (Excluding Mortgage-Backed).

* The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the net value reflected on the accompanying Portfolio of Investments is only the unsettled variation margin receivable (payable) at that date.

NOTE 3 - DERIVATIVE INSTRUMENTS

During the six months ended November 30, 2023, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes and may use them to establish both long and short positions within the fund's portfolio. Potential uses include to hedge against declines in principal value, increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust portfolio duration and credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral. The following table summarizes the fair value of the fund's derivative instruments held as of November 30, 2023, and the related location on the accompanying Statement of Assets and Liabilities, presented by primary underlying risk exposure:

($000s)	Location on Statement of Assets and Liabilities	Fair Value*
Assets		
Interest rate derivatives	Futures	$ 41
Credit derivatives	Centrally Cleared Swaps	328
Total		$ 369
Liabilities		
Interest rate derivatives	Futures	$ 41
Total		$ 41

* The fair value presented includes cumulative gain (loss) on open futures contracts and centrally cleared swaps; however, the value reflected on the accompanying Statement of Assets and Liabilities is only the unsettled variation margin receivable (payable) at that date.

Additionally, the amount of gains and losses on derivative instruments recognized in fund earnings during the six months ended November 30, 2023, and the related location on the accompanying Statement of Operations is summarized in the following table by primary underlying risk exposure:

($000s)	Location of Gain (Loss) on Statement of Operations		
	Futures	Swaps	Total
Realized Gain (Loss)			
Interest rate derivatives	$ (348)	$ —	$ (348)
Credit derivatives	—	339	339
Total	$ (348)	$ 339	$ (9)
Change in Unrealized Gain (Loss)			
Interest rate derivatives	$ (18)	$ —	$ (18)
Credit derivatives	—	80	80
Total	$ (18)	$ 80	$ 62

Counterparty Risk and Collateral The fund invests in exchange-traded and/or centrally cleared derivative contracts, such as futures, exchange-traded options, and centrally cleared swaps. Counterparty risk on such derivatives is minimal because the clearinghouse provides protection against counterparty defaults. For futures and centrally cleared swaps, the fund is required to deposit collateral in an amount specified by the clearinghouse and the clearing firm (margin requirement), and the margin requirement must be maintained over the life of the contract. Each clearinghouse and clearing firm, in its sole discretion, may adjust the margin requirements applicable to the fund.

Collateral may be in the form of cash or debt securities issued by the U.S. government or related agencies. Cash posted by the fund is reflected as cash deposits in the accompanying financial statements and generally is restricted from withdrawal by the fund; securities posted by the fund are so noted in the accompanying Portfolio of Investments; both remain in the fund's assets. While typically not sold in the same manner as equity or fixed income securities, exchange-traded or centrally cleared derivatives may be closed out only on the exchange or clearinghouse where the contracts were cleared. This ability is subject to the liquidity of underlying positions. As of November 30, 2023, cash of $901,000 had been posted by the fund for exchange-traded and/or centrally cleared derivatives.

Futures Contracts The fund is subject to interest rate risk in the normal course of pursuing its investment objectives and uses futures contracts to help manage such risk. The fund may enter into futures contracts to manage exposure to interest rate and yield curve movements, security prices, foreign currencies, credit quality, and mortgage prepayments; as an efficient means of adjusting exposure to all or part of a target market; to enhance income; as a cash management tool; or to adjust portfolio duration and credit exposure. A futures contract provides for the future sale by one party and purchase by another of a specified amount of a specific underlying financial instrument at an agreed-upon price, date, time, and place. The fund currently invests only in exchange-traded futures, which generally are standardized as to maturity date, underlying financial instrument, and other contract terms. Payments are made or received by the fund each day to settle daily fluctuations in the value of the contract (variation margin), which reflect changes in the value of the underlying financial instrument. Variation margin is recorded as unrealized gain or loss until the contract is closed. The value of a futures contract included in net assets is the amount of unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities. When a contract is closed, a realized gain or loss is recorded on the accompanying Statement of Operations. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in hedged security values and/or interest rates, and potential losses in excess of the fund’s initial investment. During the six months ended November 30, 2023, the volume of the fund’s activity in futures, based on underlying notional amounts, was generally between 4% and 22% of net assets.

Swaps The fund is subject to credit risk in the normal course of pursuing its investment objectives and uses swap contracts to help manage such risk. The fund may use swaps in an effort to manage both long and short exposure to changes in interest rates, inflation rates, and credit quality; to adjust overall exposure to certain markets; to enhance total return or protect the value of portfolio securities; to serve as a cash management tool; or to adjust portfolio duration and credit exposure. Swap agreements can be settled either directly with the counterparty (bilateral swap) or through a central clearinghouse (centrally cleared swap). Fluctuations in the fair value of a contract are reflected in unrealized gain or loss and are reclassified to realized gain or loss on the accompanying Statement of Operations upon contract termination or cash settlement. Net periodic receipts or payments required by a contract increase or decrease, respectively, the value of the contract until the contractual payment date, at which time such amounts are reclassified from unrealized to realized gain or loss on the accompanying Statement of Operations. For bilateral swaps, cash payments are made or received by the fund on a periodic basis in accordance with contract terms; unrealized gain on contracts and premiums paid are reflected as assets and unrealized loss on contracts and premiums received are reflected as liabilities on the accompanying Statement of Assets and Liabilities. For bilateral swaps, premiums paid or received are amortized over the life of the swap and are recognized as realized gain or loss on the accompanying Statement of Operations. For centrally cleared swaps, payments are made or received by the fund each day to settle the daily fluctuation in the value of the contract (variation margin). Accordingly, the value of a centrally cleared swap included in net assets is the unsettled variation margin; net variation margin receivable is reflected as an asset and net variation margin payable is reflected as a liability on the accompanying Statement of Assets and Liabilities.

Credit default swaps are agreements where one party (the protection buyer) agrees to make periodic payments to another party (the protection seller) in exchange for protection against specified credit events, such as certain defaults and bankruptcies related to an underlying credit instrument, or issuer or index of such instruments. Upon occurrence of a specified credit event, the protection seller is required to pay the buyer the difference between the notional amount of the swap and the value of the underlying credit, either in the form of a net cash settlement or by paying the gross notional amount and accepting delivery of the relevant underlying credit. For credit default swaps where the underlying credit is an index, a specified credit event may affect all or individual underlying securities included in the index and will be settled based upon the relative weighting of the affected underlying security(ies) within the index. Generally, the payment risk for the seller of protection is inversely related to the current market price or credit rating of the underlying credit or the market value of the contract relative to the notional amount, which are indicators of the markets’ valuation of credit quality. As of November 30, 2023, the notional amount of protection sold by the fund totaled $11,577,000 (14.1% of net assets), which reflects the maximum potential amount the fund could be required to pay under such contracts. Risks related to the use of credit default swaps include the possible inability of the fund to accurately assess the current and future creditworthiness of underlying issuers, the possible failure of a counterparty to perform in accordance with the terms of the swap agreements, potential government regulation that could adversely affect the fund’s swap investments, and potential losses in excess of the fund’s initial investment.

During the six months ended November 30, 2023, the volume of the fund's activity in swaps, based on underlying notional amounts, was generally between 14% and 21% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

Restricted Securities The fund invests in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

Mortgage-Backed Securities The fund invests in mortgage-backed securities (MBS or pass-through certificates) that represent an interest in a pool of specific underlying mortgage loans and entitle the fund to the periodic payments of principal and interest from those mortgages. MBS may be issued by government agencies or corporations, or private issuers. Most MBS issued by government agencies are guaranteed; however, the degree of protection differs based on the issuer. MBS are sensitive to changes in economic conditions that affect the rate of prepayments and defaults on the underlying mortgages; accordingly, the value, income, and related cash flows from MBS may be more volatile than other debt instruments.

Securities Lending The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At November 30, 2023, the value of loaned securities was $6,580,000; the value of cash collateral and related investments was $6,830,000.

Other Purchases and sales of portfolio securities other than short-term and U.S. government securities aggregated $29,041,000 and $992,000, respectively, for the six months ended November 30, 2023. Purchases and sales of U.S. government securities aggregated $26,386,000 and $26,278,000, respectively, for the six months ended November 30, 2023.

NOTE 5 - FEDERAL INCOME TAXES

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of May 31, 2023, the fund had $2,708,000 of available capital loss carryforwards.

At November 30, 2023, the cost of investments (including derivatives, if any) for federal income tax purposes was $95,028,000. Net unrealized loss aggregated $6,301,000 at period-end, of which $1,169,000 related to appreciated investments and $7,470,000 related to depreciated investments.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management and administrative agreement between the fund and Price Associates provides for an all-inclusive annual fee equal to 0.45% of the fund's average daily net assets. The fee is computed daily and paid monthly. The all-inclusive fee covers investment management services and ordinary, recurring operating expenses but does not cover interest expense; expenses related to borrowing, taxes, and brokerage; or nonrecurring, extraordinary expenses.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund. Price Associates provides certain accounting and administrative services to the funds. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. Pursuant to the all-inclusive fee arrangement under the investment management and administrative agreement, expenses incurred by the funds pursuant to these service agreements are paid by Price Associates.

T. Rowe Price Investment Services, Inc. (Investment Services) serves as distributor to the fund. Pursuant to an underwriting agreement, no compensation for any distribution services provided is paid to Investment Services by the fund (except for 12b-1 fees under a Board-approved Rule 12b-1 plan).

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended November 30, 2023, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

NOTE 7 - OTHER MATTERS

Unpredictable events such as environmental or natural disasters, war and conflict, terrorism, geopolitical events, and public health epidemics and similar public health threats may significantly affect the economy and the markets and issuers in which the fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks.

The global outbreak of COVID-19 and the related governmental and public responses have led and may continue to lead to increased market volatility and the potential for illiquidity in certain classes of securities and sectors of the market either in specific countries or worldwide.

In February 2022, Russian forces entered Ukraine and commenced an armed conflict, leading to economic sanctions imposed on Russia that target certain of its citizens and issuers and sectors of the Russian economy, creating impacts on Russian-related stocks and debt and greater volatility in global markets.

In March 2023, the banking industry experienced heightened volatility, which sparked concerns of potential broader adverse market conditions. The extent of impact of these events on the US and global markets is highly uncertain.

These are recent examples of global events which may have a negative impact on the values of certain portfolio holdings or the fund's overall performance. Management is actively monitoring the risks and financial impacts arising from these events.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

https://www.troweprice.com/corporate/us/en/utility/policies.html

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

RESULTS OF PROXY VOTING

A Special Meeting of Shareholders was held on July 24, 2023 for shareholders of record on April 7, 2023, to elect the following director-nominees to serve on the Board of all Price Funds. The newly elected Directors took office effective July 24, 2023.

The results of the voting were as follows:

	Votes For	Votes Withheld
Melody Bianchetto	355,705,606	1,633,212
Mark J. Parrell	355,307,082	2,031,732
Kellye L. Walker	355,511,653	1,827,166
Eric L. Veiel	355,458,183	1,880,633

Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., Paul F. McBride and David Oestreicher continue to serve as Directors on the Board of all Price Funds.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website (sec.gov). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on **troweprice.com**.

TAILORED SHAREHOLDER REPORTS FOR MUTUAL FUNDS AND EXCHANGE TRADED FUNDS

In October 2022, the Securities and Exchange Commission (SEC) adopted rule and form amendments requiring Mutual Funds and Exchange-Traded Funds to transmit concise and visually engaging streamlined annual and semiannual reports that highlight key information to shareholders. Other information, including financial statements, will no longer appear in the funds' shareholder reports but will be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024.

LIQUIDITY RISK MANAGEMENT PROGRAM

In accordance with Rule 22e-4 (Liquidity Rule) under the Investment Company Act of 1940, as amended, the fund has established a liquidity risk management program (Liquidity Program) reasonably designed to assess and manage the fund's liquidity risk, which generally represents the risk that the fund would not be able to meet redemption requests without significant dilution of remaining investors' interests in the fund. The fund's Board of Directors (Board) has appointed the fund's investment adviser, T. Rowe Price Associates, Inc. (Adviser), as the administrator of the Liquidity Program. As administrator, the Adviser is responsible for overseeing the day-to-day operations of the Liquidity Program and, among other things, is responsible for assessing, managing, and reviewing with the Board at least annually the liquidity risk of each T. Rowe Price fund. The Adviser has delegated oversight of the Liquidity Program to a Liquidity Risk Committee (LRC), which is a cross-functional committee composed of personnel from multiple departments within the Adviser.

The Liquidity Program's principal objectives include supporting the T. Rowe Price funds' compliance with limits on investments in illiquid assets and mitigating the risk that the fund will be unable to timely meet its redemption obligations. The Liquidity Program also includes a number of elements that support the management and assessment of liquidity risk, including an annual assessment of factors that influence the fund's liquidity and the periodic classification and reclassification of a fund's investments into categories that reflect the LRC's assessment of their relative liquidity under current market conditions. Under the Liquidity Program, every investment held by the fund is classified at least monthly into one of four liquidity categories based on estimations of the investment's ability to be sold during designated time frames in current market conditions without significantly changing the investment's market value.

As required by the Liquidity Rule, at a meeting held on July 24, 2023, the Board was presented with an annual assessment that was prepared by the LRC on behalf of the Adviser and addressed the operation of the Liquidity Program and assessed its adequacy and effectiveness of implementation, including any material changes to the Liquidity Program and the determination of each fund's Highly Liquid Investment Minimum (HLIM). The annual assessment included consideration of the following factors, as applicable: the fund's investment strategy and liquidity of portfolio investments during normal and reasonably foreseeable stressed conditions, including whether the investment strategy is appropriate for an open-end fund, the extent to which the strategy involves a relatively concentrated portfolio or large positions in particular issuers, and the use of borrowings for investment purposes and derivatives; short-term and long-term cash flow projections covering both normal and reasonably foreseeable stressed conditions; and holdings of cash and cash equivalents, as well as available borrowing arrangements.

For the fund and other T. Rowe Price funds, the annual assessment incorporated a report related to a fund's holdings, shareholder and portfolio concentration, any borrowings during the period, cash flow projections, and other relevant data for the period of April 1, 2022, through March 31, 2023. The report described the methodology for classifying a fund's investments (including any derivative transactions) into one of four liquidity categories, as well as the percentage of a fund's investments assigned to each category. It also explained the methodology for establishing a fund's HLIM and noted that the LRC reviews the HLIM assigned to each fund no less frequently than annually.

During the period covered by the annual assessment, the LRC has concluded, and reported to the Board, that the Liquidity Program continues to operate adequately and effectively and is reasonably designed to assess and manage the fund's liquidity risk.

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T. Rowe Price

100 East Pratt Street
Baltimore, MD 21202

Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

T. Rowe Price Investment Services, Inc.

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