



QUARTERLY REVIEW

Corporate Income Fund – Multi-Class

As of September 30, 2019

PORTFOLIO HIGHLIGHTS

Your portfolio outperformed its benchmark, the Bloomberg Barclays U.S. Corporate Investment Grade Bond Index, for the three-month period ended September 30, 2019.

Relative performance drivers:

- Investment-grade (IG) corporate bonds produced solid returns in the third quarter as heavy new issuance was easily digested by strong demand. The Barclays Investment Grade Corporate index widened a few basis points during the quarter with July and September rallies being offset by widening in August.
- Security selection was the largest contributor to relative performance, thanks in part to the portfolio's holdings in the energy, transportation, and banking sectors. Italian oil and gas producer ENI, American Airlines and Danske Bank were top contributors in these areas.
- Our sector allocation also benefited relative performance with our overweight to finance, REITs and our out-of-benchmark position in government-agency bonds helping results. Our overweight to the transportation sector, however, weighed on returns.

Additional highlights:

- During the quarter we added risk to the portfolio to reflect our near term more constructive view on the asset class to close out slightly above neutral risk vs our corporate benchmark.
- Although a solid U.S. economy supports corporate profits, possible deterioration in corporate bond fundamentals resulting from slowing economic growth and increased leverage metrics deserves attention.

FUND INFORMATION

Symbol	PRPIX
CUSIP	741478101
Inception Date of Fund	October 31, 1995
Benchmark	Bloomberg Barclays US Corp Invest-Grd Index
Expense Information (as of the most recent Prospectus)	0.61%
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	\$751,641,498
Percent of Portfolio in Cash	0.5%

Please refer to the detailed Fund Information section, at the end of the report, for additional expense information and available share classes.

PERFORMANCE

(NAV, total return)

	Inception Date	Three Months	Year-to-Date	One Year	Annualized				30-Day SEC Yield
					Three Years	Five Years	Ten Years	Fifteen Years	
Corporate Income Fund	Oct 31 1995	3.55%	12.88%	13.03%	3.97%	4.32%	5.65%	5.20%	2.76%
Corporate Income Fund - I Class	Dec 17 2015	3.47	12.86	13.04	4.10	4.42	5.70	5.23	2.86
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index		3.05	13.20	13.00	4.50	4.72	5.56	5.23	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Corporate Income Fund	Oct 31 1995	22.09%	9.61%	7.68%	11.15%	-1.42%	8.25%	-0.66%	5.08%	6.57%	-3.06%
Corporate Income Fund - I Class	Dec 17 2015	22.09	9.61	7.68	11.15	-1.42	8.25	-0.65	5.19	6.70	-2.84
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index		18.68	9.00	8.15	9.82	-1.53	7.46	-0.68	6.11	6.42	-2.51

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.

Total return figures include changes in principal value, reinvested dividends, and capital gain distributions.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund referred to as the "investor class"). The total return figures for the I Class shares have been calculated using the performance data of the investor class up to the inception date of the I Class (12/17/15) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, the I Class performance, had it existed over the periods shown, would have been higher.

The fund is subject to the risks of fixed income investing, including interest rate risk and credit risk.

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

PERFORMANCE REVIEW

Federal Reserve rate cuts spur fixed-income gains

During the quarter, the Federal Reserve cut rates for the first time in more than a decade amid growing concerns about a global economic slowdown. The resulting decline in Treasury yields helped drive positive results in nearly all fixed income segments for the period. During the period, U.S.-China trade tensions, negative interest rates in most developed markets other than the U.S., and volatile geopolitical and economic developments-notably the drone attack on Saudi Arabian oil facilities-kept demand for corporate bonds strong. Investment-grade (IG) corporate bonds produced solid returns in the third quarter as heavy new issuance was easily digested by strong demand. The Barclays Investment Grade Corporate index widened a few basis points during the quarter with July and September rallies being offset by widening in August.

Security selection led portfolio outperformance

The portfolio outperformed the benchmark in the third quarter. Security selection and to a lesser degree, sector allocation, contributed to relative results, while yield-curve positioning detracted.

Security selection among energy companies boosted results

Our security selection contributed to relative performance, thanks in part to the portfolio's holdings in more defensive energy companies, including Italian oil and gas producer ENI, which has maintained its focus on cash flow management and has rebalanced its portfolio with downstream purchases. Another energy company, Woodside Finance, the finance arm of Australian Woodside Petroleum also benefited returns as it produced strong results, sports a solid balance sheet, and has relatively low sensitivity to oil prices.

Credit selection in transportation space boosted results

Security selection in the transportation space also aided relative performance, in part due to portfolio's holdings of airline companies, American Airlines and United Air. Finally, our selection of banking credits, especially in European domiciled banks, such as Danske Bank, Royal Bank of Scotland, and Barclays boosted returns. Bank names in the region have rallied as the European Central Bank reduced its benchmark lending rate from -0.4% to -0.5% in September and relaunched its quantitative easing program, saying that it would purchase 20 billion euros of securities every month beginning November 1.

Our security selection in the communications sector detracted, pressured in part by our holdings in British mobile telecommunications company Vodafone, which was downgraded

by Standard & Poor's in August. The downgrade came after Vodafone acquired Liberty Global's operations in Germany, the Czech Republic, Hungary, and Romania through debt.

PORTFOLIO POSITIONING AND ACTIVITY

During the quarter we added risk to the portfolio to reflect our near term more constructive view on the asset class to close out slightly above neutral risk versus our corporate benchmark. We continued to add BBB-rated credits in the five-to-seven year part of the curve, which we continue to view as the "sweet spot". We also chose to add risk by reducing our underweight to the 30-year part of the curve and by selling protection on single name credit default swaps (CDS) and on CDS indices.

U.S. investment grade would be supported by possible deflation

We are more constructive near term on U.S. investment-grade given our belief in a potential deflation trade, positive technicals and stable fundamentals in the asset class. That said some recent economic data have challenged the deflation trade idea. We are still waiting to see whether global central banks will be able to reengage the economy, but we believe the U.S. investment-grade technicals will remain supportive, thanks to positive flows and as supply tails off into year end. Fundamentals appear good enough for now, but there are still medium-term concerns on leverage.

MANAGER'S OUTLOOK

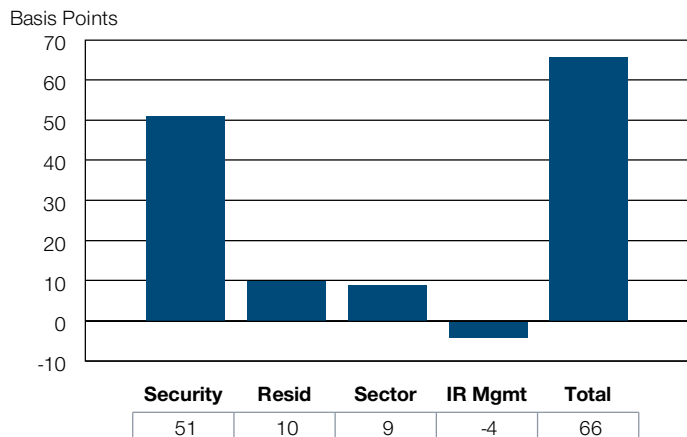
At its September meeting, the Fed lowered the federal funds rate to a target range of 1.75% to 2.00%, citing concerns about slowing global growth and low inflation. Chairman Jerome Powell provided little guidance about the central bank's next move at his post-meeting news conference.

Although a relatively healthy U.S. economy supports corporate profits, possible deterioration in corporate bond fundamentals due to slowing global economic growth and increased debt issuance deserves attention. Outstanding corporate debt levels are still historically high, and earnings seem to be plateauing. Market volatility has created opportunities across the curve as well as in credits outside the U.S. In challenging market environments, we believe credit selection remains a key driver of alpha generation.

QUARTERLY ATTRIBUTION

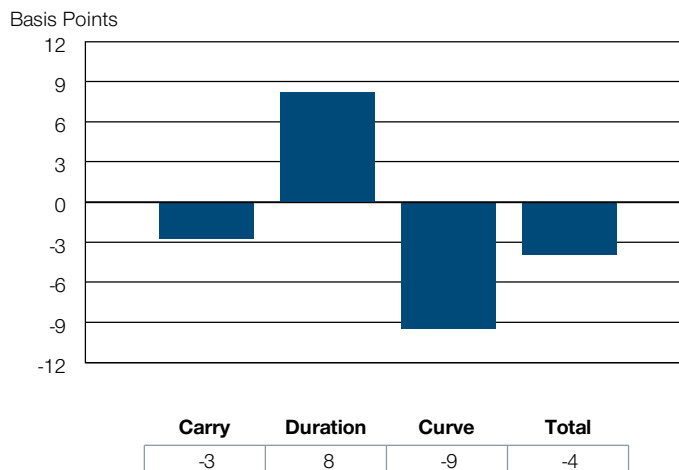
CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended September 30, 2019)



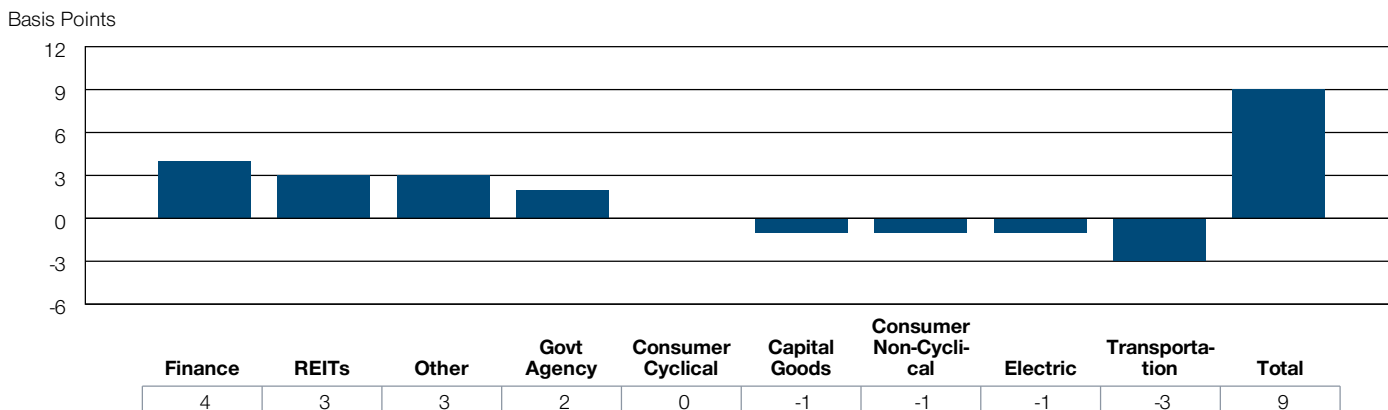
INTEREST RATE MANAGEMENT: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended September 30, 2019)



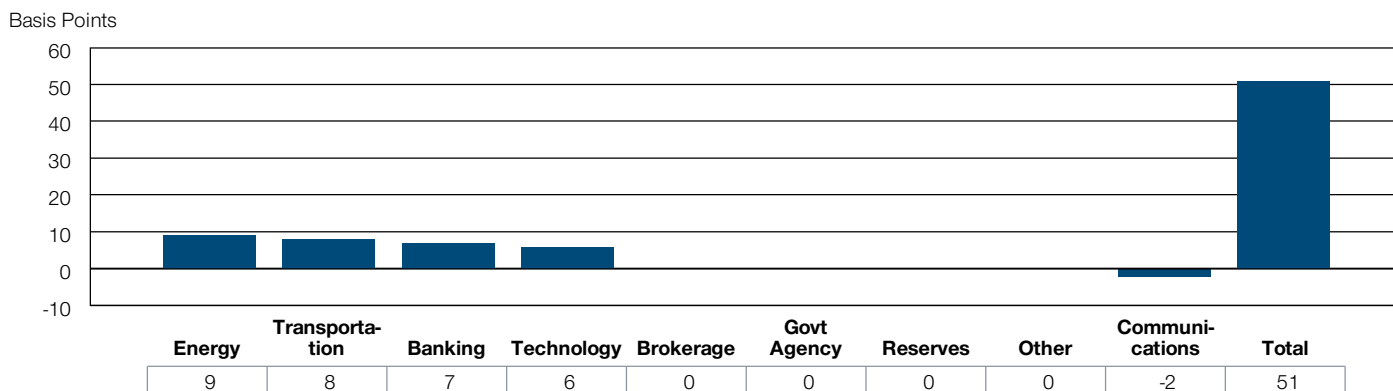
USD SECTOR ALLOCATION - TOP 5/BOTTOM 5: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(3 months ended September 30, 2019)



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

(3 months ended September 30, 2019)



Past performance is not a reliable indicator of future performance.

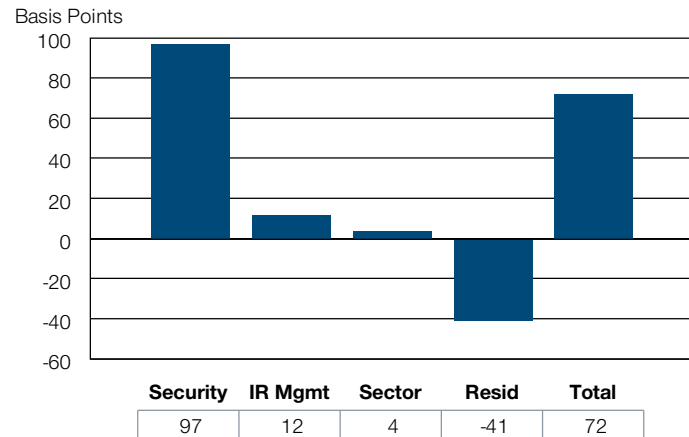
Source: Bloomberg Index Services Limited.

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.

12-MONTH ATTRIBUTION

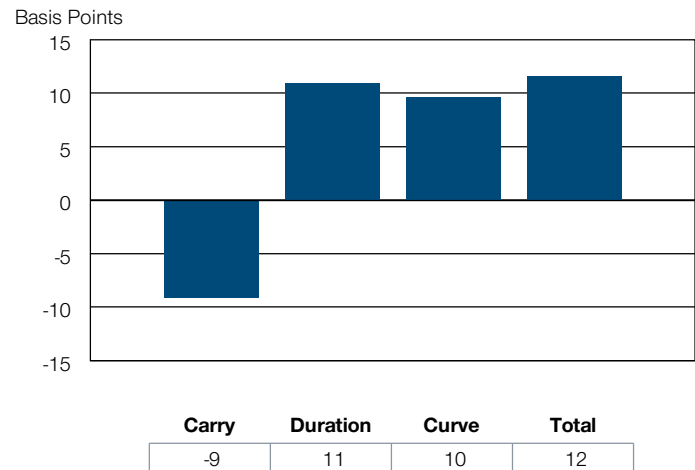
CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(12 months ended September 30, 2019)



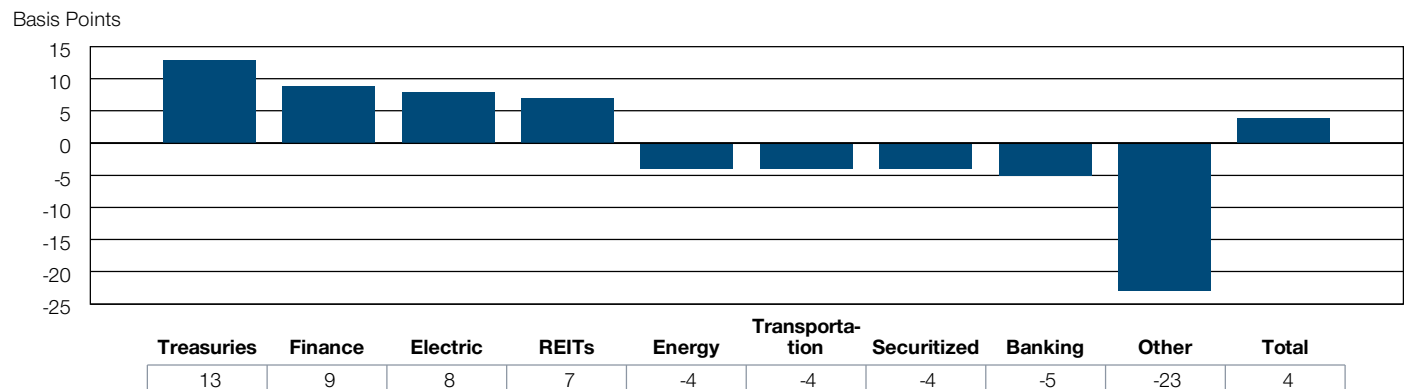
INTEREST RATE MANAGEMENT: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(12 months ended September 30, 2019)



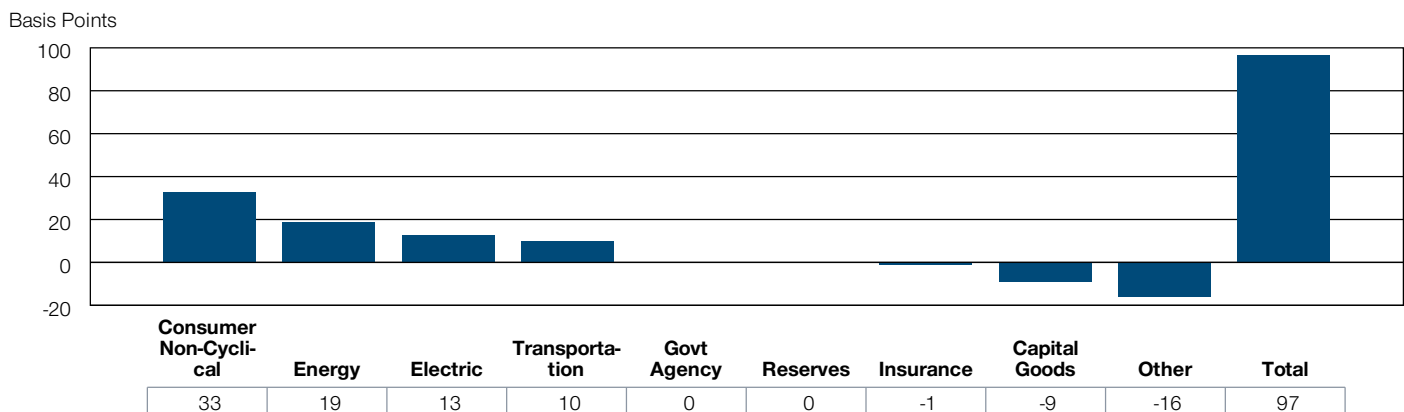
USD SECTOR ALLOCATION - TOP 5/BOTTOM 5: FUND VS. BLOOMBERG BARCLAYS US CORP INVEST-GRD INDEX

(12 months ended September 30, 2019)



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

(12 months ended September 30, 2019)



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Source: Bloomberg Index Services Limited.

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RISK ANALYSIS

ANNUALIZED CONTRIBUTION TO TRACKING ERROR VOLATILITY

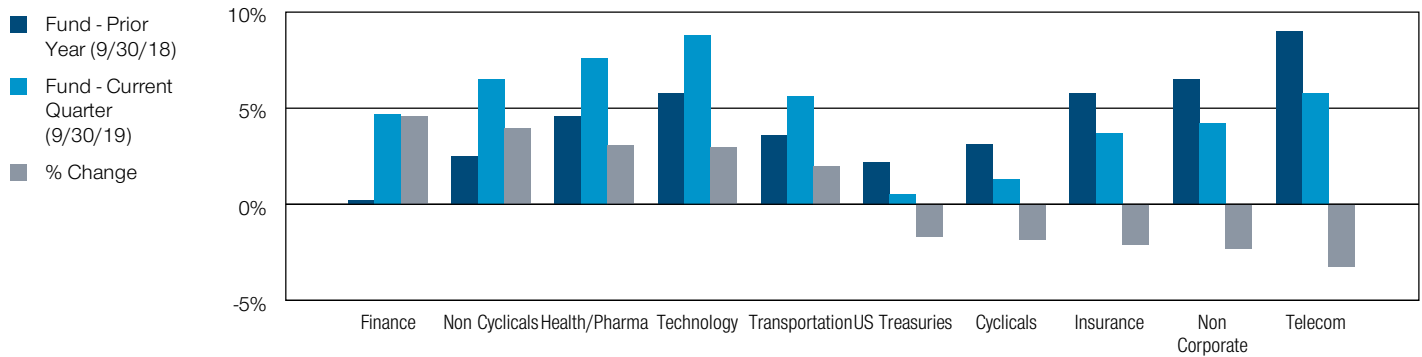
Industry	Contribution to TEV 6/30/19 (Prior Quarter)	Contribution to TEV 9/30/19 (Current Quarter)
Electric	3.0 bps	14.3 bps
Govt Agency	4.6	13.8
Banking	3.1	11.3
Consumer Non-Cyclical	6.2	10.6
Energy	9.5	10.4
Technology	3.0	9.6
Consumer Cyclical	3.8	8.9
Capital Goods	3.6	8.5
Basic Industry	5.0	5.0
Transportation	5.7	4.7
Insurance	4.5	4.1
Communications	3.8	1.9
Industrial-Other	1.0	1.7
Natural Gas	0.4	1.4
Brokerage	-0.3	0.8
Financial-Other	-0.0	0.0
Govt Related	0.0	0.0
Utility-Other	0.0	0.0
Reserves	-0.0	-0.0
Others	52.4	-0.1
Treasuries	5.6	-0.4
Finance	0.2	-0.5
REITs	5.6	-0.8
Securitized	5.9	-1.4
Total	126.8	103.7

Past performance is not a reliable indicator of future performance. Source: Bloomberg Index Services Limited.

Statistics based on monthly data. Contribution to TEV takes into account the correlation between different risk factors. This information demonstrates, in part, the firm's risk analysis. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment actions.

PORTFOLIO POSITIONING

TOP 10 YEAR OVER YEAR CHANGES (BY INDUSTRY)



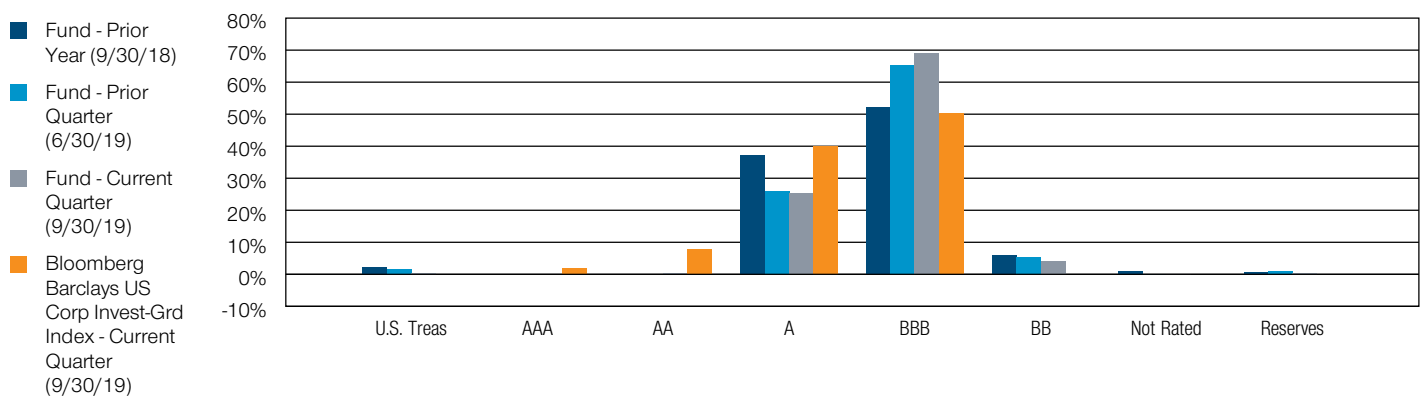
T. Rowe Price uses a custom structure for diversification reporting on this product.

INDUSTRY DIVERSIFICATION

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

Industry	% of Fund	% of Bloomberg Barclays US Corp Invest-Grd Index	Over/Underweight
Securitized	4.4%	0.0%	4.4%
Non Corporate	4.2	0.0	4.2
Finance	4.7	1.0	3.7
REITs	6.1	2.6	3.5
Transportation	5.6	2.5	3.1
Healthcare/Pharmaceuticals	7.6	9.7	-2.1
Electric Utility	3.6	6.6	-3.0
Capital Goods	1.8	5.0	-3.3
Cyclicals	1.3	5.0	-3.7
Banking	16.6	22.4	-5.8

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.

Source for Bloomberg Barclays data: Bloomberg Index Services Limited.

HOLDINGS

TOP ISSUERS

Issuer	Industry	% of Fund
Bank of America	Banking	2.9%
Morgan Stanley	Banking	2.7
GE	Finance Companies	2.5
Occidental Petroleum	Energy	2.3
Goldman Sachs	Banking	2.3
Micron Technology	Technology	2.1
Baidu	Technology	2.0
CVS Health	Consumer Cyclical	1.9
American Airlines	Transportation	1.9
Woodside Petroleum	Energy	1.8

PORTFOLIO MANAGEMENT

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

FUND INFORMATION

	Corporate Income Fund	Corporate Income Fund - I Class
Symbol	PRPIX	TICCX
Expense Information	0.61%	0.49%
Fiscal Year End Date	5/31/19	5/31/19
12B-1 Fee	-	-
The expense ratios shown are as of the most recent prospectus.		

Additional Disclosures

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

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

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

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

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

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