T.RowePrice®

INVEST WITH CONFIDENCE

QUARTERLY REVIEW

High Yield Fund

As of September 30, 2019

PORTFOLIO HIGHLIGHTS

The portfolio outperformed the Credit Suisse High Yield Index for the three-month period ended September 30, 2019.

Relative performance drivers:

- Energy sector positioning was the top contributor to relative performance.
- Security selection in the media/telecommunications segment benefited.
- Credit selection within retail was the primary detractor during the period.

Additional highlights:

- We have moved toward a more defensive positioning, as there is currently less relative value in the market than in early 2019.
- As dedicated long-term high yield investors, we believe volatility can create opportunities for those who remain invested in the asset class.

FUND INFORMATION

Symbol	PRHYX
CUSIP	741481105
Inception Date of Fund	December 31, 1984
Benchmark	Credit Suisse High Yield Index
Expense Information (as of the most recent Prospectus)	0.72%
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	$8,319,748,137
Percent of Portfolio in Cash	3.8%

PERFORMANCE

(NAV, total return)

				Annualized				
	Three Months	**Year-to-Date**	**One Year**	**Three Years**	**Five Years**	**Ten Years**	**Fifteen Years**	**30-Day SEC Yield**
High Yield Fund	1.81%	12.09%	7.43%	5.89%	4.89%	7.52%	6.81%	4.51%
Credit Suisse High Yield Index	1.03	11.08	5.79	5.96	5.17	7.74	7.04	–
J.P. Morgan Global High Yield Index	1.09	11.27	6.88	6.40	5.47	8.13	7.48	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
High Yield Fund	Dec 31 1984	49.14%	14.37%	3.20%	15.21%	9.07%	2.00%	-3.23%	14.49%	7.37%	-3.33%
Credit Suisse High Yield Index		54.22	14.43	5.51	14.72	7.52	1.92	-4.86	18.37	7.03	-2.37
J.P. Morgan Global High Yield Index		58.90	15.05	5.73	16.21	7.42	1.67	-4.25	18.27	8.28	-2.37

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.
Effective April 1, 2016, Credit Suisse changed its methodology for calculating the performance of the Credit Suisse High Yield Index. The data in the table reflects the performance of the index using the new methodology.
The bonds in which the fund invests are at a much higher risk of default and tend to be more volatile than higher-rated bonds. Investors should note that if interest rates rise significantly from current levels, total returns will decline and may even turn negative in the short term. High yield bonds carry a greater default risk than higher-rated bonds.
The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

PERFORMANCE REVIEW

The high yield market returned 1% for the three-month period ended September 30, 2019. This brings the year-to-date gain to over 11%, according to the Credit Suisse High Yield Index.

Treasury yields declined during the quarter as the Federal Reserve cut rates for the first time in more than a decade amid growing concerns about a global economic slowdown. The yield of the 30-year Treasury bond hit a record low in August, and the benchmark 10-year Treasury note's yield fell to its lowest level since 2016.

Monetary policy expectations were a major driver of market sentiment throughout the quarter, as the Fed twice reduced short-term interest rates by a quarter-percentage point and as other central banks around the world took measures to stimulate economic growth. The Fed's latest move lowered the fed funds rate to a range of 1.75%-2.00%. In another accommodative gesture, central bank policymakers announced the end of balance sheet reduction two months earlier than previously planned. 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.

Continued U.S.-China trade tensions and concerns about escalation periodically weighed on world markets. President Donald Trump announced in August that the U.S. would impose a 10% tariff on all remaining Chinese imports not currently facing duties. Chinese officials responded by allowing the yuan to fall below 7.0 per U.S. dollar (a symbolic threshold that they kept the yuan from breaching over the past decade) and stopping all U.S. agricultural imports. However, conciliatory gestures from both sides in September helped ease tensions, and investors remained optimistic as the period ended that the resumption of trade negotiations in October would lead to some tangible progress toward a trade deal. Financial markets seemed largely unaffected by the late-September opening of a House of Representatives impeachment inquiry regarding President Trump allegedly urging Ukraine's leader to investigate former Vice President Joe Biden and his son.

Retail industry inflows have occurred every month this year except for May and August after more than USD $45 billion of retail redemptions last year. Although outflow activity in August was sizable, inflows in the other two months more than offset redemptions. Gross new issue activity came down from the prior quarter; however, September saw the highest new issue volume in almost two years. Unlike in 2018, net new issuance was positive (more volume with less calls), but demand continued to outstrip supply, resulting in a supply shortfall and providing technical market support. Refinancing existing debt to extend maturities continues to be the dominant use of proceeds, supporting lower default expectations.

The J.P. Morgan par-weighted default rate tracked higher, ending the quarter at 2.52%, an increase from 1.46% in June, but it remained low compared with the historical average of 3.7%. Year to date, the energy sector has accounted for 49% of default activity, affecting USD $21.5 billion of debt, including distressed exchanges. Default activity has been limited in other market segments.

Credit selection in energy benefited

Credit selection within energy and an underweight allocation to the sector was by far the largest contributor to outperformance over the third quarter. Oil prices continued to experience volatility and ended the quarter lower by roughly USD $10 per barrel from an earlier high this year. Much of our outperformance relative to the benchmark was due to avoiding names that traded down, in particular CCC rated credits in the exploration and production (E&P) and services industries.

Our holding of E&P company Seven Generations Energy outperformed as 2Q19 results revealed improvement in the Lower Montney Shale, where continued success could significantly increase the company's drilling inventory. One of our favored midstream credits, Targa Resources, beat earnings on strong Permian volumes and finished a major pipeline project. Targa is a leading midstream company with a diverse and high-quality asset base. The company's growth strategy is focused on the best-in-class Permian Basin, where its gathering and processing assets are well integrated with its Gulf Coast downstream assets. Its commodity price exposure is low, and management maintains financial policies that should continue to contribute to a stable credit profile.

Solid performance in media and utilities

In the media/telecommunications segment, Altice, an international provider of cable and mobile services, contributed to relative performance. After significantly increasing its global footprint through strategic acquisitions, Altice experienced a period of weakness several years ago, particularly in some of its core French operations. At that time, Altice was composed of five underlying entities. Asset sales, a spin-off of its U.S. businesses, and the management team's renewed focus have been working, as Altice is a top contributor for the year-to-date period, including the third quarter. Conversely, Netflix is a name within the media/telecommunications space that traded lower as markets became concerned about a third-quarter earning's miss due to increased competition. However, our analyst continues to favor Netflix as a rare, high yield secular winner. Although volatility could occur due to headlines in the near term, Netflix is the dominant global content streaming service, with a sizeable equity market cap for support.

Security selection and, to a lesser extent, our overweight allocation to the utilities industry were supportive. In terms of credit selection, our holdings of NextEra and NRG Energy benefited the portfolio. NextEra is a diversified clean energy company that owns wind, solar, and pipeline assets in North America. NRG Energy is an owner and operator of a diverse portfolio of power-generation facilities, and it exhibits strong free cash flow and low leverage while having investment-grade credit metric targets.

Retail industry holdings detracted

Security selection within retail was the primary detractor. Changes to consumer behavior, including increased internet shopping and competition from certain online giants, are transforming this industry away from brick-and-mortar businesses. Our holdings in Jo-Ann Stores, one of the nation's largest specialty retailers of fabrics and crafts, traded significantly lower due to increased competition and the impact of tariffs. The thesis for Jo-Ann Stores was that its type of merchandise was somewhat insulated from online competition due to customers' preference for a hands-on shopping experience. While this is largely still true, the company has instead been losing market share to two other brick-and-mortar peers, including one that has returned to aggressive promotions that have cut into Jo-Ann Stores' same-store sales and earnings. Significant tariff headwinds and diminishing liquidity further amplified security declines in this loan-only issuer. By the end of the quarter, we had eliminated our exposure to the name.

PORTFOLIO POSITIONING AND ACTIVITY

We have moved toward a more defensive positioning, as there is currently less relative value in the market than in early 2019. Nevertheless, our analysts continue to find idiosyncratic situations that we believe have the potential to generate meaningful gains.

Utilities exposure augmented
As part of our defensive positioning, we have increased our allocation to utilities throughout the year. In our view, utilities is one of the most attractive and defensive industries in a slowing economy. For example, we initiated a modest allocation to the investment-grade utility space through Edison International, which, through its subsidiaries, engages in the generation, transmission, and distribution of electricity in the U.S. We invested at lower dollar prices, and our holdings have since appreciated.

Remaining underweight to energy
Our long-term bearish outlook for oil prices is driven by oversupply concerns as shale oil technology in the U.S. increases productivity and breakevens decline. The market has had zero tolerance for lower-rated energy names whose performance falls short of expectations and little room for operational errors. As such, we have maintained an underweight to the energy sector and, in our view, are under-risked relative to benchmarks.

Maintaining allocation to bank loans
Floating rate bank loans represent our largest off-index allocation. Senior secured status and a low-duration profile have historically produced less volatile returns compared with high yield bonds. However, loans traded lower in August as the possibility for additional rate cuts increased. Although the Federal Reserve's narrative has changed, removing the potential benefit of coupons resetting higher as rates rise, a 6% yield in senior secured debt remains attractive.

MANAGER'S OUTLOOK

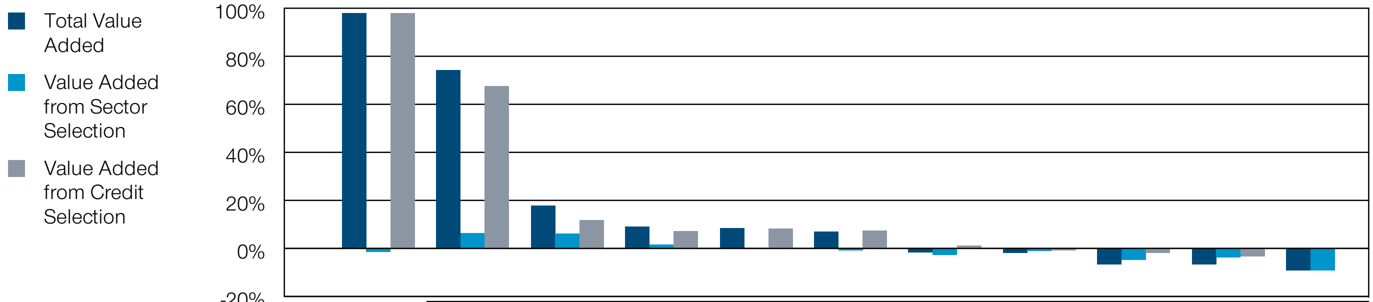
High yield bonds are best structured to outperform amid a backdrop of low interest rates and steady economic growth, as these companies are typically more sensitive to macroeconomic factors. The Federal Reserve's pivot from an outlook that called for multiple rate hikes in 2019 to rate cuts significantly improved sentiment toward risk assets. Company fundamentals are largely solid outside of a few troubled industries, and maturities have been extended. We expect additional bouts of volatility this year and in 2020. However, as dedicated long-term high yield investors, we believe volatility can create opportunities for those who remain invested in the asset class.

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

QUARTERLY ATTRIBUTION

INDUSTRY ATTRIBUTION VS. CREDIT SUISSE HIGH YIELD INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(3 months ended September 30, 2019)

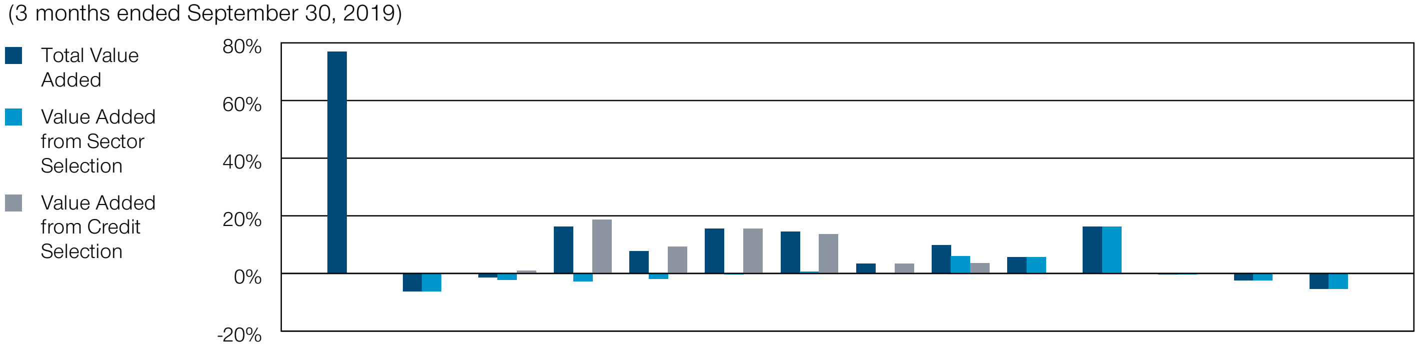


		Top Five Total Value Added					Bottom Five Total Value Added				
	Total	**Energy**	**Media/Telecom**	**Utility**	**Metals/ Minerals**	**Food and Drug**	**Food/Tobacco**	**Transportation**	**Housing**	**Info Tech**	**Retail**
Fund Weight (%)	100.00	12.13	24.84	5.99	4.06	1.70	1.95	0.66	2.85	4.13	22.65
Benchmark Weight (%)	100.00	13.32	17.86	3.06	4.45	0.85	3.72	1.69	5.34	6.75	17.40
Fund Performance (%)	2.01	1.03	2.39	2.87	2.76	4.82	2.99	1.00	2.28	1.36	-1.17
Benchmark Performance (%)	1.03	-4.54	1.91	1.66	0.66	0.31	2.44	2.00	2.90	2.41	-1.17
Sector Selection (bps)	-1	7	6	2	0	-1	-2	-1	-5	-4	-9
Credit Selection (bps)	98	68	12	7	9	8	1	-1	-2	-3	0
Total Contribution (bps)	98	74	18	9	9	7	-1	-2	-6	-7	-9

Past performance is not a reliable indicator of future performance.
Industry classification was determined by T. Rowe Price's high yield industry structure.
All numbers are percentages. T. Rowe Price's proprietary attribution model compares the fund's performance and market weights by industry ratings with the benchmark's performance and market weights. Figures are shown gross of fees. Any difference in the total value added and the sum of credit selection and sector selection is referred to as residual. Residual can occur due to position shifts within the portfolio and benchmark both from an issuer and sector perspective and reflects any difference in performance calculation methodology between T. Rowe Price's proprietary attribution model and internal performance tool.

CREDIT QUALITY ATTRIBUTION VS. CREDIT SUISSE HIGH YIELD INDEX

(3 months ended September 30, 2019)



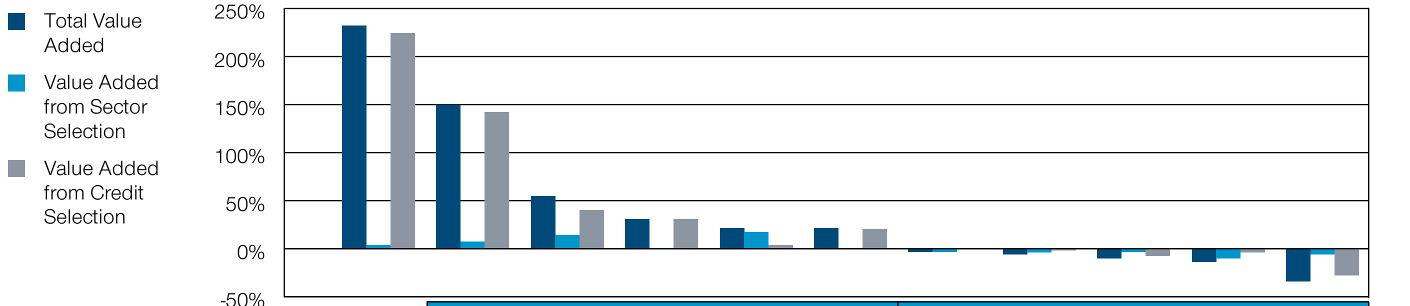
	Total	**Bank Debt***	**BBB/BB Rated & Above**	**BB Rated**	**BB/B Rated**	**B Rated**	**B/CCC Rated**	**CCC Rated & Below**	**Default**	**Equities**	**Preferred/Cvt Pfd/Convertible**	**TRP ICO/TRP CRO**	**Short Term**	**Credit Default Swap**
Fund Weight (%)	100.00	9.39	2.99	22.59	13.18	27.19	7.43	8.48	0.43	1.00	1.93	0.01	4.53	0.85
Benchmark Weight (%)	100.00	0.00	6.40	28.66	19.65	25.56	8.26	9.58	1.88	0.00	0.00	0.00	0.00	0.00
Fund Performance (%)	3.32	1.91	3.45	3.80	3.51	3.03	3.36	2.86	6.94	8.10	11.04	0.94	–	–
Benchmark Performance (%)	2.55	–	3.15	2.97	2.79	2.45	1.52	2.46	-1.72	–	–	–	–	–
Sector Selection (bps)	–	-6	-2	-3	-2	0	1	0	6	6	16	0	-2	-5
Credit Selection (bps)	–	0	1	19	9	16	14	3	4	0	0	0	0	0
Total Contribution (bps)	77	-6	-1	16	8	16	14	3	10	6	16	0	-2	-5

*Includes Institutional Floating Rate Fund
Past performance is not a reliable indicator of future performance. Source of credit quality rating: Moody's Investor Services and Standard and Poor's. Analysis represents the combined performance of the underlying securities held within the given time period relative to its respective broad weighted benchmark as calculated by T. Rowe's proprietary attribution model. Performance for each security is in the currency in which it is issued and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown gross of fees.

12-MONTH ATTRIBUTION

INDUSTRY ATTRIBUTION VS. CREDIT SUISSE HIGH YIELD INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(12 months ended September 30, 2019)

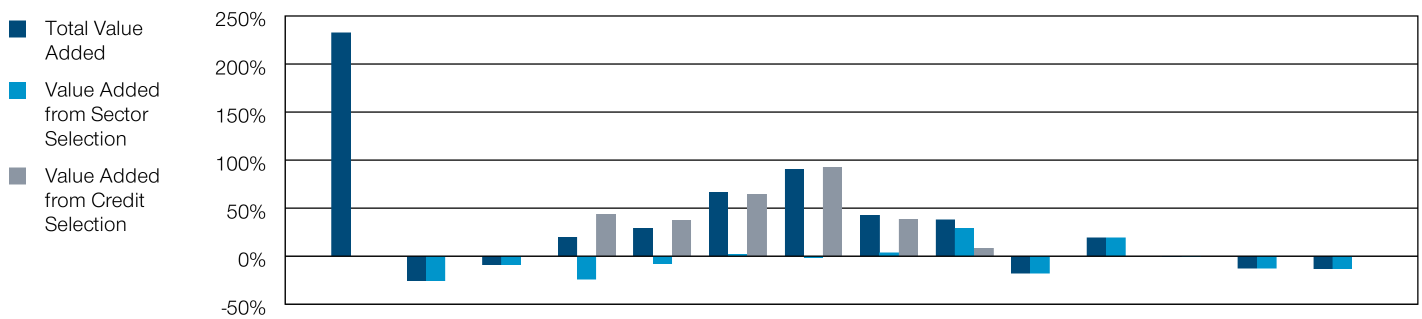


		Top Five Total Value Added					Bottom Five Total Value Added				
	Total	Energy	Media/Telecom	Health Care	Financial	Metals/Minerals	Gaming/Leisure	Info Tech	Forest Prod/Containers	Housing	Retail
Fund Weight (%)	100.00	13.78	23.50	7.97	10.38	4.30	4.56	4.48	2.01	2.83	0.91
Benchmark Weight (%)	100.00	14.34	17.50	9.02	6.28	4.59	5.26	6.87	3.35	5.42	2.09
Fund Performance (%)	8.12	2.74	9.95	9.80	10.53	8.80	11.15	7.91	3.96	9.26	-42.77
Benchmark Performance (%)	5.79	-7.61	8.23	5.89	10.13	3.91	11.12	8.32	7.96	10.49	10.54
Sector Selection (bps)	5	7	15	0	18	1	-3	-4	-3	-10	-6
Credit Selection (bps)	225	143	40	31	4	21	0	-2	-7	-3	-28
Total Contribution (bps)	233	150	55	31	22	22	-3	-6	-10	-13	-34

Past performance is not a reliable indicator of future performance.
Industry classification was determined by T. Rowe Price's high yield industry structure.
All numbers are percentages. T. Rowe Price's proprietary attribution model compares the fund's performance and market weights by industry ratings with the benchmark's performance and market weights. Figures are shown gross of fees. Any difference in the total value added and the sum of credit selection and sector selection is referred to as residual. Residual can occur due to position shifts within the portfolio and benchmark both from an issuer and sector perspective and reflects any difference in performance calculation methodology between T. Rowe Price's proprietary attribution model and internal performance tool.

CREDIT QUALITY ATTRIBUTION VS. CREDIT SUISSE HIGH YIELD INDEX

(12 months ended September 30, 2019)



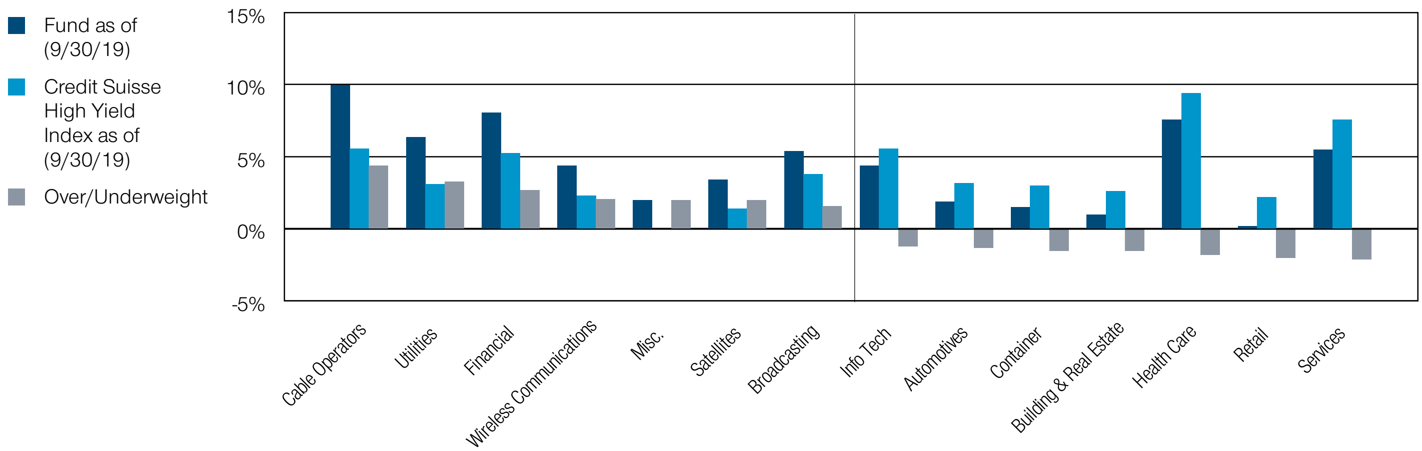
	Total	Bank Debt*	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC Rated & Below	Default	Equities	Preferred/Cvt Pfd/Convertible	TRP ICO/TRP CRO	Short Term	Credit Default Swap
Fund Weight (%)	100.00	9.99	2.18	21.14	13.05	28.07	8.98	8.54	0.40	0.87	1.84	0.02	3.77	1.14
Benchmark Weight (%)	100.00	0.00	6.53	28.18	19.75	25.92	8.58	9.46	1.59	0.00	0.00	0.00	0.00	0.00
Fund Performance (%)	8.12	3.25	8.07	11.22	10.33	8.46	10.01	5.43	-0.82	-14.33	15.74	3.96	–	–
Benchmark Performance (%)	5.79	–	7.91	9.14	7.43	6.15	-0.35	0.88	-19.01	–	–	–	–	–
Sector Selection (bps)	–	-25	-9	-24	-8	2	-2	5	29	-18	20	0	-12	-13
Credit Selection (bps)	–	0	0	44	38	65	93	39	9	0	0	0	0	0
Total Contribution (bps)	233	-25	-9	21	30	67	91	43	38	-18	20	0	-12	-13

*Includes Institutional Floating Rate Fund

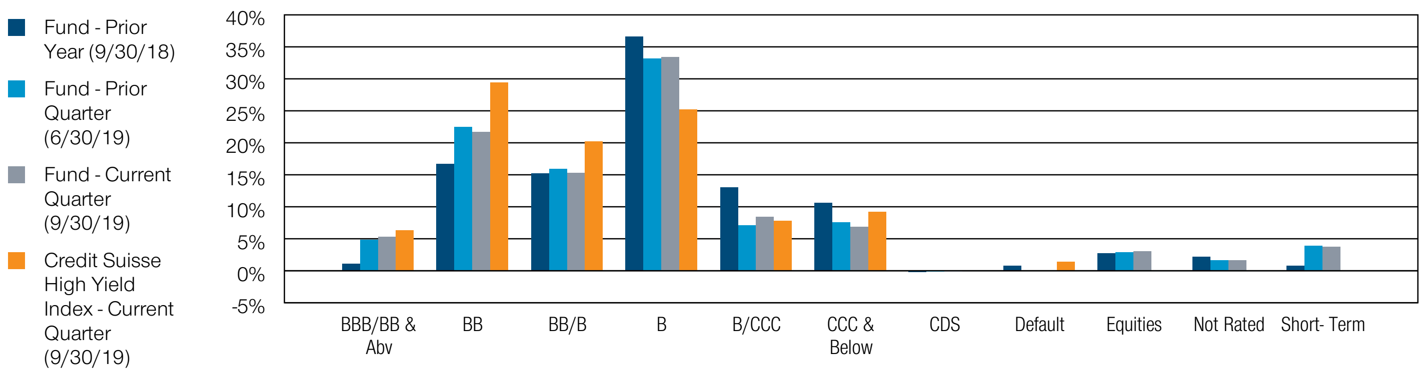
Past performance is not a reliable indicator of future performance. Source of credit quality rating: Moody's Investor Services and Standard and Poor's. Analysis represents the combined performance of the underlying securities held within the given time period relative to its respective broad weighted benchmark as calculated by T. Rowe's proprietary attribution model. Performance for each security is in the currency in which it is issued and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown gross of fees.

PORTFOLIO POSITIONING

SIGNIFICANT OVER/UNDERWEIGHT INDUSTRIES



CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



HOLDINGS

TOP 10 ISSUERS

Issuer	Industry	% of Fund
Bausch Health Cos Inc	Health Care	2.1%
Asurion LLC	Wireless Communications	1.9
Altice USA Inc	Cable Operators	1.9
Avantor Inc	Health Care	1.9
U.S. Treasuries	Miscellaneous/U S Treasury Obligations	1.9
Intelsat Jackson Holdings SA	Satellites	1.8
Refinitiv US Holdings Inc	Info Tech	1.6
Charter Communications Inc	Cable Operators	1.6
Netflix Inc	Cable Operators	1.5
Sprint Capital Corp	Wireless Communications	1.5

PORTFOLIO MANAGEMENT

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Mark Vaselkiv	1996	1988
Rodney Rayburn	2019	2014

Additional Disclosures

Source for J.P. Morgan data: J.P. Morgan. Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2019, J.P. Morgan Chase & Co. All rights reserved.
The manager's views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the Fund and no assumptions should be made that the securities identified and discussed were or will be profitable.
Industry classification was determined by T. Rowe Price's high yield industry structure.
Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.
Sources for credit quality: Moody's Investors Service and Standard & Poor's (S&P); split ratings (e.g., BB/B and B/CCC) are assigned when the Moody's and S&P ratings differ. 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. Short-term holdings are not rated.
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.
Closed to new investors. Open to subsequent investments.
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.

T. Rowe Price Investment Services, Inc., Distributor.
201910-968730