T.RowePrice®
INVEST WITH CONFIDENCE

QUARTERLY REVIEW

Institutional Floating Rate Fund

As of June 30, 2019

PORTFOLIO HIGHLIGHTS

The portfolio modestly outperformed the S&P/LSTA Performing Loan Index for the three-month period ended June 30, 2019.

Relative performance drivers:

- Credit selection in health care, services, and other telecommunications segments contributed.
- Our reserves allocation and security selection within retail detracted.
- Top positions by issuer continued to outperform.

Additional highlights:

- We have reduced our participation in new deals and concentrated on investing in our high-conviction names while positioning the portfolio more defensively in terms of credit quality.
- The majority of issuers in the bank loan market are fundamentally sound, and we expect the default rate to remain low over the next 12 months.

FUND INFORMATION

Symbol	RPIFX
CUSIP	77958B402
Inception Date of Fund	January 31, 2008
Benchmark	S&P/LSTA Performing Loan Index
Expense Information (as of the most recent Prospectus)	0.57%
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	$3,757,404,104
Percent of Portfolio in Cash	6.7%

PERFORMANCE

(NAV, total return)

				Annualized				
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Since Inception 1/31/08	30-Day SEC Yield
Institutional Floating Rate Fund	1.75%	5.58%	4.38%	4.65%	3.73%	5.61%	5.10%	5.23%
S&P/LSTA Performing Loan Index	1.71	5.76	4.01	5.41	4.04	6.29	5.30	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Institutional Floating Rate Fund	Jan 31 2008	35.51%	9.67%	1.68%	8.28%	5.13%	1.73%	1.50%	8.00%	3.77%	0.38%
S&P/LSTA Performing Loan Index		52.53	10.38	1.50	9.76	5.41	1.82	0.10	10.36	4.32	0.60

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.
This fund could have greater price declines than a fund that invests primarily in high-quality bonds or loans: the loans and debt securities held by the fund are usually considered speculative and involve a greater risk of default and price decline 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 leveraged loan market posted a gain during the second quarter of 2019, despite trade tensions and equity volatility that fostered uncertainty and softer investor sentiment toward risk assets. Treasury yields fell during the quarter as slowing economic growth and tariff concerns led to increasingly dovish signals from the Federal Reserve (Fed) and other developed market central banks. The benchmark 10-year Treasury note's yield dropped from 2.41% to 2.00%, its lowest level since November 2016, and yields of other maturities also declined significantly. The two-year Treasury yield, which is closely tied to monetary policy expectations, declined 52 basis points during the quarter.

The Fed left its short-term lending rate unchanged at its two meetings during the period, but at its June meeting, the central bank noted increased uncertainties around the economic outlook. Fed policymakers, who have been advocating a patient approach to interest rate adjustments, signaled a willingness to cut rates if necessary to sustain the expansion. The Fed's announcement came soon after European Central Bank President Mario Draghi indicated that the bank could offer more stimulus measures as early as July if growth continued to stall.

Hopes for a resolution to the trade dispute between the U.S. and China seemed to play a large role in driving investor sentiment during the quarter. With negotiations at a standstill in early May, the White House increased the tariff rate from 10% to 25% on USD $200 billion in Chinese goods. U.S. trade policy then took an unexpected turn on May 30, when the president announced that the U.S. would impose tariffs on Mexican goods unless Mexico's government stopped the flow of unauthorized migrants across the border. However, trade tensions eased in June when President Trump disclosed that tariffs on imports from Mexico had been suspended following new security pledges from Mexican officials. He also revealed plans to discuss trade relations with Chinese President Xi Jinping at the month-end G-20 summit and later announced that the two sides had arranged a truce that will temporarily prevent the imposition of further tariffs on Chinese goods.

The stretch of consecutive monthly outflows from loan funds in 2019 continued during the quarter, although their magnitude declined each month. Conversely, new issuance volume increased each successive month with USD $90.9 billion coming to the market during the quarter. Collateralized loan obligation (CLO) volume increased roughly 30% quarter over quarter to USD $50 billion, which caused technical conditions to remain broadly supportive in spite of the disparity between fund flows and new issuance. The healthy new supply was easily absorbed by the market as CLOs were the primary source of demand during the period.

Credit selection in high-conviction names benefited
In the health care segment, Avantor, a leading provider of product and service solutions to laboratory and production companies, was a notable relative performance contributor that has become one of our highest-conviction holdings. A significant acquisition has created synergies, and the company's end markets are improving. Avantor's recently completed initial public offering (IPO) was supportive for the credit as a large portion of the proceeds will be used to pay down debt. Additionally, the nature of Avantor's business means that its products have applications across a broad segment of the health care sector.

In the services segment, Kronos, a leader in the workforce management solutions market, aided relative performance. Its products address business needs, including monitoring employee time and attendance, scheduling, absence management, and workforce analytics. This company's market-leading products and subscription-based business foster loyalty from its diverse customer base. Kronos posted strong 2018 results, and we believe that the company's fundamentals should improve as its new workforce management software, Dimensions, rolls out and expenses moderate.

Credit selection in the other telecommunications or wirelines segment was supportive due, in part, to our holdings of Cologix, a provider of interconnection and colocation services through 26 data centers in eight North American markets. This is a pure-play data center company with differentiated, interconnection-rich assets that has a strong fundamental growth story due to growth in data traffic and increased connectivity.

Reserves allocation and retail positioning detracted
The portfolio's reserves allocation, which is necessary for liquidity purposes, was a significant detractor to returns within an overall positive performance environment.

Security selection in the retail sector detracted, although our underweight allocation partly offset the negative impact. Credit selection weighed on relative performance largely because we did not own PetSmart, North America's leading retailer of food, products, and services for pets. Its brick-and-mortar franchise continues to face significant headwinds. However, the company's acquisition of Chewy.com, an online marketplace for pet supplies, roughly two years ago has improved its credit profile, and enabled lenders to realize significant value. The loans traded higher during the period, partly due to the planned Chewy.com IPO and the projected equity value.

PORTFOLIO POSITIONING AND ACTIVITY

We believe that underwriting standards in the bank loan new issue market have become more aggressive over the past year. Accordingly, we have reduced our participation in new deals and concentrated on investing in our high-conviction names while positioning the portfolio more defensively in terms of credit quality.

Covenant-lite loans from issuers with sound credit profiles
With more than three-quarters of the market composed of covenant-lite (cov-lite) loans, our strategy cannot altogether avoid these loans. However, we remain significantly underweight, a consistent positioning since inception. Cov-lite refers to a loan that is not subject to quarterly maintenance covenants, which are tests on certain credit metrics, formerly typical of the asset class. However, other restrictions remain, similar to high yield covenants. Evaluating covenants is an existing component of our fundamental research platform, and we aim to invest in cov-lite loans issued from companies with sound credit profiles. Top positions by issuers such as Kronos include cov-lite loans.

Second-lien loan opportunities in high-conviction names
We have an overweight allocation to higher-yielding, second-lien loans, although first liens still represent the vast majority of our holdings. Second liens are a step lower in the capital structure and, likewise, a lower credit quality, but these loans yield more to help compensate for the additional risk. Furthermore, they often

come with hard call protection. We will often hold a blended allocation of first- and second-lien loans from a single issuer to express conviction within an improving or stable credit. However, we have reduced exposure to second liens from our high in June 2018 as the credit cycle extends further. Asurion is an example of a second-lien loan issuer.

Our exposure to Asurion, a global provider of product protection and support services to the wireless, insurance, retail, and home repair service industries, continues to be a significant contributor to relative performance. As a handset insurance provider, it benefits from smartphone sales without depending on the execution of one specific carrier. Its scale acts as a significant barrier to entry, allowing the company to provide more valuable services to its carriers' customers at a lower cost than competitors. This loan-only issuer has been a consistent top contributor for an extended period. Asurion's market position is dominant, and its solid credit profile, near-term revenue visibility, and attractive coupons warrant our conviction. We own the company's first- and second-lien loans. We recently completed the investment team's annual due diligence visit with the management team at their headquartered facilities.

Income protection from loans with LIBOR floor
A LIBOR floor is a minimum value imposed on the benchmark component of the floating rate coupon, and our allocation to these loans stands at just over 35% of assets. LIBOR floors today range from 75 to 150 basis points. However, the three-month LIBOR was at 232 basis points at the end of June, a decline from 260 basis points at the end of March. With LIBOR well above floor levels, bank loans have been true floating assets. Notably, we are seeing many new loans coming to the market without floors. As a result, the percentage of loans with LIBOR floors in our index is tracking lower.

High yield bonds can provide income and enhance liquidity
A typically modest allocation to high yield bonds with fixed rates can augment our income stream and enhance portfolio liquidity. When investing in this segment of the market, we often target secured bonds that are positioned at the same level of a company's capital structure (pari passu) as bank loans, but with higher coupons. Similar to our second-lien positions, high yield bonds with fixed rates will often complement a bank loan holding to convey a positive thesis. Our high yield bond exposure slightly increased over the period based on more attractive valuations in the asset class after market weakness in the fourth quarter.

MANAGER'S OUTLOOK

The Federal Reserve's interest rate strategy is a primary consideration that we are factoring into our return expectations. There is a high probability of at least one rate cut this year, meaning that the floating rate feature of bank loans, which resets coupons higher as rates rise, will no longer be a performance tailwind. If the Fed cuts rates, we could also see an acceleration of redemptions from bank loan funds, which would weaken technical conditions. Nevertheless, the leveraged loan market began 2019 with its strongest quarterly gain since 2010, and we remain broadly constructive in our expectations for the rest of the year.

Steady economic growth, albeit at a slower pace, creates a supportive environment for below investment-grade companies. Relative to high yield bonds, the loan asset class has less exposure to cyclical sectors such as energy and metals and mining, where slowing economic growth and trade tensions have sparked volatility. The majority of issuers in the bank loan market are fundamentally sound, and we expect the default rate to remain low over the next 12 months.

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 bank loan and high yield clients over various market cycles.

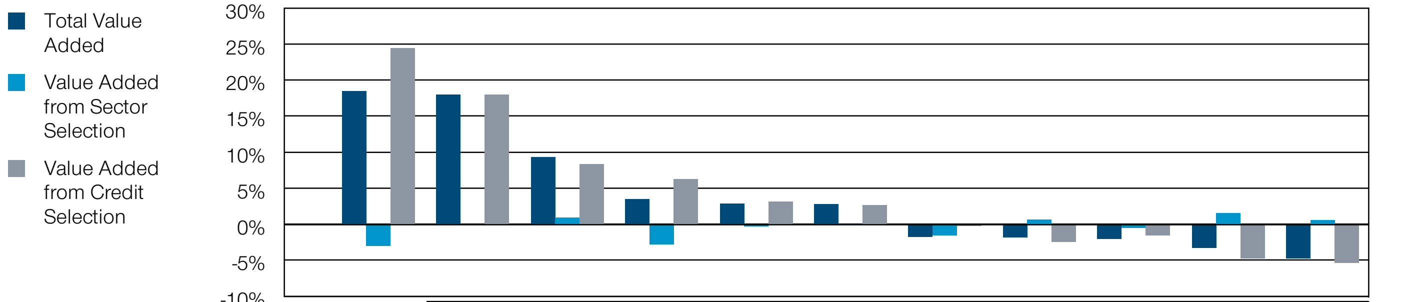
ORGANIZATIONAL UPDATE

The following investment team changes occurred during the quarter:
Additions: John Park, Credit Analyst
Sam Sandhu, Associate Analyst
Chris Schubert, Junior High Yield Trader

QUARTERLY ATTRIBUTION

INDUSTRY ATTRIBUTION VS. S&P/LSTA PERFORMING LOAN INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(3 months ended June 30, 2019)

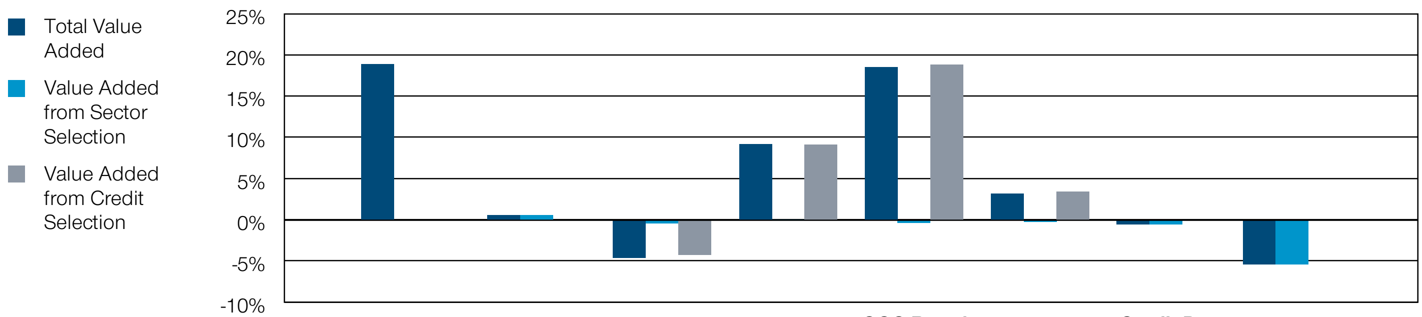


	Total	Health Care	Energy	Metals & Mining	Other Telecommunications	Chemicals	Service	Entertainment & Leisure	Publishing	Retail	Info Tech
		Top Five Total Value Added					Bottom Five Total Value Added				
Fund Weight (%)	100.00	12.78	2.91	1.53	2.43	3.88	10.79	3.59	0.55	1.45	9.37
Benchmark Weight (%)	100.00	12.74	3.42	0.86	2.13	4.25	13.27	2.69	1.45	3.29	13.35
Fund Performance (%)	1.90	2.96	2.71	1.67	2.07	2.18	2.30	1.79	-0.60	-2.41	0.99
Benchmark Performance (%)	1.71	1.55	-0.20	-2.44	0.74	1.47	2.32	2.47	2.20	0.85	1.56
Sector Selection (bps)	-3	0	1	-3	0	0	-1	1	0	2	1
Credit Selection (bps)	25	18	8	6	3	3	0	-2	-2	-5	-5
Total Contribution (bps)	19	18	9	4	3	3	-2	-2	-2	-3	-5

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. S&P/LSTA PERFORMING LOAN INDEX

(3 months ended June 30, 2019)



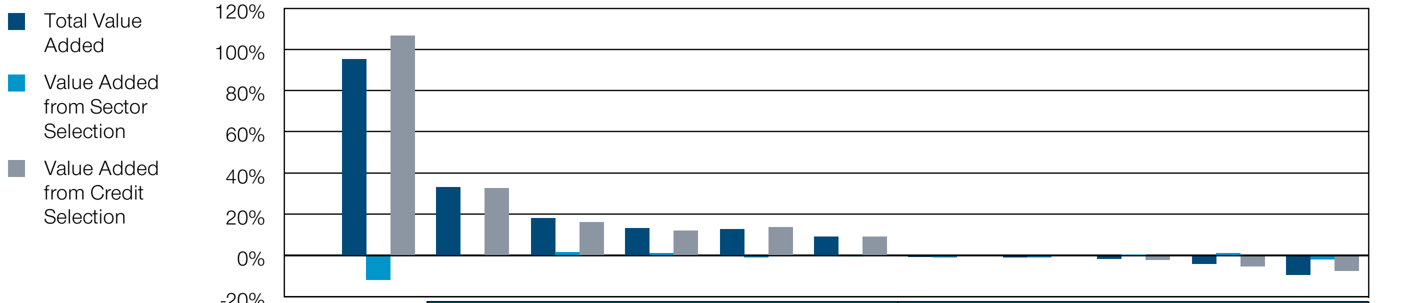
	Total	BBB Rated	BB Rated	B Rated	CCC Rated & Below	Not Rated	Credit Default Swap	Short Term
Fund Weight (%)	100.00	4.79	26.15	51.31	7.40	3.60	0.43	6.34
Benchmark Weight (%)	100.00	0.00	30.52	61.05	6.48	1.94	0.00	0.00
Fund Performance (%)	1.90	1.84	1.65	1.88	3.92	2.53	–	–
Benchmark Performance (%)	1.71	–	1.81	1.70	1.37	1.57	–	–
Sector Selection (bps)	–	1	0	0	0	0	-1	-5
Credit Selection (bps)	–	0	-4	9	19	3	0	0
Total Contribution (bps)	19	1	-5	9	19	3	-1	-5

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. S&P/LSTA PERFORMING LOAN INDEX (TOP AND BOTTOM 5 BY TOTAL VALUE ADDED)

(12 months ended June 30, 2019)



	Total	Health Care	Wireless Commu-nications	Energy	Service	Info Tech	Building Products	Aero-space & Defense	Utilities	Broad-casting	Retail
		Top Five Total Value Added					Bottom Five Total Value Added				
Fund Weight (%)	100.00	11.79	4.75	3.11	9.86	10.12	0.89	0.70	3.64	3.18	1.68
Benchmark Weight (%)	100.00	12.58	2.20	3.51	12.62	13.06	2.13	1.66	3.05	2.32	3.54
Fund Performance (%)	4.97	6.52	8.21	5.01	5.79	5.00	4.80	5.26	4.69	3.75	0.67
Benchmark Performance (%)	4.01	3.71	4.71	1.09	4.36	4.07	4.65	4.98	5.30	5.42	5.06
Sector Selection (bps)	-12	0	2	1	-1	0	-1	-1	1	1	-2
Credit Selection (bps)	107	33	17	12	14	9	0	0	-2	-5	-7
Total Contribution (bps)	96	33	18	13	13	9	-1	-1	-1	-4	-9

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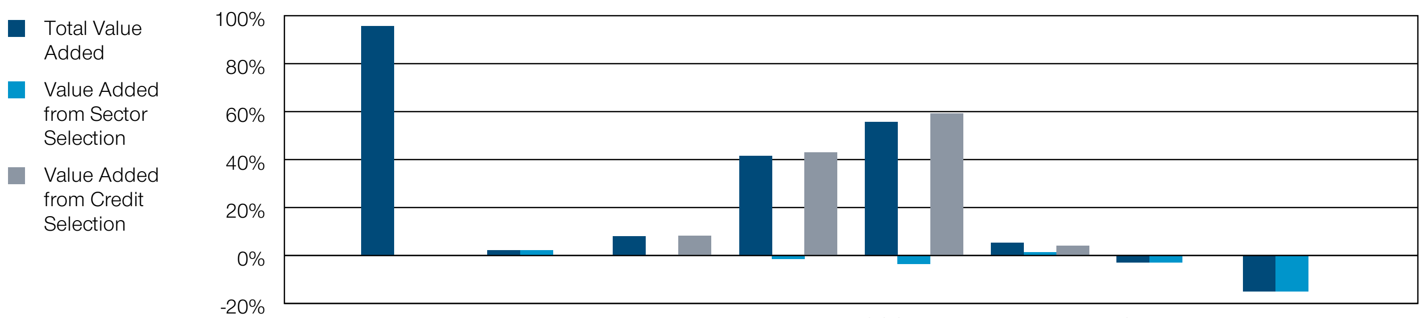
CREDIT QUALITY ATTRIBUTION VS. S&P/LSTA PERFORMING LOAN INDEX

(12 months ended June 30, 2019)

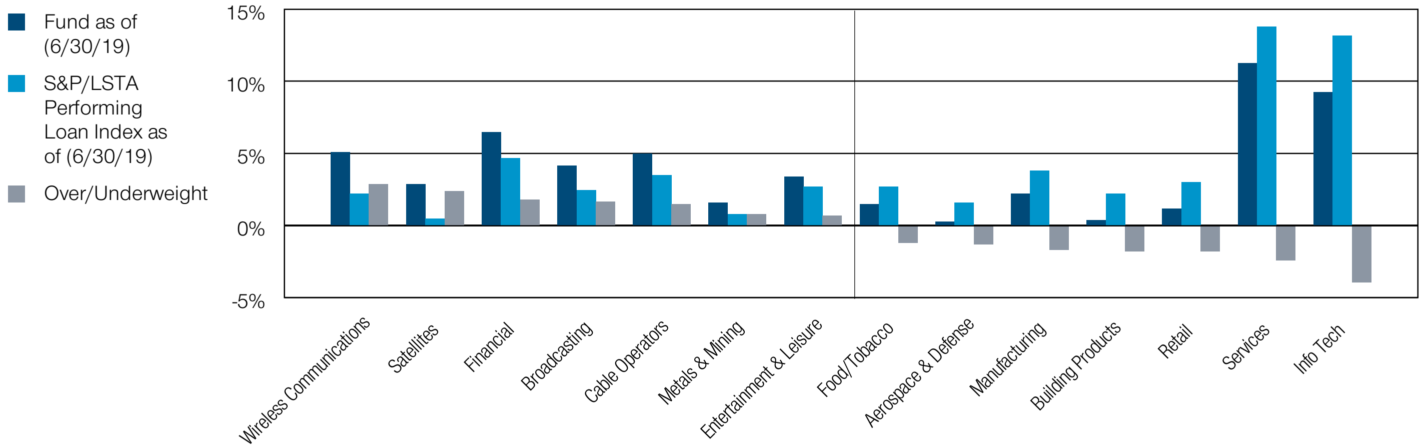


	Total	BBB Rated	BB Rated	B Rated	CCC Rated & Below	Not Rated	Credit De-fault Swap	Short Term
Fund Weight (%)	100.00	5.10	25.45	51.97	8.14	2.94	0.22	6.19
Benchmark Weight (%)	100.00	0.00	31.82	59.88	6.53	1.77	0.00	0.00
Fund Performance (%)	4.97	4.47	4.34	5.00	9.23	6.57	–	–
Benchmark Performance (%)	4.01	–	4.02	4.18	1.94	5.18	–	–
Sector Selection (bps)	–	2	0	-1	-3	1	-3	-15
Credit Selection (bps)	–	0	8	43	59	4	0	0
Total Contribution (bps)	96	2	8	42	56	5	-3	-15

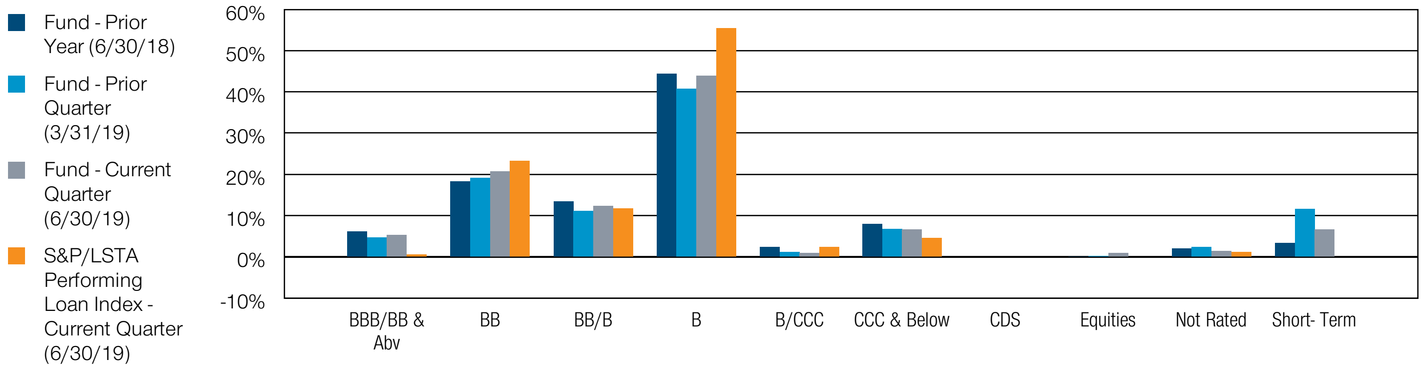
Past performance is not a reliable indicator of future performance. Source of credit quality rating: Moody's Investor Services and Standard and Poor's. Analysis represents the combined performance of the underlying securities held within the given time period relative to its respective broad weighted 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



BANK LOAN DISTRIBUTION

	% of Fund	% of S&P/LSTA Performing Loan Index
2nd Lien	9.3%	3.8%
Convenant Lite Deals	64.5	84.1
LIBOR Floor	36.0	44.5

All categories are not mutually exclusive and an individual issuer may be counted in more than one category.

HOLDINGS

TOP 10 ISSUERS

Issuer	Industry	% of Fund
NEW Asurion Corp	Wireless Communications	4.4%
Kronos Inc/MA	Services	3.5
Altice USA Inc	Cable Operators	2.2
Bausch Health Cos Inc	Health Care	1.9
Zuffa Parent LLC	Entertainment & Leisure	1.8
Intelsat Jackson Holdings SA	Satellites	1.7
Vail Holdco Corp	Health Care	1.5
CCC Information Services Inc	Info Tech	1.5
Ultimate Software Group Inc/The	Services	1.3
Press Ganey Holdings Inc	Health Care	1.2

PORTFOLIO MANAGEMENT

Portfolio Manager:
Paul Massaro

Managed Fund Since:
2009

Joined Firm:
2003

Additional Disclosures

Source for S&P data: S&P. "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of Standard & Poor's, and have been licensed for use by T. Rowe Price. The fund is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the fund.
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. The bonds in which the fund invests are at a much greater risk of default and tend to be more volatile than higher-rated bonds. Like bond funds, it is exposed to interest rate risk, but credit and liquidity risks may often be more important.
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. The source of credit quality for the S&P/LSTA Performance Loan Index is Standard & Poor's.
Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.
Unless indicated otherwise the source of all data is T. Rowe Price.
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