



PORTFOLIO UPDATE

Corporate Income Fund

As of October 31, 2019

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

INVESTMENT OBJECTIVE

The fund seeks to provide high income and some capital growth.

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	-

MARKET COMMENTARY

Investment-grade corporate bonds generated gains in October as some improvement in U.S.-China trade relations, a Brexit deadline extension, equity gains, and relatively healthy corporate earnings reports buoyed investor sentiment. Some encouraging idiosyncratic developments also aided the market's positive momentum. From a technical standpoint, light new issuance, an uptick in demand from overseas investors, and inflows to the asset class were supportive.

Longer-term Treasury yields finished a volatile October little changed as investors digested conflicting signals on the progress of U.S.-China trade talks amid a stream of headlines about Brexit and the health of the global economy. At month end, risk appetite returned to the markets as the U.S. and China reached a "phase one" deal in which the U.S. would suspend planned tariff increases in return for increased agricultural purchases from China, along with agreements on intellectual property protections and other issues. The UK also received a three-month extension to negotiate its exit from the European Union, further bolstering the risk-on environment. The yield of the benchmark 10-year U.S. Treasury note closed the month at 1.69%, after trading in a wide range of 1.52% to 1.85%. As expected, the Fed announced its third rate cut of the year, moving the federal funds rate to a target range of 1.50% to 1.75% and seemed to signal that rates may remain unchanged unless the economy takes a turn for the worse.

Corporate bonds were the strongest segment in the Bloomberg Barclays U.S. Aggregate Index. In terms of quality, BBB fared the best across the investment grade quality spectrum, while AA+ fared the worst. According to Bloomberg Barclays, primary market issuance declined month over month as about USD \$107.2 billion in new deals came to the market.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized				30-Day SEC Yield
					Three Years	Five Years	Ten Years	Fifteen Years	
Corporate Income Fund	0.60%	3.66%	13.56%	15.38%	4.53%	4.21%	5.62%	5.15%	2.74%
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index	0.61	3.10	13.89	15.37	5.00	4.64	5.55	5.21	-

The **1-, 5-, and 10-year** annualized returns as of **9/30/19** were **13.03%, 4.32%** and **5.65%** for the fund. **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.

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.

Source for Bloomberg Barclays data: Bloomberg Index Services Limited. See additional disclosures.

RISK RETURN CHARACTERISTICS

(Five Years ended October 31, 2019)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Corporate Income Fund	4.11%	-0.38%	0.99	0.96	-0.50	0.78	0.84%
Bloomberg Barclays US Corp Invest-Grd Index	4.05	0.00	1.00	1.00	0.00	0.89	0.00

Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.

TOP ISSUERS

Comprising 21.9% of total net assets.

	Industry	% of Fund
Bank of America	Banking	3.0%
Morgan Stanley	Banking	2.8
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
GE	Finance Companies	1.9
American Airlines	Transportation	1.8
Woodside Petroleum	Energy	1.8

Issuers are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

	Corporate Income Fund	Bloomberg Bar- clays US Corp In- vest-Grd Index
Number of Holdings	178	6,094
Weighted Average Maturity	8.56 years	11.32 years
Weighted Average Effective Duration	7.78 years	7.76 years
Weighted Average Coupon	4.72%	4.10%
Yield to Maturity	3.53%	2.86%
Percent of Portfolio in Cash	0.5%	-
Total Assets (all share classes)	751,025,910	-

INDUSTRY DIVERSIFICATION

	Banking	Energy	Tech- nology	Health/ Pharma	Non Cy- clicals	Tele- com	REITs	Trans- porta- tion	Media	Finance	Other
Corporate Income Fund	15.1%	12.2%	9.0%	7.7%	6.4%	5.8%	5.7%	5.5%	4.6%	4.5%	23.6%
Bloomberg Barclays US Corp Invest-Grd Index	22.4	9.0	8.5	9.6	6.5	4.9	2.7	2.5	4.0	1.1	28.9
Over/Underweight	-7.3	3.2	0.5	-1.9	-0.1	0.9	3.0	3.0	0.6	3.4	-5.3

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	AAA	AA	A	BBB	BB	Not Rated	Reserves
Corporate Income Fund	0.8%	0.0%	0.2%	25.2%	67.9%	4.7%	0.7%	0.5%
Bloomberg Barclays US Corp Invest-Grd Index	0.0	1.8	7.9	39.8	50.4	0.1	0.0	0.0
Over/Underweight	0.8	-1.8	-7.7	-14.6	17.5	4.6	0.7	0.5

*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.

MATURITY DIVERSIFICATION

	0-1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	10-20 Years	20-30 Years	30+ Years
Corporate Income Fund	0.5%	8.9%	23.1%	25.4%	24.7%	5.6%	11.8%	0.0%
Bloomberg Barclays US Corp Invest-Grd Index	0.0	19.0	16.5	13.4	16.0	11.4	21.9	1.9
Over/Underweight	0.5	-10.1	6.7	12.0	8.7	-5.8	-10.1	-1.9

Definitions

Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond Fund to changes in interest rates. In general, the longer the average duration, the greater the Fund's sensitivity to interest rates.

Additional Disclosures

Source for Bloomberg Barclays index data: Bloomberg Index Services Ltd. Copyright 2019, Bloomberg Index Services Ltd. Used with permission.

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.

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Source for Maturity Diversification: T Rowe Price.

"Other" includes any categories not explicitly mentioned.

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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