



T. Rowe Price Closes High Yield Bond Fund to New Investors

BALTIMORE, May 1, 2012 /PRNewswire/ -- [T. Rowe Price Group](#) (NASDAQ: TROW) announced that it has closed its high yield bond funds, effective yesterday, including the Investor Class shares (PRHYX) and the Advisor Class shares (PAHIX) of the [High Yield Fund](#) and the separate [Institutional High Yield Fund](#) (TRHYX). The mutual funds were closed to protect the interests of existing investors. However, the funds will continue to accept additional investments from existing shareholders and direct rollovers from qualified retirement plans into new [T. Rowe Price IRAs](#).

T. Rowe Price manages \$21 billion in dedicated high yield portfolios, including \$9.2 billion in the High Yield Fund and \$2.5 billion in the Institutional High Yield Fund as of March 31, 2012. The high yield funds invest primarily in a diversified portfolio of high yield corporate ("junk") bonds and floating rate bank loans.

The funds were last closed in February 2004 and reopened in February 2007. T. Rowe Price offers other funds that provide investors with exposure to high yield investments, including the [Tax-Free High Yield Fund](#) (PRFHX), [Floating Rate Fund](#) (PRFRX), [Spectrum Income Fund](#) (RPSIX), and [Strategic Income Fund](#) (PRSNX).

"The high yield market has seen an incredible rally over the past three years, which has helped the High Yield Fund generate a 21% net annualized return over that time frame," said Mark Vaselkiv, portfolio manager of the High Yield Fund and head of the taxable high yield bond team. "Capital appreciation has significantly increased both high yield funds' assets and enhanced investor demand. The low interest rate environment has also prompted income-seeking investors to consider this sector, and some of the strong flows into our high yield funds reflect their increased appetite for yield.

"If flows were to continue at this pace, though, it could eventually strain our ability to invest efficiently and result in an over-diversified fund with a less effective investment strategy. We are committed to investing in a manner consistent with the funds' objectives," said Mr. Vaselkiv.

In the first three months of 2012, the High Yield Fund had \$266 million in new cash flows, and the Institutional High Yield Fund had \$361 million. During 2011, the High Yield Fund had \$112 million in new cash flows, and the Institutional High Yield Fund had \$709 million.

The High Yield Fund's average annual total returns were **5.05%**, **7.06%**, and **8.40%** for the **1-**, **5-**, and **10-year** periods, respectively, as of **March 31, 2012**. The fund's expense ratio was **0.74%** as of its fiscal year ended May 31, 2011.

[Click here](#) for the High Yield Fund's most recent performance. Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, yield, and return will vary, and you may have a gain or loss when you sell your shares.

The performance information shown does not reflect the deduction of a 2.00% redemption fee on shares held for 90 days or less; if it did, the performance would be lower.

The funds' prospectuses, which are available at troweprice.com or by calling 1-800-541-8803, include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing. T. Rowe Price Investment Services, Inc., Distributor.

High yield bonds carry a greater default risk than higher-rated bonds. The funds are also subject to interest rate risk and, potentially, liquidity risk.

Founded in 1937, Baltimore-based T. Rowe Price is a global investment management organization with \$554.8 billion in assets under management as of March 31, 2012. The firm provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The organization also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research.

SOURCE T. Rowe Price Group

