



**FACT SHEET**

# Tax-Free High Yield Fund

As of September 30, 2018



**Portfolio Manager:**  
James M. Murphy

**Managed Fund Since:**  
2003

**Joined Firm:**  
2000

## FUND INFORMATION

Symbol	PRFHX
CUSIP	741486104
Inception Date of Fund	March 01, 1985
Benchmark	Bloomberg Barclays 65% HG/35% HY Index
Expense Information (as of the most recent Prospectus)*	0.71%
Fiscal Year End	February 28
Total Annual Operating Expenses per \$1,000	\$7.10
12B-1 Fee	-
Redemption Fee**	2.00%
Portfolio Holdings Turnover†	8.7%
Total Assets (all share classes)	\$5,551,059,554
Percent of Portfolio in Cash	0.5%

\* Figure is equivalent to the annual Operating Expense ratio.

\*\* The redemption fee applies on shares held for 90 days or less.

† Portfolio Turnover represents 1 year period ending 12/31/17.

## INVESTMENT OBJECTIVE AND STRATEGY

The fund seeks to provide a high level of income exempt from federal income taxes by investing primarily in long-term low- to upper-medium-grade municipal securities.

Invests a substantial portion of assets in below-investment-grade municipal or "junk" bonds and may buy bonds in default as long as they do not exceed 10% of assets.

Weighted average maturity is expected to exceed 10 years.

May invest in bonds whose income is subject to the calculation of the alternative minimum tax.

## BENEFITS AND RISKS

Offers the highest potential for current income and capital appreciation of all of the T. Rowe Price federal tax-free funds. Some income may be subject to state and local taxes and the federal alternative minimum tax.

Offers the potential for a high level of tax-exempt income and some capital appreciation by investing in below-investment-grade bonds. These bonds tend to offer higher yields to compensate for a greater default risk.

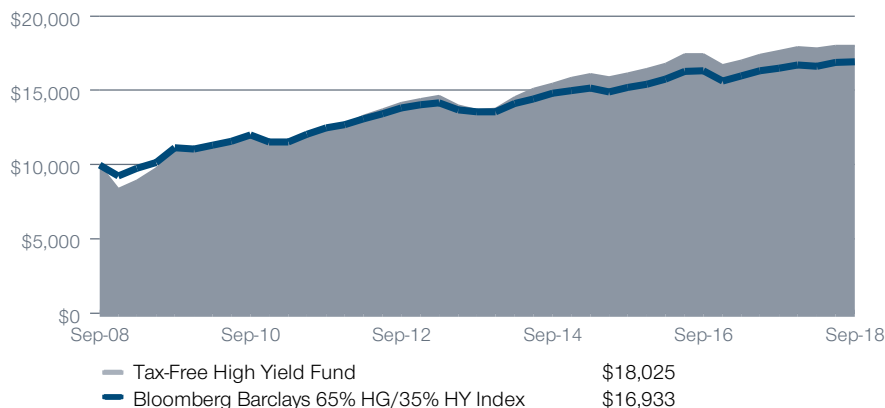
Yield and share price will vary with interest rate changes. Some income may be subject to state and local taxes and the federal alternative minimum tax.

If interest rates rise significantly from current levels, bond fund total returns will decline and may even turn negative in the short term.

High-yield bonds carry a significant level of credit risk.

## CUMULATIVE RETURNS

Growth of \$10,000



## PERFORMANCE

(NAV, total return)

	Three Months	Year-to-Date	One Year	Annualized				30-Day SEC Yield
				Three Years	Five Years	Ten Years	Fifteen Years	
Tax-Free High Yield Fund	-0.03%	0.46%	1.97%	3.71%	5.61%	6.07%	4.95%	-%
Bloomberg Barclays 65% High-Grade/35% High-Yield Index	0.17	1.27	2.42	3.65	4.53	5.41	4.76	-

**Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, 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 any redemption fee; if it did, the performance would be lower. To obtain the most recent month-end performance, or to request a prospectus or summary prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing, please visit our website or contact a T. Rowe Price representative at 1-855-405-6488. The average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions.**

**TOP GUARANTORS**

	% of Fund
Tobacco Industry	4.4%
I-66 Express Mobility Partners	1.9
Goldman Sachs Group, Inc.	1.5
United Airlines Inc.	1.5
95 Express Lanes	1.5
Merrill Lynch & Co., Inc.	1.4
Metropolitan Pier And Expo Auth	1.4
Great Lakes Wtr Auth-Sew Disp Rev	1.3
Illinois	1.2
Elizabeth River Crossings Opco LLC	1.0

**MORNINGSTAR™**

Overall Morningstar Rating™  
 Morningstar Category™ High Yield Muni

Rated against 159 High Yield Muni funds, as of 9/30/2018, based on risk-adjusted total return. Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.

**INDUSTRY DIVERSIFICATION**

	Health Care	Transportation	Ind Dev Rev / Pollut Ctrl Rev	Special Tax	Prere-funded	Educa- tion	Water & Sewer	GO-Lo- cal	Leasing	GO- State	Other
Tax-Free High Yield Fund	28.4%	16.9%	16.5%	7.4%	5.5%	5.0%	3.1%	2.2%	2.1%	1.8%	10.5%
Bloomberg Barclays 65% HG/35% HY Index	13.8	11.1	11.7	11.2	4.2	7.4	7.0	11.3	4.6	9.5	8.1
<b>Over/Underweight</b>	<b>14.6</b>	<b>5.8</b>	<b>4.8</b>	<b>-3.8</b>	<b>1.3</b>	<b>-2.4</b>	<b>-3.9</b>	<b>-9.2</b>	<b>-2.5</b>	<b>-7.7</b>	<b>2.3</b>

**CREDIT QUALITY DIVERSIFICATION**

	AAA	AA	A	BBB	BB	B	CCC	CC	D	Not Rated
Tax-Free High Yield Fund	1.2%	5.2%	21.2%	33.8%	11.6%	3.0%	0.5%	0.7%	0.1%	22.7%
Bloomberg Barclays 65% HG/35% HY Index	8.8	34.7	15.5	7.3	8.3	5.6	1.7	1.0	0.0	17.2
<b>Over/Underweight</b>	<b>-7.6</b>	<b>-29.5</b>	<b>5.8</b>	<b>26.5</b>	<b>3.4</b>	<b>-2.6</b>	<b>-1.2</b>	<b>-0.3</b>	<b>0.1</b>	<b>5.6</b>

**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
Tax-Free High Yield Fund	2.4%	4.9%	1.6%	2.1%	4.8%	28.4%	40.9%	14.9%
Bloomberg Barclays 65% HG/35% HY Index	0.0	9.2	7.8	7.5	11.1	30.7	27.9	5.8
<b>Over/Underweight</b>	<b>2.4</b>	<b>-4.3</b>	<b>-6.3</b>	<b>-5.4</b>	<b>-6.3</b>	<b>-2.3</b>	<b>13.0</b>	<b>9.1</b>

**Additional Disclosures**

Morningstar rated the fund 3, 3, and 4 stars among 159, 127 and 80 High Yield Muni funds for the 3-, 5-, and 10-year periods (as applicable) ending 9/30/2018, respectively. The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. Source for Morningstar data: © 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.** Source for Bloomberg Barclays index data: Bloomberg Index Services Ltd. Copyright 2018, Bloomberg Index Services Ltd. Used with permission.

The Top Guarantors excludes any Prerefunded or Escrowed holdings.

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.

Source for credit quality: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings, but simply assigns them to the appropriate credit quality category as determined by the rating agency. Prerefunded securities are rated based on their current prerefunded status, regardless of which nationally recognized statistical rating organization provided the original rating. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps.

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.

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