T.RowePrice®
INVEST WITH CONFIDENCE

QUARTERLY SUMMARY

As of June 30, 2019

US Municipal Short-Intermediate Term Bond SMA

PORTFOLIO MANAGER:
Hugh D. McGuirk

JOINED FIRM:
1993

INVESTMENT APPROACH

- A short-intermediate-term municipal bond offering that is nationally diversified and seeks to provide a dependable stream of tax-free income
- Integrates independent fundamental credit research to identify attractive investment opportunities and seeks to provide the best risk-adjusted yield that can be sourced from the municipal market over time
- Consistent with the investment themes present in the established portfolios in our platform, this portfolio seeks to maintain a significant overweight to revenue bonds over general obligation debt, which can potentially be impacted by long-term liability concerns or political uncertainty
- Seeks to add value primarily through individual security selection and sector allocation
- Leverages our quantitative capabilities to systematically capture the essential elements of our traditional mutual funds into concentrated separately managed account portfolios

PORTFOLIO CONSTRUCTION

- Duration typically managed to remain neutral relative to the Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index
- Individual holdings rated A- or better, at the time of purchase
- Income is not subject to federal alternative minimum tax (AMT)

STRATEGY HIGHLIGHTS

The composite generated positive returns but modestly underperformed the Bloomberg Barclays Municipal 1–5 Year Blend (1–6 Year Maturity) Bond Index in the three-month period ended June 30, 2019.

Relative Performance Drivers:

- Credit selection was the primary detractor from relative performance, particularly our selection within general obligation (GO) bonds.
- Asset allocation also slightly detracted, specifically within the revenue-backed debt sector. Our underweight to the industrial revenue subsector and overweight to the health care subsector detracted from results.

Additional Market Highlights:

- The Bloomberg Barclays Municipal Bond Index returned 2.14% in the second quarter, as tax-free municipal bonds benefited from a rally in Treasuries and technical support from strong flows into municipal funds.
- The Bloomberg Barclays Municipal 1–5 Year Blend (1–6 Year Maturity) Bond Index returned 1.23% in the second quarter, with revenue bonds modestly outperforming GO debt.
- Municipal yields decreased, with yields falling the most in the longer-maturity end of the yield curve.
- Flows into the asset class continued at historically high levels throughout the quarter, which combined with relatively light levels of new issuance, helped preserve a strong technical backdrop for the muni market.

PERFORMANCE	Three Months	Year-to-Date	One Year	Annualized Since Inception 9/30/16
US Municipal Short-Intermediate Term Bond SMA Composite ("Pure" Gross)[1]	1.19%	2.69%	3.92%	1.92%
US Municipal Short-Intermediate Term Bond SMA Composite (Net - Wrap Fee)[1]	0.88	2.05	2.63	0.66
Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index	1.23	2.74	3.85	1.82
Value Added ("Pure" Gross)	-0.04	-0.05	0.07	0.10
Value Added (Net - Wrap Fee)	-0.35	-0.69	-1.22	-1.16

Past performance is not a reliable indicator of future performance.

[1] Net annual returns reflect the deduction of a 1.25% annual wrap fee which is the maximum anticipated wrap fee deducted from the "pure" gross composite returns. Actual fees may vary. "Pure" gross returns are presented before the deduction of expenses and all other fees, but may include transaction costs. Returns include reinvestment of dividends and capital gains.

CALENDAR YEAR PERFORMANCE

	2016[2]	2017	2018	YTD 2019
US Municipal Short-Intermediate Term Bond SMA Composite ("Pure" Gross)[1]	-1.27%	2.16%	1.74%	2.69%
US Municipal Short-Intermediate Term Bond SMA Composite (Net - Wrap Fee)[1]	-1.58	0.90	0.47	2.05
Bloomberg Barclays Municipal 1-5 Year Blend (1-6 Year Maturity) Index	-1.36	1.90	1.75	2.74
Value Added ("Pure" Gross)	0.09	0.26	-0.01	-0.05
Value Added (Net - Wrap Fee)	--0.22	-1.00	-1.28	-0.69

Past performance is not a reliable indicator of future performance..

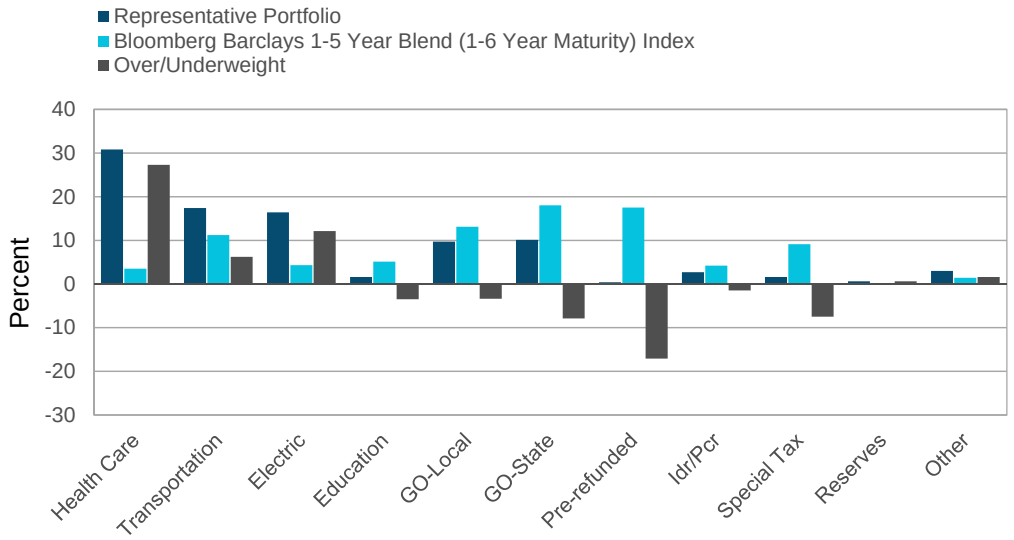
[1] Net annual returns reflect the deduction of a 1.25% annual wrap fee which is the maximum anticipated wrap fee deducted from the "pure" gross composite returns. Actual fees may vary. "Pure" gross returns are presented before the deduction of expenses and all other fees, but may include transaction costs. Returns include reinvestment of dividends and capital gains.

[2]September 30, 2016 through December 31, 2016

RISK RETURN CHARACTERISTICS

This exhibit will be available after three years of performance history.

INDUSTRY DIVERSIFICATION



PORTFOLIO CHARACTERISTICS

	Representative Portfolio	Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index
Weighted Average Maturity	3.24 years	3.18 years
Modified Duration to Worst	2.68 years	2.67 years
Weighted Average Coupon	4.91%	4.76%
Yield to Maturity	1.67%	1.65%

CREDIT QUALITY DIVERSIFICATION

	Representative Portfolio	Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index	Over/ Underweight
AAA	13.5%	16.4%	-2.9%
AA	26.3	51.9	-25.6
A	59.6	21.8	37.8
BBB	0.0	6.2	-6.2
BB	0.0	0.1	-0.1
Not Rated	0.6	3.6	-3.0

MATURITY DIVERSIFICATION

	Representative Portfolio	Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index	Over/ Underweight
0-1 Year	10.9%	0.0%	10.9%
1-3 Years	36.0	44.0	-8.0
3-5 Years	38.3	38.4	-0.1
5-7 Years	10.8	17.6	-6.8
7-10 Years	4.0	0.0	4.0
10-20 Years	0.0	0.0	0.0

GIPS® Disclosure

US Municipal Short-Intermediate Term Bond SMA Composite

Period Ended June 30, 2019
Figures Shown in U.S. dollar

	2016[2]	2017	2018	YTD 2019
Net Annual Returns (%)[1]	-1.58	0.90	0.47	2.05
"Pure" Gross Annual Returns (%)[1]	-1.27	2.16	1.74	2.69
Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index (%)	-1.36	1.90	1.75	2.74
Composite 3-Yr St. Dev.[3]	N/A	N/A	N/A	N/A
Bloomberg Barclays 1-5 Year Blend (1-6 Year Maturity) Index 3-Yr St. Dev.	1.41	1.60	1.63	1.64
Composite Dispersion	N/A	N/A	N/A	N/A
Comp. Assets (Millions)[4]	2.5	2.5	2.6	2.6
# of Accts. in Comp.	1	1	1	1
Total Firm Assets (Billions)	817.2	1,000.2	972.7	1,136.4[5]
SMA Portfolio (%)	0%	0%	0%	0%

[1]Net annual returns reflect the deduction of the highest applicable wrap fee from the "pure" gross returns. "Pure" gross returns are presented before the deduction of expenses and all other fees, but may include transaction costs. Supplemental information. Past performance cannot guarantee future results. Monthly composite performance is available upon request.

[2]September 30, 2016 through December 31, 2016.

[3]Three-year annualized ex-post standard deviation is not presented because 36 monthly returns are not available.

[4]0% of composite assets are composed of non-fee paying portfolios.

[5]Preliminary – subject to adjustment.

T. Rowe Price (TRP) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 22-year period ended June 30, 2018 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The composite does not have a minimum size for composite inclusion. Valuations are computed and performance reported in U.S. dollars.

"Pure" gross returns are presented before the deduction of expenses and all other fees, but may include transactions costs. "Pure" gross returns are presented as supplemental information. Net of fees performance reflects the deduction of 1.25% annual wrap fee which is the maximum anticipated wrap fee appropriate to this mandate from the "pure" gross composite return. The bundled fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. Bundled fees may vary across different financial firms and across different portfolios based on portfolio size and other factors. Gross and net performance returns are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives which generally represent less than 10% of a portfolio.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

US Municipal Short-Intermediate Term Bond SMA Composite. The US Municipal Short-Intermediate Term Bond SMA Composite seeks the highest income consistent with minimal principal volatility primarily through investment in short to intermediate municipal debt securities with effective maturities within 5 years. This composite seeks to replicate on a smaller scale the characteristics of the Muni National Short/Intermediate Strategy Composite. (Created September 2016)

ADDITIONAL DISCLOSURES

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and no assumptions should be made that investments in the securities identified and discussed were or will be profitable.

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

Source for Industry Diversification: Bloomberg Barclays

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

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"Other" includes any categories not explicitly mentioned.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, all data is as of the report date.

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS® disclosure page for additional information on the composite.

Unless indicated otherwise the source of all data is T. Rowe Price.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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201907-887027