



## Short-Term Bond Fund

### Investor Class (PRWBX)

This annual shareholder report contains important information about Short-Term Bond Fund (the "fund") for the period of June 1, 2024 to May 31, 2025. You can find the fund's prospectus, financial information on Form N-CSR (which includes required tax information for dividends), holdings, proxy voting information, and other information at [www.troweprice.com/prospectus](http://www.troweprice.com/prospectus). You can also request this information without charge by contacting T. Rowe Price at 1-800-638-5660 or [info@troweprice.com](mailto:info@troweprice.com) or contacting your intermediary.

### What were the fund costs for the last year? (based on a hypothetical \$10,000 investment)

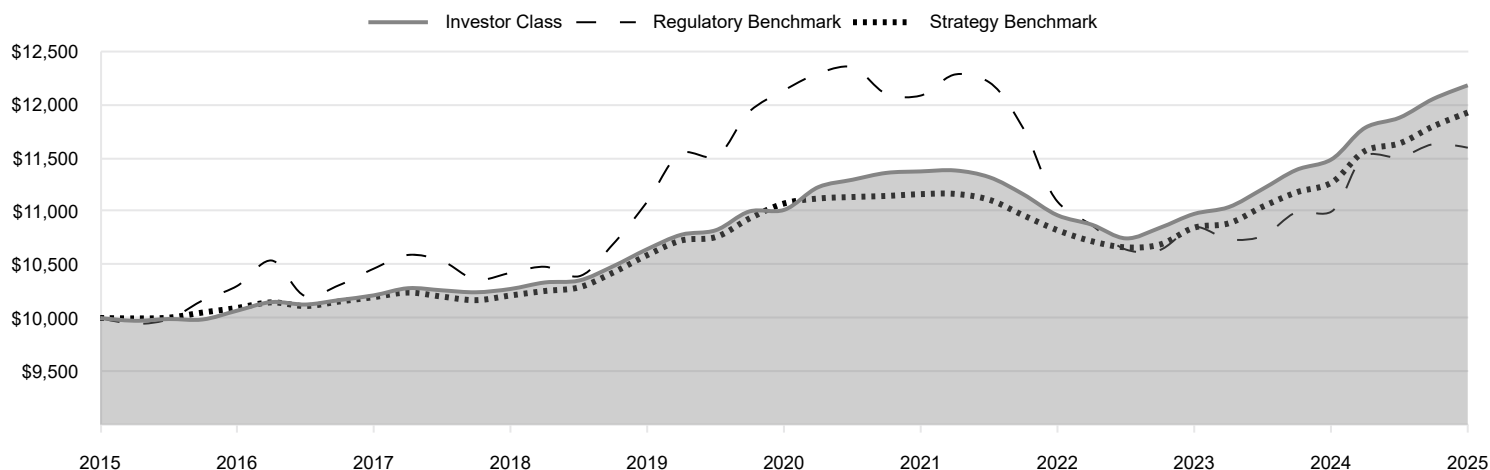
	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Short-Term Bond Fund - Investor Class	\$48	0.47%

### What drove fund performance during the past 12 months?

- The shorter-maturity U.S. investment-grade bond market generated positive returns over the year ended May 31, 2025, as front-end yields fell amid elevated rate volatility, driven by heightened trade policy uncertainty and fiscal policy concerns near the end of the period.
- The fund's overweight to investment-grade corporate bonds and corresponding underweight to U.S. Treasuries aided performance relative to its style-specific benchmark, the Bloomberg 1–3 Year U.S. Government/Credit Index, as corporate credit spreads tightened. Similarly, out-of-benchmark allocations to asset-backed securities, mortgage-backed securities (MBS), and commercial mortgage-backed securities contributed. Security selection within investment-grade corporate bonds generated positive returns.
- Duration management over the period detracted from the fund's returns relative to its style-specific benchmark.
- The Short-Term Bond Fund seeks a high level of income consistent with minimal fluctuation in principal value and liquidity. The fund's allocation to investment-grade corporate bonds marginally decreased over the reporting period but continued to represent its largest absolute and relative position. The fund's allocation to U.S. Treasuries decreased slightly while our allocation to MBS increased.
- While we are primarily a cash bond manager, we occasionally employ the limited use of derivatives in our strategy for hedging purposes. The use of derivatives may include futures and options, as well as credit default and interest rate swaps.

### How has the fund performed?

Cumulative Returns of a Hypothetical \$10,000 Investment as of May 31, 2025



Average Annual Total Returns			
	1 Year	5 Years	10 Years
Short-Term Bond Fund (Investor Class)	6.07%	2.04%	1.99%
Bloomberg U.S. Aggregate Bond Index (Regulatory Benchmark)	5.46	-0.90	1.49
Bloomberg 1-3 Year U.S. Government/Credit Bond Index (Strategy Benchmark)	5.85	1.49	1.78

The preceding line graph shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The fund's performance information included in the line graph and table above is compared with a regulatory required index that represents an overall securities market (Regulatory Benchmark). In addition, the line graph and table may also include one or more indexes that more closely aligns to the fund's investment strategy (Strategy Benchmark(s)). The fund's total return figures reflect the reinvestment of dividends and capital gains, if any. Neither the fund's returns nor the index returns reflect the deduction of taxes that a shareholder would pay on fund distributions or redemptions of fund shares. **The fund's past performance is not a good predictor of the fund's future performance.** Updated performance information can be found at [www.troweprice.com](http://www.troweprice.com).

### What are some fund statistics?

Fund Statistics			
Total Net Assets (000s)	\$4,677,748	Investment Advisory Fees Paid (000s)	\$12,926
Number of Portfolio Holdings	918	Portfolio Turnover Rate	107.2%

### What did the fund invest in?

Security Allocation (as a % of Net Assets)	
Corporate Bonds	43.9%
Asset-Backed Securities	19.2
U.S. Government Agency Obligations (Excluding Mortgage-Backed)	18.6
Non-U.S. Government Mortgage-Backed Securities	7.7
U.S. Government & Agency Mortgage-Backed Securities	7.0
Foreign Government Obligations & Municipalities	2.0
Securities Lending Collateral	0.7
Commercial Paper	0.5
Short-Term and Other	0.4

Top Ten Holdings (as a % of Net Assets)	
U.S. Treasury Notes	18.2%
Federal National Mortgage Assn.	4.1
Federal Home Loan Mortgage	1.8
Banco Santander	1.6
Government National Mortgage Assn.	1.0
CVS Health	0.8
Wells Fargo	0.8
Crown Castle	0.7
Volkswagen Group of America Finance	0.7
SBA Tower Trust	0.6

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