



T. Rowe Price

PORTFOLIO UPDATE

Ultra Short-Term Bond Fund

As of March 31, 2024



Portfolio Manager:
Alex Obaza

Managed Fund Since:
2020

Joined Firm:
2005

INVESTMENT OBJECTIVE

The fund seeks a high level of income consistent with minimal fluctuations in principal value and liquidity.

FUND INFORMATION

Symbol	TRBUX
CUSIP	77957P303
Inception Date of Fund	December 03, 2012
Benchmark	Bloomberg Short-Term Gov/Corp Index
Expense Information (as of the most recent Prospectus)*	0.33% (Gross) 0.31% (Net)
Fiscal Year End	May 31
12B-1 Fee	–

*The Fund operates under a contractual expense limitation that expires on September 30, 2025.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Three Years	Five Years	Ten Years	Annualized		
							Since Inception 12/3/12	30-Day SEC Yield	30-Day SEC Yield w/o Waiver ^o
Ultra Short-Term Bond Fund	0.42%	1.62%	6.64%	2.37%	2.57%	2.03%	1.82%	4.93%	4.91%
Bloomberg Short-Term Government/Corporate Index	0.44	1.18	5.19	2.34	2.07	1.52	1.37	–	–

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. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

^oExcludes the effect of contractual expense limitation arrangements. If the expense waiver was not in effect for the 30-Day period shown, there may not be a difference in the 30-day SEC yields shown above.

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.

MARKET COMMENTARY

The U.S. investment-grade (IG) fixed income market, as measured by the Bloomberg U.S. Aggregate Bond Index, recorded positive returns in March, although first-quarter results were negative as a result of a two-month losing streak at the start of the year. A slight drop in longer-term Treasury yields along with generally tighter credit spreads supported the March rebound.

Treasury yields fluctuated during the month but finished slightly lower across much of the curve. Higher-than-expected inflation data helped drive up Treasury yields through the first half of the month, while a Federal Reserve meeting that was generally perceived as dovish sent rates lower toward the end of March. After starting the month at 4.25%, the benchmark 10-year Treasury yield rose as high as 4.34%, the highest closing level since the end of November, according to Treasury Department data, before dropping back to 4.20% at month-end.

At the Fed meeting, policymakers, as expected, left the federal funds rate unchanged, but investors were more focused on the Summary of Economic Projections, which continued to show that the median Fed forecaster expects three interest rate cuts this year. The projections did point to stronger growth and inflation this year than previously indicated, while also removing one rate cut from the forecast for 2025.

Absolute results were positive in all the major benchmark sectors due to falling Treasury yields, while excess returns were also generally positive. IG corporates benefited from solid technicals, resilient economic data, and a risk-on environment and produced the strongest absolute and excess returns. Commercial mortgage-backed securities (CMBS) performed well-particularly beaten-down, lower-rated issues-amid solid demand, while the agency mortgage-backed securities sector received a boost from expectations for lower rate volatility and manageable supply. Asset-backed securities delivered modest excess returns but trailed other sectors amid elevated new issuance.

THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS, OR SUMMARY PROSPECTUS IF AVAILABLE.

RISK RETURN CHARACTERISTICS

(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Ultra Short-Term Bond Fund	1.73%	0.51%	0.94	0.03	0.31	0.29	1.60%
Bloomberg Short-Term Gov/Corp Index	0.66	0.00	1.00	1.00	0.00	0.00	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 10.5% of total net assets.

	% of Fund
Edison International	1.4%
International Flavors & Fragrances	1.2
Brighthouse Financial	1.1
Daimler Truck Holding	1.1
V. F.	1.0
Volkswagen	1.0
Ovintiv	1.0
Harley-Davidson	0.9
Jabil	0.9
Walgreens Boots Alliance	0.9

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

PORTFOLIO CHARACTERISTICS

	Ultra Short-Term Bond Fund	Bloomberg Short-Term Gov/Corp Index
Number of Holdings	357	790
Weighted Average Maturity	1.34 years	0.48 years
Weighted Average Effective Duration	0.69 years	0.45 years
Weighted Average Coupon	4.58%	2.28%
Yield to Maturity	6.20%	5.42%
Percent of Portfolio in Cash	-1.0%	-
Total Assets (all share classes)	2,186,819,202	-

SECTOR DIVERSIFICATION

	Corporate Bonds & Notes	Asset- Backed Securities	Mortgage- Backed Securities	U.S. Treas- ury Bonds and Notes	CMBS	Government Re- lated	Non US\$ Denomi- nated	Reserves
Ultra Short-Term Bond Fund	58.0%	24.5%	8.8%	3.5%	3.0%	2.6%	0.5%	-1.0%
Bloomberg Short-Term Gov/Corp Index	20.9	0.0	0.0	74.9	0.0	4.1	0.0	0.0
Over/Underweight	37.1	24.5	8.8	-71.4	3.0	-1.5	0.5	-1.0

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	U.S. Govt Ag**	AAA	AA	A	BBB	BB	Not Rated	Reserves
Ultra Short-Term Bond Fund	0.5%	0.0%	30.3%	6.2%	25.7%	34.1%	0.5%	0.7%	2.0%
Bloomberg Short-Term Gov/Corp Index	74.9	4.0	0.5	4.2	10.1	6.2	0.0	0.0	0.0
Over/Underweight	-74.4	-4.0	29.7	2.0	15.6	27.9	0.5	0.7	2.0

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
Ultra Short-Term Bond Fund	39.1%	52.0%	5.8%	2.4%	0.5%	0.1%	0.0%	0.0%

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

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.

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Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

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.

Credit ratings for the securities held in the Fund are provided by Moody's, Standard & Poor's and Fitch and are converted to the Standard & Poor's nomenclature. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The Fund is not rated by any agency. U.S. Government Agency securities, if any, may include conventional pass-through securities and collateralized mortgage obligations. This category may include rated and unrated securities.

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Source for Maturity Diversification: T Rowe Price.

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

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