



PORTFOLIO UPDATE

Ultra Short-Term Bond Fund

As of June 30, 2020

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Joe Lynagh	2012	1990
Alex Obaza	2020	2005

Effective March 1, 2020 Alex Obaza assumed co-portfolio management responsibility for the Fund.

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 Barclays Short-Term Gov/Corp Index
Expense Information (as of the most recent Prospectus)*	0.42% (Gross) 0.32% (Net)
Fiscal Year End	May 31
12B-1 Fee	-

*The Fund operates under a contractual expense limitation that expires on September 30, 2021.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			30-Day SEC Yield	30-Day SEC Yield w/o Waiver ^o
					Three Years	Five Years	Since Inception 12/3/12		
Ultra Short-Term Bond Fund	0.95%	3.37%	1.65%	2.95%	2.66%	2.15%	1.57%	1.64%	1.59%
Bloomberg Barclays Short-Term Government/Corporate Index	0.06	0.37	1.16	2.32	2.14	1.54	1.10	-	-

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. 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. 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. For Sourcing Information, please see Additional Disclosures.

MARKET COMMENTARY

The investment-grade U.S. fixed income market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, produced positive performance in June as credit sectors widely outperformed U.S. Treasuries. Total returns for U.S. Treasuries were flat for the month. Longer-term rates increased early in June, driven by stronger-than-expected economic data and heavy levels of corporate debt issuance amid the Federal Reserve's support for the corporate bond market, which pulled investors away from Treasuries. However, Treasury yields decreased following a dovish outlook from the Federal Open Market Committee (FOMC) and continued to trend downward as rising coronavirus infections in large portions of the U.S. cast doubts on the strength of a near-term economic recovery. The FOMC's latest projections revealed that nearly all members foresee no rate adjustments through at least 2022.

Investment-grade corporate bonds continued to rally in June as spreads tightened across major subsectors. High-grade corporates saw steady global demand, with increased interest in new supply. The market also reacted favorably to the Federal Reserve's announcement that it will begin buying a broad basket of individual corporate bonds and shift away from purchases of exchange-traded funds. Spread movements were volatile, though, as increasing coronavirus cases and geopolitical tensions between the U.S. and China put upward pressure on corporate spreads at times.

Securitized credit sectors, like commercial mortgage-backed securities and asset-backed securities, also performed well and outpaced U.S. Treasuries. While some states saw accelerating coronavirus cases at the end of June, CMBS and ABS benefited from the Fed's launch of the Term Asset-Backed Securities Loan Facility, broader risk-on market sentiment, and gradually easing lockdown measures in many parts of the United States. However, U.S. agency mortgage-backed securities posted negative returns and underperformed as prepayment speeds and supply remained elevated in June.

RISK RETURN CHARACTERISTICS

(Five Years ended June 30, 2020)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Ultra Short-Term Bond Fund	1.46%	1.44%	-1.12	0.02	0.40	0.68	1.51%
Bloomberg Barclays Short-Term Gov/Corp Index	0.30	0.00	1.00	1.00	0.00	1.29	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 10.0% of total net assets.

	% of Fund
Energy Transfer	1.2%
Eni	1.1
Royal Bank of Scotland	1.0
Occidental Petroleum	1.0
General Motors	1.0
Japan	1.0
CommonSpirit Health	1.0
Nissan Motor	0.9
Ford Motor	0.9
Perrigo	0.9

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

PORTFOLIO CHARACTERISTICS

	Ultra Short-Term Bond Fund	Bloomberg Bar- clays Short-Term Gov/Corp Index
Number of Holdings	556	567
Weighted Average Maturity	1.33 years	0.49 years
Weighted Average Effective Duration	0.98 years	0.48 years
Weighted Average Coupon	2.43%	2.42%
Yield to Maturity	1.63%	0.33%
Percent of Portfolio in Cash	0.2%	-
Total Assets (all share classes)	2,226,965,457	-

SECTOR DIVERSIFICATION

	Corporate Bonds & Notes	Asset- Backed Securities	Mortgage- Backed Securities	Govern- ment Re- lated	U.S. Treas- ury Bonds and Notes	CMBS	Non US\$ Denomi- nated	Reserves
Ultra Short-Term Bond Fund	60.6%	16.6%	14.6%	3.8%	1.9%	1.2%	1.0%	0.2%
Bloomberg Barclays Short-Term Gov/Corp Index	24.3	0.0	0.0	3.4	72.3	0.0	0.0	0.0
Over/Underweight	36.2	16.6	14.6	0.4	-70.4	1.2	1.0	0.2

For Sourcing Information, please see Additional Disclosures.

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	U.S. Govt Ag**	AAA	AA	A	BBB	BB	Not Rated	Reserves
Ultra Short-Term Bond Fund	1.9%	0.1%	25.5%	7.6%	24.1%	36.8%	2.7%	1.2%	0.2%
Bloomberg Barclays Short-Term Gov/Corp Index	72.3	3.3	0.5	5.7	11.3	6.8	0.1	0.0	0.0
Over/Underweight	-70.4	-3.2	25.0	1.9	12.8	30.0	2.5	1.2	0.2

*U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

**U.S. government agency securities are issued or guaranteed by a U.S. government agency, and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

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	41.6%	55.7%	2.2%	0.0%	0.0%	0.6%	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.

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Source for Maturity Diversification: T Rowe Price.

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