

Ultra Short-Term Bond Fund (TRBUX)

As of February 28, 2026



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Alex Obaza	2020	2005

Investment Objective

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

General Information

CUSIP	77957P303
Inception Date	December 03, 2012
Benchmark	Bloomberg Short-Term Gov/Corp Index
Expense Information (as of the most recent Prospectus) ⁽¹⁾	0.33%(Gross) 0.31%(Net)

⁽¹⁾The Fund operates under a contractual expense limitation that expires on July 31, 2027.

Market Commentary

The U.S. investment-grade (IG) fixed income market, as measured by the Bloomberg U.S. Aggregate Bond Index, delivered positive returns for a second consecutive month in February. Falling Treasury yields supported benchmark returns, although a risk-off environment contributed to widening credit spreads.

On the Treasury curve, shorter-term yields were anchored by investor expectations that the Federal Reserve would keep interest rates unchanged at upcoming meetings, while longer-term yields were driven lower by a flight to quality stemming from concerns regarding the disruptive potential of artificial intelligence, escalating tensions between the U.S. and Iran, and worries about a weakening economy. Yields fell the most in the 5- to 10-year portion of the curve, with the benchmark 10-year Treasury yield dropping from 4.26% at the start of the month to 3.97% by the end of February, the lowest closing level since late October.

In addition to the flight to safety, a decline in U.S. job openings and a weaker-than-expected retail sales report were among the factors that sparked demand for Treasuries during the period. However, the monthly payrolls report was well ahead of consensus forecasts, supporting a more positive view of the economy. The Fed's monetary policy committee didn't meet in February, but minutes from the Fed's January meeting noted that most participants believed employment risks were moderating while inflation risks persisted, which reinforced investor expectations that the Fed would hold off on resuming rate cuts in the near term.

Across the major credit sectors, absolute performance was broadly positive as a result of falling Treasury yields, although excess returns were mixed. IG corporates generated the weakest excess returns amid heavy supply and broad risk aversion, with the long end of the credit curve underperforming. However, inflows to IG corporate bond funds were positive, and IG spreads remained well below longer-term averages. Agency mortgage-backed securities finished with modestly negative excess returns. Meanwhile, commercial mortgage-backed securities and asset-backed securities benefited from favorable technicals and delivered slightly positive excess returns.

Performance (%) (NAV, total return Performance > 1yr is Annualized)

	1m	3m	YTD	1yr	3yrs	5yrs	10yrs	Since Inception	30-Day SEC Yield	30-Day SEC Yield w/o Waiver ⁽²⁾
Ultra Short-Term Bond Fund (TRBUX)	0.34	1.29	0.71	5.11	5.90	3.57	3.02	2.36	4.01	3.98
Bloomberg Short-Term Government/Corporate Index (BSTGC)	0.28	0.96	0.58	4.29	4.97	3.23	2.38	1.86	N/A	N/A

The 1-, 5-, and 10-year annualized returns as of 2025-12-31 were 5.20%, 3.45% and 2.96% for the Fund.

Past performance is not a guarantee or a reliable indicator of future results. 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](https://www.troweprice.com).

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

⁽²⁾Excludes 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(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

Risks: Interest rates: A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. **Derivatives:** The use of derivatives exposes the fund to additional volatility and potential losses. A derivative involves risks different from, and possibly greater than, the risks associated with investing directly in the assets on which the derivative is based, including liquidity risk, valuation risk, correlation risk, market risk, interest rate risk, leverage risk, counterparty and credit risk, operational risk, management risk, legal risk, and regulatory risk. See the prospectus for more detail on the fund's principal risks.

THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS, OR SUMMARY PROSPECTUS IF AVAILABLE.
<https://prospectus-express.broadridge.com/summary.asp?doctype=pros&clientid=trowepll&fundid=77957P303>

Risk Return Characteristics (Five Years ended February 28, 2026)

	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
Ultra Short-Term Bond Fund	1.12	0.45	1.61	0.43	0.58	0.12	0.57
Bloomberg Short-Term Gov/Corp Index	0.72	0.00	1.00	1.00	0.00	-0.27	0.00

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Figures are calculated using monthly data and are net of fees.

Top 10 Issuers (%)

	Fund
U.S. Treasuries	3.9
Banco Santander	2.5
Exeter Automobile Receivables Trust	2.3
Carvana Auto Receivables Trust	2.2
Bain Capital Credit CLO	1.4
Edison International	1.4
Battalion CLO	1.3
Targa Resources	1.3
Conagra Brands	1.3
HCA Healthcare	1.2

Comprising 18.8% of total net assets.

Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All rights reserved.

Portfolio Characteristics

	Fund	BSTGC
Number of Holdings	467	742
Weighted Average Maturity	1.21 years	0.49 years
Weighted Average Effective Duration	0.60 years	0.48 years
Weighted Average Coupon	4.37%	3.03%
Yield to Maturity	4.26%	3.75%
Total Assets (all share classes)	\$2,755,276,522	N/A
Percent of Portfolio in Cash	10.2%	N/A

Sector Diversification (%)

	Fund	BSTGC
Corporate Bonds & Notes	56.2	21.4
Asset-Backed Securities	26.0	0.0
Mortgage-Backed Securities	10.2	0.0
U.S. Treasury Bonds and Notes	3.9	77.0
Government Related	3.0	1.6
CMBS	1.0	0.0
Non US\$ Denominated	0.5	0.0
Reserves	-0.8	0.0

Credit Quality Diversification (%)	Fund	BSTGC
U.S. Treas	2.9	77.0
U.S. Govt Ag	2.1	1.6
AAA	26.7	0.3
AA	7.8	4.9
A	16.8	10.1
BBB	34.9	6.1
BB	0.2	0.0
Not Rated	8.3	0.0
Reserves	0.2	0.0

Maturity Diversification (%)	Fund
0-1 Year	47.7
1-3 Years	48.2
3-5 Years	3.6
5-7 Years	0.3
7-10 Years	0.2

Additional Disclosures & Definitions

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.

Visit Troweprice.com/glossary for a glossary of financial terminology.

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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.

T. Rowe Price uses a custom structure for sector and industry reporting for 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.

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

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

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