

# Virginia Tax-Free Bond Fund - I Class (TFBVX)

As of March 31, 2026



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Tim Taylor	2020	1996
Austin Applegate	2025	2011

## Investment Objective

The fund seeks to provide, consistent with prudent portfolio management, the highest level of income exempt from federal and Virginia state income taxes by investing primarily in investment-grade Virginia municipal bonds.

## General Information

CUSIP	77957R788
Inception Date	July 06, 2017
Benchmark	Bloomberg Muni Index
Expense Information (as of the most recent Prospectus)	0.42%

## Market Commentary

Tax-free municipal bonds, as measured by the Bloomberg Municipal Bond Index, generated a return of -2.32%, which ended a string of seven consecutive months of positive results and was the weakest performance for the sector since September 2023. Munis faced pressure from a sharp rise in Treasury yields along with elevated bond issuance in the tax-exempt sector.

Geopolitical developments were the dominant driver of fixed income market performance as the outbreak of war in the Middle East and the effective closure of the Strait of Hormuz reignited inflation concerns. As a result, investors demanded higher yields to compensate for increased uncertainty and potential energy price shocks. These dynamics also led markets to reprice monetary policy expectations, effectively removing the likelihood of rate cuts in 2026.

Municipal bond performance was broadly negative across segments. Bonds with maturities of 10 to 15 years delivered the weakest returns, while losses in the front end were more modest. In terms of credit quality, high yield municipals outperformed the broad investment-grade municipal index, and within investment grade, AA and A rated bonds held up slightly better than both higher- and lower-rated segments.

At the sector level, revenue bonds performed in line with general obligation bonds, while prerefunded securities outperformed but were still negative. Within revenue subsectors, education, leasing, and industrial revenue/pollution control generated the weakest returns. In contrast, both high yield and investment-grade tobacco along with resource recovery bonds outperformed.

New issuance volume remained elevated and was up more than 5% for the year-to-date period from the record-setting pace seen at the same point last year. However, according to preliminary LSEG Lipper data, inflows to municipal bond funds were positive for the month, which provided technical support, although the asset class did experience its first week of outflows in more than four months.

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

	1m	3m	1yr	3yrs	5yrs	10yrs	15yrs	30-Day SEC Yield
Virginia Tax-Free Bond Fund - I Class (TFBVX)	-2.01	0.13	4.21	3.38	0.89	2.07	3.24	3.66
Bloomberg Municipal Bond Index (LBMBI)	-2.32	-0.18	4.29	2.87	0.84	2.16	3.29	N/A

**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.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund is referred to as the "investor class"). The total return figures for this I Class have been calculated using the performance data of the Investor Class (incepted 4/30/91) up to the inception date of the I Class (7/6/17) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, the I Class performance, had it existed over the periods shown, would have been higher.

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. **State-specific focus:** Because the fund focuses its investments on securities issued by Virginia and its municipalities, it is more susceptible to unfavorable developments in Virginia than funds that invest in municipal securities of many states. **Taxes:** Some income may be subject to the federal alternative minimum tax. Income earned by non-Virginia residents will be subject to applicable state and local taxes. Capital gains, if any, are generally taxable. 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=77957R788>

**Risk Return Characteristics** (Five Years ended March 31, 2026)

	<b>Annualized Std. Deviation (%)</b>	<b>Alpha (%)</b>	<b>Beta</b>	<b>R-Squared</b>	<b>Information Ratio</b>	<b>Sharpe Ratio</b>	<b>Tracking Error (%)</b>
Virginia Tax-Free Bond Fund - I Class	7.01	0.37	1.11	0.97	0.04	-0.37	1.35
Bloomberg Muni Index	6.24	0.00	1.00	1.00	0.00	-0.42	0.00

**Past performance is not a guarantee or a reliable indicator of future results.**

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

**Top 10 Guarantors (%)**

	Fund
Commonwealth of Virginia	7.2
Metropolitan Washington Airports Authority Aviation Revenue	6.8
VA HSG Mfm Rental HSG	5.6
Metropolitan Washington Airports Authority Dulles Toll Road Revenue	3.7
Puerto Rico Sales Tax Financing Corp Sales Tax Revenue	3.6
Hampton Roads Transportation Fund	3.2
95 Express Lanes LLC	2.9
University of Richmond	2.7
Virginia Hospital Center Arlington Health System Obligated Group	2.6
I-66 Express Mobility Partners LLC	2.4

Comprising 40.7% of total net assets.

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

**Portfolio Characteristics**

	Fund	LBMBI
Number of Holdings	393	64,661
Weighted Average Maturity	17.39 years	13.32 years
Weighted Average Effective Duration	7.43 years	6.19 years
Weighted Average Coupon	4.40%	4.66%
Yield to Maturity	4.56%	4.06%
Total Assets (all share classes)	\$1,437,301,600	N/A
Percent of Portfolio in Cash	1.7%	N/A

**Industry Diversification (%)**

	Fund	LBMBI
Transportation	21.8	14.8
Health Care	18.8	9.4
Leasing	15.3	6.3
Education	10.4	7.3
Housing	8.0	4.2
GO-Local	7.7	15.9
Special Tax	5.3	10.1
Water & Sewer	4.8	8.5
GO-State	1.9	10.8
Reserves	1.7	0.0
Other	4.2	12.9

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**Credit Quality**

Credit Quality Diversification (%)	Fund	LBMBI
AAA	18.8	22.8
AA	49.0	56.9
A	9.6	16.0
BBB	11.8	4.0
BB	0.8	0.0
B	0.6	0.0
D	0.5	0.0
Not Rated	9.0	0.3
Reserves	-0.1	0.0

**Maturity**

Maturity Diversification (%)	Fund	Fund vs. LBMBI
0-1 Year	2.8	2.8
1-3 Years	3.7	-5.4
3-5 Years	3.5	-6.4
5-7 Years	1.3	-8.7
7-10 Years	6.3	-8.0
10-20 Years	44.1	12.7
20-30 Years	32.6	9.7
30+ Years	5.7	3.3

**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](http://troweprice.com). Read it carefully.**

Visit [Troweprice.com/glossary](http://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.

The Top Guarantors excludes any Prerefunded or Escrowed holdings.

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

Source for Industry Diversification: Bloomberg Index Services Ltd.

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.

"Other" includes any categories not explicitly mentioned.

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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