



STRATEGY HIGHLIGHTS

As of 30 September 2020

US Short-Term Bond Strategy

Total US Short-Term Bond Strategy Assets:¹ \$23.2 billion²

Figures shown in U.S. Dollars

INVESTMENT APPROACH

- The strategy seeks to provide a high level of income, consistent with belief that yields plays a greater role than price appreciation in generating excess returns.
- Focus primarily on short- and intermediate-term investment-grade U.S. fixed income securities, with the ability to integrate non-index sectors and securities, such as foreign bonds, mortgage-backed, commercial mortgage-backed and asset-backed securities.
- Seeks to add value primarily through sector rotation, individual security selection, and term structure positioning.
- Integrate proprietary credit and capital market research to identify market inefficiencies.

PORTFOLIO CONSTRUCTION

- Average credit quality of the portfolio is typically AA.
- Non-dollar foreign bond exposure is limited to 10% (hedged and unhedged).
- Duration is typically managed within +/- 20% of the benchmark.
- Target tracking error range: 40 to 80 basis points.

BENCHMARK

- Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index

PORTFOLIO MANAGEMENT

Michael Reinartz, CFA[®]

- 20 years of investment experience; 24 years with T. Rowe Price.
- B.S., Towson University

PORTFOLIO SPECIALISTS

Whitney Reid, CFA[®]

- 25 years of investment experience; 9 years with T. Rowe Price.
- M.S., Boston University
- B.S., Lehigh University

Portfolio Specialists do not assume management responsibilities.

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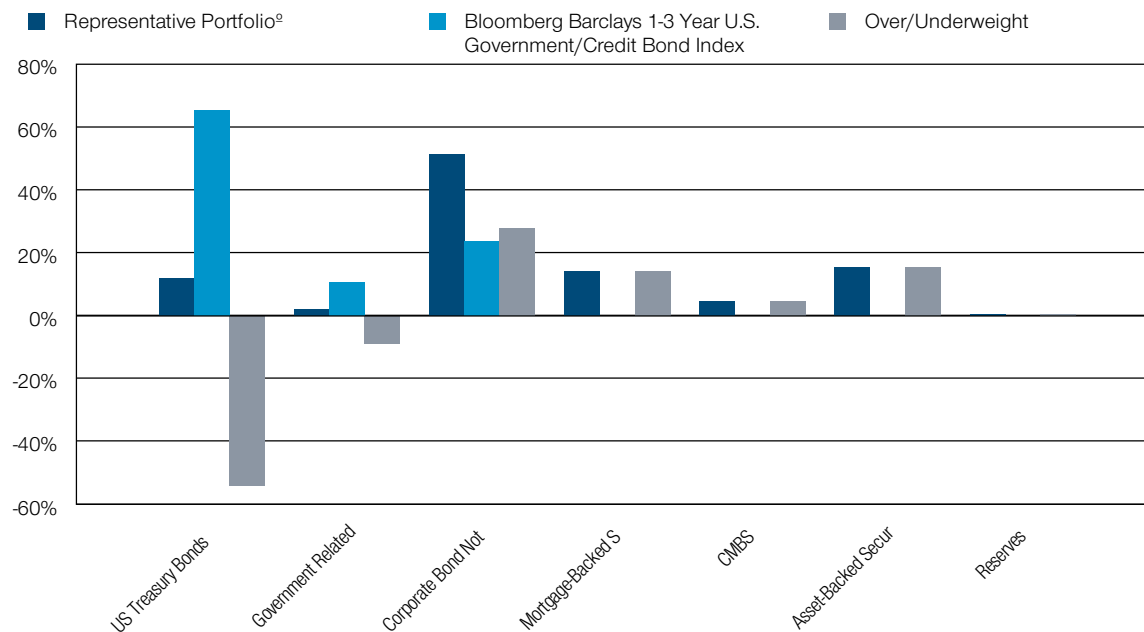
¹ Includes a U.S.-registered mutual fund, variable annuity portfolios, subadvised portfolios, and separate accounts.

² Assets reported are as of 30 June 2020.

TOP ISSUERS

	% of Representative Portfolio²
AbbVie	0.9%
Charter Communications	0.9
Bunge Limited	0.8
GE	0.7
General Motors	0.7
Citigroup	0.7
Goldman Sachs	0.7
UBS	0.7
Energy Transfer	0.7
British American Tobacco	0.6
Total	7.3%

SECTOR DIVERSIFICATION



PORTFOLIO CHARACTERISTICS

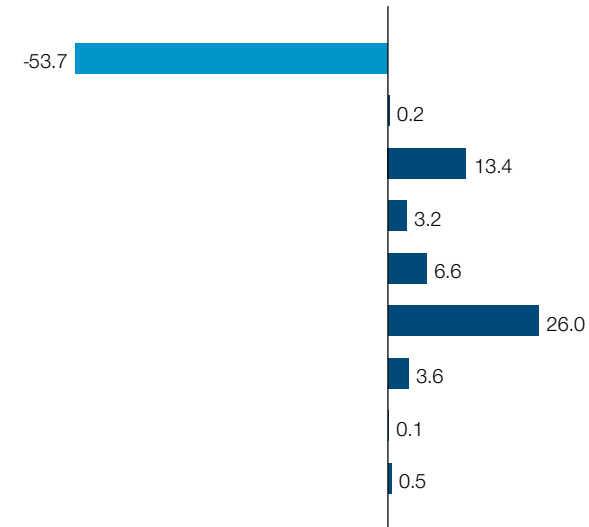
	Representative Portfolio²	Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index
Weighted Average Maturity	2.29 years	1.91 years
Weighted Average Effective Duration	1.90 years	1.83 years
Number of Holdings	977	1,643

²Please see Additional Disclosures section for further information.

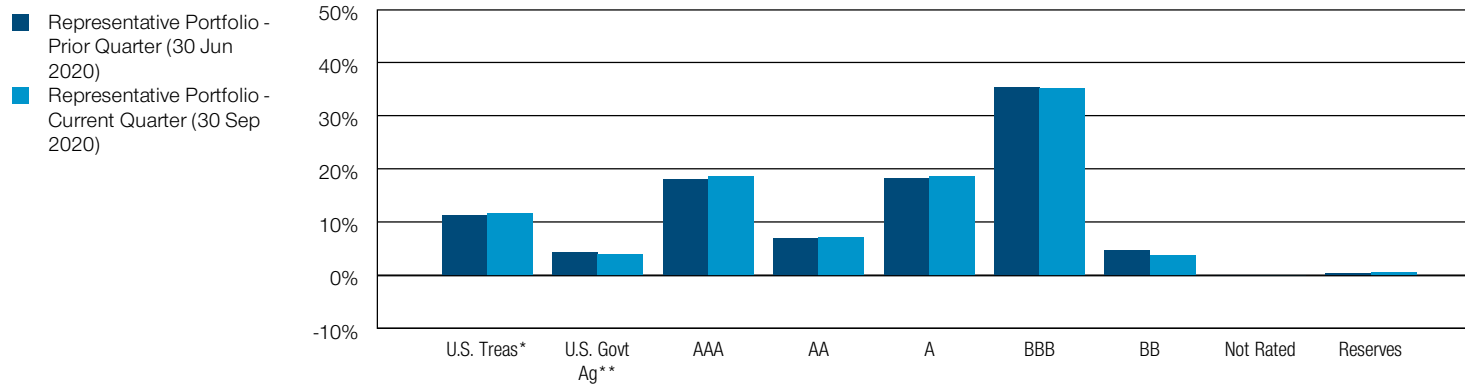
CREDIT QUALITY DIVERSIFICATION

	% of Representative Portfolio ^o	% of Index
U.S. Treasury*	11.8	65.5
U.S. Government Agency Securities**	4.0	3.8
AAA	18.6	5.2
AA	7.2	4.0
A	18.7	12.1
BBB	35.2	9.2
BB	3.9	0.3
Not Rated	0.1	0.0
Reserves	0.5	0.0

Representative Portfolio^o vs. Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index



QUARTER-OVER-QUARTER CHANGE



*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.

^oPlease see Additional Disclosures section for further information.

PERFORMANCE

	Three Months	Year-to-Date	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
US Short-Term Bond Composite (Gross)	1.05%	3.84%	4.56%	3.49%	2.83%	2.28%	3.29%
US Short-Term Bond Composite (Net)	0.99	3.67	4.33	3.26	2.60	2.05	3.06
Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index	0.23	3.12	3.73	2.84	2.09	1.57	2.60
Value Added (Gross)	0.82	0.72	0.83	0.65	0.74	0.71	0.69
Value Added (Net)	0.76	0.55	0.60	0.42	0.51	0.48	0.46

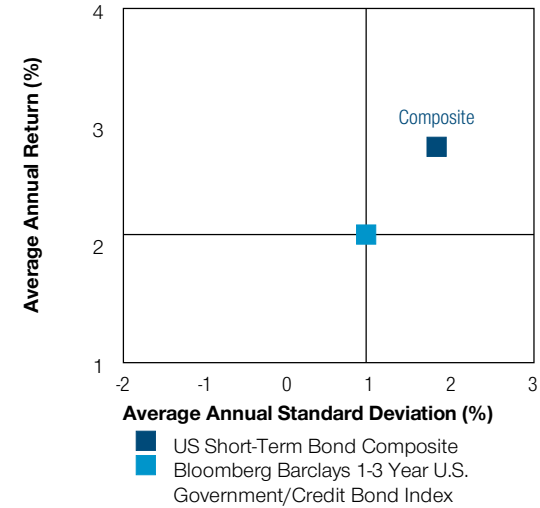
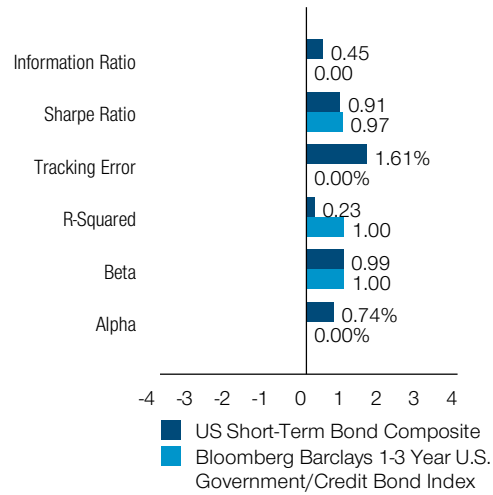
Past performance is not a reliable indicator of future performance.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains.

For Sourcing Information, please see Additional Disclosures.

RISK/RETURN CHARACTERISTICS

Five Years ended 30 September 2020



Past performance is not a reliable indicator of future performance. Statistics based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees.

FEE SCHEDULE**US Short-Term Bond Composite**

The US Short-Term Bond Composite seeks current income with minimal price volatility primarily through investment in fixed income securities included in the Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index. The strategy may also include exposure to asset-backed, mortgage-backed, and other securities not present in the reference index. (Created June 2006) (Formerly known as U.S. Short-Term Bond (1-3 Year Index) Composite)

First \$50 million	22.5 basis points
Next \$50 million	17.5 basis points
Above \$100 million	15 basis points on all assets *
Above \$250 million	12.5 basis points on all assets *
Minimum separate account size	\$50 million

* A transitional credit is applied to the fee schedule as assets approach or fall below the break point.

GIPS® Disclosure

US Short-Term Bond Composite

Period Ended December 31, 2019

Figures Shown in U.S. dollar

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Annual Returns (%)	3.70	2.00	3.43	0.84	1.25	0.96	2.18	1.83	1.84	4.75
Net Annual Returns (%) ¹	3.47	1.78	3.19	0.61	1.02	0.74	1.95	1.60	1.62	4.52
Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index (%)	2.80	1.59	1.26	0.64	0.77	0.65	1.28	0.84	1.60	4.03
Composite 3-Yr St. Dev.	2.40	1.58	1.00	0.92	0.83	0.76	0.80	0.72	0.71	0.77
Bloomberg Barclays 1-3 Year U.S. Government/Credit Bond Index 3-Yr St. Dev.	1.68	0.99	0.72	0.54	0.49	0.58	0.75	0.73	0.82	0.92
Composite Dispersion	N/A	N/A	N/A	0.09	0.05	0.02	0.05	0.04	0.02	N/A
Comp. Assets (Millions)	6,764.7	9,010.4	11,266.9	11,707.3	12,157.4	10,323.2	10,245.0	10,427.8	10,047.0	10,337.5
# of Accts. in Comp.	5	8	8	9	10	10	10	11	10	9
Total Firm Assets (Billions)	485.0	493.1	579.8	696.3	749.6	772.4	817.2	1,000.2	972.7	1,218.2 ²

¹Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance is not a reliable indicator of future performance. Monthly composite performance is available upon request. **See below for further information related to net of fee calculations.**

²Preliminary - subject to adjustment.

T. Rowe Price (TRP) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 23-year period ended June 30, 2019 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

The strategy utilizes on a regular basis a variety of derivative instruments such as (but not limited to) currency forwards, fixed income futures, interest rate swaps and credit default swaps, primarily to hedge certain market risks associated with the strategy's objective and to express directional opportunities on specific markets and to facilitate liquidity management.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

A portfolio management change occurred effective January 22, 2015. There were no changes to the investment program or strategy related to this composite.

ADDITIONAL DISCLOSURES

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

Weighted Average Maturity is an average of the maturities of the underlying bonds, with each bond's maturity weighted by the percentage of Composite assets it represents. Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of the Composite to changes in interest rates. In general, the longer the average maturity or duration, the greater the Composite's sensitivity to interest rates. Duration is a better indicator of price sensitivity because it takes into account the time value of cash flows.

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

The specific securities identified and described do not represent all of the securities purchased or sold for this Composite. This information is not intended to be a recommendation to take any particular investment action and is subject to change. No assumption should be made that the securities identified and discussed were or will be profitable.

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The Top Issuers excludes U.S. Treasuries, institutional funds, agencies and securitized products.

Source for Sector Diversification: T. Rowe Price

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

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The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS Disclosure page for additional information on the composite.

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

Risks

The following risks are materially relevant to the portfolio.

General Portfolio Risks

Capital risk - The value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the portfolio and the currency in which you subscribed, if different. **Counterparty risk** - An entity with which the portfolio transacts may not meet its obligations to the portfolio. **Geographic concentration risk** - To the extent that a portfolio invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area. **Hedging risk** - A portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended. **Investment portfolio risk** - Investing in portfolios involves certain risks an investor would not face if investing in markets directly. **Management risk** - The investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably). **Operational risk** - Operational failures could lead to disruptions of portfolio operations or financial losses.

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