



Ultra Short-Term Bond Fund

Total Fund Assets: \$4.5 billion¹

INVESTMENT APPROACH

- Yield plays a greater role than price appreciation in generating excess returns.
- Collaborative team approach to generate investment ideas for the portfolio.
- Aim to manage risk and return profile through a disciplined investment process with robust quantitative risk management tools and management oversight.
- The fund's yield and share price will vary with interest rate changes. Investors should note that if interest rates rise from current levels, bond fund total returns will decline and may even turn negative in the short term.

PORTFOLIO CONSTRUCTION

- Dedicated global resources focused on bottom-up and top-down fundamental research are key drivers in identifying investment opportunities and seeking to manage risk.
- Investment decisions are based on the objectives of credit quality, liquidity, diversification, and yield; we seek to minimize price volatility through maturity management and security selection
- Seek advantageous yield through incremental sector rotation and security selection.
- Investments include short-term investment grade corporate and government securities, securitized securities such as MBS, CMBS, and ABS, money market securities, and bank obligations
- Target tracking error range: 30-60 basis points
- Typical duration: 0.75 Years +/- 0.25 years.

BENCHMARK

- Bloomberg Barclays Short-Term Government/Corporate Index

PORTFOLIO MANAGEMENT

Alex Obaza, CFA[®]

Portfolio Manager

- 13 years of investment experience; 15 years with T. Rowe Price.
- M.B.A., University of Maryland, Robert H. Smith School of Business
- B.S., Wake Forest 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

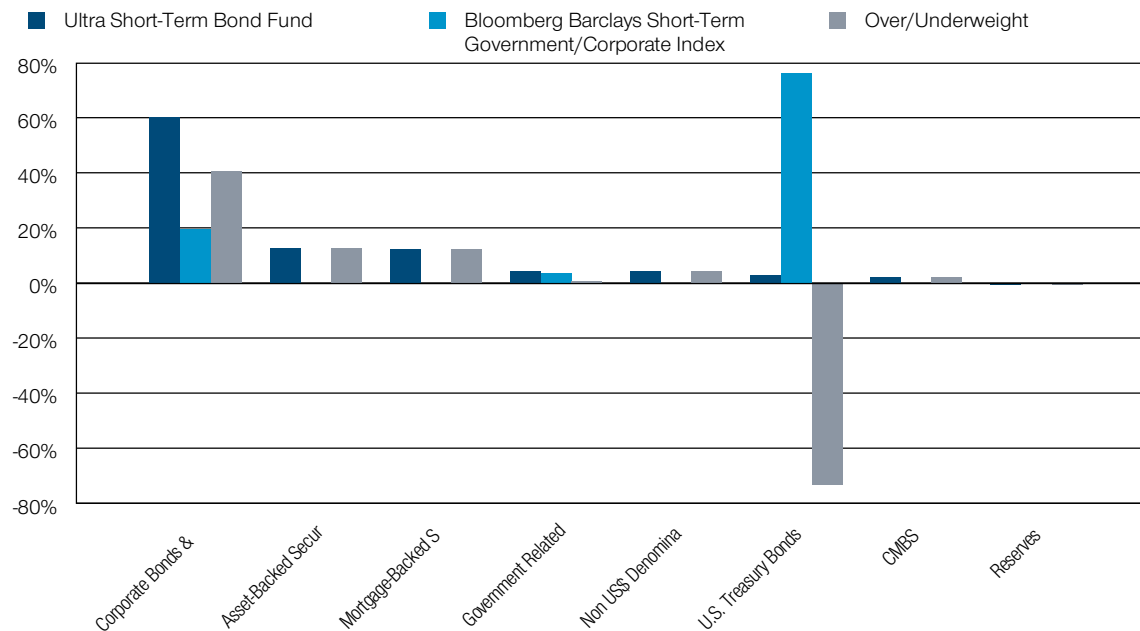
Portfolio Specialists do not assume management responsibilities. For a complete list of the members of the Fund's Investment Advisory Committee, please refer to the Fund's prospectus. CFA[®] and Chartered Financial Analyst[®] are registered trademarks owned by CFA Institute.

¹ Assets reported are as of March 31, 2021.

TOP ISSUERS

	% of Fund
Japan	4.4%
Jabil	1.1
General Motors	1.0
Energy Transfer	1.0
Nissan Motor	1.0
Canadian Natural Resources	1.0
Conagra Brands	1.0
Humana	0.9
Goldman Sachs	0.9
Imperial Brands	0.8
Total	13.2%

SECTOR DIVERSIFICATION



PORTFOLIO CHARACTERISTICS

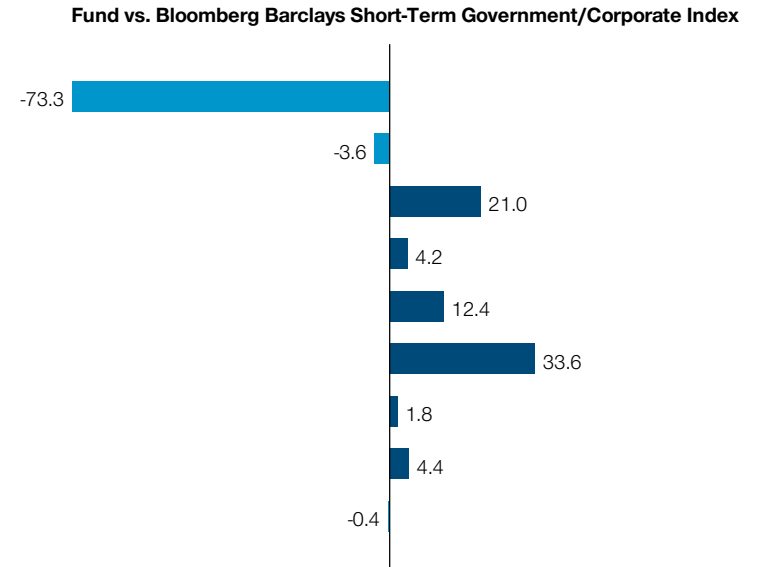
	Fund	Bloomberg Barclays Short-Term Government/Corporate Index
Weighted Average Maturity	1.34 years	0.49 years
Weighted Average Effective Duration	0.81 years	0.49 years
Number of Holdings	676	513

Past performance is not a reliable indicator of future performance.

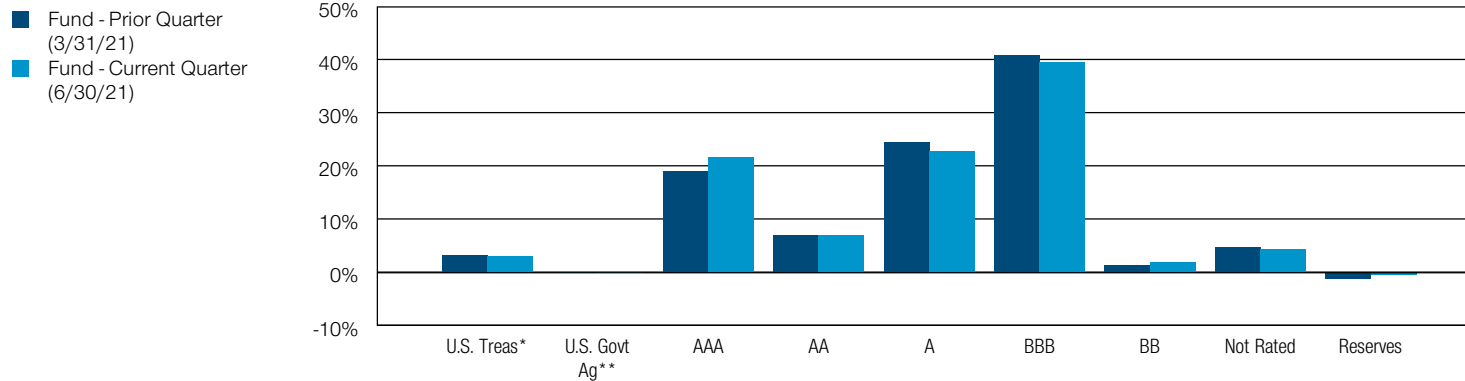
For Sourcing Information, please see Additional Disclosures.

CREDIT QUALITY DIVERSIFICATION

	% of Fund	% of Index
U.S. Treasury*	3.0	76.3
U.S. Government Agency Securities**	0.0	3.6
AAA	21.7	0.6
AA	6.9	2.8
A	22.9	10.6
BBB	39.6	6.0
BB	1.9	0.1
Not Rated	4.4	0.0
Reserves	-0.4	0.0



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.

PERFORMANCE

	Three Months	Year-to-Date	One Year	Annualized (only pertains to the total return figures)		
				Three Years	Five Years	Since Inception 12/3/12
Ultra Short-Term Bond Fund	0.18%	0.41%	1.84%	2.69%	2.28%	1.60%
Bloomberg Barclays Short-Term Government/Corporate Index	0.03	0.11	0.25	1.75	1.47	1.00
Morningstar Ultrashort Bond Category	0.13	0.23	0.98	1.85	1.66	-
Morningstar Ranking	-	-	37 of 234	15 of 204	14 of 162	-

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.

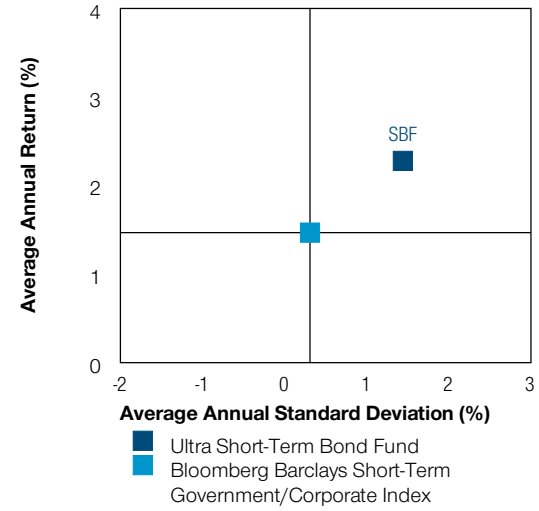
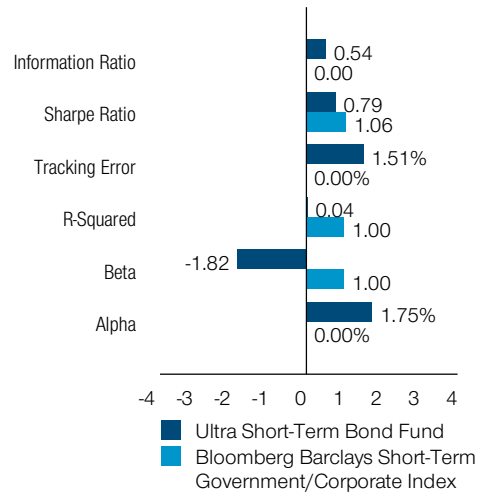
The Fund's net expense ratio as of the most recent prospectus was **0.35%**. For information about the expenses and waivers, see the prospectus for details.

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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.

RISK/RETURN CHARACTERISTICS

Five Years ended June 30, 2021



Past performance is not a reliable indicator of future performance. Figures are calculated using monthly data and are net of fees.

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 Fund assets it represents. Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of the Fund to changes in interest rates. In general, the longer the average maturity or duration, the greater the Fund'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.

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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.

Sources for credit quality: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings, but simply assigns them to the appropriate credit quality category as determined by the rating agency. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps.

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