



PORTFOLIO UPDATE

# Maryland Tax-Free Money Fund - I Class

As of September 30, 2019



**Portfolio Manager:**  
Joe Lynagh

**Managed Fund Since:**  
2001

**Joined Firm:**  
1990

## MARKET COMMENTARY

The broad municipal market posted negative returns in September but modestly outperformed the sell-off in Treasuries. As measured by the Bloomberg Barclays Municipal Bond Index, the tax-exempt market returned -0.80% while the Bloomberg Barclays U.S. Treasury Index returned -0.85%.

As was widely expected, the Federal Open Market Committee (FOMC) cut the fed funds target rate by 25 basis points in September, though market participants hoping for a dovish tone were disappointed by Chair Jerome Powell's post-meeting press conference and the FOMC's apparent division over the future path of rates. The Treasury curve steepened during the month and yields rose on generally positive developments in U.S.-China trade negotiations. Municipal yield increases outpaced those of Treasuries, with the most meaningful increases occurring for short- and intermediate-maturity issues, further flattening the muni curve.

The uptick in municipal primary market supply continued for a second straight month, including a notable increase in taxable deals as issuers sought to take advantage of low interest rates. According to The Bond Buyer, monthly issuance totaled USD \$35.4 billion, a 40% increase compared with September 2018. Despite weakening from the September reset in yields and customary seasonal pressures, municipals continued to see record demand as positive flows into muni bond funds reached 38 consecutive weeks near the end of the period.

All major sectors of the Bloomberg Barclays Municipal Bond Index posted negative returns and general obligation bonds performed in line with the typically higher-yielding revenue-backed sector. Shorter-maturity issues recorded negative returns but outperformed intermediate- and long-term counterparts. High yield Puerto Rico bonds produced positive absolute returns, outperforming the broader market.

## INVESTMENT OBJECTIVE

The fund seeks to provide preservation of capital, liquidity, and, consistent with these objectives, the highest level of income exempt from federal and Maryland state and local income taxes.

## FUND INFORMATION

Symbol	TWNXX
CUSIP	77957R846
Inception Date of Fund	July 06, 2017
Benchmark	LPR Oth Sts Tax-Ex MM Av
Expense Information (as of the most recent Prospectus)*	0.70% (Gross) 0.33% (Net)
Fiscal Year End	February 28
12B-1 Fee	-

\* The I Class operates under a contractual operating expense limitation that expires on June 30, 2021.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized				7-Day Yield*	7-Day Yield w/o Waiver
					Three Years	Five Years	Ten Years	Fifteen Years		
Maryland Tax-Free Money Fund - I Class	0.09%	0.29%	0.93%	1.27%	0.80%	0.48%	0.25%	0.84%	1.23%	0.97%
Lipper Other States Tax-Exempt Money Market Funds Average	0.08	0.24	0.83	1.13	0.75	0.47	0.25	0.86	-	-

**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, please visit [troweprice.com](http://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](http://troweprice.com). Read it carefully.** The average annual total return figures include reinvested dividends.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund referred to as the "investor class"). The total return figures for the I Class shares have been calculated using the performance data of the investor class 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 yield more closely reflects its current earnings than does the total return.

\* In an effort to maintain a zero or positive net yield for the fund, T. Rowe Price may voluntarily waive all or a portion of the management fee it is entitled to receive from the fund. A fee waiver has the effect of increasing the fund's net yield. The 7-day yield without waiver represents what the yield would have been if we were not waiving our management fee. This voluntary waiver is in addition to any contractual expense limitation in effect for the fund and may be amended or terminated at any time without prior notice. Please see the prospectus for more details.

Investors should note that if interest rates rise significantly from current levels, total returns will decline and may even turn negative in the short term.

The Fund is subject to risks of fixed income investing, including interest rate risk and credit risk.

**You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Beginning October 14, 2016, The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.** Investments into retail money market funds are limited to natural persons or retail customers.

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

THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS, OR SUMMARY PROSPECTUS IF AVAILABLE.

**TOP GUARANTORS**

Comprising 46.5% of total net assets.

	<b>% of Fund</b>
County of Montgomery MD	6.3%
Anne Arundel Health System Obligated Group	4.9
Johns Hopkins University	4.8
MD Hlth Pool 85 A & B	4.6
State of Maryland	4.5
Howard Hughes Medical Institute	4.4
County of Baltimore MD	4.3
MD CDA Residential	4.3
Oakfield Apartments	4.2
University of Maryland Medical System Obligated Group	4.1

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

**PORTFOLIO CHARACTERISTICS**

	<b>Maryland Tax-Free Money Fund - I Class</b>
Number of Holdings	52
Weighted Average Maturity	29.1 days
Percent of Portfolio in Cash	100.0%
Total Assets (all share classes)	80,083,601

**SECURITY DIVERSIFICATION**

	<b>VARIABLE RATE DE- MAND NOTES</b>	<b>SHORT BONDS</b>	<b>VARIABLE RATE TRUSTS</b>	<b>COMMER- CIAL PA- PER</b>	<b>NOTES</b>	<b>PUT- BONDS</b>	<b>Other As- sets Less Liabilities</b>
Maryland Tax-Free Money Fund - I Class	65.5%	11.9%	8.5%	6.0%	4.4%	3.7%	-0.1%

**MATURITY DIVERSIFICATION**

	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 180 Days</b>	<b>181 - 397 Days</b>
Maryland Tax-Free Money Fund - I Class	79.6%	4.3%	4.4%	9.9%	1.8%

## Definitions

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. It is a better indicator of price sensitivity because it takes into account the time value of cash flows. Duration to worst is the duration of the bond computed using the bond's nearest call date or maturity, whichever comes first.

## Additional Disclosures

Source for Lipper data: Lipper Inc.

Lipper Data (excluding Performance and Risk Return exhibits) is estimated by T. Rowe Price based on information provided by Lipper, Inc., and LionShares. T. Rowe Price identifies the funds that compose the Lipper index and builds an aggregate portfolio for the index based on each fund's holdings as provided by LionShares. Please note that the portfolio holdings for each fund within the index are based on the most recent public information that is available, and since the funds have different reporting periods, some of this information may not be current.

The Top Guarantors excludes any Prerefunded or Escrowed holdings.

T. Rowe Price uses a custom structure for security diversification for this product.

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

Source for Maturity Diversification: T Rowe Price.

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.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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