



ANNUAL REPORT

February 28, 2017

PRVAX

T. ROWE PRICE

Virginia Tax-Free Bond Fund

The fund primarily invests in high-quality Virginia municipal bonds and is well suited for investors seeking income that is exempt from federal and Virginia state income taxes.

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

HIGHLIGHTS

- Weakness in the municipal market over the second half of the fund's fiscal year offset strong gains earlier in the reporting period. Municipal bonds sold off significantly following the unexpected presidential election result. The downturn was compounded by high issuance levels, fund outflows, and uncertainty around tax policy and regulatory reform.
- The Virginia Tax-Free Bond Fund posted a modest gain for the 12-month period as negative results in the second half of the fiscal year largely offset positive returns earlier in the reporting period. While we took steps to moderate interest rate risk, it was not enough to prevent underperformance relative to our peers.
- Virginia's debt burden has grown but is still manageable. The state's credit ratings—AAA, with a stable outlook from all three major rating agencies—reflect its relatively favorable fiscal position, pension concerns notwithstanding.
- While the uncertainties surrounding tax reform and the increased chance of rising yields represent near-term headwinds for broad muni market performance, fundamentals are sound overall, and global economic uncertainties could spur demand for the asset class.

The views and opinions in this report were current as of February 28, 2017. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors, and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of the fund's future investment intent. The report is certified under the Sarbanes-Oxley Act, which requires mutual funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

REPORTS ON THE WEB

Sign up for our Email Program, and you can begin to receive updated fund reports and prospectuses online rather than through the mail. Log in to your account at troweprice.com for more information.

Manager's Letter

Fellow Shareholders

Tax-free municipal bonds were flat in our fiscal year ended February 28, 2017.

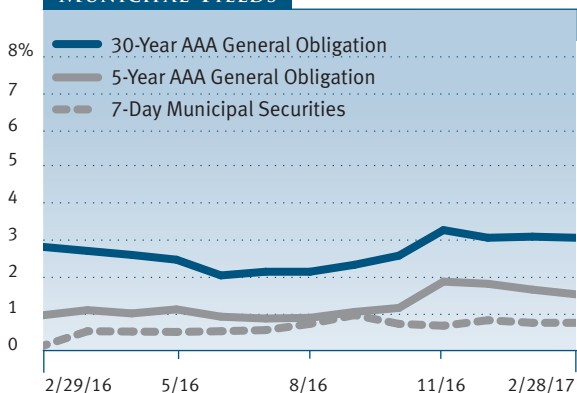
In the first half of the period, municipal bonds posted strong returns as the asset class was supported by solid demand, manageable supply, and a flight-to-quality rally in late June stemming from the UK's vote to leave the European Union. In the last six months of the reporting period, municipal and Treasury bonds sold off significantly following the unexpected result of November's U.S. presidential election. Weakness in the municipal market was further compounded by high issuance levels, fund outflows, and uncertainty around tax policy and regulatory reform. The Virginia Tax-Free Bond Fund underperformed its peer group in the 12-month period, but the fund's longer-term relative performance record remains favorable.

ECONOMY AND INTEREST RATES

Although U.S. economic growth was fairly lackluster in 2016 as a whole, the economy showed improvement in the second half of the calendar year. According to the Commerce Department's most recent estimate, fourth-quarter gross domestic product grew at an annualized pace of 1.9%. We expect a growth rate of around 2% to persist in the near term. Although the pace of employment growth moderated in 2016 compared with the last few years, the labor market remains strong, and wage growth has picked up. Inflation remains below the Federal Reserve's 2% objective, but headline inflation has been rising, in part because commodity prices have rebounded from early-2016 lows. Core inflation, which excludes food and energy costs, has also been creeping higher.

The Fed kept the fed funds target rate in the 0.25% to 0.50% range for most of 2016. After warning the financial markets for several months that the case for raising short-term rates had “strengthened,” Fed officials lifted the fed funds target rate in December to a range of 0.50% to 0.75%—an increase of 25 basis points—citing an improving labor market and rising inflation. Shortly after our reporting period ended, the Fed decided to raise the fed funds rate again on March 15 to a range of 0.75% to 1.00%. T. Rowe Price Chief U.S. Economist Alan Levenson believes that the Fed is likely to watch the effects of its

MUNICIPAL YIELDS



Sources: Municipal Market Data and T. Rowe Price Associates. 7-day yields consist of the average of all municipal variable rate demand notes considered by T. Rowe Price to be eligible money market fund investments.

most recent rate increase on the economy and financial markets for at least a few months before deciding whether to raise rates again. He believes that the Fed is likely to raise rates two more times in 2017.

Longer-term Treasury and municipal yields fell through early summer but increased in the second half of 2016. They rose sharply in the last few months of 2016 in anticipation of a December Fed rate hike and potentially

stimulative fiscal policies under the Trump administration that could lead to higher inflation and larger deficits. Long-term muni and Treasury yields stayed fairly close to their year-end 2016 levels in the first two months of 2017, as the probability for another rate hike in March increased.

With high-quality 30-year municipal bond yields slightly higher than the 30-year U.S. Treasury bond yield at the end of February, munis offered relative value for many fixed income investors on an after-tax basis. As an illustration of their attractiveness, on February 28, 2017, the 3.05% yield offered by a 30-year tax-free general obligation (GO) bond rated AAA was about 103% of the 2.97% pretax yield offered by a 30-year Treasury bond. Including the 3.8% net investment income tax that took effect in 2013 as part of the Affordable Care Act, the top marginal federal tax rate currently stands at 43.4%. An investor in

WHEN LESS IS REALLY MORE

Despite low nominal yields, municipal bonds remain attractive for investors facing high income taxes. The interest income from a tax-free municipal bond is exempt from federal income taxes.* In addition, most states and cities do not tax income earned on their own bonds for their residents. A municipal bond could, therefore, be triple-tax-free—exempt from federal, state, and local taxes. Tax-free municipal bond income is also exempt from a net investment income tax that took effect in 2013, in which a 3.8% tax is imposed on the lesser of your total net investment income or your modified adjusted gross income in excess of \$250,000 (for married couples filing jointly) or \$200,000 for single individuals.

Even though munis typically pay less than taxable issues, investors in the highest tax brackets are likely to realize higher after-tax, bottom-line results from tax-exempt securities. As you can see in the table below, an investor in the 33% federal tax bracket would need to purchase a taxable security yielding 7.5% to match the after-tax return of a municipal security yielding 5.0%.

Factoring in state and local income tax rates—which, of course, will vary widely—makes calculating the taxable-equivalent yield more complicated. However, the taxable-equivalent yields listed in the table would be even higher. This underscores the advantage of tax-free income provided by municipal securities.

Tax-Exempt Yields and Taxable-Equivalent Yields						
Tax-Exempt Yields	Taxable-Equivalent Yields					
	Your Federal Marginal Tax Bracket					
	25.0%	28.0%	33.0%	36.8%**	38.8%**	43.4%**
1.0%	1.3%	1.4%	1.5%	1.6%	1.6%	1.8%
1.5	2.0	2.1	2.2	2.4	2.5	2.7
2.0	2.7	2.8	3.0	3.2	3.3	3.5
2.5	3.3	3.5	3.7	4.0	4.1	4.4
3.0	4.0	4.2	4.5	4.8	4.9	5.3
3.5	4.7	4.9	5.2	5.5	5.7	6.2
4.0	5.3	5.6	6.0	6.3	6.5	7.1
4.5	6.0	6.3	6.7	7.1	7.4	8.0
5.0	6.7	6.9	7.5	7.9	8.2	8.8

* Some municipal bond income may be subject to the federal alternative minimum tax (AMT).
** These federal marginal tax brackets include an additional 3.8% net investment income tax.
Note: When comparing yields in this manner, make sure to compare securities or mutual funds of similar credit quality and maturity or the comparison will not be valid. This chart is for illustrative purposes only and does not represent the performance of any specific security.

this tax bracket would need to invest in a taxable bond yielding about 5.39% to receive the same after-tax income as that generated by the municipal bond. (To calculate a municipal bond's taxable-equivalent yield, divide the yield by the quantity of 1.00 minus your federal tax bracket expressed as a decimal—in this case, $1.00 - 0.434$, or 0.566.)

MUNICIPAL MARKET NEWS

Total municipal bond issuance in 2016 was a record-setting \$445 billion. Issuance had declined early in the year, but the pace of refunding deals quickened as issuers sought to take advantage of lower yields and refinance their older, higher cost debt ahead of both the U.S. election and a potential rate hike by the Fed. After 54 consecutive weeks of inflows to municipal bond funds, flows turned negative in mid-October, and sizable outflows continued through the end of 2016. Flows turned positive in the first two months of 2017.

Generally, fundamentals for municipal issuers remain solid, and most issuers in the \$3.8 trillion municipal bond market have been fiscally responsible. State and local governments in general have been cautious about adding to indebtedness since the 2008 financial crisis, and a strengthening economy has helped tax revenues rebound. Over 60% of the market, as measured by the Bloomberg Barclays Municipal Bond Index, is AAA or AA rated.

Although the market is overwhelmingly high quality, many states and municipalities are grappling with underfunded pensions and other post-employment benefit (OPEB) obligations. New reporting rules from the Governmental Accounting Standards Board are bringing greater transparency to state and local governments' pension funding gaps, long-term risks that investors often overlooked in the past. We believe the market will increasingly price in higher pension risks as the magnitude of unfunded liabilities becomes more conspicuous.

The results of the presidential election raised concerns about the impact that tax reform could have on the municipal bond asset class. Donald Trump campaigned on a promise to reduce the top individual marginal tax rate from 43.4% (including the additional 3.8% income tax that resulted from the Affordable Care Act) to 33%. Other proposals, including lower corporate tax rates and bank regulatory changes, could also impact demand for municipal bonds. While it is too early to tell which provisions will be included in a tax reform bill, Trump has indicated he will not eliminate the tax exemption

WHAT RISING RATES MEAN FOR BONDS

With the Federal Reserve expected to continue its measured approach to interest rate hikes, yields on U.S. Treasuries and other fixed income securities are slowly increasing from the low levels of the recent past. We expect the Fed to pause after each increase in the federal funds rate and to carefully analyze incoming U.S. economic data to be sure that economic activity is strong enough to withstand further incremental moves toward normalization of monetary policy. The Fed's more gradual approach to interest rate increases than in previous cycles nonetheless brings the risk of rising rates to the forefront for bond investors. Higher interest rates weigh on the prices of most types of bonds.

Importantly, investors also need to understand that not all bonds or bond funds respond uniformly in such an environment. In particular, the duration of a bond or bond fund, which is tied in part to its maturity, provides important information about how the asset will perform when rates change. Also, some bond sectors and bonds of varying quality are better insulated from rate changes and may even perform well as rates rise.

A bond fund's duration (shown in the Portfolio Characteristics exhibit) is the most precise indicator of how the fund will respond to rising rates. If a bond fund has a duration of 5.3 years, for example, the fund's net asset value (NAV) would be expected to fall about 5.3% for every one-percentage-point rise in rates. Even this is only part of the picture, however—rising rates will also generally mean higher dividends per share as the fund invests in new, higher-yielding bonds. As a result, the fund's total return (change in NAV plus dividend income) is unlikely to fall as steeply as the duration indicates.

Generally, bond funds with a shorter weighted average maturity—in other words, those with holdings that come due sooner—have lower durations and should fare better than funds with longer average maturities when rates rise. This is because investors in the bonds will not be locked into lower yields, or coupon payments, for long. When the fund receives principal payments from maturing bonds, it can reinvest them at a higher yield. Indeed, for investors in a bond fund with a low duration and a low weighted average maturity, higher rates can mean an increase in income potential.

Some fixed income sectors offer an added degree of protection from rising rates. Floating rate funds invest in bank loans where the interest rate on the loan is periodically reset, meaning that investors face very little interest rate risk. However, the bank loans usually have a credit profile that is below investment quality, which means these investments may have greater exposure to default risk than investment-grade bonds. Mortgage-backed securities typically fare better than other bonds of similar maturity when rates rise modestly, as fewer homeowners will refinance and pay off their loans early.

In addition, lower-quality bonds with a price that is highly sensitive to the issuer's credit rating (shown in the Quality Diversification exhibit) may perform better as rates increase. Rising rates often accompany a strengthening economy, which can lead to credit upgrades for lower-rated issuers. Also, the higher yields offered by lower-quality bonds provide an additional cushion to total return if bond prices fall as interest rates increase. However, lower-quality bonds are generally exposed to greater credit risk than other bonds because the securities carry a higher risk of default.

of municipal bonds. We believe the attractiveness of the municipal asset class will endure, even at lower marginal tax rates. Another result of the November vote was the election of Ricardo Rosselló as governor of Puerto Rico, which is struggling to return to fiscal solvency after defaulting on more than \$1 billion of its debt during the past 12 months. The market perceives Rosselló as bondholder friendly, and Puerto Rican bonds rallied following his win. However, after our reporting period ended, investors generally reacted unfavorably to a fiscal plan certified by the U.S. financial oversight board that prioritizes government services and pensions over payments to bondholders.

Performance was mixed across all the major segments of the muni market over the last year. Revenue bonds posted positive, but muted, returns and outperformed GO debt. We continue to favor bonds backed by a dedicated revenue stream over GOs, as we consider revenue bonds to be largely insulated from the pension funding concerns facing state and local governments. Across our municipal platform, generally, we have an overweight to the higher-yielding health care and transportation revenue-backed sectors. Among revenue bonds, high yield tobacco bonds outpaced the broad muni index by a wide margin for the period, despite losing nearly 8% in the fourth quarter of 2016. Most remaining subsectors produced low positive returns, led by housing and industrial revenue/pollution control revenue. Education revenue bonds edged lower.

VIRGINIA MARKET NEWS

Virginia's economy remains predominantly sound. The commonwealth's 4.0% unemployment rate in January was down slightly from 4.1% a year earlier and compares favorably with the national rate. Virginia's population continues to grow steadily at about 1% per year, and Virginians remain relatively wealthy with per capita income in the third quarter of 2016 ranking 11th among the states at 108% of the national average. Employment growth over the past year has been good at 1.4%, but it was a bit slower than the 1.6% national growth rate.

For the fiscal year ended June 30, 2016, general fund revenues (on a budgetary basis) grew by \$372 million, or 2.0%—below expectations of 3.2% growth. Most of the underperformance was due to lower-than-expected personal income tax and sales tax collections. While Virginia's 2016–2018 biennial budget was balanced, the revenue shortfall

(versus expectations) in fiscal 2016 had repercussions for the growth assumptions that were made when the budget was formulated. Headed into this year's legislative session, the governor and legislators were forecasting a fairly sizable budget shortfall of up to \$1.5 billion over fiscal years 2017 and 2018.

The legislative session recently ended, and a balanced budget emerged with a combination of revenue enhancements and expense cuts. The most significant of these were a postponement of raises for state employees and teachers and transfers from the rainy day fund. Meanwhile, state general fund revenues recently trended upward. Collections for the first seven months of fiscal 2017 are up 4.6%. Specifically, January 2017 revenues were 7.4% higher than the previous January. The revised budget calls for revenue growth of 3.0% in fiscal 2017 and 3.2% in fiscal 2018.

Virginia enjoys a favorable reserve profile and ample internal liquidity, with \$4.4 billion of primary liquidity as of January 31, 2017. The Revenue Stabilization Fund (rainy day fund) held \$841 million, or 4.3% of revenues, as of June 30, 2016; however, it is forecast to hold \$565 million, or 2.8% of revenues, as of June 30, 2017. The commonwealth's fiscal position compares favorably with that of other states. Officials have been proactive in managing Virginia's finances, and we continue to take comfort in their solid record of fiscal stewardship.

Virginia's debt burden has grown but is still manageable. The commonwealth has \$11.9 billion of total net tax-supported debt outstanding, ranking it in the top third among states when measured by debt per capita and debt relative to personal income, according to Moody's Investors Service. While Virginia does not face as dire a crisis in pension liabilities as some other states, we are concerned about the growth in the unfunded portion of its pension system.

As of June 30, 2016 (the most recent data available), the Virginia Retirement System (VRS) was funded at 72%. The unfunded portion of the VRS was high, at \$25 billion as of June 30, 2016, and has been rising as the commonwealth set its statutory contribution below what was recommended by its actuaries. However, Virginia's unfunded liabilities associated with OPEB are modest in comparison with other states. The state's credit ratings—AAA, with a stable outlook from all three major rating agencies—reflect its relatively favorable fiscal position, pension concerns notwithstanding.

PORTFOLIO REVIEW

The Virginia Tax-Free Bond Fund returned 0.56% for the 12-month period ended February 28, 2017, underperforming the Lipper Virginia Municipal Debt Funds Average, which returned 1.38%, but outpacing the 0.25% gain recorded by the broad Bloomberg Barclays Municipal

PERFORMANCE COMPARISON

Periods Ended 2/28/17	Total Return	
	6 Months	12 Months
Virginia Tax-Free Bond Fund	-2.81%	0.56%
Lipper Virginia Municipal Debt Funds Average	-2.22	1.38

Bond Index. Losses over the past six months partially offset the fund's solid gains in the first half of our fiscal year.

The past six months was a difficult market for tax-exempt bonds and your fund as rates rose

fairly sharply, particularly near the end of the 2016 calendar year. We stuck to our core strategy even as rates rose, as we believe that longer-maturity revenue bonds in the mid-quality credit range represent the best long-term value in the municipal market. While we took steps to moderate the higher interest rate risk incumbent with this positioning, it was not enough to prevent moderate underperformance relative to our peers over the past six and 12 months. Although we were disappointed by these results, we remain confident in our investment

approach. Led by our fundamental, research-driven process, we will continue to focus on finding securities with the best long-term prospects for the portfolio.

Your fund continued to compare favorably with its competitors over the long term. Lipper ranked the Virginia Tax-Free Bond Fund in the top decile among its peer group of Virginia municipal debt funds for the 10-year

PORTFOLIO CHARACTERISTICS

Periods Ended	8/31/16	2/28/17
Price Per Share	\$12.44	\$11.90
Dividends Per Share		
For 6 months	0.19	0.19
For 12 months	0.39	0.38
SEC Yield (30-day)	1.31%	2.11%
Weighted Average Maturity (years)	16.2	16.1
Weighted Average Duration (years)	4.7	4.5
12-month dividends may not equal the combined 6-month figures due to rounding.		

period ended February 28, 2017. (Based on cumulative total return, Lipper ranked the Virginia Tax-Free Bond Fund 14 of 30, 8 of 30, 3 of 27, and 2 of 23 Virginia municipal debt funds for the 1-, 3-, 5-, and 10-year periods ended February 28, 2017, respectively. *Past performance cannot guarantee future results.*)

We took a cautious approach on interest rate positioning, shortening the fund's weighted average maturity from 16.2 years to 16.1 years and reducing the duration from 4.7 to 4.5 years since our last letter. These adjustments were not enough to prevent a loss for the portfolio, though, as a very difficult fourth quarter wiped out our gains for the 12-month period. Looking ahead, while we agree with the view that

interest rates are moving higher, we believe the market is overly anxious about the negative impact of rate increases. We are seeking the right balance between investing for higher yields and keeping interest rate risk in the low to moderate range.

Though the fundamentals of our strategy did not vary markedly during the reporting period, some of the characteristics of our portfolio have shifted a bit over the past six months. At the sector level, we slightly increased

PORTFOLIO DIVERSIFICATION

	Percent of Net Assets	
	8/31/16	2/28/17
Transportation	21.9%	22.1%
Health Care	18.3	19.2
Prerefunded	13.2	15.5
Education	11.6	11.6
Water and Sewer	12.2	11.2
Special Tax	6.1	5.4
Housing	3.4	3.5
General Obligation – Local	3.0	3.0
Other Assets and Reserves	10.3	8.5
Total	100.0%	100.0%

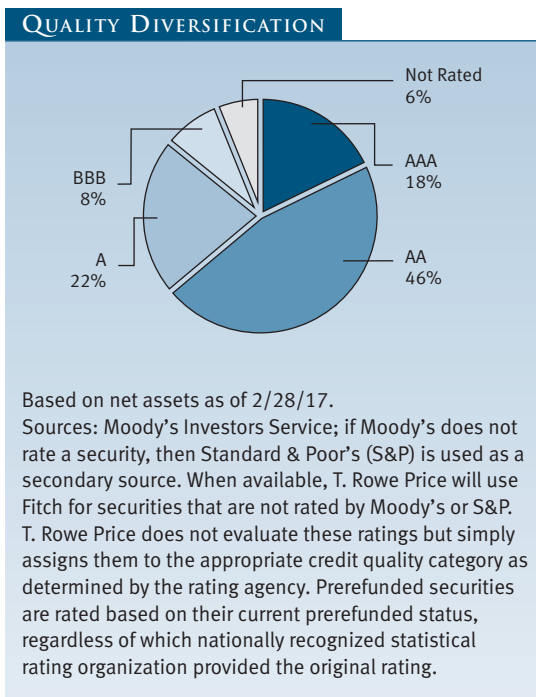
Historical weightings reflect current industry/sector classifications.

our allocation to the transportation and health care sectors, and these remain our largest sector concentrations. Our most significant addition in transportation was bonds for the **Chesapeake Bay Bridge & Tunnel District**. These mid-BBB rated securities offer a premium yield. However, our timing was not perfect as we bought most of our new position just as rates began to move higher (and bond prices moved lower). We did add more after interest rates rose, bringing our average cost down, but these bonds still represented a loss at the end of the period. Over the long run, we believe they will provide a good return to the portfolio. (Please refer to the fund's portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

We added moderately to health care, mostly in the nonrated life care segment. Significant additions were bonds from retirement centers such as **Goodwin House** in Alexandria and **Westminster at Lake**

Ridge in Prince William County. These securities will boost the fund's income potential, but similar to the Chesapeake purchase, our timing was not ideal.

Our prerefunded allocation spiked higher as a number of our holdings were refinanced by their issuers, and we like the defensive nature of this positioning. Prerefunded bonds, which are typically backed by U.S. Treasury securities, are the highest-quality bonds in our market, typically mature within five years, and provide the fund with another source of liquidity in addition to cash. With



over 15% of our portfolio in prerefunded bonds, we believe we are well positioned should rates adjust sharply higher. The portfolio's quality diversification was little changed over the past year, with nearly two-thirds of the fund's assets allocated to the highest-quality AAA and AA segments.

OUTLOOK

We believe that the municipal bond market remains a high-quality market that offers good opportunities for long-term investors seeking tax-free income. While the uncertainties surrounding tax reform and the increased chance of rising yields represent near-term headwinds for broad muni market performance, in our view, fundamentals are sound overall, and global economic uncertainties could spur demand

for the asset class. As the Fed continues on the path to interest rate normalization, muni bond yields are likely to rise along with Treasury yields—although probably not to the same extent. While higher yields typically pressure bond prices, we expect any potential Fed rate increases to be gradual and modest, and believe we could remain in a relatively low-rate environment for some time. Moreover, munis should be less susceptible to slowly rising rates than Treasuries given their attractive tax-equivalent yields and the steady demand for tax-exempt income.

While we believe that many states deserve high credit ratings and will be able to continue servicing their debts, we have longer-term concerns about significant funding shortfalls for pensions and OPEB obligations in some jurisdictions. These funding gaps stem from investment losses during the 2008 financial crisis, insufficient plan contributions over time, and unrealistic return assumptions. Although few large plans are at risk of insolvency in the near term, the magnitude of unfunded liabilities is becoming more conspicuous in a few states.

Ultimately, we believe independent credit research is our greatest strength and will remain an asset for our investors as we navigate the current market environment. As always, we focus on finding attractively valued bonds issued by municipalities with good long-term fundamentals—an investment strategy that we believe will continue to serve our investors well.

Thank you for investing with T. Rowe Price.

Respectfully submitted,

A handwritten signature in black ink, reading "Hugh D. McGuirk". The signature is fluid and cursive, with the first name "Hugh" and last name "McGuirk" clearly legible.

Hugh D. McGuirk
Chairman of the Investment Advisory Committee

March 21, 2017

The committee chairman has day-to-day responsibility for managing the portfolio and works with committee members in developing and executing the fund's investment program.

RISKS OF INVESTING IN FIXED INCOME SECURITIES

Bonds are subject to interest rate risk (the decline in bond prices that usually accompanies a rise in interest rates) and credit risk (the chance that any fund holding could have its credit rating downgraded or that a bond issuer will default by failing to make timely payments of interest or principal), potentially reducing the fund's income level and share price. The fund is less diversified than one investing nationally. Some income may be subject to state and local taxes and the federal alternative minimum tax.

GLOSSARY

Basis point: One one-hundredth of one percentage point, or 0.01%.

Bloomberg Barclays Municipal Bond Index: A broadly diversified index of tax-exempt bonds.

Duration: A measure of a bond fund's sensitivity to changes in interest rates. For example, a fund with a duration of five years would fall about 5% in price in response to a one-percentage-point rise in interest rates, and vice versa.

Federal funds rate (or target rate): The interest rate charged on overnight loans of reserves by one financial institution to another in the United States. The Federal Reserve sets a target federal funds rate to affect the direction of interest rates.

General obligation (GO) debt: A government's strongest pledge that obligates its full faith and credit, including, if necessary, its ability to raise taxes.

Gross domestic product (GDP): The total market value of all goods and services produced in a country in a given year.

Lipper averages: The averages of available mutual fund performance returns for specified time periods in categories defined by Lipper Inc.

Lipper indexes: Fund benchmarks that consist of a small number (10 to 30) of the largest mutual funds in a particular category as tracked by Lipper Inc.

Other post-employment benefits (OPEB): Benefits paid to an employee after retirement, such as premiums for life and health insurance.

Prerefunded bond: A bond that originally may have been issued as a general obligation or revenue bond but that is now secured by an escrow fund consisting entirely of direct U.S. government obligations that are sufficient for paying the bondholders.

Revenue (or revenue-backed) bond: A bond issued to fund specific projects, such as airports, bridges, hospitals, or toll roads, where a portion of the revenue generated is used to service the interest payments on the bonds.

Note: Bloomberg Index Services Ltd. Copyright 2017, Bloomberg Index Services Ltd. Used with permission.

GLOSSARY (CONTINUED)

SEC yield (30-day): A method of calculating a fund's yield that assumes all portfolio securities are held until maturity. Yield will vary and is not guaranteed.

Weighted average maturity: A measure of a fund's interest rate sensitivity. In general, the longer the average maturity, the greater the fund's sensitivity to interest rate changes. The weighted average maturity may take into account the interest rate readjustment dates for certain securities. Money funds must maintain a weighted average maturity of less than 60 days.

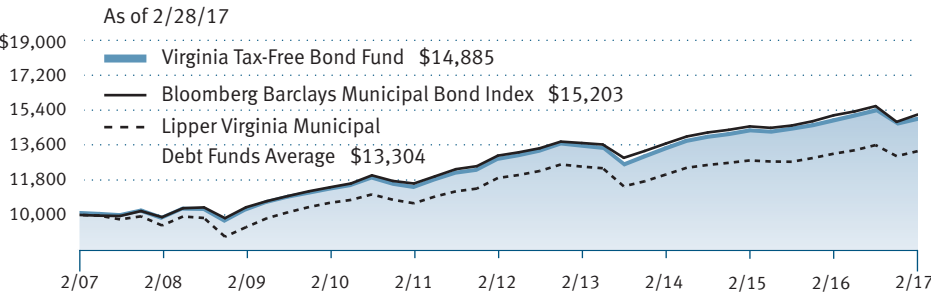
Yield curve: A graph depicting the relationship between yields and maturity dates for a set of similar securities. A security with a longer maturity usually has a higher yield. If a short-term security offers a higher yield, then the curve is said to be "inverted." If short- and long-term bonds are offering equivalent yields, then the curve is said to be "flat."

Performance and Expenses

GROWTH OF \$10,000

This chart shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with benchmarks, which may include a broad-based market index and a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.

VIRGINIA TAX-FREE BOND FUND



AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 2/28/17	1 Year	5 Years	10 Years
Virginia Tax-Free Bond Fund	0.56%	3.06%	4.06%

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Past performance cannot guarantee future results. When assessing performance, investors should consider both short- and long-term returns.

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Actual Expenses

The first line of the following table (Actual) provides information about actual account values and expenses based on the fund's actual returns. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Note: T. Rowe Price charges an annual account service fee of \$20, generally for accounts with less than \$10,000. The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$50,000 or more; accounts electing to receive electronic delivery of account statements, transaction confirmations, prospectuses, and shareholder reports; or accounts of an investor who is a T. Rowe Price Preferred Services, Personal Services, or Enhanced Personal Services client (enrollment in these programs generally requires T. Rowe Price assets of at least \$100,000). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

FUND EXPENSE EXAMPLE (CONTINUED)

VIRGINIA TAX-FREE BOND FUND			
	Beginning Account Value 9/1/16	Ending Account Value 2/28/17	Expenses Paid During Period* 9/1/16 to 2/28/17
Actual	\$1,000.00	\$971.90	\$2.35
Hypothetical (assumes 5% return before expenses)	1,000.00	1,022.41	2.41
*Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.48%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period.			

QUARTER-END RETURNS

Periods Ended 12/31/16	1 Year	5 Years	10 Years
Virginia Tax-Free Bond Fund	0.70%	3.43%	4.07%
<i>Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our website (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132.</i>			
This table provides returns net of expenses through the most recent calendar quarter-end rather than through the end of the fund's fiscal period. It shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. When assessing performance, investors should consider both short- and long-term returns.			

EXPENSE RATIO

Virginia Tax-Free Bond Fund	0.47%
The expense ratio shown is as of the fund's fiscal year ended 2/29/16. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, includes acquired fund fees and expenses but does not include fee or expense waivers.	

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended 2/28/17	2/29/16	2/28/15	2/28/14	2/28/13
NET ASSET VALUE					
Beginning of period	\$ 12.21	\$ 12.18	\$ 11.78	\$ 12.34	\$ 12.13
Investment activities					
Net investment income ⁽¹⁾	0.38	0.41	0.41	0.43	0.43
Net realized and unrealized gain / loss	(0.31)	0.03	0.40	(0.56)	0.20
Total from investment activities	0.07	0.44	0.81	(0.13)	0.63
Distributions					
Net investment income	(0.38)	(0.41)	(0.41)	(0.43)	(0.42)
Net realized gain	—	— ⁽²⁾	—	—	—
Total distributions	(0.38)	(0.41)	(0.41)	(0.43)	(0.42)
NET ASSET VALUE					
End of period	\$ 11.90	\$ 12.21	\$ 12.18	\$ 11.78	\$ 12.34

Ratios/Supplemental Data

Total return⁽³⁾	0.56%	3.67%	6.97%	(0.99)%	5.32%
Ratio of total expenses to average net assets	0.47%	0.47%	0.47%	0.48%	0.47%
Ratio of net investment income to average net assets	3.13%	3.36%	3.42%	3.64%	3.48%
Portfolio turnover rate	11.8%	11.0%	6.2%	9.6%	11.7%
Net assets, end of period (in millions)	\$ 1,178	\$ 1,131	\$ 1,000	\$ 906	\$ 1,030

(1) Per share amounts calculated using average shares outstanding method.

(2) Amounts round to less than \$0.01 per share.

(3) Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions.

The accompanying notes are an integral part of these financial statements.

PORTFOLIO OF INVESTMENTS ‡	Par/Shares	\$ Value
(Amounts in 000s)		
MUNICIPAL SECURITIES 99.7%		
VIRGINIA 91.0%		
Albemarle County Economic Dev. Auth., Westminster- Canterbury Blue Ridge, Series A, 5.00%, 1/1/42	3,200	3,244
Albemarle County Economic Dev. Auth., Westminster- Canterbury Blue Ridge, Series A,, 4.625%, 1/1/32	3,500	3,500
Alexandria IDA, Episcopal High School, 4.00%, 1/1/25	400	438
Alexandria IDA, Episcopal High School, 4.00%, 1/1/26	415	450
Alexandria IDA, Episcopal High School, 4.00%, 1/1/30	265	280
Alexandria IDA, Episcopal High School, 4.00%, 1/1/35	1,500	1,546
Alexandria IDA, Episcopal High School, 4.00%, 1/1/36	1,000	1,028
Alexandria IDA, Episcopal High School, 4.00%, 1/1/40	2,500	2,553
Alexandria IDA, Episcopal High School, 4.50%, 1/1/33	3,610	3,802
Alexandria IDA, Episcopal High School, 4.75%, 1/1/36 (Prerefunded 1/1/20) (1)	1,450	1,594
Alexandria IDA, Episcopal High School, 5.00%, 1/1/40 (Prerefunded 1/1/20) (1)	2,920	3,230
Alexandria IDA, Goodwin House, 5.00%, 10/1/35	1,845	1,996
Alexandria IDA, Goodwin House, 5.00%, 10/1/45	1,000	1,065
Arlington County, Series A, GO, 5.00%, 8/15/32	1,555	1,852
Arlington County, Series A, GO, 5.00%, 8/15/34	1,500	1,770
Arlington County IDA, Virginia Hosp. Center, 5.00%, 7/1/31	8,640	9,245
Botetourt County, Glebe, Residential Care, Series A 6.00%, 7/1/34	525	545
Botetourt County, Glebe, Residential Care, Series A 6.00%, 7/1/44	3,000	3,111
Capital Region Airport Commission, Series A, 4.00%, 7/1/19	600	638
Capital Region Airport Commission, Series A, 4.00%, 7/1/20	1,160	1,254
Capital Region Airport Commission, Series A, 4.00%, 7/1/24	1,000	1,092
Capital Region Airport Commission, Series A, 4.00%, 7/1/34	375	393
Capital Region Airport Commission, Series A, 4.00%, 7/1/35	700	730
Capital Region Airport Commission, Series A, 4.00%, 7/1/36	650	677

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Capital Region Airport Commission, Series A, 4.00%, 7/1/38	750	780
Capital Region Airport Commission, Series A, 4.25%, 7/1/21	500	553
Capital Region Airport Commission, Series A, 5.00%, 7/1/23	600	699
Capital Region Airport Commission, Series A, 5.00%, 7/1/30	995	1,148
Capital Region Airport Commission, Series A, 5.00%, 7/1/32	400	457
Capital Region Airport Commission, Series A, 5.00%, 7/1/33	500	569
Cherry Hill CDA, Potomac Shores Project, 5.15%, 3/1/35 (2)	1,025	1,042
Cherry Hill CDA, Potomac Shores Project, 5.40%, 3/1/45 (2)	2,200	2,254
Cherry Hill CDA, Potomac Shores Project, 4.50%, 3/1/25 (2)	900	909
Chesapeake Bay Bridge & Tunnel Dist., 5.00%, 7/1/46	5,820	6,355
Chesapeake Bay Bridge & Tunnel Dist., 5.00%, 7/1/51	5,895	6,393
Chesapeake Bay Bridge & Tunnel Dist., 5.50%, 7/1/25 (3)	6,235	7,540
Chesapeake Toll Road, Series B, STEP, 0.00%, 7/15/40	3,875	2,988
Chesterfield County, Public Improvement, 5.00%, 1/1/25 (Prerefunded 1/1/18) (1)	3,750	3,883
Chesterfield County Economic Dev. Auth., Bon Secours Health Series C1, 5.00%, 11/1/42 (4)	7,640	8,256
Chesterfield County Economic Dev. Auth., Virginia Electric & Power, Series A, PCR, 5.00%, 5/1/23	4,930	5,325
Fairfax County, Public Improvement, GO, Series A 5.00%, 10/1/35	6,000	7,021
Fairfax County Economic Dev. Auth., Goodwin House 5.00%, 10/1/22 (Prerefunded 10/1/17) (1)	4,000	4,101
Fairfax County Economic Dev. Auth., Goodwin House 5.00%, 10/1/36	6,000	6,469
Fairfax County Economic Dev. Auth., Goodwin House 5.00%, 10/1/42	4,350	4,651
Fairfax County Economic Dev. Auth., Goodwin House 5.125%, 10/1/37 (Prerefunded 10/1/17) (1)	8,250	8,465
Fairfax County Economic Dev. Auth., Metrorail Parking System 5.00%, 4/1/42 (5)	9,000	10,318
Fairfax County Economic Dev. Auth., Silver Line Phase I 4.00%, 4/1/34	8,000	8,404

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Fairfax County Economic Dev. Auth., Silver Line Phase I 4.00%, 4/1/35	5,765	6,033
Fairfax County Economic Dev. Auth., Silver Line Phase I 5.00%, 4/1/29 (Prerefunded 4/1/20) (1)	1,390	1,550
Fairfax County Economic Dev. Auth., Silver Line Phase I 5.00%, 4/1/30 (Prerefunded 4/1/20) (1)	1,815	2,024
Fairfax County Economic Dev. Auth., Silver Line Phase I 5.00%, 4/1/31 (Prerefunded 4/1/20) (1)	2,855	3,183
Fairfax County Economic Dev. Auth., Silver Line Phase I 5.00%, 4/1/36 (Prerefunded 4/1/20) (1)	12,650	14,104
Fairfax County Economic Dev. Auth., Special Project Route 28 4.50%, 4/1/36 (Prerefunded 4/1/18) (1)	4,550	4,732
Fairfax County Economic Dev. Auth., Vinson Hall, Series A 4.50%, 12/1/32	1,000	980
Fairfax County Economic Dev. Auth., Vinson Hall, Series A 5.00%, 12/1/47	4,000	4,025
Fairfax County IDA, Inova Health, 5.00%, 5/15/37	1,465	1,624
Fairfax County IDA, Inova Health, Series A, 5.00%, 5/15/40	26,785	29,665
Fairfax County IDA, Inova Health, Series A, 5.00%, 5/15/44	13,020	14,510
Fairfax County IDA, Inova Health, Series C, 5.00%, 5/15/25	2,750	2,966
Fairfax County IDA, Inova Health, Series D, 5.00%, 5/15/28	3,000	3,364
Fairfax County IDA, Inova Health, Series A, 5.50%, 5/15/35	6,490	7,001
Fairfax County IDA, Inova Health, Series A, 5.50%, 5/15/35 (Prerefunded 5/15/19) (1)	3,535	3,878
Fairfax County Redev. & Housing Auth., 5.00%, 10/1/39	3,515	3,781
Fairfax County Water Auth., Series B, 4.00%, 4/1/29	3,925	4,191
Fauquier County IDA, Fauquier Hosp., Series A, 5.25%, 10/1/37 (PrereFunded 10/1/17) (1)	195	200
Fauquier County IDA, Fauquier Hosp., Series B, 5.00%, 10/1/27 (Prerefunded 10/1/17) (1)	400	410
Fauquier County IDA, Fauquier Hosp., Series B, 5.25%, 10/1/37 (Prerefunded 10/1/17) (1)	2,670	2,742
Fredericksburg, GO, 4.75%, 7/15/37	7,790	8,445

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Fredericksburg Economic Dev. Auth., Mary Washington Healthcare, Medicorp Health, 5.00%, 6/15/29	1,600	1,764
Fredericksburg Economic Dev. Auth., Mary Washington Healthcare, Medicorp Health, 5.00%, 6/15/31	425	463
Fredericksburg Economic Dev. Auth., Mary Washington Healthcare, Medicorp Health, 5.00%, 6/15/33	1,250	1,343
Fredericksburg Economic Dev. Auth., Mary Washington Healthcare, Medicorp Health, 5.25%, 6/15/19	2,875	3,068
Fredericksburg Economic Dev. Auth., Mary Washington Healthcare, Medicorp Health, 5.25%, 6/15/21	2,345	2,592
Fredericksburg Economic Dev. Auth., Mary Washington Healthcare, Medicorp Health, 5.25%, 6/15/23	2,600	2,921
Greater Richmond Convention Center, Hotel Tax 5.00%, 6/15/29	3,750	4,300
Greater Richmond Convention Center, Hotel Tax 5.00%, 6/15/30	1,500	1,710
Greater Richmond Convention Center, Hotel Tax 5.00%, 6/15/31	2,000	2,264
Greater Richmond Convention Center, Hotel Tax 5.00%, 6/15/32	5,630	6,337
Hampton Roads Sanitation Dist., Waste Water 5.00%, 4/1/26 (Prerefunded 4/1/18) (1)	3,000	3,136
Hampton Roads Sanitation Dist., Waste Water 5.00%, 4/1/28 (Prerefunded 4/1/18) (1)	6,000	6,273
Hampton Roads Sanitation Dist., Wastewater 5.00%, 11/1/34 (Prerefunded 11/1/19) (1)	3,300	3,637
Hampton Roads Sanitation Dist., Wastewater, Series A 5.00%, 8/1/34	1,775	2,072
Hampton Roads Sanitation Dist., Wastewater, Series A 5.00%, 8/1/37	10,020	11,592
Hanover County Economic Dev. Auth., Covenant Woods Retirement Community, Series A, 5.00%, 7/1/42	1,000	1,002
Hanover County Economic Dev. Auth., Covenant Woods Retirement Community, Series A, 5.00%, 7/1/47	6,170	6,172
Hanover County IDA, Bon Secours Health, 6.375%, 8/15/18 (6)	300	310

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Henrico County, Public Improvement, 5.00%, 12/1/25 (Prerefunded 12/1/18) (1)	1,250	1,339
Henrico County, Series A, GO, 4.00%, 8/1/28	420	451
Henrico County Economic Dev. Auth., Bon Secours Health 5.00%, 11/1/30	7,035	7,804
Henrico County Economic Dev. Auth., Collegiate School 4.00%, 4/15/37	4,065	4,121
Henrico County Economic Dev. Auth., Collegiate School 4.00%, 4/15/42	3,595	3,625
Henrico County Economic Dev. Auth., Collegiate School 5.25%, 4/15/32	4,350	4,666
Henrico County IDA, Bon Secours Health, 6.25%, 8/15/20 (6)	1,750	1,896
Henrico County Water & Sewer, 4.75%, 5/1/27 (Prerefunded 5/1/19) (1)	4,535	4,894
Henrico County Water & Sewer, 5.00%, 5/1/42	13,175	15,217
Henrico County Water & Sewer, 5.00%, 5/1/46	11,220	12,920
Hopewell IDA, Smurfit-Stone Container, EC, 5.25%, 6/1/49 (11)	2,000	1
Isle of Wight County, GO, 5.00%, 7/1/43	3,290	3,667
James City County Economic Dev. Auth., Windsormeade, United Methodist Home, Series A, 2.00%, 10/1/48 (7)	753	35
James City County Economic Dev. Auth., Windsormeade, United Methodist Home, Series A, 6.00%, 6/1/43	2,430	2,214
Lexington IDA, Kendal at Lexington, 4.00%, 1/1/31	750	749
Lexington IDA, V.M.I. Dev. Board, 4.00%, 12/1/30	2,835	3,058
Lexington IDA, V.M.I. Dev. Board, Series C, 5.00%, 12/1/36 (Prerefunded 6/1/19) (1)	6,325	6,879
Lexington IDA, Washington & Lee Univ., 4.75%, 1/1/43	1,225	1,312
Lexington IDA, Washington & Lee Univ., 5.00%, 1/1/43	6,725	7,429
Manassas Park Economic Dev. Auth., Series A 5.00%, 7/15/20 (3)	640	716
Manassas Park Economic Dev. Auth., Series A, 6.00%, 7/15/35 (Prerefunded 7/15/20) (1)	3,495	4,026
New Port CDA, Special Assessment, 5.60%, 9/1/36 (7)(11)	978	489

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Newport News, Series 2007A, 5.00%, 3/1/21 (Prerefunded 3/1/17) (1)	2,000	2,001
Newport News, Virginia Water Revenue, 5.00%, 7/15/32	1,260	1,483
Newport News Economic Dev. Auth., Lifespire, 5.00%, 12/1/38	1,500	1,542
Norfolk, Capital Improvement, Series C, 5.00%, 4/1/28 (Prerefunded 4/1/17) (1)	5,000	5,020
Norfolk Airport Auth., Series A, 5.00%, 7/1/20	1,385	1,523
Norfolk Airport Auth., Series A, 5.00%, 7/1/21	1,000	1,122
Norfolk Economic Dev. Auth., BBL ODU, Series A 6.00%, 11/1/36 (8)	1,410	1,257
Norfolk Economic Dev. Auth., Sentara Health Care, Series B 5.00%, 11/1/43	5,575	6,183
Norfolk Redev. & Housing Auth., Harbors Edge Retirement Community, 5.375%, 1/1/35	3,620	3,689
Norfolk Redev. & Housing Auth., Harbors Edge Retirement Community, 5.375%, 1/1/46	480	485
Norfolk Water Rev., 5.00%, 11/1/28	1,730	1,961
Norfolk Water Rev., 5.00%, 11/1/29	1,145	1,302
Norfolk Water Rev., 5.00%, 11/1/31	1,035	1,163
Norfolk Water Rev., 5.00%, 11/1/38	2,805	3,121
Norfolk Water Rev., 5.00%, 11/1/42	12,735	14,161
Norfolk Water Rev., Series A, 5.25%, 11/1/44	17,250	19,816
Pittsylvania County, Series B, 5.75%, 2/1/30 (Prerefunded 2/1/19) (1)	1,500	1,636
Portsmouth, Series B, 5.25%, 7/15/21 (Prerefunded 7/15/19) (1)	745	818
Portsmouth, Series B, 5.25%, 7/15/22 (Prerefunded 7/15/19) (1)	780	856
Portsmouth, Series B, 5.25%, 7/15/24 (Prerefunded 7/15/19) (1)	300	329
Portsmouth, Series B, 5.25%, 7/15/25 (Prerefunded 7/15/19) (1)	385	423
Portsmouth, Series B, GO, 5.25%, 7/15/21	555	606

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Portsmouth, Series B, GO, 5.25%, 7/15/22	585	639
Portsmouth, Series B, GO, 5.25%, 7/15/24	225	245
Portsmouth, Series B, GO, 5.25%, 7/15/25	285	311
Powhatan County, GO, 5.00%, 1/15/32	2,000	2,168
Prince William County IDA, Novant Health, Series B 4.00%, 11/1/33	7,660	7,907
Prince William County IDA, Westminister at Lake Ridge 5.00%, 1/1/37	1,000	1,010
Prince William County IDA, Westminister at Lake Ridge 5.00%, 1/1/46	2,500	2,504
Richmond, Public Utilities, 5.00%, 1/15/28 (Prerefunded 1/15/19) (1)	1,000	1,075
Richmond, Public Utilities, 5.00%, 1/15/40 (Prerefunded 1/15/19) (1)	10,150	10,907
Richmond Metropolitan Auth., Expressway 5.25%, 7/15/22 (3)(9)	1,740	1,944
Richmond Metropolitan Auth., Expressway, 5.25%, 7/15/22 (9)	3,000	3,362
Richmond Metropolitan Auth., Expressway, 5.25%, 7/15/22 (9)	10,615	11,818
Riverside Regional Jail Auth., 5.00%, 7/1/30	5,770	6,616
Roanoke Economic Dev. Auth., Brandon Oaks 6.625%, 12/1/44	3,900	4,145
Roanoke Economic Dev. Auth., Carilion Clinic, 5.00%, 7/1/33	4,970	5,351
Roanoke Economic Dev. Auth., Carilion Clinic 6.125%, 7/1/17 (3)(6)	1,965	2,002
Roanoke Economic Dev. Auth., Carilion Clinic, Series C 5.00%, 7/1/27 (4)	4,250	4,595
Russell County IDA, Appalachian Power, Series K, PCR 4.625%, 11/1/21	10,520	11,370
Spotsylvania County Water & Sewer, 5.00%, 6/1/25 (Prerefunded 6/1/17) (1)(4)	1,385	1,401
Spotsylvania County Water & Sewer, 5.00%, 6/1/26 (Prerefunded 6/1/17) (1)(4)	1,450	1,466
Suffolk Economic Dev. Auth., United Church, 5.00%, 9/1/31	4,000	4,252

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Tobacco Settlement Fin. Corp., Tobacco Industry, Series B1 5.00%, 6/1/47	3,025	2,800
Univ. of Virginia, 5.00%, 6/1/40 (Prerefunded 6/1/18) (1)	9,655	10,157
Univ. of Virginia, General Rev. Pledge, Series B, 5.00%, 4/1/46	5,000	5,822
Univ. of Virginia, Green Bond, Series A-2, 5.00%, 4/1/45	20,705	23,708
Univ. of Virginia, Series A, 5.00%, 4/1/42	5,000	5,851
Univ. of Virginia, Series A, 5.00%, 6/1/43	3,440	3,918
Upper Occoquan Sewage Auth., 4.00%, 7/1/34	5,515	5,794
Upper Occoquan Sewage Auth., 4.00%, 7/1/40	10,805	11,232
Upper Occoquan Sewage Auth., Series B, 4.00%, 7/1/37	6,655	6,961
Virginia, Series A, GO, 5.00%, 6/1/17	4,000	4,046
Virginia, Series B, 5.00%, 6/1/27 (Prerefunded 6/1/18) (1)	2,000	2,104
Virginia, Series B, 5.00%, 6/1/30 (Prerefunded 6/1/18) (1)	320	337
Virginia College Building Auth., 5.00%, 9/1/29 (Prerefunded 9/1/19) (1)	10,000	10,961
Virginia College Building Auth., 21st Century, 5.00%, 2/1/26 (Prerefunded 2/1/19) (1)	1,860	2,002
Virginia College Building Auth., 21st Century, Series A 4.00%, 2/1/34	4,500	4,702
Virginia College Building Auth., 21st Century, Series A 4.75%, 2/1/27 (Prerefunded 2/1/18) (1)	6,810	7,058
Virginia College Building Auth., 21st Century, Series A 4.75%, 2/1/29 (Prerefunded 2/1/19) (1)	2,050	2,196
Virginia College Building Auth., 21st Century, Series A 5.00%, 2/1/29 (Prerefunded 2/1/19) (1)	3,000	3,227
Virginia College Building Auth., 21st Century, Series B, VRDN 0.57%, 2/1/26	5,470	5,470
Virginia College Building Auth., 21st Century, Series C, VRDN 0.57%, 2/1/26	10,770	10,770
Virginia College Building Auth., Public Higher Ed. Fin. Program Series A, 4.50%, 9/1/25 (Prerefunded 9/1/17) (1)	12,350	12,588
Virginia College Building Auth., Public Higher Ed. Fin. Program Series A, 5.00%, 9/1/18	7,460	7,923

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Virginia College Building Auth., Public Higher Ed. Fin. Program Series A, 5.00%, 9/1/26 (Prerefunded 9/1/18) (1)	45	48
Virginia College Building Auth., Public Higher Ed. Fin. Program Series A, 5.00%, 9/1/26 (Prerefunded 9/1/18) (1)	5,455	5,792
Virginia College Building Auth., Public Higher Ed. Fin. Program Series A, 5.00%, 9/1/28 (Prerefunded 9/1/18) (1)	45	48
Virginia College Building Auth., Public Higher Ed. Fin. Program Series A, 5.00%, 9/1/28 (Prerefunded 9/1/18) (1)	5,955	6,322
Virginia College Building Auth., Univ. of Richmond 4.00%, 3/1/42	8,010	8,260
Virginia College Building Auth., Washington & Lee Univ. 5.25%, 1/1/26 (6)	610	725
Virginia College Building Auth., Washington & Lee Univ. 5.25%, 1/1/31 (6)	7,900	9,711
Virginia College Building Auth., Washington & Lee Univ. 5.75%, 1/1/34	10,520	13,695
Virginia College Building Auth., Washington & Lee Univ. Series A, 5.00%, 1/1/40	3,650	4,100
Virginia HDA, Multi-Family, Rental Housing, Series B 5.625%, 6/1/39	1,250	1,340
Virginia HDA, Multi-Family, Rental Housing, Series B 5.00%, 6/1/45	3,050	3,137
Virginia HDA, Multi-Family, Rental Housing, Series B 5.75%, 6/1/43	4,000	4,239
Virginia HDA, Multi-Family, Rental Housing, Series E 5.00%, 10/1/44	6,540	6,704
Virginia HDA, Multi-Family, Rental Housing, Series F 5.00%, 12/1/39	5,000	5,296
Virginia HDA, Multi-Family, Rental Housing, Series F 5.00%, 4/1/45	2,260	2,323
Virginia HDA, Multi-Family, Rental Housing, Series F 5.35%, 10/1/43	7,710	8,234
Virginia HDA, Single Family, 4.75%, 4/1/21 (8)	2,925	2,951
Virginia HDA, Single Family, 4.75%, 10/1/21 (8)	2,850	2,874
Virginia HDA, Single Family, Series A, 5.10%, 10/1/35 (8)	40	40

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Virginia Polytechnic Institute & State Univ., Series A 4.00%, 6/1/30	2,135	2,280
Virginia Polytechnic Institute & State Univ., Series A 4.00%, 6/1/33	1,920	2,019
Virginia Polytechnic Institute & State Univ., Series A 4.00%, 6/1/34	2,005	2,086
Virginia Port Auth., 5.00%, 7/1/35	3,500	3,857
Virginia Port Auth., 5.00%, 7/1/36	3,500	3,857
Virginia Port Auth., Series B, 5.00%, 7/1/41 (8)	1,000	1,095
Virginia Port Auth., Series B, 5.00%, 7/1/45 (8)	11,500	12,557
Virginia Public Building Auth., Series A, 5.00%, 8/1/31 (Prerefunded 8/1/21) (1)	80	92
Virginia Public Building Auth., Series A, 5.00%, 8/1/31	12,085	13,514
Virginia Public Building Auth., Series B, 5.00%, 8/1/17	1,000	1,019
Virginia Public Building Auth., Series B, 5.00%, 8/1/29 (Prerefunded 8/1/19) (1)	170	186
Virginia Public Building Auth., Series B, 5.00%, 8/1/29 (Prerefunded 8/1/19) (1)	1,580	1,727
Virginia Public Building Auth., Series B, 5.25%, 8/1/28 (Prerefunded 8/1/18) (1)	1,475	1,566
Virginia Public School Auth., 1997 Resolution, Series A 4.50%, 8/1/37 (Prerefunded 8/1/18) (1)	1,475	1,551
Virginia Public School Auth., 1997 Resolution, Series B 5.00%, 8/1/28 (Prerefunded 8/1/18) (1)	5,500	5,822
Virginia Public School Auth., 1997 Resolution, Series B 5.25%, 8/1/33 (Prerefunded 8/1/18) (1)	1,000	1,062
Virginia Public School Auth., Series C, GO, 5.00%, 8/1/18	2,280	2,414
Virginia Resources Auth., Clean Water, 4.75%, 10/1/26 (Prerefunded 10/1/17) (1)	11,255	11,525
Virginia Resources Auth., Clean Water, 5.00%, 10/1/29 (Prerefunded 10/1/19) (1)	1,500	1,649
Virginia Resources Auth., Clean Water, 5.00%, 10/1/30	5,290	6,242
Virginia Resources Auth., Clean Water, 5.00%, 10/1/31 (Prerefunded 10/1/19) (1)	2,400	2,638

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Virginia Resources Auth., Infrastructure Pooled Fin. 5.00%, 11/1/30 (Prerefunded 11/1/20) (1)	5	6
Virginia Resources Auth., Infrastructure Pooled Fin. 5.00%, 11/1/30	655	730
Virginia Resources Auth., Infrastructure Pooled Fin. 5.00%, 11/1/33 (Prerefunded 11/1/20) (1)	10	11
Virginia Resources Auth., Infrastructure Pooled Fin. 5.00%, 11/1/33	1,900	2,115
Virginia Resources Auth., Infrastructure Pooled Fin. 5.00%, 11/1/40	9,070	10,401
Virginia Resources Auth., Infrastructure Pooled Fin. 5.00%, 11/1/45	9,365	10,694
Virginia Resources Auth., Infrastructure Pooled Fin., Series A 5.00%, 11/1/42	1,680	1,897
Virginia Resources Auth., Infrastructure Pooled Fin., Series A1 5.00%, 11/1/42	9,000	10,097
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.00%, 11/1/31	3,390	3,844
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.00%, 11/1/33 (Prerefunded 11/1/18) (1)	2,900	3,098
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.00%, 11/1/33	1,845	1,957
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.00%, 11/1/33 (Prerefunded 11/1/18) (1)	255	272
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.00%, 11/1/36	4,665	5,252
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.00%, 11/1/40 (Prerefunded 11/1/20) (1)	4,775	5,410
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.125%, 11/1/38 (Prerefunded 11/1/18) (1)	125	134
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.125%, 11/1/38	425	452
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.25%, 11/1/25 (Prerefunded 11/1/18) (1)	135	145
Virginia Resources Auth., Infrastructure Pooled Fin., Series B 5.25%, 11/1/25 (Prerefunded 11/1/18) (1)	1,625	1,743

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Virginia Resources Auth., Infrastructured Pooled Fin., Series B 5.25%, 11/1/25	240	256
Virginia Resources Auth., Infrastructural Pooled Fin., Series C 4.00%, 11/1/37	545	575
Virginia Small Business Fin. Auth., 95 Express Lanes 5.00%, 7/1/34 (8)	1,250	1,301
Virginia Small Business Fin. Auth., 95 Express Lanes 5.00%, 1/1/40 (8)	9,930	10,192
Virginia Small Business Fin. Auth., Elizabeth River Crossings 5.50%, 1/1/42 (8)	5,000	5,347
Virginia Small Business Fin. Auth., Elizabeth River Crossings 6.00%, 1/1/37 (8)	6,155	6,897
Virginia Small Business Fin. Auth., Sentara Healthcare 4.50%, 11/1/25	2,100	2,232
Virginia Small Business Fin. Auth., Sentara Healthcare 5.00%, 11/1/40	6,190	6,683
Virginia Small Business Fin. Auth., Wellmont Health, Series A 5.25%, 9/1/37	1,490	1,507
Virginia Transportation Board, 4.00%, 5/15/30	12,310	13,185
Virginia Transportation Board, 4.00%, 5/15/32	6,860	7,256
Virginia Transportation Board, Capital Projects, 5.00%, 5/15/33	12,500	14,011
Virginia Transportation Board, Capital Projects, 4.75%, 5/15/35	14,500	15,923
Virginia Transportation Board, Federal Highway 5.00%, 9/15/31	11,000	12,974
Washington County IDA, Mountain States Health Alliance Series C, 7.25%, 7/1/19	1,065	1,139
Washington County IDA, Mountain States Health Alliance Series C, 7.75%, 7/1/38	2,000	2,171
Winchester IDA, Valley Health, 5.00%, 1/1/30	250	288
Winchester IDA, Valley Health, 5.00%, 1/1/34	2,250	2,525
Winchester IDA, Valley Health, 5.00%, 1/1/35	1,750	1,957
Winchester IDA, Valley Health, 5.00%, 1/1/44	9,500	10,409
Winchester IDA, Valley Health, Series A, 5.00%, 1/1/44	10,455	11,381

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
Winchester IDA, Valley Health, Series E, 5.625%, 1/1/44 (Prerefunded 1/1/19) (1)	3,550	3,848
		1,072,609

DISTRICT OF COLUMBIA 8.1%

Metropolitan Washington Airports Auth., Dulles Toll Road 5.25%, 10/1/44	17,155	18,519
Metropolitan Washington Airports Auth., Dulles Toll Road Series C, VR, 6.50%, 10/1/41 (10)	2,000	2,551
Metropolitan Washington Airports Auth., Series A 5.00%, 10/1/29	1,500	1,658
Metropolitan Washington Airports Auth., Series A 5.00%, 10/1/31 (8)	1,000	1,113
Metropolitan Washington Airports Auth., Series A 5.00%, 10/1/34 (8)	10,500	11,810
Metropolitan Washington Airports Auth., Series A 5.00%, 10/1/35	8,375	9,220
Metropolitan Washington Airports Auth., Series A 5.00%, 10/1/39	4,900	5,401
Metropolitan Washington Airports Auth., Series B 5.00%, 10/1/22	5,550	6,051
Metropolitan Washington Airports Auth., Series B 5.00%, 10/1/29	7,230	7,826
Metropolitan Washington Airports Auth., Series C 5.00%, 10/1/28 (8)	2,000	2,212
Metropolitan Washington Airports Auth., Series C 5.625%, 10/1/39	15,500	16,452
Washington Metropolitan Area Transit Auth., Series A 5.25%, 7/1/24	5,300	5,744
Washington Metropolitan Area Transit Auth., Series A 5.25%, 7/1/26	5,670	6,140
		94,697

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

	Par/Shares	\$ Value
(Amounts in 000s)		
NEW YORK 0.4%		
New York City Municipal Water Fin. Auth., Series B-1, VRDN 0.58%, 6/15/45	3,800	3,800
New York City Municipal Water Fin. Auth., Series DD-3B, VRDN 0.58%, 6/15/43	900	900
		4,700
VIRGIN ISLANDS 0.2%		
Virgin Islands PFA, Diageo, 6.625%, 10/1/29	670	522
Virgin Islands PFA, Series B, 5.00%, 10/1/25	2,500	2,084
		2,606
Total Municipal Securities (Cost \$1,138,474)		1,174,612
COMMON STOCKS 0.0%		
Ingevity (11)	—	1
Westrock	—	6
Total Common Stocks (Cost \$7)		7
Total Investments in Securities		
99.7% of Net Assets (Cost \$1,138,481)		\$ 1,174,619

- † Par/Shares are denominated in U.S. dollars unless otherwise noted.
- (1) Prerefunded date is used in determining portfolio maturity.
 - (2) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers -- total value of such securities at period-end amounts to \$4,205 and represents 0.4% of net assets.
 - (3) Escrowed to maturity
 - (4) Insured by Assured Guaranty Municipal Corp.
 - (5) When-issued security
 - (6) Insured by National Public Finance Guarantee Corp.
 - (7) In default with respect to payment of interest.
 - (8) Interest subject to alternative minimum tax
 - (9) Insured by Financial Guaranty Insurance Company
 - (10) Insured by Assured Guaranty U.S. Holdings
 - (11) Non-income producing

CDA	Community Development Administration/Authority
EC	Escrow CUSIP; represents a beneficial interest in a residual pool of bankruptcy assets; the amount and timing of future distributions, if any, is uncertain; when presented, interest rate and maturity date are those of the original security.
GO	General Obligation
HDA	Housing Development Authority
IDA	Industrial Development Authority/Agency
PCR	Pollution Control Revenue
PFA	Public Finance Authority/Agency
STEP	Stepped coupon bond for which the coupon rate of interest adjusts on specified date(s).
VR	Variable Rate; rate shown is effective rate at period-end.
VRDN	Variable Rate Demand Note under which the holder has the right to sell the security to the issuer or the issuer's agent at a predetermined price (generally par) on specified dates (generally daily or weekly) upon required notification; such specified dates are considered the effective maturity for purposes of the fund's weighted average maturity; rate shown is effective rate at period-end and maturity date shown is final maturity.

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Assets

Investments in securities, at value (cost \$1,138,481)	\$ 1,174,619
Interest receivable	14,817
Cash	1,655
Receivable for shares sold	676
Other assets	8
Total assets	<u>1,191,775</u>

Liabilities

Payable for investment securities purchased	11,373
Payable for shares redeemed	933
Investment management fees payable	350
Due to affiliates	30
Other liabilities	771
Total liabilities	<u>13,457</u>

NET ASSETS**\$ 1,178,318****Net Assets Consist of:**

Undistributed net investment income	\$ 420
Accumulated undistributed net realized loss	(5,600)
Net unrealized gain	36,138
Paid-in capital applicable to 98,991,446 no par value shares of beneficial interest outstanding; unlimited number of shares authorized	<u>1,147,360</u>

NET ASSETS**\$ 1,178,318****NET ASSET VALUE PER SHARE****\$ 11.90**

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE VIRGINIA TAX-FREE BOND FUND

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 2/28/17
Investment Income (Loss)	
Interest income	\$ 42,948
Expenses	
Investment management	4,661
Shareholder servicing	711
Prospectus and shareholder reports	38
Custody and accounting	178
Registration	18
Legal and audit	23
Trustees	5
Miscellaneous	15
Total expenses	5,649
Net investment income	37,299
Realized and Unrealized Gain / Loss	
Net realized gain on securities	1,320
Change in net unrealized gain / loss on securities	(33,218)
Net realized and unrealized gain / loss	(31,898)
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 5,401

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended	
	2/28/17	2/29/16
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 37,299	\$ 34,810
Net realized gain	1,320	714
Change in net unrealized gain / loss	(33,218)	2,652
Increase in net assets from operations	5,401	38,176
Distributions to shareholders		
Net investment income	(37,218)	(34,702)
Net realized gain	—	(133)
Decrease in net assets from distributions	(37,218)	(34,835)
Capital share transactions*		
Shares sold	233,668	202,493
Distributions reinvested	29,430	26,737
Shares redeemed	(183,908)	(101,164)
Increase in net assets from capital share transactions	79,190	128,066
Net Assets		
Increase during period	47,373	131,407
Beginning of period	1,130,945	999,538
End of period	\$ 1,178,318	\$ 1,130,945
Undistributed net investment income	420	586
*Share information		
Shares sold	19,185	16,722
Distributions reinvested	2,417	2,210
Shares redeemed	(15,250)	(8,371)
Increase in shares outstanding	6,352	10,561

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price State Tax-Free Income Trust (the trust), is registered under the Investment Company Act of 1940 (the 1940 Act). The Virginia Tax-Free Bond Fund (the fund) is a nondiversified, open-end management investment company established by the trust. 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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

Investment Transactions, Investment Income, and Distributions Income and expenses are recorded on the accrual basis. Premiums and discounts on debt securities are amortized for financial reporting purposes. Dividend income and capital gain distributions are recorded on the ex-dividend date. Income tax-related interest and penalties, if incurred, would be recorded as income tax expense. Investment transactions are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis. Income distributions are declared daily and paid monthly. Distributions to shareholders are recorded on the ex-dividend date. Capital gain distributions are generally declared and paid by the fund annually.

New Accounting Guidance In October 2016, the Securities and Exchange Commission (SEC) issued a new rule, *Investment Company Reporting Modernization*, which, among other provisions, amends Regulation S-X to require standardized, enhanced disclosures, particularly related to derivatives, in investment company financial statements. Compliance with the guidance is effective for financial statements filed with the SEC on or after August 1, 2017; adoption will have no effect on the fund's net assets or results of operations.

NOTE 2 - VALUATION

The fund's financial instruments are valued and its net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC.

Fair Value The fund's financial instruments are normally valued twice daily to support the computation of the fund's intraday NAV and end of day NAV. The fund's financial instruments are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The T. Rowe Price Valuation Committee (the Valuation Committee) is an internal committee that has been delegated certain responsibilities by the fund's Board of Trustees (the Board) to ensure that financial instruments are appropriately priced at fair value in accordance with GAAP and the 1940 Act. Subject to oversight by the Board, the Valuation Committee develops and oversees pricing-related policies and procedures and approves all fair value determinations. Specifically, the Valuation Committee establishes procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

- Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date
- Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)
- Level 3 – unobservable inputs

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

Valuation Techniques Debt securities generally are traded in the over-the-counter (OTC) market. Securities with remaining maturities of one year or more at the time of acquisition are valued at prices furnished by dealers who make markets in such securities or by an independent pricing service, which considers the yield or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Securities with remaining maturities of less than one year at the time of acquisition generally use amortized cost in local currency to approximate fair value. However, if amortized cost is deemed not to reflect fair value or the fund holds a significant amount of such securities with remaining maturities of more than 60 days, the securities are valued at prices furnished by dealers who make markets in such securities or by an independent pricing service. Generally, debt securities are categorized in Level 2 of the fair value hierarchy; however, to the extent the valuations include significant unobservable inputs, the securities would be categorized in Level 3.

Equity securities listed or regularly traded on a securities exchange or in the OTC market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices. Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. OTC Bulletin Board securities, certain preferred securities, and equity securities

traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. The objective of any fair value pricing determination is to arrive at a price that could reasonably be expected from a current sale. Financial instruments fair valued by the Valuation Committee are primarily private placements, restricted securities, warrants, rights, and other securities that are not publicly traded.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of troubled or thinly traded debt instruments, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. The Valuation Committee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Committee may also consider other valuation methods such as a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the issue. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Valuation Committee could differ from those of other market participants. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

Valuation Inputs The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on February 28, 2017:

(\$000s)	Level 1	Level 2	Level 3	Total Value
	Quoted Prices	Significant Observable Inputs	Significant Unobservable Inputs	
Investments in Securities, except:	\$ —	\$ 1,174,612	\$ —	1,174,612
Common Stocks	7	—	—	7
Total	\$ 7	\$ 1,174,612	\$ —	1,174,619

There were no material transfers between Levels 1 and 2 during the year ended February 28, 2017.

NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

Restricted Securities The fund may invest in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

When-Issued Securities The fund may enter into when-issued purchase or sale commitments, pursuant to which it agrees to purchase or sell, respectively, an authorized but not yet issued security for a fixed unit price, with payment and delivery not due until issuance of the security on a scheduled future date. When-issued securities may be new securities or securities issued through a corporate action, such as a reorganization or restructuring. Until settlement, the fund maintains liquid assets sufficient to settle its commitment to purchase a when-issued security or, in the case of a sale commitment, the fund maintains

an entitlement to the security to be sold. Amounts realized on when-issued transactions are included in realized gain/loss on securities in the accompanying financial statements.

Other Purchases and sales of portfolio securities other than short-term securities aggregated \$225,069,000 and \$135,861,000, respectively, for the year ended February 28, 2017.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences.

The fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Reclassifications to paid-in capital relate primarily to expiring capital loss carryforwards. Reclassifications between income and gain relate primarily to the character of market discount at time of sale. For the year ended February 28, 2017, the following reclassifications were recorded to reflect tax character (there was no impact on results of operations or net assets):

(\$000s)		
Undistributed net investment income	\$	(247)
Undistributed net realized gain		3,423
Paid-in capital		(3,176)

Distributions during the years ended February 28, 2017 and February 29, 2016, were characterized for tax purposes as follows:

(\$000s)		
	February 28	February 29
	2017	2016
Ordinary income	\$ —	\$ 133
Tax-exempt income	37,218	34,702
Total distributions	\$ 37,218	\$ 34,835

At February 28, 2017, the tax-basis cost of investments and components of net assets were as follows:

(\$000s)	
Cost of investments	\$ 1,138,389
Unrealized appreciation	\$ 46,451
Unrealized depreciation	(10,221)
Net unrealized appreciation (depreciation)	36,230
Undistributed ordinary income	224
Undistributed tax-exempt income	37
Capital loss carryforwards	(5,533)
Paid-in capital	1,147,360
Net assets	\$ 1,178,318

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Because the fund is required to use capital loss carryforwards that do not expire before those with expiration dates, all or a portion of its capital loss carryforwards subject to expiration could ultimately go unused. During the year ended February 28, 2017, the fund utilized \$1,344,000 of capital loss carryforwards. The fund's available capital loss carryforwards as of February 28, 2017, expire as follows: \$1,598,000 in fiscal 2018; \$3,935,000 have no expiration.

NOTE 5 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). The investment management agreement between the fund and Price Associates provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee, equal to 0.10% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.270% for assets in excess of \$500 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At February 28, 2017, the effective annual group fee rate was 0.29%.

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates (collectively, Price). Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc., provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. For the year ended February 28, 2017, expenses incurred pursuant to these service agreements were \$74,000 for Price Associates and \$202,000 for T. Rowe Price Services, Inc. The total amount payable at period-end pursuant to these service agreements is reflected as Due to Affiliates in the accompanying financial statements.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. Purchases and sales cross trades aggregated \$10,800,000 and \$10,725,000, respectively, with net realized gain of \$0 for the year ended February 28, 2017. Generally, cross trades were executed due to the limited supply of high-quality municipal securities available in the market and the adviser's decision to continue owning certain investments in funds or accounts advised by Price Associates.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of T. Rowe Price State Tax-Free Income Trust and Shareholders of Virginia Tax-Free Bond Fund

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Virginia Tax-Free Bond Fund (one of the portfolios comprising T. Rowe Price State Tax-Free Income Trust, hereafter referred to as the “Fund”) at February 28, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at February 28, 2017 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Baltimore, Maryland
April 19, 2017

TAX INFORMATION (UNAUDITED) FOR THE TAX YEAR ENDED 2/28/17

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

The fund's distributions to shareholders included \$37,090,000 which qualified as exempt-interest dividends.

For taxable non-corporate shareholders, less than \$1,000 of the fund's income represents qualified dividend income subject to a long-term capital gains tax rate of not greater than 20%.

For corporate shareholders, less than \$1,000 of the fund's income qualifies for the dividends-received deduction.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds and portfolios to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, sec.gov.

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www3.troweprice.com/usis/corporate/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Policies." Click on the Proxy Voting Policies link in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available electronically on the SEC's website (sec.gov); hard copies may be reviewed and copied at the SEC's Public Reference Room, 100 F St. N.E., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

ABOUT THE FUND'S TRUSTEES AND OFFICERS

Your fund is overseen by a Board of Trustees (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. At least 75% of the Board's members are independent of T. Rowe Price Associates, Inc. (T. Rowe Price), and its affiliates; "inside" or "interested" Trustees are employees or officers of T. Rowe Price. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund Trustees and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

Independent Trustees	
Name (Year of Birth) Year Elected* [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Anthony W. Deering (1945) 1986 [187]	Chairman, Exeter Capital, LLC, a private investment firm (2004 to present); Director and Advisory Board Member, Deutsche Bank North America (2004 to present); Director, Vornado Real Estate Investment Trust (2004 to 2012); Director, Under Armour (2008 to present); Director, Brixmor Real Estate Investment Trust (2012 to present)
Bruce W. Duncan (1951) 2013 [187]	Chief Executive Officer and Director (2009 to December 2016), Chairman of the Board (January 2016 to present), and President (2009 to September 2016), First Industrial Realty Trust, an owner and operator of industrial properties; Chairman of the Board (2005 to September 2016) and Director (1999 to September 2016), Starwood Hotels & Resorts, a hotel and leisure company; Director, Boston Properties (May 2016 to present); Director, Marriott International, Inc. (September 2016 to present)
Robert J. Gerrard, Jr. (1952) 2013 [187]	Advisory Board Member, Pipeline Crisis/Winning Strategies, a collaborative working to improve opportunities for young African Americans (1997 to present)
Paul F. McBride (1956) 2013 [187]	Advisory Board Member, Vizzia Technologies (2015 to present)
*Each independent trustee serves until retirement, resignation, or election of a successor.	

Independent Trustees (continued)

Name (Year of Birth) Year Elected* [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Cecilia E. Rouse, Ph.D. (1963) 2013 [187]	Dean, Woodrow Wilson School (2012 to present); Professor and Researcher, Princeton University (1992 to present); Member of National Academy of Education (2010 to present); Director, MDRC, a nonprofit education and social policy research organization (2011 to present); Research Associate of Labor Studies Program (2011 to 2015) and Board Member (2015 to present), National Bureau of Economic Research (2011 to present); Chair of Committee on the Status of Minority Groups in the Economic Profession (2012 to present); Vice President (2015 to present), American Economic Association
John G. Schreiber (1946) 1992 [187]	Owner/President, Centaur Capital Partners, Inc., a real estate investment company (1991 to present); Cofounder, Partner, and Cochairman of the Investment Committee, Blackstone Real Estate Advisors, L.P. (1992 to 2015); Director, General Growth Properties, Inc. (2010 to 2013); Director, Blackstone Mortgage Trust, a real estate finance company (2012 to 2016); Director and Chairman of the Board, Brixmor Property Group, Inc. (2013 to present); Director, Hilton Worldwide (2013 to present); Director, Hudson Pacific Properties (2014 to 2016)
Mark R. Tercek (1957) 2009 [187]	President and Chief Executive Officer, The Nature Conservancy (2008 to present)

*Each independent trustee serves until retirement, resignation, or election of a successor.

Inside Trustees

Name (Year of Birth) Year Elected* [Number of T. Rowe Price Portfolios Overseen]	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Edward C. Bernard (1956) 2006 [187]	Director and Vice President, T. Rowe Price; Vice Chairman of the Board, Director, and Vice President, T. Rowe Price Group, Inc.; Chairman of the Board, Director, and Vice President, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.; Chairman of the Board and Director, T. Rowe Price Retirement Plan Services, Inc.; Chairman of the Board, Chief Executive Officer, Director, and President, T. Rowe Price International and T. Rowe Price Trust Company; Chairman of the Board, all funds
Edward A. Wiese, CFA (1959) 2015 [56]	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company; Vice President, State Tax-Free Income Trust

*Each inside trustee serves until retirement, resignation, or election of a successor.

Officers

Name (Year of Birth) Position Held With State Tax-Free Income Trust	Principal Occupation(s)
Austin Applegate (1974) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
R. Lee Arnold, Jr., CFA, CPA (1970) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Darrell N. Braman (1963) Vice President and Secretary	Vice President, Price Hong Kong, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
M. Helena Condez (1962) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
G. Richard Dent (1960) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

Officers (continued)

Name (Year of Birth)	Position Held With State Tax-Free Income Trust	Principal Occupation(s)
Charles E. Emrich (1961)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Sarah J. Engle (1979)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Stephanie A. Gentile, CFA (1956)	Vice President	Vice President, T. Rowe Price; formerly, Director, Credit Suisse Securities (to 2014)
John R. Gilner (1961)	Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Investment Services, Inc.
Charles B. Hill, CFA (1961)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Dylan Jones, CFA (1971)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Marianna Korpusova, CFA (1984)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.; formerly, student, The University of Chicago (to 2014)
Paul J. Krug, CPA (1964)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Marcy M. Lash (1963)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Alan D. Levenson, Ph.D. (1958)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Joseph K. Lynagh, CFA (1958)	Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
James T. Lynch, CFA (1983)	Vice President	Vice President, T. Rowe Price
Konstantine B. Mallas (1963)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Catherine D. Mathews (1963)	Treasurer and Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Hugh D. McGuirk, CFA (1960)	President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

Officers (continued)

Name (Year of Birth)	Position Held With State Tax-Free Income Trust	Principal Occupation(s)
James M. Murphy, CFA (1967)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Linda A. Murphy (1959)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
David Oestreicher (1967)	Vice President	Director, Vice President, and Secretary, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; Chief Legal Officer, Vice President, and Secretary, T. Rowe Price Group, Inc.; Vice President and Secretary, T. Rowe Price and T. Rowe Price International; Vice President, Price Hong Kong and Price Singapore
John W. Ratzesberger (1975)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; formerly, North American Head of Listed Derivatives Operation, Morgan Stanley (to 2013)
Shannon H. Rauser (1987)	Assistant Secretary	Employee, T. Rowe Price
Deborah D. Seidel (1962)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.
Chen Shao (1980)	Vice President	Vice President, T. Rowe Price
Douglas D. Spratley, CFA (1969)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Timothy G. Taylor, CFA (1975)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Robert D. Thomas (1971)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

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T. ROWE PRICE MUTUAL FUNDS

This page contains supplementary information that is not part of the shareholder report.

STOCK FUNDS

Domestic

Blue Chip Growth
Capital Appreciation[†]
Capital Opportunity
Diversified Mid-Cap Growth
Dividend Growth
Equity Income
Equity Index 500
Extended Equity Market Index
Financial Services
Growth & Income
Growth Stock
Health Sciences[†]
Media & Telecommunications
Mid-Cap Growth[†]
Mid-Cap Value[†]
New America Growth
New Era
New Horizons[†]
QM U.S. Small & Mid-Cap Core Equity
QM U.S. Small-Cap Growth Equity
QM U.S. Value Equity
Real Estate
Science & Technology
Small-Cap Stock[†]
Small-Cap Value
Tax-Efficient Equity
Total Equity Market Index
U.S. Large-Cap Core
Value

ASSET ALLOCATION FUNDS

Balanced
Global Allocation
Personal Strategy Balanced
Personal Strategy Growth
Personal Strategy Income
Real Assets
Spectrum Growth
Spectrum Income
Spectrum International
Target Date Funds[^]

BOND FUNDS

Domestic Taxable

Corporate Income
Credit Opportunities
Floating Rate
GNMA
High Yield[†]
Inflation Protected Bond
Limited Duration Inflation
Focused Bond
New Income
Short-Term Bond
Total Return
Ultra Short-Term Bond
U.S. Bond Enhanced Index
U.S. Treasury Intermediate
U.S. Treasury Long-Term

Domestic Tax-Free

California Tax-Free Bond
Georgia Tax-Free Bond
Intermediate Tax-Free High Yield
Maryland Short-Term Tax-Free Bond
Maryland Tax-Free Bond
New Jersey Tax-Free Bond
New York Tax-Free Bond
Summit Municipal Income
Summit Municipal Intermediate
Tax-Free High Yield
Tax-Free Income
Tax-Free Short-Intermediate
Virginia Tax-Free Bond

MONEY MARKET FUNDS

Taxable

Cash Reserves¹
Government Money²
U.S. Treasury Money²

MONEY MARKET FUNDS (CONT.)

Tax-Free

California Tax-Free Money¹
Maryland Tax-Free Money¹
New York Tax-Free Money¹
Summit Municipal Money Market¹
Tax-Exempt Money¹

INTERNATIONAL/GLOBAL FUNDS

Stock

Africa & Middle East
Asia Opportunities
Emerging Europe
Emerging Markets Stock
Emerging Markets Value Stock
European Stock
Global Consumer
Global Growth Stock
Global Industrials
Global Real Estate
Global Stock
Global Technology
International Concentrated Equity
International Discovery
International Equity Index
International Stock
International Value Equity
Japan
Latin America
New Asia
Overseas Stock
QM Global Equity

Bond

Emerging Markets Bond
Emerging Markets Corporate Bond
Emerging Markets Local Currency Bond
Global High Income Bond
Global Multi-Sector Bond
Global Unconstrained Bond
International Bond

Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

[†]Closed to new investors except for a direct rollover from a retirement plan into a T. Rowe Price IRA invested in this fund.

[^]The Target Date Funds are inclusive of the Retirement Funds, the Target Funds, and the Retirement Balanced Fund.

¹Retail Funds: 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.

²Government Funds: 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. 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.