



T. Rowe Price Investment Services, Inc., 100 East Pratt Street, Baltimore, MD 21202 1-800-638-5660. In Baltimore, 547-2308.

James S. Riepe
Chairman

Dear Investor:

Do CDs have you headed the wrong way? 8% . . . 6% . . . 4% . . . CD yields have declined 81 weeks out of the last 90. And the drop for bank money market accounts has been just as steep. Adding insult to injury, you have to pay taxes on the low earnings, so you keep even less.

T. Rowe Price tax-free bond funds can help. Right now they offer yields that start higher than money markets and CDs. And because earnings are exempt from federal taxes, what you actually keep can be considerably higher. (Of course, our Funds don't offer CDs' fixed rates, and the principal in banks is guaranteed, but if your objective is higher income, tax-frees may be appropriate for you.)

As a leading investment adviser for over half a century, T. Rowe Price has been managing municipal assets since the mid-1970s. We currently manage over \$3 billion in tax-free investments, and offer three national tax-free bond funds to suit a variety of needs. We also offer advantages such as:

- 39 funds, all 100% no load--No sales charges, no redemption fees, and no 12b-1 fees
- Free exchange among funds, with just a toll free call
- Free guides, reports, and worksheets to help you plan your investment strategy
- Round-the-clock account information by phone
- \$2,500 minimum investment

The enclosed brochure briefly describes our Funds. To learn more, send for The Basics Of Tax-Free Investing. This guide has a simple worksheet for comparing taxable and tax-free yields, and discusses important issues. We'll also send a prospectus with more details, including fees and expenses, which you should read carefully before you invest. For your free information kit, please return the enclosed card today, or call us anytime at 1-800-541-0000.

Sincerely,

James S. Riepe

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P.S. When you're investing to maximize your earnings, why pay up to 5% in sales commissions? Every T. Rowe Price fund is 100% no load--so all your money gets invested.