

**DATE** February 2, 2010

**SUBJECT** 2009 Dividend Reclassifications  
– *Updated for Real Estate Fund*

A portion of the 2009 dividends paid by the T. Rowe Price funds will be reclassified for 1099 purposes. A reclassification means that the tax character of the dividend on the shareholder's 1099 mailed in January is different than the character shown on the statement which reported the dividend when it was paid. Tax character means whether the dividend is from taxable or tax-exempt income, short-term or long-term gain, or return of capital.

<b>2009 Reclassifications</b>					
<b>T. Rowe Price Fund</b>	<b>DST#</b>	<b>2009 Payment Date</b>	<b>Per Share Amount to Reclassify</b>	<b><u>Tax Character</u></b>	
				<b>Before Reclassification</b>	<b>After Reclassification</b>
Spectrum Income	88	1/29/2009	\$0.002493920	Long-term Capital Gain	Short-term Capital Gain
Emerging Markets Bond	110	1/30/2009	\$0.024922267	Income Dividend	Return of Capital
Emerging Markets Bond	110	2/27/2009	\$0.024539372	Income Dividend	Return of Capital
Emerging Markets Bond	110	3/31/2009	\$0.026902189	Income Dividend	Return of Capital
Emerging Markets Bond	110	4/30/2009	\$0.028097520	Income Dividend	Return of Capital
Emerging Markets Bond	110	5/29/2009	\$0.028984633	Income Dividend	Return of Capital
Emerging Markets Bond	110	6/30/2009	\$0.027673016	Income Dividend	Return of Capital
Emerging Markets Bond	110	7/31/2009	\$0.030117277	Income Dividend	Return of Capital
Emerging Markets Bond	110	8/31/2009	\$0.025052463	Income Dividend	Return of Capital
Emerging Markets Bond	110	9/30/2009	\$0.024423948	Income Dividend	Return of Capital
Emerging Markets Bond	110	10/30/2009	\$0.023856281	Income Dividend	Return of Capital
Emerging Markets Bond	110	11/30/2009	\$0.022288289	Income Dividend	Return of Capital
Inflation Protected Bond	147	1/30/2009	\$0.006907965	Income Dividend	Return of Capital
Inflation Protected Bond	147	2/27/2009	\$0.006552593	Income Dividend	Return of Capital
Inflation Protected Bond	147	3/31/2009	\$0.007196521	Income Dividend	Return of Capital
Inflation Protected Bond	147	4/30/2009	\$0.007130099	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	1/30/2009	\$0.001444305	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	2/27/2009	\$0.001353473	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	3/31/2009	\$0.001518873	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	4/30/2009	\$0.001520462	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	5/29/2009	\$0.001605097	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	6/30/2009	\$0.001498086	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	7/31/2009	\$0.001691942	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	8/31/2009	\$0.001446181	Income Dividend	Return of Capital

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				<b>Before Reclassification</b>	<b>After Reclassification</b>
Inst. Emerging Markets Bond	163	9/30/2009	\$0.001390202	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	10/30/2009	\$0.001365230	Income Dividend	Return of Capital
Inst. Emerging Markets Bond	163	11/30/2009	\$0.001263264	Income Dividend	Return of Capital
Real Estate	122	3/30/2009	\$0.087451350	Income Dividend	Return of Capital
Real Estate	122	6/29/2009	\$0.049972200	Income Dividend	Return of Capital
Real Estate	122	9/29/2009	\$0.041643500	Income Dividend	Return of Capital
Real Estate	122	12/14/2009	\$0.049972200	Income Dividend	Return of Capital
Real Estate - Advisor Class	222	3/30/2009	\$0.083287000	Income Dividend	Return of Capital
Real Estate – Advisor Class	222	6/29/2009	\$0.045807850	Income Dividend	Return of Capital
Real Estate – Advisor Class	222	9/29/2009	\$0.041643500	Income Dividend	Return of Capital
Real Estate – Advisor Class	222	12/14/2009	\$0.045807850	Income Dividend	Return of Capital

### **Explanations of Returns of Capital**

A tax return of capital occurs when a fund pays out more in dividends than it earns in taxable income and gains. Emerging Markets Bond and Institutional Emerging Markets Bond paid dividends based on book income, which was more than taxable income principally because of currency losses deducted from taxable income. For Inflation Protected Bond, inflation adjustments on inflation-protected securities are distributed in December each year. However, net deflation adjustments prior to the fund's fiscal year-end resulted in the fund overdistributing its taxable income.

The dollar amount of return of capital for each shareholder is reported in box 3, nontaxable distributions, of Form 1099-DIV, mailed in January.

Note that we are not distributing losses to shareholders, but we are instructing them of the portion of their dividend which is not taxable.

Also, note that shareholders must reduce the basis of all shares they held in the fund on the record date of the dividend (pay date for funds which pay monthly).

***For Real Estate Fund, a portion of the Fund's dividends received from REIT's was reclassified as a return of capital, causing a similar reclassification of a portion of the dividends paid by the Fund. Real Estate Fund's 1099-DIV will be mailed in February.***