

February 4, 2011  
2010 Dividend Reclassifications

A portion of the 2010 dividends paid by the 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.

2010 Reclassifications					
T. Rowe Price Fund	DST#	2010 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Emerging Markets Bond	110	12/31/2010	\$0.020471715	Income Dividend	Long-Term Capital Gain
Global Real Estate	173	3/30/10	\$0.004484100	Income Dividend	Long-Term Capital Gain
Global Real Estate	173	6/29/10	\$0.005480500	Income Dividend	Long-Term Capital Gain
Global Real Estate	173	9/29/10	\$0.003487600	Income Dividend	Long-Term Capital Gain
Global Real Estate	173	12/17/10	\$0.011957500	Income Dividend	Long-Term Capital Gain
Global Real Estate – Adv. Class	273	3/30/10	\$0.004484100	Income Dividend	Long-Term Capital Gain
Global Real Estate – Adv. Class	273	6/29/10	\$0.005480500	Income Dividend	Long-Term Capital Gain
Global Real Estate – Adv. Class	273	9/29/10	\$0.003487600	Income Dividend	Long-Term Capital Gain
Global Real Estate – Adv. Class	273	12/17/10	\$0.011957500	Income Dividend	Long-Term Capital Gain
Inflation Focused Bond	161	1/29/2010	\$0.001990447	Income Dividend	Return of Capital
Inflation Focused Bond	161	2/26/2010	\$0.002167486	Income Dividend	Return of Capital
Inflation Focused Bond	161	3/31/2010	\$0.002044064	Income Dividend	Return of Capital
Inflation Focused Bond	161	4/30/2010	\$0.002025702	Income Dividend	Return of Capital
Limited-Term Bond Portfolio	303	12/31/2010	\$0.009442715	Income Dividend	Long-Term Capital Gain
Limited-Term Bond Portfolio-II	353	12/31/2010	\$0.009442715	Income Dividend	Long-Term Capital Gain
New America Growth	60	12/15/2010	\$0.043417200	Short-Term Capital Gain	Long-Term Capital Gain
New America Growth– Adv Cl	260	12/15/2010	\$0.043417200	Short-Term Capital Gain	Long-Term Capital Gain
Real Estate	122	3/30/10	\$0.050692030	Income Dividend	Return of Capital
Real Estate	122	6/29/10	\$0.050692030	Income Dividend	Return of Capital
Real Estate	122	9/29/10	\$0.050692030	Income Dividend	Return of Capital
Real Estate	122	12/14/10	\$0.060830436	Income Dividend	Return of Capital
Real Estate - Advisor Class	222	3/30/10	\$0.045622827	Income Dividend	Return of Capital
Real Estate - Advisor Class	222	6/29/10	\$0.045622827	Income Dividend	Return of Capital
Real Estate - Advisor Class	222	9/29/10	\$0.045622827	Income Dividend	Return of Capital
Real Estate - Advisor Class	222	12/14/10	\$0.055761233	Income Dividend	Return of Capital

### Explanation of Returns of Capital

A tax return of capital occurs when a fund pays out more than its taxable income and gains. Inflation Focused Bond Fund pays dividends based on financial accounting income. Taxable income was less than financial accounting income primarily due to currency losses.

The dollar amount of return of capital for each shareholder is reported in Box 3, Nontaxable Distributions, of Form 1099-DIV, mailed in January. Shareholders must reduce the basis of all shares held in the fund on the payment date listed above by the amount reported in Box 3.

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

### **Explanation of Long-Term Capital Gain Reclassifications**

For Emerging Markets Bond Fund and Limited-Term Bond Portfolio currency losses resulted in the funds over distributing their taxable ordinary income. However, these two funds had sufficient long-term capital gains so that the excess distributions were considered to come from long-term capital gain instead of from a return of capital like Inflation Focused Bond Fund.

New America Growth Fund realized sufficient long-term capital gains through the end of its fiscal year to ultimately change the tax character that was estimated for the distributions in December.

### **Explanation of Reclassifications for Real Estate and Global Real Estate**

*For Real Estate and Global Real Estate, a portion of the Funds' dividends received from REIT's was reclassified as a return of capital and long-term capital gain, causing a similar reclassification of a portion of the dividends paid by the funds. Real Estate and Global Real Estate funds' 1099-DIVs will be mailed in February.*

### **Section 1250 Gains**

*For the following funds a portion of the long-term capital gains was derived from section 1250 property and are subject to a maximum tax rate of 25%. Section 1250 gains are typically due to investments in real estate investment trusts (REITs). Section 1250 gains are reported in Box 2b of Form 1099-DIV.*

TRP Fund	DST Number	2010 Payment Date	Total LTCG Paid Per Share	Percentage of LTCG Subject to 25% Rate	Per Share Long-Term Gain After Reclassification	
					15%	25%
Global Real Estate	173/273	3/30/2010	0.016484100*	48.08596%	0.008557563	0.007926537
Global Real Estate	173/273	6/29/2010	0.005480500*	39.71353%	0.003304000	0.002176500
Global Real Estate	173/273	9/29/2010	0.003487600*	39.71212%	0.002102600	0.001385000
Global Real Estate	173/273	12/17/2010	0.031957500*	14.85942%	0.027208800	0.004748700
Small-Cap Value	46/246	12/15/2010	0.43	0.28994%	0.428753258	0.001246742

\* Long-term capital gain was paid by reclassification in June and September. A portion of the long-term capital gain paid in March and December was also from a reclassification.