

DATE February 4, 2014

TO All Associates

FROM Paul Krug

SUBJECT 2013 Dividend Reclassifications
– *Updated for Global Real Estate
and Small-Cap Value Funds*

A portion of the 2013 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.

2013 Reclassifications					
T. Rowe Price Fund	DST#	2013 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
Emerging Markets Bond	110	11/29/2013	\$0.046595489	Income Dividend	Long-Term Capital Gain
Emerging Markets Local Currency Bond	192	01/31/2013	\$0.018150760	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	02/28/2013	\$0.018098483	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	03/28/2013	\$0.020530789	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	04/30/2013	\$0.019246387	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	05/31/2013	\$0.020095752	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	06/28/2013	\$0.015338936	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	07/31/2013	\$0.017040139	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	08/30/2013	\$0.018745278	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	09/30/2013	\$0.015490510	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	10/31/2013	\$0.018473384	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	11/29/2013	\$0.002678032	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	11/29/2013	\$0.034520150	Income Dividend	Long-Term Capital Gain
Emerging Markets Local Multi- Sector Account Portfolio	324	01/31/2013	\$0.022296977	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	02/28/2013	\$0.022064212	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	03/28/2013	\$0.020960149	Income Dividend	Return of Capital

2013 Reclassifications					
T. Rowe Price Fund	DST#	2013 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
Emerging Markets Local Multi-Sector Account Portfolio	324	04/30/2013	\$0.021225111	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	05/31/2013	\$0.022624035	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	06/28/2013	\$0.017471195	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	07/31/2013	\$0.019465534	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	08/30/2013	\$0.021401917	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	09/30/2013	\$0.017741887	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	10/31/2013	\$0.021051705	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	11/29/2013	\$0.019874019	Income Dividend	Return of Capital
Global Real Estate	173	03/27/2013	\$0.004588878	Income Dividend	Return of Capital
Global Real Estate	173	06/27/2013	\$0.009942569	Income Dividend	Return of Capital
Global Real Estate	173	09/27/2013	\$0.006883317	Income Dividend	Return of Capital
Global Real Estate	173	12/18/2013	\$0.004444858	Income Dividend	Return of Capital
Global Real Estate	173	12/18/2013	\$0.051883100	Income Dividend	Long-Term Capital Gain
Institutional Emerging Markets Bond	163	11/29/2013	\$0.002153049	Income Dividend	Long-Term Capital Gain
Institutional International Bond	167	01/31/2013	\$0.017703927	Income Dividend	Return of Capital
Institutional International Bond	167	02/28/2013	\$0.016370616	Income Dividend	Return of Capital
Institutional International Bond	167	03/28/2013	\$0.017171188	Income Dividend	Return of Capital
Institutional International Bond	167	04/30/2013	\$0.017014301	Income Dividend	Return of Capital
Institutional International Bond	167	05/31/2013	\$0.018341749	Income Dividend	Return of Capital
Institutional International Bond	167	06/28/2013	\$0.015458593	Income Dividend	Return of Capital
Institutional International Bond	167	07/31/2013	\$0.016536662	Income Dividend	Return of Capital
Institutional International Bond	167	08/30/2013	\$0.018174012	Income Dividend	Return of Capital
Institutional International Bond	167	09/30/2013	\$0.016445735	Income Dividend	Return of Capital
Institutional International Bond	167	10/31/2013	\$0.018130643	Income Dividend	Return of Capital
Institutional International Bond	167	11/29/2013	\$0.002284794	Income Dividend	Return of Capital
Institutional International Bond	167	11/29/2013	\$0.017328726	Income Dividend	Long-Term Capital Gain
Institutional International Bond	167	12/31/2013	\$0.019534902	Income Dividend	Long-Term Capital Gain
International Bond	76	01/31/2013	\$0.018530792	Income Dividend	Return of Capital
International Bond	76	02/28/2013	\$0.017058179	Income Dividend	Return of Capital
International Bond	76	03/28/2013	\$0.017234802	Income Dividend	Return of Capital
International Bond	76	03/28/2013	\$0.001114460	Income Dividend	Long-Term Capital Gain

2013 Reclassifications					
T. Rowe Price Fund	DST#	2013 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
International Bond	76	04/30/2013	\$0.004356862	Income Dividend	Return of Capital
International Bond	76	04/30/2013	\$0.014169423	Income Dividend	Long-Term Capital Gain
International Bond	76	05/31/2013	\$0.002942185	Income Dividend	Return of Capital
International Bond	76	05/31/2013	\$0.016173699	Income Dividend	Long-Term Capital Gain
International Bond	76	06/28/2013	\$0.0017110753	Income Dividend	Return of Capital
International Bond	76	06/28/2013	\$0.014457013	Income Dividend	Long-Term Capital Gain
International Bond	76	07/31/2013	\$0.003209150	Income Dividend	Return of Capital
International Bond	76	07/31/2013	\$0.013903414	Income Dividend	Long-Term Capital Gain
International Bond	76	08/30/2013	\$0.004573916	Income Dividend	Return of Capital
International Bond	76	08/30/2013	\$0.014281889	Income Dividend	Long-Term Capital Gain
International Bond	76	09/30/2013	\$0.003311062	Income Dividend	Return of Capital
International Bond	76	09/30/2013	\$0.012882331	Income Dividend	Long-Term Capital Gain
International Bond	76	10/31/2013	\$0.006084848	Income Dividend	Return of Capital
International Bond	76	10/31/2013	\$0.013058593	Income Dividend	Long-Term Capital Gain
International Bond	76	11/29/2013	\$0.005000855	Income Dividend	Return of Capital
International Bond	76	11/29/2013	\$0.013148713	Income Dividend	Long-Term Capital Gain
International Bond	76	12/31/2013	\$0.004128159	Income Dividend	Return of Capital
International Bond	76	12/31/2013	\$0.013953427	Income Dividend	Long-Term Capital Gain
Limited-Term Bond Portfolio	303	01/31/2013	\$0.000392600	Income Dividend	Long-Term Capital Gain
Mortgage-Backed Securities Multi-Sector Account Portfolio	326	01/31/2013	\$0.004774997	Income Dividend	Return of Capital
Spectrum Income	88	11/29/2013	\$0.032550899	Income Dividend	Long-Term Capital Gain
Summit GNMA	94	09/30/2013	\$0.021264409	Income Dividend	Return of Capital
Advisor and II Class					
Emerging Markets Local Currency Bond - Advisor Shares	292	01/31/2013	\$0.017788775	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	02/28/2013	\$0.017697970	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	03/28/2013	\$0.020132147	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	04/30/2013	\$0.018858694	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	05/31/2013	\$0.019678792	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	06/28/2013	\$0.015015529	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	07/31/2013	\$0.016706100	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	08/30/2013	\$0.018386425	Income Dividend	Return of Capital

2013 Reclassifications					
T. Rowe Price Fund	DST#	2013 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
Emerging Markets Local Currency Bond - Advisor Shares	292	09/30/2013	\$0.015158901	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	10/31/2013	\$0.018038038	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	11/29/2013	\$0.002366469	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Shares	292	11/29/2013	\$0.034520150	Income Dividend	Long-Term Capital Gain
Global Real Estate - Advisor Shares	273	03/27/2013	\$0.004588878	Income Dividend	Return of Capital
Global Real Estate - Advisor Shares	273	06/27/2013	\$0.009177756	Income Dividend	Return of Capital
Global Real Estate - Advisor Shares	273	09/27/2013	\$0.006883317	Income Dividend	Return of Capital
Global Real Estate - Advisor Shares	273	12/18/2013	\$0.003680040	Income Dividend	Return of Capital
Global Real Estate - Advisor Shares	273	12/18/2013	\$0.051883100	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	01/31/2013	\$0.016082005	Income Dividend	Return of Capital
International Bond - Advisor Shares	276	02/28/2013	\$0.013282623	Income Dividend	Return of Capital
International Bond - Advisor Shares	276	03/28/2013	\$0.013177664	Income Dividend	Return of Capital
International Bond - Advisor Shares	276	03/28/2013	\$0.001114460	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	04/30/2013	\$0.014169423	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	05/31/2013	\$0.016173699	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	06/28/2013	\$0.014457013	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	07/31/2013	\$0.013903414	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	08/30/2013	\$0.014281889	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	09/30/2013	\$0.012882331	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	10/31/2013	\$0.013058593	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	11/29/2013	\$0.013148713	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Shares	276	12/31/2013	\$0.013953427	Income Dividend	Long-Term Capital Gain
Limited-Term Bond Portfolio II	353	01/31/2013	\$0.000392600	Income Dividend	Long-Term Capital Gain

Explanation of Returns of Capital

A tax return of capital occurs when a fund pays out more than its taxable income and gains. Funds listed above pay dividends based on daily financial accounting income. For the emerging markets and international bond funds, taxable income was less than financial accounting income primarily due to currency losses (treated as capital losses for financial accounting and as ordinary losses for tax). For the domestic income funds, taxable income was over distributed primarily as a result of net premium amortization on asset backed securities (which does not affect daily distributions).

The dollar amount of return of capital for each shareholder is reported in Box 3, Nondividend 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 Reclassification

For reasons discussed above, the applicable funds over distributed their taxable ordinary income. However, these funds had undistributed long-term capital gains so that the excess distributions, or portion thereof, were considered to come from long-term capital gains.

Explanation of Reclassification for Global Real Estate Fund

For Global Real Estate Fund, a portion of the fund's dividends received from REITs was reclassified as both a return of capital and long-term capital gains causing a similar reclassification of a portion of the dividends paid by the fund. Forms 1099-DIV will be mailed in February.

Section 1250 Gains

For the following funds a portion of the long-term capital gain paid in December 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	2013 Payment Date	Total LTCG Paid Per Share	Percentage of LTCG Subject to 25% Rate	Per Share Long-Term Gain After Reclassification	
					15%	25%
Mid-Cap Value	115/215/415	12/16/2013	\$1.07	0.19145%	\$1.067951485	\$0.002048515
Small-Cap Stock	65/265	12/16/2013	\$1.90	0.06908%	\$1.898687480	\$0.001312520
Small-Cap Value	46/246	12/16/2013	\$1.43	0.07261%	\$1.428961677	\$0.001038323