

A portion of the 2015 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.

2015 Reclassifications					
T. Rowe Price Fund	DST#	2015 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
Emerging Markets Local Currency Bond	192	01/30/2015	\$0.033870538	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	02/27/2015	\$0.030348895	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	03/31/2015	\$0.030266594	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	04/30/2015	\$0.032231236	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	05/29/2015	\$0.030733719	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	06/30/2015	\$0.029867023	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	07/31/2015	\$0.032494798	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	08/31/2015	\$0.027616129	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	09/30/2015	\$0.027359823	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	10/30/2015	\$0.031142236	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	11/30/2015	\$0.026729346	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	12/31/2015	\$0.030103959	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	01/30/2015	\$0.042381395	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	02/27/2015	\$0.037956736	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	03/31/2015	\$0.037751235	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	04/30/2015	\$0.040177627	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	05/29/2015	\$0.039026453	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	06/30/2015	\$0.036553675	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	07/31/2015	\$0.039114365	Income Dividend	Return of Capital

2015 Reclassifications					
T. Rowe Price Fund	DST#	2015 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Emerging Markets Local Multi-Sector Account Portfolio	324	08/31/2015	\$0.033258285	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	09/30/2015	\$0.033608186	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	10/30/2015	\$0.036315813	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	11/30/2015	\$0.030709096	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	12/31/2015	\$0.035959231	Income Dividend	Return of Capital
Global Real Estate	173	09/29/2015	\$0.0546809	Income Dividend	Long-Term Capital Gain
Global Real Estate	173	12/17/2015	\$0.07	Income Dividend	Long-Term Capital Gain
Institutional Emerging Markets Bond	163	06/30/2015	\$0.000462766	Income Dividend	Return of Capital
Institutional Emerging Markets Bond	163	07/31/2015	\$0.002305706	Income Dividend	Return of Capital
Institutional Emerging Markets Bond	163	08/31/2015	\$0.001925754	Income Dividend	Return of Capital
Institutional Emerging Markets Bond	163	09/30/2015	\$0.002012997	Income Dividend	Return of Capital
Institutional Emerging Markets Bond	163	10/30/2015	\$0.001950968	Income Dividend	Return of Capital
Institutional Emerging Markets Bond	163	11/30/2015	\$0.001442748	Income Dividend	Return of Capital
Institutional International Bond	167	01/30/2015	\$0.016273917	Income Dividend	Return of Capital
Institutional International Bond	167	02/27/2015	\$0.014630691	Income Dividend	Return of Capital
Institutional International Bond	167	03/31/2015	\$0.011764281	Income Dividend	Return of Capital
Institutional International Bond	167	04/30/2015	\$0.014496396	Income Dividend	Return of Capital
Institutional International Bond	167	05/29/2015	\$0.017560787	Income Dividend	Return of Capital
Institutional International Bond	167	06/30/2015	\$0.016227649	Income Dividend	Return of Capital
Institutional International Bond	167	07/31/2015	\$0.017099628	Income Dividend	Return of Capital
Institutional International Bond	167	08/31/2015	\$0.014625392	Income Dividend	Return of Capital
Institutional International Bond	167	09/30/2015	\$0.014364461	Income Dividend	Return of Capital
Institutional International Bond	167	10/30/2015	\$0.016868154	Income Dividend	Return of Capital
Institutional International Bond	167	11/30/2015	\$0.013698454	Income Dividend	Return of Capital
Institutional International Bond	167	12/31/2015	\$0.013667897	Income Dividend	Return of Capital
International Bond	76	01/30/2015	\$0.014217167	Income Dividend	Return of Capital
International Bond	76	02/27/2015	\$0.013394189	Income Dividend	Return of Capital
International Bond	76	03/31/2015	\$0.010555971	Income Dividend	Return of Capital
International Bond	76	04/30/2015	\$0.013109346	Income Dividend	Return of Capital
International Bond	76	05/29/2015	\$0.015691502	Income Dividend	Return of Capital

2015 Reclassifications					
T. Rowe Price Fund	DST#	2015 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
International Bond	76	06/30/2015	\$0.014653722	Income Dividend	Return of Capital
International Bond	76	07/31/2015	\$0.015249377	Income Dividend	Return of Capital
International Bond	76	08/31/2015	\$0.013255987	Income Dividend	Return of Capital
International Bond	76	09/30/2015	\$0.013056033	Income Dividend	Return of Capital
International Bond	76	10/30/2015	\$0.015455932	Income Dividend	Return of Capital
International Bond	76	11/30/2015	\$0.005855089	Income Dividend	Return of Capital
International Bond	76	11/30/2015	\$0.006760928	Income Dividend	Long-Term Capital Gain
International Bond	76	12/31/2015	\$0.002310984	Income Dividend	Return of Capital
International Bond	76	12/31/2015	\$0.009866088	Income Dividend	Long-Term Capital Gain
Mortgage-Backed Securities Multi-Sector Account Portfolio	326	1/30/2015	\$0.003418230	Income Dividend	Return of Capital
Spectrum Income	88	12/31/2015	\$0.037802994	Income Dividend	Long-Term Capital Gain
<b>Advisor Class</b>					
Emerging Markets Local Currency Bond - Advisor Class	292	01/30/2015	\$0.033224000	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	02/27/2015	\$0.029782280	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	03/31/2015	\$0.029679158	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	04/30/2015	\$0.031629760	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	05/29/2015	\$0.030107941	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	06/30/2015	\$0.029281471	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	07/31/2015	\$0.031869124	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	08/31/2015	\$0.027084876	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	09/30/2015	\$0.026841173	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	10/30/2015	\$0.030590201	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	11/30/2015	\$0.026199160	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	12/31/2015	\$0.029555135	Income Dividend	Return of Capital
Global Real Estate - Advisor Class	273	09/29/2015	\$0.0546809	Income Dividend	Long-Term Capital Gain
Global Real Estate - Advisor Class	273	12/17/2015	\$0.07	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Class	276	01/30/2015	\$0.012677492	Income Dividend	Return of Capital

<b>2015 Reclassifications</b>					
<b>T. Rowe Price Fund</b>	<b>DST#</b>	<b>2015 Payment Date</b>	<b>Per Share Amount to Reclassify</b>	<b><u>Tax Character</u></b>	
				<b>Before Reclassification</b>	<b>After Reclassification</b>
International Bond - Advisor Class	276	02/27/2015	\$0.010668868	Income Dividend	Return of Capital
International Bond - Advisor Class	276	03/31/2015	\$0.008213288	Income Dividend	Return of Capital
International Bond - Advisor Class	276	04/30/2015	\$0.010187787	Income Dividend	Return of Capital
International Bond - Advisor Class	276	05/29/2015	\$0.012548053	Income Dividend	Return of Capital
International Bond - Advisor Class	276	06/30/2015	\$0.011919192	Income Dividend	Return of Capital
International Bond - Advisor Class	276	07/31/2015	\$0.012886299	Income Dividend	Return of Capital
International Bond - Advisor Class	276	08/31/2015	\$0.011214159	Income Dividend	Return of Capital
International Bond - Advisor Class	276	09/30/2015	\$0.010952058	Income Dividend	Return of Capital
International Bond - Advisor Class	276	10/30/2015	\$0.013695328	Income Dividend	Return of Capital
International Bond - Advisor Class	276	11/30/2015	\$0.004179737	Income Dividend	Return of Capital
International Bond - Advisor Class	276	11/30/2015	\$0.006760928	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Class	276	12/31/2015	\$0.009866088	Income Dividend	Long-Term Capital Gain
<b>I Class</b>					
Emerging Markets Local Currency Bond - I Class	438	12/31/2015	\$0.015698782	Income Dividend	Return of Capital
International Bond – I Class	527	08/31/2015	\$0.000482297	Income Dividend	Return of Capital
International Bond – I Class	527	09/30/2015	\$0.013956793	Income Dividend	Return of Capital
International Bond – I Class	527	10/30/2015	\$0.016507513	Income Dividend	Return of Capital
International Bond – I Class	527	11/30/2015	\$0.006836842	Income Dividend	Return of Capital
International Bond – I Class	527	11/30/2015	\$0.006760928	Income Dividend	Long-Term Capital Gain
International Bond – I Class	527	12/31/2015	\$0.003381008	Income Dividend	Return of Capital
International Bond – I Class	527	12/31/2015	\$0.009866088	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 Mortgage-Backed Securities Multi-Sector Account Portfolio, taxable income was over distributed primarily as a result of paydown losses 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 Reclassifications**

International Bond Fund's currency losses resulted in the fund over distributing taxable ordinary income. However, International Bond Fund had undistributed long-term capital gains so that the excess distributions, or portion thereof, were considered to come from long-term capital gains.

Spectrum Income Fund invests in International Bond and Emerging Markets Local Currency Bond funds. As a result of the underlying funds reclassifications Spectrum Income over distributed its taxable ordinary income. Spectrum Income had undistributed long-term capital gains so the excess distributions were considered to come from long-term capital gains.

For Global Real Estate Fund, a portion of the Fund's dividends received from REIT's was reclassified as a return of capital resulting in the fund over distributing its ordinary income. This over distribution was applied to the fund's undistributed long-term capital gains.

### **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.

T. Rowe Price Fund	DST Number	2015 Payment Date	Total LTCG Paid Per Share	Percentage of LTCG Subject to 25% Rate	Per Share Long-Term Gain After Reclassification	
					15%/20%	25%
Institutional Small-Cap Stock	129	12/18/2015	\$1.13	0.23608%	\$1.127332296	\$0.002667704
Global Real Estate	173/273	9/29/2015	\$0.0546809	0.792125%	\$0.054247759	\$0.000433141
Global Real Estate	173/273	12/17/2015	\$0.20	0.792125%	\$0.198415750	\$0.001584250
Mid-Cap Value	115/215/415/526	12/15/2015	\$2.47	0.05132%	\$2.468732396	\$0.001267604
Small-Cap Stock	65/265/525	12/15/2015	\$4.06	0.15631%	\$4.053653814	\$0.006346186