

A portion of the 2017 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.

2017 Reclassifications					
T. Rowe Price Fund	DST#	2017 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
Dynamic Global Bond	35	11/30/2017	\$0.004520351	Income Dividend	Long-Term Capital Gain
Dynamic Global Bond – Advisor Class	235	11/30/2017	\$0.004520351	Income Dividend	Long-Term Capital Gain
Dynamic Global Bond – I Class	535	11/30/2017	\$0.004520351	Income Dividend	Long-Term Capital Gain
Emerging Markets Bond	110	01/31/2017	\$0.001231527	Income Dividend	Return of Capital
Emerging Markets Bond	110	02/28/2017	\$0.001302930	Income Dividend	Return of Capital
Emerging Markets Bond	110	03/31/2017	\$0.001445407	Income Dividend	Return of Capital
Emerging Markets Bond	110	04/28/2017	\$0.001172214	Income Dividend	Return of Capital
Emerging Markets Bond	110	05/31/2017	\$0.001262829	Income Dividend	Return of Capital
Emerging Markets Bond	110	06/30/2017	\$0.001353015	Income Dividend	Return of Capital
Emerging Markets Bond	110	07/31/2017	\$0.001206650	Income Dividend	Return of Capital
Emerging Markets Bond	110	08/31/2017	\$0.001324571	Income Dividend	Return of Capital
Emerging Markets Bond	110	09/29/2017	\$0.001395804	Income Dividend	Return of Capital
Emerging Markets Bond	110	10/31/2017	\$0.001320562	Income Dividend	Return of Capital
Emerging Markets Bond	110	11/30/2017	\$0.001198351	Income Dividend	Return of Capital
Emerging Markets Bond	110	11/30/2017	\$0.011381451	Income Dividend	Long-Term Capital Gain
Emerging Markets Bond – Advisor Class	210	01/31/2017	\$0.001173244	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	02/28/2017	\$0.001251824	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	03/31/2017	\$0.001383635	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	04/28/2017	\$0.001126230	Income Dividend	Return of Capital

2017 Reclassifications					
T. Rowe Price Fund	DST#	2017 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Emerging Markets Bond – Advisor Class	210	05/31/2017	\$0.001207394	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	06/30/2017	\$0.001293273	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	07/31/2017	\$0.001159492	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	08/31/2017	\$0.001261121	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	09/29/2017	\$0.001321950	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	10/31/2017	\$0.001257141	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	11/30/2017	\$0.001134871	Income Dividend	Return of Capital
Emerging Markets Bond – Advisor Class	210	11/30/2017	\$0.011381451	Income Dividend	Long-Term Capital Gain
Emerging Markets Bond – I Class	530	01/31/2017	\$0.001258690	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	02/28/2017	\$0.001333220	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	03/31/2017	\$0.001482218	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	04/28/2017	\$0.001206161	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	05/31/2017	\$0.001294235	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	06/30/2017	\$0.001387139	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	07/31/2017	\$0.001224903	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	08/31/2017	\$0.001350899	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	09/29/2017	\$0.001412061	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	10/31/2017	\$0.001344225	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	11/30/2017	\$0.001218516	Income Dividend	Return of Capital
Emerging Markets Bond – I Class	530	11/30/2017	\$0.011381451	Income Dividend	Long-Term Capital Gain
Emerging Markets Local Currency Bond	192	01/31/2017	\$0.001462589	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	02/28/2017	\$0.001520725	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	03/31/2017	\$0.001800154	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	04/28/2017	\$0.001535404	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	05/31/2017	\$0.001564842	Income Dividend	Return of Capital

2017 Reclassifications					
T. Rowe Price Fund	DST#	2017 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Emerging Markets Local Currency Bond	192	06/30/2017	\$0.001723720	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	07/31/2017	\$0.001551783	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	08/31/2017	\$0.001633737	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	09/29/2017	\$0.001627350	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	10/31/2017	\$0.001528220	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	11/30/2017	\$0.001508486	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	01/31/2017	\$0.001438533	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	02/28/2017	\$0.001464732	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	03/31/2017	\$0.001717461	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	04/28/2017	\$0.001467068	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	05/31/2017	\$0.001484134	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	06/30/2017	\$0.001649261	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	07/31/2017	\$0.001466932	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	08/31/2017	\$0.001557046	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	09/29/2017	\$0.001546047	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	10/31/2017	\$0.001449656	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	11/30/2017	\$0.001429319	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	01/31/2017	\$0.001541205	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	02/28/2017	\$0.001587584	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	03/31/2017	\$0.001838324	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	04/28/2017	\$0.001570678	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	05/31/2017	\$0.001600814	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	06/30/2017	\$0.001769494	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	07/31/2017	\$0.001580965	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	08/31/2017	\$0.001675937	Income Dividend	Return of Capital

2017 Reclassifications					
T. Rowe Price Fund	DST#	2017 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Emerging Markets Local Currency Bond - I Class	438	09/29/2017	\$0.001667557	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	10/31/2017	\$0.001564536	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	11/30/2017	\$0.001542754	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	01/31/2017	\$0.008925565	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	02/28/2017	\$0.009382349	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	03/31/2017	\$0.010866037	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	04/28/2017	\$0.008675863	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	05/31/2017	\$0.009780503	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	06/30/2017	\$0.011032925	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	07/31/2017	\$0.010324846	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	08/31/2017	\$0.011247265	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	09/29/2017	\$0.011667167	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	10/31/2017	\$0.011008952	Income Dividend	Return of Capital
Emerging Markets Local Multi- Sector Account Portfolio	324	11/30/2017	\$0.010863422	Income Dividend	Return of Capital
Global High Income Bond	36	11/30/2017	\$0.004519140	Income Dividend	Long-Term Capital Gain
Global High Income Bond – Advisor Class	236	11/30/2017	\$0.004519140	Income Dividend	Long-Term Capital Gain
Global High Income Bond – I Class	536	11/30/2017	\$0.004519140	Income Dividend	Long-Term Capital Gain
Global Multi-Sector Bond	175	01/31/2017	\$0.033694189	Income Dividend	Return of Capital
Global Multi-Sector Bond	175	02/28/2017	\$0.031703663	Income Dividend	Return of Capital
Global Multi-Sector Bond	175	03/31/2017	\$0.033406345	Income Dividend	Return of Capital
Global Multi-Sector Bond	175	04/28/2017	\$0.027922956	Income Dividend	Return of Capital
Global Multi-Sector Bond Advisor Class	275	01/31/2017	\$0.031138729	Income Dividend	Return of Capital
Global Multi-Sector Bond Advisor Class	275	02/28/2017	\$0.029355778	Income Dividend	Return of Capital
Global Multi-Sector Bond Advisor Class	275	03/31/2017	\$0.030747905	Income Dividend	Return of Capital
Global Multi-Sector Bond Advisor Class	275	04/28/2017	\$0.027246478	Income Dividend	Return of Capital
Global Multi-Sector Bond – I Class	223	01/31/2017	\$0.034768655	Income Dividend	Return of Capital
Global Multi-Sector Bond – I Class	223	02/28/2017	\$0.032956698	Income Dividend	Return of Capital

2017 Reclassifications					
T. Rowe Price Fund	DST#	2017 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Global Multi-Sector Bond – I Class	223	03/31/2017	\$0.034929238	Income Dividend	Return of Capital
Global Multi-Sector Bond – I Class	223	04/28/2017	\$0.030841612	Income Dividend	Return of Capital
Global Real Estate Fund	173	9/28/2017	\$0.003557187	Income Dividend	Long-Term Capital Gain
Global Real Estate Fund	173	12/19/2017	\$0.100000000	Income Dividend	Long-Term Capital Gain
Global Real Estate Fund – Advisor Class	273	9/28/2017	\$0.003557187	Income Dividend	Long-Term Capital Gain
Global Real Estate Fund – Advisor Class	273	12/19/2017	\$0.100000000	Income Dividend	Long-Term Capital Gain
Global Real Estate Fund – I Class	233	9/28/2017	\$0.003557187	Income Dividend	Long-Term Capital Gain
Global Real Estate Fund – I Class	233	12/19/2017	\$0.100000000	Income Dividend	Long-Term Capital Gain
Institutional Emerging Markets Bond	163	11/30/2017	\$0.029186900	Income Dividend	Long-Term Capital Gain
Institutional Global Multi-Sector Bond	152	01/31/2017	\$0.025016867	Income Dividend	Return of Capital
Institutional Global Multi-Sector Bond	152	02/28/2017	\$0.023958396	Income Dividend	Return of Capital
Institutional Global Multi-Sector Bond	152	03/31/2017	\$0.027104219	Income Dividend	Return of Capital
Institutional Global Multi-Sector Bond	152	04/28/2017	\$0.025057831	Income Dividend	Return of Capital
Institutional International Bond	167	01/31/2017	\$0.009845923	Income Dividend	Return of Capital
Institutional International Bond	167	02/28/2017	\$0.008147848	Income Dividend	Return of Capital
Institutional International Bond	167	03/31/2017	\$0.008419417	Income Dividend	Return of Capital
Institutional International Bond	167	04/28/2017	\$0.007139839	Income Dividend	Return of Capital
Institutional International Bond	167	05/31/2017	\$0.007997585	Income Dividend	Return of Capital
Institutional International Bond	167	06/30/2017	\$0.008158238	Income Dividend	Return of Capital
Institutional International Bond	167	07/31/2017	\$0.006982773	Income Dividend	Return of Capital
Institutional International Bond	167	08/31/2017	\$0.007060628	Income Dividend	Return of Capital
Institutional International Bond	167	09/29/2017	\$0.007149566	Income Dividend	Return of Capital
Institutional International Bond	167	10/31/2017	\$0.007586457	Income Dividend	Return of Capital
Institutional International Bond	167	11/30/2017	\$0.007376221	Income Dividend	Return of Capital
International Bond	76	11/30/2017	\$0.004290507	Income Dividend	Long-Term Capital Gain
International Bond - Advisor Class	276	11/30/2017	\$0.004290507	Income Dividend	Long-Term Capital Gain
International Bond – I Class	527	11/30/2017	\$0.004290507	Income Dividend	Long-Term Capital Gain
Mortgage-Backed Securities Multi-Sector Account Portfolio	326	01/31/2017	\$0.004300741	Income Dividend	Return of Capital
Real Estate Fund	122	12/14/2017	\$0.173424003	Income Dividend	Long-Term Capital Gain
Real Estate Fund – Advisor Class	222	12/14/2017	\$0.173424003	Income Dividend	Long-Term Capital Gain

2017 Reclassifications					
T. Rowe Price Fund	DST#	2017 Payment Date	Per Share Amount to Reclassify	<u>Tax Character</u>	
				Before Reclassification	After Reclassification
Real Estate Fund – I Class	432	12/14/2017	\$0.173424003	Income Dividend	Long-Term Capital Gain
Short-Term Bond	55	01/31/2017	\$0.000297420	Income Dividend	Return of Capital
Short-Term Bond	55	02/28/2017	\$0.000317434	Income Dividend	Return of Capital
Short-Term Bond	55	03/31/2017	\$0.000353594	Income Dividend	Return of Capital
Short-Term Bond	55	04/28/2017	\$0.000307471	Income Dividend	Return of Capital
Short-Term Bond – Advisor Class	255	01/31/2017	\$0.000242485	Income Dividend	Return of Capital
Short-Term Bond – Advisor Class	255	02/28/2017	\$0.000259817	Income Dividend	Return of Capital
Short-Term Bond – Advisor Class	255	03/31/2017	\$0.000283614	Income Dividend	Return of Capital
Short-Term Bond – Advisor Class	255	04/28/2017	\$0.000246465	Income Dividend	Return of Capital
Short-Term Bond – I Class	442	01/31/2017	\$0.000303529	Income Dividend	Return of Capital
Short-Term Bond – I Class	442	02/28/2017	\$0.000337440	Income Dividend	Return of Capital
Short-Term Bond – I Class	442	03/31/2017	\$0.000376358	Income Dividend	Return of Capital
Short-Term Bond – I Class	442	04/28/2017	\$0.000325349	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. Funds listed above pay dividends based on daily financial accounting income. For the emerging markets, global 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 and Short-Term Bond Fund, 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 Reclassification

For the emerging markets, global and international bond funds, currency losses resulted in the fund over distributing 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 Reclassifications for Global Real Estate and Real Estate Funds

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

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	2017 Payment Date	Total LTCG Paid Per Share	Percentage of LTCG Subject to 25% Rate	Per Share Long-Term Gain After Reclassification	
					15%/20%	25%
Equity Income	71/271/471/426	12/14/2017	\$2.43	0.09259%	\$2.427750063	\$0.002249937
Extended Equity Market Index	124	12/14/2017	\$1.11	0.38894%	\$1.105682766	\$0.004317234
Financial Services	117/247	12/18/2017	\$0.94	0.41095%	\$0.936137070	\$0.003862930
Global Real Estate	173/273/233	9/28/2017	\$0.003557187	4.36443%	\$0.003401936	\$0.000155251
Global Real Estate	173/273/233	12/19/2017	\$0.34	4.36443%	\$0.325160938	\$0.014839062
Institutional Small-Cap Stock	129	12/20/2017	\$1.01	0.11574%	\$1.008831026	\$0.001168974
Mid-Cap Value	115/215/415/526	12/15/2017	\$1.35	0.03172%	\$1.349571780	\$0.000428220
Real Estate	122/222/432	12/14/2017	\$0.433424003	10.10380%	\$0.389631709	\$0.043792294
Small-Cap Stock	65/265/525	12/15/2017	\$3.35	0.07397%	\$3.347522005	\$0.002477995
Small Cap Value	46/246/538	12/15/2017	\$1.84	0.18152%	\$1.836660032	\$0.003339968
Total Equity Market Index	123	12/14/2017	\$0.05	3.35826%	\$0.048320870	\$0.001679130
Value	107/207/523	12/15/2017	\$1.79	0.02331%	\$1.789582751	\$0.000417249