

A portion of the 2018 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.

2018 Reclassifications					
T. Rowe Price Fund	DST #	2018 Payment Date	Per Share Amount to Reclassify	Tax Character	
				Before Reclassification	After Reclassification
Emerging Markets Bond	110	01/31/2018	\$ 0.007486263	Income Dividend	Return of Capital
Emerging Markets Bond	110	02/28/2018	\$ 0.007114605	Income Dividend	Return of Capital
Emerging Markets Bond	110	03/29/2018	\$ 0.007455888	Income Dividend	Return of Capital
Emerging Markets Bond	110	04/30/2018	\$ 0.006664507	Income Dividend	Return of Capital
Emerging Markets Bond	110	05/31/2018	\$ 0.007165728	Income Dividend	Return of Capital
Emerging Markets Bond	110	06/29/2018	\$ 0.007084735	Income Dividend	Return of Capital
Emerging Markets Bond	110	07/31/2018	\$ 0.006618430	Income Dividend	Return of Capital
Emerging Markets Bond	110	08/31/2018	\$ 0.007902666	Income Dividend	Return of Capital
Emerging Markets Bond	110	09/28/2018	\$ 0.006420288	Income Dividend	Return of Capital
Emerging Markets Bond	110	10/31/2018	\$ 0.007297344	Income Dividend	Return of Capital
Emerging Markets Bond	110	11/30/2018	\$ 0.007963187	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	01/31/2018	\$ 0.007033850	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	02/28/2018	\$ 0.006760435	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	03/29/2018	\$ 0.006983564	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	04/30/2018	\$ 0.006246596	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	05/31/2018	\$ 0.006662993	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	06/29/2018	\$ 0.006708193	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	07/31/2018	\$ 0.006220862	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	08/31/2018	\$ 0.007448896	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	09/28/2018	\$ 0.006039951	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	10/31/2018	\$ 0.006840555	Income Dividend	Return of Capital
Emerging Markets Bond - Advisor Class	210	11/30/2018	\$ 0.007510323	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	01/31/2018	\$ 0.007693591	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	02/28/2018	\$ 0.007325078	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	03/29/2018	\$ 0.007633371	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	04/30/2018	\$ 0.006837310	Income Dividend	Return of Capital

Emerging Markets Bond - I Class	530	05/31/2018	\$ 0.007270121	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	06/29/2018	\$ 0.007300061	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	07/31/2018	\$ 0.006802649	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	08/31/2018	\$ 0.008092411	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	09/28/2018	\$ 0.006602831	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	10/31/2018	\$ 0.007437630	Income Dividend	Return of Capital
Emerging Markets Bond - I Class	530	11/30/2018	\$ 0.008114603	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	01/31/2018	\$ 0.020871272	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	02/28/2018	\$ 0.019466182	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	03/29/2018	\$ 0.021465019	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	04/30/2018	\$ 0.019533331	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	05/31/2018	\$ 0.019783905	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	06/29/2018	\$ 0.018508595	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	07/31/2018	\$ 0.018321599	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	08/31/2018	\$ 0.019499446	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	09/28/2018	\$ 0.014711823	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	10/31/2018	\$ 0.017632516	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond	192	11/30/2018	\$ 0.019898298	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	01/31/2018	\$ 0.019753679	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	02/28/2018	\$ 0.018623899	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	03/29/2018	\$ 0.020439624	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	04/30/2018	\$ 0.018657034	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	05/31/2018	\$ 0.018914737	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	06/29/2018	\$ 0.017586162	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	07/31/2018	\$ 0.017385065	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	08/31/2018	\$ 0.018497963	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	09/28/2018	\$ 0.013983546	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	10/31/2018	\$ 0.016656193	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - Advisor Class	292	11/30/2018	\$ 0.018995340	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	01/31/2018	\$ 0.021247000	Income Dividend	Return of Capital

Emerging Markets Local Currency Bond - I Class	438	02/28/2018	\$ 0.020010438	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	03/29/2018	\$ 0.021986308	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	04/30/2018	\$ 0.020086926	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	05/31/2018	\$ 0.020347760	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	06/29/2018	\$ 0.018964858	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	07/31/2018	\$ 0.018719112	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	08/31/2018	\$ 0.019938765	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	09/28/2018	\$ 0.015114153	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	10/31/2018	\$ 0.017959920	Income Dividend	Return of Capital
Emerging Markets Local Currency Bond - I Class	438	11/30/2018	\$ 0.020329847	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	1/31/2018	\$ 0.000765817	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	2/28/2018	\$ 0.000687083	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	3/29/2018	\$ 0.000741222	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	4/30/2018	\$ 0.000626149	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	5/31/2018	\$ 0.000639096	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	6/29/2018	\$ 0.000629567	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	7/31/2018	\$ 0.000511601	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	8/31/2018	\$ 0.000551616	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	9/28/2018	\$ 0.000452717	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	10/31/2018	\$ 0.000619081	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	11/30/2018	\$ 0.000640404	Income Dividend	Return of Capital
Emerging Markets Local Multi-Sector Account Portfolio	324	12/10/2018	\$ 0.002130172	Short-Term Capital Gain	Return of Capital
Global Real Estate	173	12/18/2018	\$ 0.019562112	Income Dividend	Long-term Capital Gain
Global Real Estate – Advisor Class	273	12/18/2018	\$ 0.019562112	Income Dividend	Long-term Capital Gain
Global Real Estate – I Class	233	12/18/2018	\$ 0.019562112	Income Dividend	Long-term Capital Gain

Institutional Global Multi-Sector Bond	152	04/27/2018	\$ 0.052572202	Income Dividend	Long-term Capital Gain
International Bond (USD Hedged)	1114	12/18/2018	\$ 0.005454381	Long-Term Capital Gain	Income Dividend
International Bond (USD Hedged) - Advisor Class	1115	12/18/2018	\$ 0.005454381	Long-Term Capital Gain	Income Dividend
International Bond (USD Hedged) - I Class	1116	12/18/2018	\$ 0.005454381	Long-Term Capital Gain	Income Dividend
Mortgage-Backed Securities Multi-Sector Account Portfolio	326	01/31/2018	\$ 0.011168634	Income Dividend	Return of Capital
Real Estate	122	09/27/2018	\$ 0.050818270	Income Dividend	Long-term Capital Gain
Real Estate	122	12/13/2018	\$ 0.180000000	Income Dividend	Long-term Capital Gain
Real Estate – Advisor Class	222	09/27/2018	\$ 0.050818270	Income Dividend	Long-term Capital Gain
Real Estate – Advisor Class	222	12/13/2018	\$ 0.180000000	Income Dividend	Long-term Capital Gain
Real Estate – I Class	432	09/27/2018	\$ 0.050818270	Income Dividend	Long-term Capital Gain
Real Estate – I Class	432	12/13/2018	\$ 0.180000000	Income Dividend	Long-term Capital Gain
Retirement Income 2020	1083	1/18/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	2/20/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	3/19/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	4/18/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	5/17/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	6/19/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	7/18/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	8/17/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	9/19/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	10/17/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	11/19/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	12/19/2018	\$ 0.011525185	Income Dividend	Return of Capital
Retirement Income 2020	1083	12/28/2018	\$ 0.089650876	Long-Term Capital Gain	Return of Capital
Spectrum Income	88	11/30/2018	\$ 0.014401571	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 (except for Retirement Income 2020) pay dividends based on daily financial accounting income. For the emerging markets 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 due to paydown losses on asset backed securities (which does not affect daily distributions). For Retirement Income 2020, the fund made some of its distributions from investment principal due to the nature of its managed payout program, which declares distributions based on a fixed percentage of the fund's average net asset value over a measurement period.

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 global bond fund, 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.

Spectrum Income Fund invests in Emerging Markets 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 and Real Estate, a portion of the Funds' dividends received from REIT's was reclassified as 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	2018 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	12/13/2018	\$2.38	0.01232%	\$2.379706784	\$0.000293216
Equity Index 500	50/528	12/13/2018	\$0.44	0.13910%	\$0.439387960	\$0.000612040
Global Real Estate	173/273/233	12/18/2018	\$0.579562112	3.85599%	\$0.557214255	\$0.022347857
Institutional Small-Cap	129	12/19/2018	\$2.16	0.02430%	\$2.159475120	\$0.000524880

Stock						
Mid-Cap Value	115/215/415/526	12/14/2018	\$2.49	0.06529%	\$2.488374279	\$0.001625721
QM U.S Small-Cap Growth Equity	120/226/224	12/14/2018	\$1.21	0.13241%	\$1.208397839	\$0.001602161
Real Estate	122/222/432	9/27/2018	\$0.050818270	6.71573%	\$0.047405452	\$0.003412818
Real Estate	122/222/432	12/13/2018	\$0.88	6.71573%	\$0.820901576	\$0.059098424
Small-Cap Stock	65/265/525	12/14/2018	\$4.28	0.02121%	\$4.279092212	\$0.000907788