Fixed Income Investing
Strategies for today’s complex global markets

Complex markets demand far-reaching insights

In today’s ever-evolving markets, you and your clients need to be confident in the fixed income solutions you choose to help achieve long-term goals. As an independent global asset manager with more than 50 years of deep experience managing fixed income assets, T. Rowe Price has the depth and breadth to help you uncover opportunities, manage risk, and confidently navigate uncertain markets.

Our fixed income team collaborates across asset classes, including equities and multi-asset, and across sectors and geographies to test ideas and conduct rigorous proprietary research. This cross-team effort combined with skilled active management helps inform better decision-making and prudent risk management, which we believe leads to better long-term results for you and your clients.

Integrated Global Research Geared for Success

A global range of strategies to meet client needs

With over $250B of fixed income AUM* well balanced across sectors, we offer a complete lineup of strategies to help meet diverse client needs. And we offer vehicles for nearly every investor preference: mutual funds, SMAs, model portfolios, collective trusts, and ETFs.

Data as of 6/30/23.

*The total fixed income assets managed by T. Rowe Price Associates, Inc., and its investment advisory affiliates. Total fixed income assets include all fixed income separate accounts and funds along with a portion of certain T. Rowe Price U.S.-registered multi-asset funds as of June 30, 2023.
The landscape has changed, but client goals haven’t

Despite new realities for investors, the need for fixed income remains the same. Investors continue to seek ways to balance the need for both income and portfolio stability amid changes in interest rates and uncertain equity markets. Diversified fixed income portfolios typically contain a percentage of both core and plus sectors, or flexible strategies that invest in both, to meet client objectives along the spectrum of portfolio stability and income generation.

**Fixed Income Universe**

<table>
<thead>
<tr>
<th>Core</th>
<th>Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower equity correlation</td>
<td>Higher yield</td>
</tr>
<tr>
<td>Lower volatility</td>
<td>Lower sensitivity to rising rates</td>
</tr>
<tr>
<td>Lower yield</td>
<td>Higher equity correlation</td>
</tr>
<tr>
<td>Greater sensitivity to rising rates</td>
<td>Higher volatility</td>
</tr>
</tbody>
</table>

*Bank loan index data are only available from 12/31/2014 – 6/30/23.

**Income—not price—drove fixed income returns**

Income Returns versus Price Returns (12/31/07 to 6/30/23)

<table>
<thead>
<tr>
<th>Percent Gain From Income</th>
<th>108%</th>
<th>109%</th>
<th>109%</th>
<th>118%</th>
<th>130%</th>
<th>133%</th>
<th>135%</th>
<th>230%</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury</td>
<td>-0.18%</td>
<td>-0.20%</td>
<td>-0.26%</td>
<td>-1.02%</td>
<td>-0.92%</td>
<td>-1.27%</td>
<td>-1.50%</td>
<td>-1.12%</td>
</tr>
<tr>
<td>Global Aggregate</td>
<td>3.34%</td>
<td>3.49%</td>
<td>3.54%</td>
<td>6.63%</td>
<td>3.95%</td>
<td>5.14%</td>
<td>5.8%</td>
<td>1.98%</td>
</tr>
<tr>
<td>U.S. Aggregate</td>
<td>2.33%</td>
<td>2.49%</td>
<td>3.14%</td>
<td>6.63%</td>
<td>3.95%</td>
<td>5.14%</td>
<td>5.8%</td>
<td>1.98%</td>
</tr>
<tr>
<td>U.S. High Yield</td>
<td>2.33%</td>
<td>2.49%</td>
<td>3.14%</td>
<td>6.63%</td>
<td>3.95%</td>
<td>5.14%</td>
<td>5.8%</td>
<td>1.98%</td>
</tr>
<tr>
<td>Municipals</td>
<td>2.33%</td>
<td>2.49%</td>
<td>3.14%</td>
<td>6.63%</td>
<td>3.95%</td>
<td>5.14%</td>
<td>5.8%</td>
<td>1.98%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>2.33%</td>
<td>2.49%</td>
<td>3.14%</td>
<td>6.63%</td>
<td>3.95%</td>
<td>5.14%</td>
<td>5.8%</td>
<td>1.98%</td>
</tr>
<tr>
<td>Bank Loans*</td>
<td>2.33%</td>
<td>2.49%</td>
<td>3.14%</td>
<td>6.63%</td>
<td>3.95%</td>
<td>5.14%</td>
<td>5.8%</td>
<td>1.98%</td>
</tr>
<tr>
<td>U.S. Short-Term Gov/Credit</td>
<td>-0.18%</td>
<td>-0.20%</td>
<td>-0.26%</td>
<td>-1.02%</td>
<td>-0.92%</td>
<td>-1.27%</td>
<td>-1.50%</td>
<td>-1.12%</td>
</tr>
</tbody>
</table>

**Percent Gain From Income:**

Income—net price—drove fixed income returns. Index performance is for illustrative purposes only and is not indicative of any specific investment. Investors cannot invest directly in an index. Tax-free income is the income received that is not subject to federal income taxes. Some income be subject to state and local taxes and the federal alternative minimum tax (AMT).

*Bank loan index data are only available from 12/31/2014 – 6/30/23.

The image is for illustrative purposes only. Investment outcomes are not guaranteed. Results will vary.

**Core vs Plus Fixed Income:** Core and Plus are terms used in the investments industry to describe two types of fixed income investment strategies. Core generally refers to fixed income investment strategies that focus on investment grade corporate and government bonds. A Plus strategy adds additional fixed income sectors like high-yield bonds, developed international, emerging market bonds, and floating rate bank loans in an attempt to improve income or return potential in exchange for a higher risk profile.

**Strategies focused on delivering strong client outcomes**

In today’s fast-paced, ever-evolving landscape, our full range of fixed income strategies can help your clients achieve a diverse set of goals.

**Income**

Seek dependable income, including tax-free income potential. Income is essential to fixed income returns. In fact, income has been the primary driver of total returns for several fixed income categories.

**U.S. High Yield Fund or ETF**

**Floating Rate Fund or ETF**

**Tax-Free High Yield Fund**

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**Past performance is not a reliable indicator of future performance.**
**Portfolio Stability**
Seek to limit the impact of equity volatility.
To help buffer equity downturns, investors can choose core strategies that track the Bloomberg U.S Aggregate Bond Index or flexible multi-sector strategies with slightly higher risk.

**Diversification**
Look outside the U.S. to diversify core bond allocations. With more than 60% of fixed income markets outside the U.S., international and global bonds can help expand the opportunity set.

**Inflation and Rate Hedging**
Seek to mitigate the impacts of inflation and rising rates. Bank loans, short duration bonds, and Treasury inflation linked bonds have helped protect portfolios during rising rate environments, especially when core bonds significantly underperform.

**Core fixed income has helped buffer equity volatility**¹
U.S. bond correlations amid major equity downturns (12/31/99 to 6/30/23)

```
Bloomberg U.S. Aggregate Correlation to S&P 500
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More than 60% of fixed income markets are outside the U.S.
Global fixed income outstanding as of December 31, 2022

```
40.0% United States
17.3% European Union
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**Inflation and Rate Hedging**
Certain sectors delivered positive returns during an unprecedented period of sustained inflation and rising interest rates (3/31/21–11/30/22)¹

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Return (%)
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Past performance is not a reliable indicator of future performance.

Index performance is for illustrative purposes only and is not indicative of any specific investment. Investors cannot invest directly in an index. BPS = Basis Points are a unit of measure used in finance to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. One basis point is equivalent to 0.01%.

¹ Sources: T. Rowe Price; “Emerging Markets” represents the J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified Index; “U.S. Aggregate” represents the Bloomberg U.S. Aggregate Bond Index; “Global Aggregate” represents the Bloomberg Global Aggregate Index; “Municipals” represents Bloomberg Municipal Bond Index; “U.S. Treasury” represents the Bloomberg U.S. Treasury Index; “U.S. High Yield” represents the Bloomberg U.S. High Yield Index; “Bank Loans” represents S&P/LSTAPerforming Loan Index. TIPS represents the Bloomberg U.S. 1-5 Year Treasury TIPS Index; Short Duration Bonds represents the Bloomberg 1-3 Year U.S. Government/Credit Bond Index. “Global High Yield” represented by ICE BofAML Global High Yield Index Hedged to USD.
These funds to consider are only a small part of our full set of fixed income solutions.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Investor Class</th>
<th>Investor Ticker</th>
<th>Investor Class</th>
<th>Investor Ticker</th>
<th>ETF</th>
<th>ETF Ticker</th>
<th>Morningstar Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dynamic Global Bond</td>
<td>PRPIEX</td>
<td>PPIEX</td>
<td>RPEIX</td>
<td>TIIIX</td>
<td>–</td>
<td>–</td>
<td>Nontraditional Bond</td>
</tr>
<tr>
<td>Emerging Markets Corporate Bond</td>
<td>TRECX</td>
<td>TECIX</td>
<td>RPEIX</td>
<td>TIIIX</td>
<td>–</td>
<td>–</td>
<td>Emerging Markets Bond</td>
</tr>
<tr>
<td>Floating Rate</td>
<td>PRFRX</td>
<td>TFAIX</td>
<td>TFLR</td>
<td>–</td>
<td>Bank Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Multi-Sector Bond</td>
<td>PRSNX</td>
<td>PGMSX</td>
<td>–</td>
<td>–</td>
<td>World Bond</td>
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</tr>
<tr>
<td>Limited Duration Inflation Focused Bond</td>
<td>TRBFX</td>
<td>TRLDX</td>
<td>–</td>
<td>–</td>
<td>Inflation Protected Bond</td>
<td></td>
<td></td>
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<tr>
<td>New Income</td>
<td>PRQIX</td>
<td>TRLDX</td>
<td>–</td>
<td>–</td>
<td>Intermediate Core Bond</td>
<td></td>
<td></td>
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<tr>
<td>QM US Bond Index</td>
<td>PBDIX</td>
<td>TSBIX</td>
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<td>–</td>
<td>Intermediate Core Bond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QM US Bond ETF</td>
<td>–</td>
<td>–</td>
<td>TAGG</td>
<td>Intermediate Core Bond</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Free High Yield</td>
<td>PRFHX</td>
<td>PTYIX</td>
<td>–</td>
<td>–</td>
<td>High Yield Muni</td>
<td></td>
<td></td>
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<tr>
<td>Total Return</td>
<td>PTTFX</td>
<td>PTKIX</td>
<td>TOTR</td>
<td>–</td>
<td>Intermediate Core-Plus Bond</td>
<td></td>
<td></td>
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<tr>
<td>U.S. High Yield</td>
<td>TUHYX</td>
<td>TUHIX</td>
<td>THYF</td>
<td>–</td>
<td>High-Yield Bond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ultra Short-Term Bond</td>
<td>TRBUX</td>
<td>TRSTX</td>
<td>TBUX</td>
<td>–</td>
<td>Ultrashort Bond</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Access the collective strength and stability of T. Rowe Price.

Contact us today: troweprice.com/intermediaries 1-800-564-6958 AdvisorServices@troweprice.com

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Bloomberg Index Services Limited.

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