

## GIPS® Disclosure

### Global Investment Grade Corporate Bond Composite

Period Ended June 30, 2019

Figures Shown in U.S. dollar

	<u>2015</u> <sup>2</sup>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>YTD</u> <u>2019</u>
Gross Annual Returns (%)	1.12	8.01	6.92	-0.76	7.96
Net Annual Returns (%) <sup>1</sup>	0.97	7.69	6.60	-1.06	7.80
Bloomberg Barclays Global Aggregate Corporates Bond USD Hedged Index (%)	0.50	6.22	5.70	-1.00	8.65
Composite 3-Yr St. Dev.	N/A	N/A	N/A	3.21	3.07
Bloomberg Barclays Global Aggregate Corporates Bond USD Hedged Index 3-Yr St. Dev.	3.47	3.43	3.28	2.92	3.09
Composite Dispersion	N/A	N/A	N/A	N/A	N/A
Comp. Assets (Millions)	20.0	21.7	170.3	185.2	133.9
# of Accts. in Comp.	1	1	3	3	3
Total Firm Assets (Billions)	772.4	817.2	1,000.2	972.7	1,136.4 <sup>3</sup>

<sup>1</sup>Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance is not a reliable indicator of future performance. Monthly composite performance is available upon request. **See below for further information related to net of fee calculations.**

<sup>2</sup>June 30, 2015 through December 31, 2015.

<sup>3</sup>Preliminary - subject to adjustment.

T. Rowe Price (TRP) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 22-year period ended June 30, 2018 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

The strategy utilizes on a regular basis a variety of derivative instruments such as (but not limited to) currency forwards, fixed income futures, interest rate swaps, credit default swaps, synthetic indices, and options on all mentioned instruments, primarily to hedge certain market risks associated with the strategy's objective, to express directional opportunities on specific markets and to facilitate liquidity management.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

**Global Investment Grade Corporate Bond Composite.** The Global Investment Grade Corporate Bond Composite seeks capital appreciation primarily through investment in fixed income securities, floating rate bank loans and floating rate debt securities rated below investment grade (BB or below) by S&P, Moody's or another nationally recognized securities rating organization (NRSRO). (Created May 2014)

**Fee Schedule**

First \$50 million 30 basis points

Next \$50 million 25 basis points

Above \$100 million 22.5 basis points on all assets <sup>1</sup>

Above \$250 million 20 basis points on all assets <sup>1</sup>

Minimum separate account size 50 million USD.

<sup>1</sup> A transitional credit is applied to the fee schedule as assets approach or fall below the breakpoint.