

T. Rowe Price Funds SICAV

Euro Corporate Bond Fund

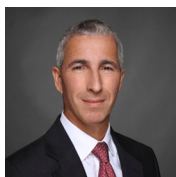
An all-weather approach for changing markets

Fund snapshot

- An actively managed, diversified investment grade euro corporate bond fund
- Consistent bottom-up approach based on fundamental research complemented by macro-economic inputs, ESG integration and quantitative factors
- High-conviction security selection looking for opportunities across maturities, ratings and levels of subordination

Asset class	Euro corporate fixed income
Benchmark*	Bloomberg Euro-Aggregate: Corporates Index
Inception	February 2002
Portfolio Management Team	David Stanley, Howard Woodward
Style	Diversified
No of issuers	100-200
ISIN	LU0133091248 (Class I)
SFDR classification**	Article 8
SICAV AUM	GBP 743m

Fund overview



"We believe the key to success in the euro IG corporate market is intensive proprietary fundamental research that seeks to identify the best-performing issuers and to avoid those with poor or deteriorating creditworthiness. We have a long-term investment horizon, meticulous risk management and an approach that seeks to add value in different types of market environments."

David Stanley | Portfolio Manager

Reasons to consider this fund



Regular outperformance

The Euro Corporate Bond Fund aims to deliver regular outperformance against its benchmark in different market environments.



Downside protection

Our disciplined risk management process is designed to manage downside risk, particularly in periods of rapid increases in credit spreads.



High liquidity profile

We focus on high quality securities with the best liquidity characteristics. Our portfolio construction is also based on optimal diversification to avoid concentration risk.

When investing in funds, certain risks apply, which include those specific to credit and derivatives. The fund can also be affected by changes in interest rates. For a full list of risks applicable to this fund, please refer to the prospectus.



Ratings and awards

Morningstar Ratings™ and Morningstar category™: ©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

*The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

** Sustainable Finance Disclosure Regulation (SFDR). Although the fund does not have sustainable investment as an objective, the promotion of environmental and social characteristics is achieved through the fund's commitment to maintain at least 10% of the value of its portfolio invested in Sustainable Investments, as defined by the SFDR. Additionally, we apply a proprietary responsible screen (exclusion list).

This marketing communication is for investment professionals only. Not for further distribution.

Exploiting inefficiencies in a key segment of the Euro bond market



Quick takeaways

- Euro-denominated investment grade (IG) corporate bonds are one of the deepest and most liquid segments of the global fixed income market
- Today, the asset class offers attractive income for European investors looking for regular returns
- The combination of duration and credit risk ensures they can benefit from different market environments with limited downside risk

Euro-denominated investment grade (IG) corporate bonds are one of the deepest and most liquid segments of the global fixed income market. They are part of the core allocation for the majority of European investors due to their investment grade status.

Because the yield offered by IG euro corporate bonds is today attractive, they offer a good source of income with the added potential for capital appreciation. This is particularly the case for

issues with a potential tightening of their credit spreads or with a generous premium at launch.

One interesting feature of euro corporate bonds is their defensive characteristics. By offering a unique combination of duration and credit risk, they can withstand periods of market volatility thanks to their duration component which is likely to help stabilize performance at times when credit spreads are at risk of widening.

A team benefiting from the knowledge and collaboration of multiple experts

Portfolio Managers



David Stanley
Euro Corporate Bond
Lead Portfolio Manager

- 36 years of investment experience
- 20 years with T. Rowe Price



Steve Boothe, CFA
Portfolio Manager
Head of Investment Grade

- 26 years of investment experience
- 24 years with T. Rowe Price



Willem Visser
Associate Portfolio Manager
Impact Investing – Credit

- 11 years of investment experience
- 6 years with T. Rowe Price



Howard Woodward, CFA
Euro Corporate Bond
Sector Portfolio Manager

- 23 years of investment experience
- 23 years with T. Rowe Price



Matt Lawton, CFA
Portfolio Manager
US and Global Impact Credit

- 16 years of investment experience
- 12 years with T. Rowe Price



Lauren Wagandt, CFA
Portfolio Manager
US Investment Grade Corporate

- 17 years of investment experience
- 14 years with T. Rowe Price

Portfolio Specialist Team

Anton Dombrovskiy, CFA
Euro Regional Support

Jeff DeVack, CFA
US Regional Support

Yukiko Hanai, CMA
Asia Regional Support

Ramon Maronilla, CFA
Asia Regional Support

Investment Grade Corporate

- 6 Portfolio Managers
- 1 Director of Research
- 17 Analysts
- 4 Traders

High Yield

- 8 Portfolio Managers
- 1 Director of Research
- 17 Analysts
- 4 Traders

EMD

- 8 Portfolio Managers
- 1 Director of Research
- 16 Analysts
- 3 Traders

Macro Economic

- 5 Economists

Responsible Investing

- 16 Analysts
- 3 Governance Associates

Global Equity

- 183 Equity Research Professionals Worldwide¹

Quantitative Research

- 1 Director of Research
- 23 Analysts

Over 50 analysts provide investment recommendations to the euro corporate bond approach.

- Baltimore Associate
- Japan Associate
- London Associate
- ◆ Hong Kong Associate

Portfolio Specialists do not assume portfolio management responsibilities. The Associate Portfolio Manager is responsible for assisting the Portfolio Manager with the investment process and client service efforts.

CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

As of 31 December 2023. Includes portfolio managers, sector portfolio managers, and associate portfolio managers. Includes analysts and associate analysts.

¹ 14 sector portfolio managers, 89 research analysts, 44 associate research analysts, 6 quantitative analysts, and 30 specialty analysts as of 31 December 2023.

Our Investment Approach



Quick takeaways

- Our security selection process is based on a proprietary research approach combining fundamental analysis, valuation and quantitative inputs
- ESG integration is part of the process, with regular inputs from our Responsible Investing team alongside regular engagements with issuers
- The credit beta of the portfolio is actively managed to ensure we can provide performance stability at times of volatility leading to rapid rises in credit spreads

Unlocking best ideas through collaboration

The investment team works closely with a core team of experienced corporate research analysts. Their work is complemented by the macro-economic background research provided by economists and sovereign analysts, who give a greater understanding of the economic environment.

The team is supported by dedicated traders as well as quantitative analysts, and often reaches out to the knowledge of our high yield and euro equity teams. Day-to-day portfolio management is a highly collaborative process, with input and insight coming from across the whole research platform.

The Euro Corporate Bond investment team leverages knowledge and expertise of our global research platform. We believe our ability to source investment ideas globally gives us an edge when evaluating bonds in the benchmark that have been issued by companies outside Europe.

The ESG responsible investing team is integral to the process, ensuring seamless ESG integration and highlighting potential companies requiring specific attention.

In the Euro Corporate Bond fund, we aim to make use of our proprietary fundamental research in a disciplined, repeatable way. Our corporate analysts are responsible for developing a standardized conviction score for each bond in their coverage sectors and for debating their views with the portfolio managers.

The portfolio manager allocates weights based on those ideas and incorporates the feedback from specialized traders in order to identify best values among the maturity spectrum, the level of subordination as well as the potential participation to new issues.

On top of integrating ESG research at individual issuers level. The shape of the portfolio from an ESG perspective is monitored with frequent reviews conducted.

Throughout the investment cycle, we actively manage the credit beta of the portfolio, ensuring that we control the performance pattern of the portfolio against its benchmark.

We place a special emphasis on the performance behavior at times of market stress or illiquidity, when credit spreads can rapidly widen and lead to an underperformance of corporate bonds.

Credit derivatives used for defensive purposes have proven very efficient over the years, via the use of credit default spreads on individual issues or at credit indices level, helping stabilize performance when it mattered the most for our investors.

The combination of successful security selection, portfolio construction and beta management makes our Euro corporate bond fund truly all-weather.



Risks - the following risks are materially relevant to the fund:

Contingent Convertible bond risk – Contingent Convertible Bonds may be subject to additional risks linked to: capital structure inversion, trigger levels, coupon cancellations, call extensions, yield/valuation, conversions, write downs, industry concentration and liquidity, among others.

Credit risk – Credit risk arises when an issuer's financial health deteriorates and/or it fails to fulfill its financial obligations to the fund.

Default risk – The issuers of certain bonds could become unable to make payments on their bonds.

Derivative risk – Derivatives may be used to create leverage which could expose the fund to higher volatility and/or losses that are significantly greater than the cost of the derivative.

High yield bond risk – High yield debt securities are generally subject to greater risk of issuer debt restructuring or default, higher liquidity risk and greater sensitivity to market conditions.

Interest rate risk – Interest rate risk is the potential for losses in fixed-income investments as a result of unexpected changes in interest rates.

Liquidity risk – Liquidity risk may result in securities becoming hard to value or trade within a desired timeframe at a fair price.

Total Return Swap risk – Total return swap contracts may expose the fund to additional risks, including market, counterparty and operational risks as well as risks linked to the use of collateral arrangements.

Sector concentration risk – Sector concentration risk may result in performance being more strongly affected by any business, industry, economic, financial or market conditions affecting a particular sector in which the portfolio's assets are concentrated.

General Fund Risks

Counterparty risk – Counterparty risk may materialise if an entity with which the fund does business becomes unwilling or unable to meet its obligations to the fund.

ESG and Sustainability risk – ESG and Sustainability risk may result in a material negative impact on the value of an investment and performance of the fund.

Geographic concentration risk – Geographic concentration risk may result in performance being more strongly affected by any social, political, economic, environmental or market conditions affecting those countries or regions in which the fund's assets are concentrated.

Hedging risk – Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely

Investment portfolio risk – Investing in funds involves certain risks an investor would not face if investing in markets directly.

Management risk – Management risk may result in potential conflicts of interest relating to the obligations of the investment manager.

Market risk – Market risk may subject the fund to experience losses caused by unexpected changes in a wide variety of factors.

Operational risk – Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes.

Important information

The Funds are sub-funds of the T. Rowe Price Funds SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier and which qualifies as an undertaking for collective investment in transferable securities ("UCITS"). Full details of the objectives, investment policies and risks are located in the prospectus which is available with the key investor information documents (KIID) and/or key information document (KID) in English and in an official language of the jurisdictions in which the Funds are registered for public sale, together with the articles of incorporation and the annual and semiannual reports (together "Fund Documents"). Any decision to invest should be made on the basis of the Fund Documents which are available free of charge from the local representative, local information/paying agent or from authorised distributors. They can also be found along with a summary of investor rights in English at www.troweprice.com. The Management Company reserves the right to terminate marketing arrangements.

This material is being furnished for general informational and/or marketing purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision.

T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction.

EEA – Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l. 35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

Switzerland – Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. First Independent Fund Services Ltd, Klausstrasse 33, CH-8008 Zurich is Representative in Switzerland. Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich is the Paying Agent in Switzerland. For Qualified Investors only.

UK – This material is issued and approved by T. Rowe Price International Ltd, Warwick Court, 5 Paternoster Square, London EC4M 7DX which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

© 2024 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc.