



# CONTROVERSIAL WEAPONS POLICY

T. Rowe Price (Luxembourg) Management S.à r.l. has adopted a policy not to finance companies deemed by the funds' investment manager to be involved in the manufacturing, producing or assembling of controversial weapons – specifically those subject to the UN Convention on Cluster Munitions and the UN Anti-Personnel Mine Ban Convention as well as incendiary, biological and chemical weapons. T. Rowe Price (Luxembourg) Management S.à r.l. periodically reviews its policy, together with the sources and methodologies utilized by the investment manager in the compilation of the list of securities for exclusion.

T. Rowe Price (Luxembourg) Management S.à r.l. recognizes the investment community's concern related to the use of certain types of military weapons and their potential for harm to civilians and infrastructure following conflict. In establishing the policy to exclude certain investments related to the manufacture and trade of controversial weapons, its objective is to serve the best interests of the investment clients of the funds to which it acts as management company, while maintaining the highest standards of ethical business practice and adherence to local laws and codes of conduct.

The Board of Managers of T. Rowe Price (Luxembourg) Management S.à r.l. has delegated the responsibility for creation, analysis and maintenance of the list of excluded companies to the funds' investment manager and its specialists in environmental, social and governance ("ESG") issues.

Considerations taken into account in the analysis include the conclusions of our external research providers, the direct, indirect or on-going nature of any involvement in controversial weapons, company disclosures, the presence of any technological features in the weapons that may mitigate the potential for collateral harm to civilians, and evidence of exclusion by other investors.

An important determinant for whether a company should be placed on the excluded companies list is the nature of its exposure to cluster munitions, anti-personnel land mines, incendiary weapons, biological weapons or chemical weapons. To qualify for placement on the excluded companies list, a company must have direct exposure meaning it meets at least one of these four criteria:

1. The company is developing, producing, maintaining, distributing, storing or providing another service for a cluster munition, anti-personnel land mine, incendiary weapon, biological weapon and/or chemical weapon.
2. The company is developing, producing or providing another service for a component primarily developed for use in a cluster munition, anti-personnel land mine, incendiary weapon, biological weapon and/or chemical weapon.
3. The company is developing, producing or providing another service specialized or customized for the deployment of a cluster munition, anti-personnel land mine, incendiary weapon, biological weapon and/or chemical weapon.
4. The company has an ownership stake of more than 50% in a company with direct exposure to cluster munitions, anti-personnel land mines, incendiary weapons, biological weapons and/or chemical weapons.

There may be circumstances where a fund has indirect exposure to a company involved in controversial weapons. Examples of these circumstances could include an investment in an instrument that gives exposure to an index, or an investment in a fund managed by an unaffiliated investment manager.

In conducting their analysis, the ESG specialists rely on a variety of sources for information about corporate issuers involved in cluster munitions, anti-personnel land mines, incendiary weapons, biological weapons and chemical weapons, including:

- Sustainalytics
- MSCI ESG Research
- Company reports
- Research by non-governmental organizations (NGOs)
- T. Rowe Price's global team of equity and fixed income analysts
- UN Convention on Cluster Munitions data
- UN Anti-Personnel Mine Ban Convention
- Government reports

T. Rowe Price (Luxembourg) Management S.à r.l. welcomes dialogue with its clients about this important issue. If you would like to arrange a discussion about its exclusions policy with regard to controversial weapons, please contact your T. Rowe Price client service professional.

## Important Information

**This material is being furnished for general informational and/or marketing purposes only.** The information contained herein is correct as of September 2020. 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 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 ex-UK** – 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. **DIFC** – Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This material is communicated on behalf of T. Rowe Price International Ltd by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only. **Hong Kong** – Issued by T. Rowe Price Hong Kong Limited, 6/F, Chater House, 8 Connaught Road Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only. **Singapore** – Issued in Singapore by T. Rowe Price Singapore Private Ltd., No. 501 Orchard Rd, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional Investors only. **Switzerland** – Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only. **UK** – This material is issued by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

© 2020 T. Rowe Price. All rights reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc.