



T. ROWE PRICE

Global High Income Bond Strategy

As of 30 September 2020

Portfolio Management Team:	Managed Strategy Since:	Joined Firm:
Michael Della Vedova	2015	2009
Michael Connelly	2015	2005
Samy Muaddi	2015	2006

INVESTMENT OBJECTIVE

The Global High Income Bond Hedged to USD Composite seeks high current income and capital appreciation primarily through the investment in global fixed income securities rated below investment grade (BB or below) by S&P, Moody's, or another nationally recognized securities rating organization (NRSRO). The composite seeks global diversification by targeting North American and European high yield and emerging markets corporate issuers.

PERFORMANCE

	Annualised						Since Inception 31 Jan 2015
	One Month	Three Months	Year-to-Date	One Year	Three Years	Five Years	
Global High Income Bond Hedged to USD Composite (Gross of Fees – USD)	-1.25%	4.23%	-1.61%	1.19%	4.29%	7.49%	6.54%
ICE BofAML Global High Yield Index Hedged to USD	-1.00	4.11	0.02	2.91	4.17	6.98	5.79
Value Added (Gross of Fees) ¹	-0.25	0.12	-1.63	-1.72	0.12	0.51	0.75

Past performance is not a reliable indicator of future performance.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Gross performance returns reflect the reinvestment of dividends. Returns shown would be lower when reduced by the advisory fees and any other expenses incurred in the management of an investment advisory account.

¹ The value added is shown as Global High Income Bond Hedged to USD Composite (Gross of Fees) minus the benchmark in the previous row.

MARKET COMMENTARY

We are overweight cable operators, as we believe these issuers generally exhibit more defensive characteristics given their subscription-based, recurring-revenue, business model. We also have an overweight position in several key defensive sectors, such as food, which should hold up relatively well, even in a more difficult macroeconomic backdrop.

We have modestly reduced our emerging markets position and will look to add some high yield exposure in developed markets. We expect to continue this pivot in positioning, with a preference for European high yield over the U.S. Heading into the U.S. Presidential election, we believe Europe can provide more fiscal stimulus with less political volatility.

We do not expect to add value via currency management; we typically hedge our non-U.S. dollar exposure back to U.S. dollars in order to limit volatility, keeping the focus on credit selection.

Over the medium term, we believe continued monetary and fiscal stimulus could create significant support to the high yield market. Looking further out, we expect a diverse allocation to global high yield markets to provide strong risk-adjusted performance potential. Along with our rigorous fundamental research process, we believe this flexible approach will be crucial in the months ahead as different policy responses to the coronavirus play out.

Effective 1 January 2020, Michael Connelly and Samy Muaddi assumed co-portfolio management responsibility for the Global High Income Bond Strategy.

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action. The views and portfolio holdings contained herein are as of date noted on the material and are subject to change without further notice. The specific securities identified and described do not necessarily represent all of the securities purchased, sold, or recommended for the Portfolio and no assumptions should be made that the securities identified and discussed were or will be profitable.

REP. PORTFOLIO TOP 10 ISSUERS

	Industry	% of Rep. Portfolio
Occidental Petroleum	Energy	1.96
ALTICE FINCO SA	Cable Operators	1.34
Petroleos Mexicanos	Miscellaneous	1.32
Albertsons	Supermarkets	1.28
Post Holdings	Food	1.14
Encore Capital	Financial	1.14
Victoria	Building Products	1.07
Ziggo Secured Finance BV	Cable Operators	1.05
L Brands	Retail	1.03
IntelSat	Satellites	1.02

Issuers are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

	Rep. Portfolio	ICE BofAML Global High Yield Index Hedged to USD
Weighted Average Coupon	6.32%	5.71%
Weighted Average Maturity	6.09 Years	5.92 Years
Weighted Average Effective Duration	3.58%	3.72%
Yield to Maturity	6.41%	5.96%
Average Credit Quality	B+	BB-
Number of Holdings	278	3,639

CREDIT QUALITY DIVERSIFICATION

	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC and Below	Equities	Not Rated	Short Term
Rep. Portfolio	4.5%	23.2%	14.7%	32.0%	3.1%	11.7%	1.5%	3.6%	5.7%
ICE BofAML Global High Yield Index Hedged to USD	0.0	60.8	0.0	29.2	0.0	9.5	0.0	0.0	0.5
Over/Underweight	4.5	-37.6	14.7	2.8	3.1	2.2	1.5	3.6	5.2

INDUSTRY DIVERSIFICATION

	Energy	Financial	Cable Operators	Metals & Mining	Short-Term	Services	Automotives	Wireless Comm	Health Care	Building & Real Estate	Others
Rep. Portfolio	12.4%	10.4%	9.5%	7.5%	5.7%	4.3%	4.2%	4.1%	4.1%	4.1%	33.6%
ICE BofAML Global High Yield Index Hedged to USD	13.3	11.9	3.3	3.9	0.0	3.6	5.4	2.6	6.9	6.7	42.4
Over/Underweight	-0.8	-1.4	6.2	3.6	5.7	0.7	-1.2	1.5	-2.9	-2.6	-8.8

ADDITIONAL DISCLOSURES

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

Weighted Average Maturity is an average of the maturities of the underlying bonds, with each bond's maturity weighted by the percentage of Composite assets it represents. Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of the Composite to changes in interest rates. In general, the longer the average maturity or duration, the greater the Composite's sensitivity to interest rates. Duration is a better indicator of price sensitivity because it takes into account the time value of cash flows.

Unless indicated otherwise the source of all data is T. Rowe Price.

Source for Sector Diversification: T. Rowe Price. T. Rowe Price uses a custom structure for sector and industry reporting for this product.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Sources for credit quality: Moody's Investors Service and Standard & Poor's (S&P); split ratings (e.g., BB/B and B/CCC) are assigned when the Moody's and S&P ratings differ. T. Rowe Price does not evaluate these ratings, but simply assigns them to the appropriate credit quality category as determined by the rating agency. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps. Short-term holdings are not rated.

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS® Disclosure page for additional information on the composite.

Other includes any categories not explicitly mentioned.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

GIPS® DISCLOSURES**Global High Income Bond Hedged to USD Composite**

Period Ended 31 December 2019

Figures Shown in U.S. Dollar

	2015 ²	2016	2017	2018	2019
Gross Annual Returns (%)	0.13	16.24	9.69	-1.28	15.48
Net Annual Returns (%) ¹	-0.33	15.67	9.14	-1.77	14.91
ICE BofAML Global High Yield Index Hedged to USD (%)	-2.46	16.21	8.02	-1.90	14.54
Composite 3-Yr St. Dev.	N/A	N/A	N/A	4.29	3.45
ICE BofAML Global High Yield Index Hedged to USD 3-Yr St. Dev.	5.08	5.68	5.30	4.26	3.66
Composite Dispersion	N/A	N/A	N/A	N/A	N/A
Comp. Assets (Millions)	41.9	78.5	117.5	136.4	388.2
# of Accts. in Comp.	2	2	2	2	2
Total Firm Assets (Billions)	772.4	817.2	1,000.2	972.7	1,218.2 ³

¹Reflects 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.**

²January 31, 2015 through December 31, 2015.

³Preliminary - 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 23-year period ended June 30, 2019 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 non-reclaimable 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 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.

A portfolio management change occurred effective January 1, 2020. There were no changes to the investment program or strategy related to this composite.

FEE SCHEDULE

The Global High Income Bond Hedged to USD Composite seeks high current income and capital appreciation primarily through the investment in global fixed income securities rated below investment grade (BB or below) by S&P, Moody's, or another nationally recognized securities rating organization (NRSRO). The composite seeks global diversification by targeting North American and European high yield and emerging markets corporate issuers. (Created January 2015)

First 50 million (USD)	50 basis points
Next 50 million (USD)	45 basis points
Next 100 million (USD)	40 basis points
Above 250 million (USD)	37.5 basis points
Minimum separate account size	100 million (USD)

IMPORTANT INFORMATION

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