



# T. Rowe Price

T. ROWE PRICE

## Global High Income Bond Strategy

As of 31 December 2025

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

	One Month	Three Months	Year-to-Date	One Year	Annualised		
					Three Years	Five Years	Since Inception 31 Jan 2015
Global High Income Bond Hedged to USD Composite (Gross of Fees – USD)	0.88%	1.44%	10.01%	10.01%	11.19%	4.49%	6.22%
ICE BofA Global High Yield Index Hedged to USD	0.66	1.30	8.61	8.61	10.35	4.19	5.54
Value Added (Gross of Fees) <sup>1</sup>	0.22	0.14	1.40	1.40	0.84	0.30	0.68

#### 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 and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains. Returns shown would be lower when reduced by the advisory fees and any other expenses incurred in the management of an investment advisory account.

<sup>1</sup> 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 have maintained our overweight exposure to financials, through insurance brokers, and media as the sector appears attractive on valuation grounds, although we are selective on picking credits.

We maintained our overweight allocation to Europe and corresponding underweight to the US, as European yields continue to offer superior value on a currency-hedged basis, alongside attractive spread pick-up. We also maintain an overweight allocation to emerging markets, which is predominantly focused on Latin America.

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

Earnings for most issuers have been better than feared, and credit markets are poised to benefit from several tailwinds in 2026. While spreads are near historically tight levels, the asset class continues to provide extremely attractive yields. Despite recent periods of volatility and weaker-than-expected job reports, we do not anticipate default rates moving materially from current levels. Given the large portion of secured debt and the high-quality nature of the asset class, we view high yield as a compelling source of risk-adjusted returns.

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REP. PORTFOLIO TOP 10 ISSUERS

	Industry	% of Rep. Portfolio
Petroleos Mexicanos	Energy	2.29
Venture Global LNG	Energy	1.19
CVS Health	Retail	0.98
Industria Machine Automatiche	Manufacturing	0.98
Navient	Financial	0.96
Ecopetrol	Energy	0.96
BBVA Mexico SA Institucion De Banca Multiple Grupo Financiero BBVA Mexico/TX	Financial	0.92
Charter Communications	Cable Operators	0.91
Forvia	Automotives	0.84
Asurion LLC	Wireless Communications	0.84

PORTFOLIO CHARACTERISTICS

	Rep. Portfolio	ICE BofA Global High Yield Index Hedged to USD
Weighted Average Coupon	7.11%	6.38%
Weighted Average Maturity	6.09 Years	4.81 Years
Weighted Average Effective Duration	2.85 Years	3.02 Years
Yield to Maturity	7.52%	6.82%
Average Credit Quality	B+	BB-
Number of Holdings	295	3,265

CREDIT QUALITY DIVERSIFICATION

	BBB/BB Rated & Above	BB Rated	BB/B Rated	B Rated	B/CCC Rated	CCC and Below	Credit Default Swaps	Default	Equities	Not Rated	Short Term
Rep. Portfolio	1.5%	30.2%	15.7%	34.0%	6.6%	7.3%	0.0%	0.0%	0.7%	2.1%	1.9%
ICE BofA Global High Yield Index Hedged to USD	4.4	44.8	13.7	25.8	3.7	6.5	0.0	0.0	0.0	1.1	0.0
Over/Underweight	-2.9	-14.6	2.0	8.2	2.9	0.8	0.0	0.0	0.7	1.0	1.9

INDUSTRY DIVERSIFICATION

	Financial	Energy	Services	Healthcare	Cable Operators	Media	Utilities	Automotive	Manufacturing	Others
Rep. Portfolio	13.9%	12.7%	8.2%	7.6%	5.8%	5.5%	5.1%	4.8%	3.7%	32.7%
ICE BofA Global High Yield Index Hedged to USD	9.8	12.7	7.1	7.1	4.9	2.7	5.2	5.0	1.7	43.8
Over/Underweight	4.1	0.0	1.2	0.4	0.9	2.8	-0.1	-0.1	2.0	-11.1

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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.

Credit ratings for the securities held in the portfolio are provided by Moody's and Standard & Poor's and are converted to the Standard & Poor's nomenclature. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities. Split ratings (e.g., BB/B and B/CCC) are assigned when Moody's and S&P differ. If a rating is not available, the security is classified as Not Rated (NR). The rating of the underlying investment vehicle is used to determine the creditworthiness of credit default swaps and sovereign securities. The portfolio is not rated by any agency.

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® Composite Report 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® COMPOSITE REPORT

## Global High Income Bond Hedged to USD Composite

Period Ended December 31, 2024 Figures

Shown in U.S. dollar

	2015 <sup>2</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Annual Returns (%)	0.13	16.24	9.69	-1.28	15.48	6.55	3.91	-12.80	14.56	9.09
Net Annual Returns (%) <sup>1</sup>	-0.79	15.10	8.60	-2.26	14.35	5.50	2.88	-13.68	13.43	8.01
ICE BofA Global High Yield Index Hedged to USD (%)	-2.46	16.21	8.02	-1.90	14.54	6.61	3.04	-11.30	13.11	9.37
Composite 3-Yr St. Dev.	N/A	N/A	N/A	4.29	3.45	11.21	11.13	12.78	8.13	8.13
ICE BofA Global High Yield Index Hedged to USD 3-Yr St. Dev.	N/A	N/A	N/A	4.26	3.66	9.60	9.46	11.21	7.84	7.94
Composite Dispersion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comp. Assets (Millions)	41.9	78.5	117.5	136.4	388.2	1,187.4	913.8	702.7	843.0	1,280.6
# of Accts. in Comp.	2	2	2	2	2	2	2	3	4	4
Total Firm Assets (Billions)	772.4	817.2	1,000.2	972.7	1,218.2	1,482.5	1,653.6	1,237.4	1,403.83	1,561.6

<sup>1</sup>The fee rate used to calculate net returns is 1.00%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a reliable indicator of future performance.**

<sup>2</sup>January 31, 2015 through December 31, 2015.

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

T. Rowe Price (TRP) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TRP has been independently verified for the 27-year period ended June 30, 2023 by KPMG LLP. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm wide basis. 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. As of October 1, 2022, there is no minimum asset level for portfolio inclusion into the composite. Prior to October 2022, the minimum asset level for equity portfolios to be included in composites was \$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 was \$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 maximum fee rate applicable to all composite members as shown above. Gross performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Gross performance returns are used to calculate presented risk measures. 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, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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

**Global High Income Bond Hedged to USD Composite.** 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; inception January 31, 2015)

**Fee Schedule**

First 50 million USD 45 basis points Next 50 million USD 35 basis points

Above 100 million USD 35 basis points on all assets<sup>1</sup>

Above 250 million USD 32.5 basis points on all assets<sup>1</sup>

<sup>1</sup> A transitional credit is applied to the fee schedule as assets approach or fall below the breakpoint. Minimum separate account size 100 million USD.

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