



# T. Rowe Price

T. ROWE PRICE

## Global Investment Grade Corporate Bond Strategy

As of 31 December 2025



**Portfolio Manager:**  
Steven Boothe, CFA  
**Managed Strategy Since:**  
2015  
**Joined Firm:**  
1999

### INVESTMENT OBJECTIVE

The Global Investment Grade Corporate Bond Composite seeks a high level of income with capital appreciation primarily through investment grade corporate bonds issued by companies across the globe.

### PERFORMANCE

Annualised

	One Month	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Since Inception 30 Jun 15
Global Investment Grade Corporate Bond Composite (Gross of Fees – USD)	-0.01%	0.81%	7.54%	7.54%	7.51%	1.22%	3.86%	3.78%
Bloomberg Global Aggregate Corporates Bond USD Hedged Index	-0.10	0.93	7.08	7.08	6.60	0.64	3.40	3.29
Value Added (Gross of Fees) <sup>1</sup>	0.09	-0.12	0.46	0.46	0.91	0.58	0.46	0.49

**Past performance is not a guarantee or a reliable indicator of future results.**

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 Investment Grade Corporate Bond Composite (Gross of Fees) minus the benchmark in the previous row.

### MARKET COMMENTARY

Positioning adjustments in December included a reduction in exposure to utilities that was concentrated in the natural gas sector in anticipation of heavy supply early next year. We reduced our underweight to industrials, with increases to the transportation, communications, and capital goods sectors to take advantage of attractive valuations. Elsewhere, we rotated around financials as we added to the banking sector and decreased our allocation to the insurance sector. In terms of interest rate management, we decreased exposure to US duration and ended near neutral duration relative to the benchmark, maintaining a steepening bias in the US Treasury curve. We also established a short duration position in Europe.

We expect markets to price in a re-acceleration in US growth without a marked deterioration in the labor market as we enter 2026. In the eurozone, we see potential for services inflation, the key data point watched by officials, to remain sticky throughout 2026.

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

Issuer	Industry	% of Rep. Portfolio
CVS Health	Consumer Cyclical	2.21
Wells Fargo	Banking	1.93
Goldman Sachs	Banking	1.87
JPMorgan Chase	Banking	1.57
Foundry JV Holdco	Technology	1.54
Bank of America	Banking	1.48
Morgan Stanley	Banking	1.48
Diamondback Energy	Energy	1.43
APA Infrastructure	Natural Gas	1.27
Meta Platforms	Communications	1.21

## PORTFOLIO CHARACTERISTICS

	Rep. Portfolio	Bloomberg Global Aggregate Corporates Bond USD Hedged Index
Weighted Average Coupon	4.93%	4.04%
Weighted Average Maturity	8.46 Years	8.35 Years
Weighted Average Effective Duration	5.76 Years	5.84 Years
Yield to Maturity	5.18%	4.35%
Average Credit Quality	BBB+	A-
Number of Holdings	220	17,708

## CREDIT QUALITY DIVERSIFICATION

	US Treasury	AAA	AA	A	BBB	BB	B	Not Rated
Rep. Portfolio	1.2%	0.4%	3.3%	36.4%	48.0%	5.0%	0.3%	2.0%
Bloomberg Global Aggregate Corporates Bond USD Hedged Index	0.0	0.7	8.0	44.4	46.1	0.0	0.0	0.8
<b>Over/Underweight</b>	<b>1.2</b>	<b>-0.3</b>	<b>-4.7</b>	<b>-8.0</b>	<b>1.9</b>	<b>5.0</b>	<b>0.3</b>	<b>1.2</b>

## INDUSTRY DIVERSIFICATION

	Banking	Non Corporate	Insurance	Telecom	Energy	Health-care/Pharmaceuticals	Technology	REITs	Media	Finance	Others
Rep. Portfolio	15.8%	7.5%	7.1%	6.7%	6.4%	6.3%	5.9%	5.5%	5.2%	3.9%	29.7%
Bloomberg Global Aggregate Corporates Bond USD Hedged Index	25.6	0.0	6.4	4.6	6.1	7.3	6.6	2.7	2.4	2.5	35.8
<b>Over/Underweight</b>	<b>-9.8</b>	<b>7.5</b>	<b>0.8</b>	<b>2.1</b>	<b>0.3</b>	<b>-1.0</b>	<b>-0.7</b>	<b>2.8</b>	<b>2.7</b>	<b>1.3</b>	<b>-6.1</b>

## ADDITIONAL DISCLOSURES

Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values.

Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

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.

Source for Bloomberg index data: "Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by T. Rowe Price. Bloomberg is not affiliated with T. Rowe Price, and Bloomberg does not approve, endorse, review, or recommend this product. Bloomberg does not guarantee the timeliness, accuracy, or completeness of any data or information relating to this product.

Source for Industry Diversification: T. Rowe Price. T. Rowe Price uses a custom structure for sector and industry reporting on 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, Standard & Poor's and Fitch 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. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The portfolio is not rated by any agency.

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

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

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.

**GIPS® COMPOSITE REPORT****Global Investment Grade Corporate Bond Composite**

Period Ended December 31, 2024

Figures Shown in U.S. dollar

	<u>2015</u> <sup>2</sup>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
	1.12	8.01	6.92	-0.76	12.51	6.54	0.19	-14.64	10.45	4.61
Gross Annual Returns (%)	0.92	7.58	6.49	-1.16	12.07	6.12	-0.21	-14.99	10.01	4.20
Net Annual Returns (%) <sup>1</sup>	0.50	6.22	5.70	-1.00	12.51	8.26	-0.79	-14.11	9.10	3.69
Bloomberg Global Aggregate Corporates Bond USD Hedged Index (%)	N/A	N/A	N/A	3.21	2.74	7.71	7.75	9.70	8.00	8.33
Composite 3-Yr St. Dev.	N/A	N/A	N/A	2.92	2.82	5.93	6.03	8.14	7.64	7.98
Bloomberg Global Aggregate Corporates Bond USD Hedged Index 3-Yr St. Dev.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Composite Dispersion	20.0	21.7	170.3	185.2	48.6	45.5	30.3	22.2	22.3	27.7
Comp. Assets (Millions) #	1	1	3	3	1	1	1	1	1	1
of Accts. in Comp.										
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	1,403.8	1,561.6 <sup>3</sup>

<sup>1</sup> The fee rate used to calculate net returns is 0.40%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a guarantee or a reliable indicator of future results.**

<sup>2</sup> June 30, 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 December 31, 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 provide assurance on the accuracy of any specific performance report.

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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 GIPS Reports 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. Effective April 1st, 2024, the Significant Cash Flow Policy is no longer applied. 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.

**FEES SCHEDULE**

The Global Investment Grade Corporate Bond Responsible Approach (USD Hedged) Composite seeks a high level of income with capital appreciation primarily through investment grade corporate bonds issued by companies across the globe. Portfolios within this composite seek to promote environmental and social characteristics through the application of their respective investment policy. (Created June 2015; inception June 30, 2015)

First 100 million (USD)	23 basis points
Above 100 million (USD)	22 basis points on all assets <sup>1</sup>
Above 250 million (USD)	18 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 breakpoints. Extended breakpoints may be available for higher asset levels.

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