



Impact in Motion

January 2026

Impact fixed income is no longer niche—it's becoming a frontier for innovation and additionality within global credit markets. As the labelled bond universe matures, investor influence is shifting from passive participation to active origination.

2025 was a momentous year for the T. Rowe Price Impact Fixed Income franchise. Highlights include:



In partnership with our Emerging Markets franchise, we brought the **T. Rowe Price Emerging Markets Blue Economy Bond strategy** to market with a USD200 million first close¹.

Through a combination of flows, market appreciation, and TRP Blue launch, the **Impact Fixed Income business** now sits at **USD2.7 billion**².

Our strategy's UK-domiciled vehicle³ **swept the UK Investment Week's Sustainable Investment Awards**, winning Best Impact Fund and Best Sustainable Bond Fund⁴.

The T. Rowe Price Global Impact Credit strategy received **a verification from BlueMark**, a renowned independent verification provider for the impact investing market⁵.

We published our **4th annual impact report**, articulating the decisions we have taken in the context of our core investment principles—[read it here](#).

¹ Not available in all jurisdictions. Source: <https://www.troweprice.com/content/dam/gdx/images/campaigns/esg/blue-economy/press-release-blue-bond-launch.pdf>

² As at 31 December 2025.

³ Only available for distribution in the UK and is not available to investors in other countries.

⁴ **Past performance is not a guarantee or a reliable indicator of future results.** Sustainable Investment Fund Categories: Open to funds with a minimum three-year track record on 28 February 2025. Must be at least £10m in size. Must be available for sale in the UK to retail/wholesale investors. For the fund categories, the judges will consider: performance of the fund against its objectives and benchmark over the 1, 3, and 5-year periods (where applicable), with an emphasis on performance over the past 12 months to 28 February; strength of team and sustainable investment process; meeting investor needs, as well as wider global impact; evolution of the strategy, especially over the past year; engagement record and influence; strength of client reporting and communications. A licensing fee was paid solely to use the award in marketing materials. No fee was paid to be considered or receive this award. Ratings as of September 2025.

⁵ Source: <https://bluemark.co>, BlueMark's assessment findings cover both areas of strength and areas for improvement, for the annual reporting period, up to February 25, 2025. Verification was completed in February 2025. Verification does not constitute an endorsement of the strategy or of its performance. T. Rowe Price paid a fee to BlueMark to obtain and display the verification.

2025 Impact Transaction Highlights

The T. Rowe Price Impact Fixed Income strategies supported several landmark transactions in 2025.

IDB and World Bank Launch
New Amazonia Bond
Issuance Program

IDB
Place-Based Social Impact



Sabesp
Water Protection and Conservation

- In November, the Inter-American Development Bank issued its inaugural USD100 million Amazonia bond.
- First-of-its-kind transaction dedicated to financing economic, environmental, and social development of the Amazonia region
- Amazonia is the largest tropical rainforest in the world, producing >20% of global freshwater flows, playing a vital role in global biodiversity, climate regulation, and the livelihoods of 47 million people¹.
- **T. Rowe Price was the largest investor in this landmark transaction.**

- In July, Sabesp became the first Brazilian corporate to issue a blue bond.
- Proceeds allocated to water sanitation, sewage, water security, clean-up of rivers, water oxygenation systems and marine biodiversity in the State of Sao Paulo.
- **T. Rowe Price had several engagements with the issuer, sharing best practices on eligible projects and Key Performance Indicators. T. Rowe Price was a lead investor in the primary issuance.**



Tokyo Metropolitan
Climate Adaptation & Resilience



COFIDE
Financial Inclusion

- Tokyo Metropolitan Government issued the first-ever certified climate resilience bond with proceeds allocated to protecting the city from natural disasters and the impact of climate change.
- **T. Rowe Price contribution came from primary capital provision and engagement.**

- COFIDE, a policy bank for the government of Peru, issued its inaugural USD300 million sustainability bond.
- Proceeds aim to improve social and financial inclusion for vulnerable groups, including financing Micro, Small, and Medium Enterprises and strengthening access to essential services.
- **T. Rowe Price supported the transaction through primary capital provision.**

¹ Sources: www.worldwildlife.org/places/amazon, www.sp-amazon.org/about-the-amazon

The specific securities identified and described do not 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.

Engagement Themes and Priorities



2026 Engagement Priorities

The team has already identified 90 issuers for engagement in 2026, covering a broad range of sectors, labels, and themes. Examples include:

- Financing the energy transition through sustainable banking
- Efficient technologies
- Improving health outcomes
- Climate adaptation and resilience
- Impact bond origination: global high-yield and emerging-market blue

2026 Impact Themes

We are actively engaging with issuers and market stakeholders on potential thematic transactions. Themes that particularly excite us:

- Climate adaptation
- Water and ocean health
- Nature conservation and restoration
- Impact bond origination: global high-yield and emerging-market blue

Risks

General Portfolio Risks

Conflicts of Interest risk—The investment manager's obligations to a portfolio may potentially conflict with its obligations to other investment portfolios it manages.

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

Custody risk—In the event that the depositary and/or custodian becomes insolvent or otherwise fails, there may be a risk of loss or delay in return of certain portfolio's assets.

Cybersecurity risk—The portfolio may be subject to operational and information security risks resulting from breaches in cybersecurity of the digital information systems of the portfolio or its third-party service providers.

ESG risk—Environmental, social or governance event (s) or condition (s) may occur, which could have/result in a material negative impact on the value of an investment and performance of the portfolio.

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

Inflation risk—Inflation may erode the value of the portfolio and its investments in real terms.

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

Market Liquidity risk—In extreme market conditions it may be difficult to sell the portfolio's securities and it may not be possible to redeem at short notice.

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

Sustainability risk—Portfolios that seek to promote environmental and/or social characteristics may not or only partially succeed in doing so.

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