



PORTFOLIO UPDATE

# Emerging Markets Corporate Bond Fund

As of September 30, 2020



**Portfolio Manager:**  
Sammy Muaddi

**Managed Fund Since:**  
2015

**Joined Firm:**  
2006

## INVESTMENT OBJECTIVE

The fund seeks to provide high current income and, secondarily, capital appreciation.

## FUND INFORMATION

Symbol	TRECX
CUSIP	77956H658
Inception Date of Fund	May 24, 2012
Benchmark	J.P. Morgan CEMBI Broad Diversified
Expense Information (as of the most recent Prospectus)*	1.19% (Gross) 0.97% (Net)
Fiscal Year End	December 31
12B-1 Fee	-

\*The Fund operates under a contractual expense limitation that expires on April 30, 2021.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			30-Day SEC Yield	30-Day SEC Yield w/o Waiver <sup>°</sup>
					Three Years	Five Years	Since Inception 5/24/12		
Emerging Markets Corporate Bond Fund	-0.51%	3.32%	1.00%	2.94%	4.20%	6.54%	5.28%	3.47%	3.40%
J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified	-0.48	2.75	2.58	4.85	4.73	6.29	5.53	-	-

**Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit [troweprice.com](http://troweprice.com). Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit [troweprice.com](http://troweprice.com). Read it carefully.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

<sup>°</sup>Excludes the effect of contractual expense limitation arrangements. If the expense waiver was not in effect for the 30-Day period shown, there may not be a difference in the 30-day SEC yields shown above.

This fund involves a high-risk approach to income from foreign bonds, and its share price could fluctuate significantly. The fund is subject to the risks unique to international investing, including unfavorable changes in currency values, as well as credit risk and interest rate risk. To the extent the fund invests in emerging markets, the international investing risks are heightened and may result in higher short-term volatility.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details. For Sourcing Information, please see Additional Disclosures.

## MARKET COMMENTARY

Emerging markets corporate debt modestly declined in September. Lackluster economic data, equity losses, and political uncertainty weighed on investor risk sentiment as some investors were concerned about the durability of the global economic recovery. Gains in pulp and paper, transportation, and diversified credits were overshadowed by declines in the oil and gas, metals and mining, and consumer sectors. Investment-grade issuers outperformed high yield, though both were negative. Despite fund inflows, increased new supply weighed on the market.

The U.S. reported some lackluster economic data that raised concerns about the sustainability of the economic recovery. Retail sales and durable goods orders increased less than expected, while housing data were robust. The Fed announced it would hold rates steady. The updated summary of economic projections indicated that most members don't see inflation reaching the 2% target until 2023, implying that rate hikes are unlikely for several years. Growing concerns about the prospects for a U.S. fiscal stimulus package, equity losses, rising European coronavirus cases, and domestic political uncertainty fueled risk-off sentiment.

China reported increased growth in its manufacturing purchasing managers' index, retail sales, and exports, while imports slipped. Notably, China was reported to have made little progress in achieving its targets for purchasing U.S. products to comply with the terms of the phase-one trade agreement. Reports that property developer Evergrande warned Chinese officials about liquidity concerns led to market volatility as the company dismissed the reports as based on rumor. Argentina completed its bond exchange as part of its debt restructuring. Peso weakness prompted the Argentinian central bank to unexpectedly impose FX controls. Moody's downgraded Turkey's sovereign credit rating, citing balance of payment concerns. The central bank unexpectedly hiked interest rates. The index year-to-date default rate inched up to 2.2%, the highest since 2016, but remains contained relative to other high-yielding markets.

**RISK RETURN CHARACTERISTICS**

(Five Years ended September 30, 2020)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Emerging Markets Corporate Bond Fund	8.20%	-0.69%	1.20	0.99	0.16	0.65	1.59%
J.P. Morgan CEMBI Broad Diversified	6.80	0.00	1.00	1.00	0.00	0.75	0.00

**Past performance is not a reliable indicator of future performance.** Figures are calculated using monthly data and are net of fees.

**TOP 10 ISSUERS**

Comprising 12.4% of total net assets.

	Country	Industry	% of Fund
Banco de Bogota	Colombia	Financial	1.4%
BBVA Bancomer SA/Texas	Mexico	Financial	1.4
Globo Comunicacao E Participacoes	Brazil	TMT	1.3
Arab Republic of Egypt	Egypt	Sovereign	1.3
Teva Pharmaceutical Finance Netherlands III BV	Israel	Consumer	1.3
Bangkok Bank PCL/Hong Kong	Thailand	Financial	1.2
Equate Petrochemical BV	Kuwait	Industrial	1.2
Mong Duong Finance Holdings BV	Vietnam	Utilities	1.1
AES Gener	Chile	Utilities	1.1
ICTSI Treasury BV	Philippines	Infrastructure	1.1

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

**PORTFOLIO CHARACTERISTICS**

	Emerging Markets Corporate Bond Fund	J.P. Morgan CEMBI Broad Diversified
Number of Holdings	208	1,679
Weighted Average Maturity	7.86 years	8.17 years
Weighted Average Effective Duration	5.65 years	5.69 years
Weighted Average Coupon	5.37%	4.96%
Yield to Maturity	4.49%	4.59%
Percent of Portfolio in Cash	5.3%	-
Total Assets (all share classes)	382,092,321	-

**INDUSTRY DIVERSIFICATION**

	TMT	Utilities	Financial	Consumer	Industrial	Real Estate	Oil & Gas	Metals & Mining	Transport	Infrastructure	Government	Pulp & Paper	Diversified
Emerging Markets Corporate Bond Fund	17.5%	15.3%	14.8%	10.2%	8.4%	6.9%	6.6%	5.2%	4.8%	1.9%	1.7%	0.9%	0.5%
J.P. Morgan CEMBI Broad Diversified	10.7	11.6	30.5	10.2	5.9	5.8	13.7	5.7	0.9	1.5	0.0	1.3	2.2
<b>Over/Underweight</b>	<b>6.8</b>	<b>3.7</b>	<b>-15.8</b>	<b>0.0</b>	<b>2.5</b>	<b>1.1</b>	<b>-7.1</b>	<b>-0.5</b>	<b>3.9</b>	<b>0.4</b>	<b>1.7</b>	<b>-0.4</b>	<b>-1.7</b>

**GEOGRAPHICAL DIVERSIFICATION**

	Asia	Latin America	Middle East & Africa	Emerging Europe	Other	Reserves
Emerging Markets Corporate Bond Fund	41.0%	29.7%	15.1%	6.5%	2.5%	5.3%
J.P. Morgan CEMBI Broad Diversified	39.1	25.5	21.8	11.9	1.7	0.0
<b>Over/Underweight</b>	<b>1.9</b>	<b>4.1</b>	<b>-6.7</b>	<b>-5.4</b>	<b>0.8</b>	<b>5.3</b>

For Sourcing Information, please see Additional Disclosures.

**COUNTRY DISTRIBUTION (Top and Bottom Five Over/Underweights vs Index)**

	Top Five Overweights					Bottom Five Underweights				
	India	China	Mexico	Chile	United States	Singapore	Saudi Arabia	Qatar	Russia	Hong Kong
Emerging Markets Corporate Bond Fund	8.5%	12.2%	8.2%	6.6%	2.5%	0.7%	0.8%	0.0%	0.8%	1.0%
J.P. Morgan CEMBI Broad Diversified	4.1	8.1	4.7	3.9	0.8	3.6	4.0	3.2	4.2	4.8
<b>Over/Underweight</b>	<b>4.4</b>	<b>4.2</b>	<b>3.5</b>	<b>2.7</b>	<b>1.7</b>	<b>-2.9</b>	<b>-3.2</b>	<b>-3.2</b>	<b>-3.4</b>	<b>-3.8</b>

**CREDIT QUALITY DIVERSIFICATION**

	U.S. Treas*	AAA	AA	A	BBB	BB	B	CCC	CC	Not Rated	Reserves
Emerging Markets Corporate Bond Fund	0.3%	0.0%	0.0%	3.8%	28.4%	33.5%	17.9%	1.6%	0.0%	9.2%	5.3%
J.P. Morgan CEMBI Broad Diversified	0.0	0.1	3.3	19.8	36.4	19.0	11.7	4.4	0.2	5.1	0.0
<b>Over/Underweight</b>	<b>0.3</b>	<b>-0.1</b>	<b>-3.3</b>	<b>-16.0</b>	<b>-8.0</b>	<b>14.5</b>	<b>6.2</b>	<b>-2.8</b>	<b>-0.2</b>	<b>4.1</b>	<b>5.3</b>

\*U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

**Definitions**

Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond Fund to changes in interest rates. In general, the longer the average duration, the greater the Fund's sensitivity to interest rates.

**Additional Disclosures**

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