



PORTFOLIO UPDATE

Emerging Markets Local Currency Bond Fund

As of September 30, 2020



Portfolio Manager:

Andrew Keirle

Managed Fund Since:

2011

Joined Firm:

2005

INVESTMENT OBJECTIVE

The fund seeks to provide high income and capital appreciation.

FUND INFORMATION

Symbol	PRELX
CUSIP	77956H674
Inception Date of Fund	May 26, 2011
Benchmark	J.P. Morgan GBI-EM Global Diversified
Expense Information (as of the most recent Prospectus)	0.94%
Fiscal Year End	December 31
12B-1 Fee	-

MARKET COMMENTARY

Emerging market (EM) local currency bonds declined in September. Some lackluster economic data, an uptick in coronavirus cases in Europe, equity losses, and political uncertainty weighed on investor risk sentiment as some investors were concerned about the durability of the global economic recovery. The U.S. dollar strengthened amid a bid for safe haven assets, driving losses in EM local currency assets. Funds flows were positive and outpaced inflows to hard currency emerging markets funds, however. The U.S. Federal Reserve announced it would hold rates steady, however the updated summary of economic projections indicated that most members do not see inflation reaching the 2% target until 2023, implying that rate hikes are unlikely for several years, containing gains in the dollar.

The Russian ruble weakened amid increased geopolitical tensions stemming from fighting between Azerbaijan and Armenia and the poisoning of a leading opposition figure in Europe. Lower oil further weighed on the ruble. An uptick in coronavirus cases in Europe led to concerns about subsequent lockdowns that could hamper economic recoveries. Poland, Hungary, and Czech Republic all declined. Turkey was under pressure, and Moody's downgraded Turkey's sovereign credit rating, citing balance of payment concerns. Unexpectedly, the Turkish central bank hiked rates. Conversely, Uruguay and Dominican Republic advanced as the countries began reopening their economies from lockdown restrictions due to coronavirus containment measures.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			30-Day SEC Yield
					Three Years	Five Years	Since Inception 5/26/11	
Emerging Markets Local Currency Bond Fund	-2.29%	0.64%	-6.36%	-1.33%	-0.48%	4.70%	-0.33%	4.24%
J.P. Morgan GBI - EM Global Diversified	-2.02	0.61	-6.32	-1.45	0.17	4.78	0.11	-

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. 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. Read it carefully. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

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.

RISK RETURN CHARACTERISTICS

(Five Years ended September 30, 2020)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Emerging Markets Local Currency Bond Fund	12.44%	-0.21%	1.05	0.99	-0.05	0.28	1.39%
J.P. Morgan GBI-EM Global Diversified	11.75	0.00	1.00	1.00	0.00	0.31	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 64.9% of total net assets.

	Country	Industry	% of Fund
Russian Federation	Russia	Sovereign	9.2%
Republic of Indonesia	Indonesia	Sovereign	9.1
Republic of South Africa	South Africa	Sovereign	8.7
United Mexican States	Mexico	Sovereign	7.9
Federative Republic of Brazil	Brazil	Sovereign	6.5
People's Republic of China	China	Sovereign	5.0
Federation of Malaysia	Malaysia	Sovereign	4.9
Kingdom of Thailand	Thailand	Sovereign	4.8
Romania	Romania	Sovereign	4.4
Republic of Colombia	Colombia	Sovereign	4.3

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

PORTFOLIO CHARACTERISTICS

	Emerging Markets Local Currency Bond Fund	J.P. Morgan GBI- EM Global Diversified
Weighted Average Maturity	8.53 years	7.35 years
Weighted Average Effective Duration	5.57 years	5.37 years
Weighted Average Coupon	6.70%	5.57%
Yield to Maturity	5.11%	4.48%
Percent of Portfolio in Cash	3.1%	-
Total Assets (all share classes)	452,607,038	-

GEOGRAPHICAL DIVERSIFICATION

	Asia	Emerging Europe	Latin America	Middle East & Afri- ca	Other	Reserves
Emerging Markets Local Currency Bond Fund	29.9%	26.8%	26.4%	12.7%	1.1%	3.1%
J.P. Morgan GBI-EM Global Diversified	32.9	29.9	30.0	7.2	0.0	0.0
Over/Underweight	-2.9	-3.1	-3.6	5.5	1.1	3.1

For Sourcing Information, please see Additional Disclosures.

BOND ALLOCATION (ISSUE CURRENCY): Top and Bottom Five Over/Underweights vs Index

	Top Five Overweights					Bottom Five Underweights				
	United States	India	Egypt	Indonesia	Serbia	Brazil	Czech Republic	Malaysia	Thailand	Poland
Emerging Markets Local Currency Bond Fund	3.5%	2.3%	2.3%	11.5%	1.8%	6.6%	1.8%	4.9%	4.8%	2.5%
J.P. Morgan GBI-EM Global Diversified	0.0	0.0	0.0	9.4	0.0	8.7	4.3	7.4	8.9	8.3
Over/Underweight	3.5	2.3	2.3	2.1	1.8	-2.1	-2.4	-2.5	-4.1	-5.9

CURRENCY EXPOSURE: Top and Bottom Five Over/Underweights vs Index

	Top Five Overweights					Bottom Five Underweights				
	Mexican peso	Offshore Chinese renminbi	Indonesian rupiah	Serbian dinar	Egyptian pound	Canadian dollar	Polish zloty	New Taiwan dollar	euro	U.S. dollar
Emerging Markets Local Currency Bond Fund	12.3%	2.5%	11.8%	2.5%	2.0%	-1.5%	6.7%	-2.0%	-2.3%	-10.6%
J.P. Morgan GBI-EM Global Diversified	9.6	0.0	9.4	0.0	0.0	0.0	8.3	0.0	0.0	0.0
Over/Underweight	2.7	2.5	2.5	2.5	2.0	-1.5	-1.7	-2.0	-2.3	-10.6

CREDIT QUALITY DIVERSIFICATION

	U.S. Treas*	AAA	AA	A	BBB	BB	B	CCC	Not Rated	Reserves
Emerging Markets Local Currency Bond Fund	0.4%	0.6%	1.9%	17.5%	48.4%	19.4%	6.0%	0.1%	2.6%	3.1%
J.P. Morgan GBI-EM Global Diversified	0.0	0.0	4.3	28.5	48.9	17.5	0.8	0.0	0.0	0.0
Over/Underweight	0.4	0.6	-2.4	-11.0	-0.5	1.9	5.2	0.1	2.6	3.1

*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

Source for J.P. Morgan data: J.P. Morgan. Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2020, J.P. Morgan Chase & Co. All rights reserved.

Copyright © 2020, S&P Global Market Intelligence (and its affiliates, as applicable). Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

T. Rowe Price uses a custom structure for diversification reporting on this product.

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

Sources for credit quality: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. 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.

© 2020, Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "Moody's"). All rights reserved. Moody's ratings and other information ("Moody's Information") are proprietary to Moody's and/or its licensors and are protected by copyright and other intellectual property laws. Moody's Information is licensed to Client by Moody's. MOODY'S INFORMATION MAY NOT BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. Moody's (R) is a registered trademark.

Copyright © 2020 Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries.

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.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

© 2020 T. Rowe Price. All rights reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc.

T. Rowe Price Investment Services, Inc., Distributor.

201705-152310 202010-1349319