



PORTFOLIO UPDATE

Emerging Markets Local Currency Bond Fund

As of March 31, 2024



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)	1.01%
Fiscal Year End	December 31
12B-1 Fee	–

MARKET COMMENTARY

Emerging markets (EM) bonds and currencies were flat on the month as performance diverged regionally amid a reasonably constructive environment for riskier assets. Latin America saw positive returns, driven by currency, while Asia and emerging Europe weakened. Moderate local bond price declines were mitigated by income.

Global government bond yields broadly fell as developed market central bank communications tilted dovish, supporting expectations for interest rate cuts in the coming months. U.S. Treasury yields fluctuated but finished slightly lower. Treasury yields rose at first, as inflation unexpectedly came in higher, then declined as the Federal Reserve (Fed) affirmed projections for three interest rate cuts this year. Fed Chair Jerome Powell said upside inflation surprises "haven't really changed the overall story." The European Central Bank (ECB) also leaned slightly more dovish. President Christine Lagarde indicated it could cut interest rates in June, and the governing council reduced inflation forecasts.

EM currency performance was mixed as the U.S. dollar fluctuated before finishing marginally higher. The Fed and the ECB affirmed expectations for interest rate cuts in the coming months, supporting risk sentiment. Latin American currencies performed well—notably the Uruguayan peso, Mexican peso, Colombian peso and Peruvian sol—supported by still elevated yields. The Mexican and Colombian central banks cut interest rates, but comments from both were relatively hawkish. Peru's central bank held rates steady, against expectations, though this appeared to weigh on the country's local bonds. Chilean local bonds slid, as did the peso, as inflation rose more than expected in February. Asian currencies depreciated, led by the Thai baht, which weakened notably in the second half of the month as the U.S. dollar rebounded. In Central and Eastern Europe, currencies declined modestly. Hungarian local bonds were relatively weak amid ongoing concerns over central bank independence, although inflation continued to decline and the central bank cut interest rates, albeit reducing the pace, as expected. The South African rand outperformed as it rallied strongly on initial dollar weakness, although local bonds lagged.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized				30-Day SEC Yield
				Three Years	Five Years	Ten Years	Since Inception 5/26/11	
Emerging Markets Local Currency Bond Fund	-0.32%	-2.59%	5.96%	-1.07%	0.60%	-0.14%	-0.23%	6.12%
J.P. Morgan GBI - EM Global Diversified	-0.03	-2.12	4.91	-1.60	0.13	-0.32	-0.12	–

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](https://www.troweprice.com). 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.

RISK RETURN CHARACTERISTICS

(Five Years ended March 31, 2024)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
Emerging Markets Local Currency Bond Fund	12.18%	0.64%	1.06	0.98	0.26	-0.12	1.79%
J.P. Morgan GBI-EM Global Diversified	11.40	0.00	1.00	1.00	0.00	-0.17	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 63.1% of total net assets.

	Country	Industry	% of Fund
Republic of Indonesia	Indonesia	Sovereign	9.8%
Federative Republic of Brazil	Brazil	Sovereign	7.9
Republic of South Africa	South Africa	Sovereign	7.9
Republic of Colombia	Colombia	Sovereign	6.5
Kingdom of Thailand	Thailand	Sovereign	6.2
Federation of Malaysia	Malaysia	Sovereign	5.6
United Mexican States	Mexico	Sovereign	4.9
Republic of Poland	Poland	Sovereign	4.9
Czech Republic	Czech Republic	Sovereign	4.8
People's Republic of China	China	Sovereign	4.6

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	8.29 years	7.21 years
Weighted Average Effective Duration	5.32 years	5.05 years
Weighted Average Coupon	5.99%	5.33%
Yield to Maturity	7.07%	6.27%
Percent of Portfolio in Cash	8.8%	–
Total Assets (all share classes)	316,499,666	–

GEOGRAPHICAL DIVERSIFICATION

	Asia	Latin America	Emerging Europe	Middle East & Afri- ca	Other	Reserves
Emerging Markets Local Currency Bond Fund	30.4%	26.8%	19.9%	12.4%	1.7%	8.8%
J.P. Morgan GBI-EM Global Diversified	39.8	29.1	22.9	8.2	0.0	0.0
Over/Underweight	-9.4	-2.3	-2.9	4.2	1.7	8.8

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

	Top Five Overweights					Bottom Five Underweights				
	United States	Colombia	Europe	Peru	India	Poland	Thailand	Malaysia	Mexico	China
Emerging Markets Local Currency Bond Fund	4.2%	7.4%	2.7%	4.2%	1.9%	4.9%	6.2%	5.6%	5.1%	5.0%
J.P. Morgan GBI-EM Global Diversified	0.0	4.8	0.0	2.2	0.0	7.9	9.8	10.0	10.0	10.0
Over/Underweight	4.2	2.7	2.7	1.9	1.9	-3.0	-3.6	-4.4	-4.9	-5.1

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

	Top Five Overweights					Bottom Five Underweights				
	Hungarian forint	Mexican peso	Chilean peso	Ukrainian hryvna	Brazilian real	Japanese yen	New Taiwan dollar	euro	Chinese renminbi	U.S. dollar
Emerging Markets Local Currency Bond Fund	5.7%	12.4%	3.2%	1.4%	11.2%	-1.3%	-2.0%	-2.6%	5.1%	-7.7%
J.P. Morgan GBI-EM Global Diversified	3.0	10.0	1.7	0.0	10.0	0.0	0.0	0.0	10.0	0.0
Over/Underweight	2.7	2.4	1.5	1.4	1.2	-1.3	-2.0	-2.6	-4.9	-7.7

CREDIT QUALITY DIVERSIFICATION

	AAA	AA	A	BBB	BB	B	CCC	C	Not Rated	Reserves
Emerging Markets Local Currency Bond Fund	1.5%	4.8%	19.7%	40.5%	19.4%	3.8%	0.5%	0.5%	0.6%	8.8%
J.P. Morgan GBI-EM Global Diversified	0.5	6.5	34.8	38.6	18.8	0.9	0.0	0.0	0.0	0.0
Over/Underweight	1.0	-1.6	-15.1	1.9	0.6	2.9	0.5	0.5	0.6	8.8

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

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](https://www.troweprice.com). Read it carefully.

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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.

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