



PORTFOLIO UPDATE

**International Bond Fund**

As of September 30, 2020

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Kenneth Orchard	2015	2010
Arif Husain	2014	2013

**INVESTMENT OBJECTIVE**

The fund seeks to provide current income and capital appreciation.

**FUND INFORMATION**

Symbol	RPIBX
CUSIP	77956H104
Inception Date of Fund	September 10, 1986
Benchmark	Bloomberg Barclays Global Agg ex USD Index
Expense Information (as of the most recent Prospectus)	0.70%
Fiscal Year End	December 31
12B-1 Fee	-

**MARKET COMMENTARY**

International government bond markets delivered negative overall returns in September, according to the Bloomberg Barclays Global Aggregate Bond ex-USD Index. The U.S. dollar strengthened during the period, which negatively impacted returns in local currency terms and outweighed the impact of declining yields in core bonds that resulted from rising coronavirus cases, political uncertainty, and ongoing central bank dovishness.

Eurozone government bonds posted a positive overall return in September. Fears over a second coronavirus wave and the return of social restrictions drove demand for core eurozone bonds during the period. Weakening economic data, particularly in the services sector, as well as falling inflation also kept core bond yields suppressed. In the periphery, bonds benefited from the ongoing European Central Bank dovishness.

Japanese government bonds (JGBs) delivered positive returns in local currency terms in September. Yields inched lower across most maturities as further signs of an economic slowdown together with expectations for a continuation of accommodative policy under Japan's new prime minister spurred demand for JGBs. Elsewhere, Australian government bond yields also fell during the month on rising expectations that the country's central bank will ease monetary policy further. Meanwhile, comments from the Bank of England that it is examining how negative interest rates could be effectively implemented put downward pressure on gilt yields.

**PERFORMANCE**

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized					30-Day SEC Yield
					Three Years	Five Years	Ten Years	Fifteen Years		
International Bond Fund	-0.96%	5.02%	5.36%	6.88%	3.53%	4.23%	1.51%	3.10%	0.81%	
Bloomberg Barclays Global Aggregate ex USD Bond Index	-0.58	4.14	4.77	5.48	3.07	3.60	1.35	3.18	-	

**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. 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. 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
International Bond Fund	7.32%	0.48%	1.07	0.95	0.37	0.42	1.73%
Bloomberg Barclays Global Agg ex USD Index	6.67	0.00	1.00	1.00	0.00	0.36	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 44.9% of total net assets.

	Country	Industry	% of Fund
Japan	Japan	Sovereign	14.3%
China Development Bank	China	Owned No Guarantee	5.0
Federal Republic of Germany	Germany	Government Guarantee/Sovereign	4.8
United Kingdom of Great Britain and N. Ireland	United Kingdom	Sovereign	3.6
People's Republic of China	China	Sovereign	3.1
Republic of Cyprus	Cyprus	Sovereign	2.9
Republic of Chile	Chile	Sovereign	2.9
Republic of Ireland	Ireland	Sovereign	2.7
State of Israel	Israel	Sovereign	2.7
Canada	Canada	Sovereign	2.7

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

**NET CURRENCY EXPOSURE (TOP 10)**

	% of Fund
euro	36.7%
Japanese yen	25.4
British pound sterling	8.4
Chinese renminbi	8.3
Canadian dollar	5.1
Australian dollar	3.4
Korean won	2.0
Czech koruna	1.9
Malaysian ringgit	1.6
Indonesian rupiah	1.5

**PORTFOLIO CHARACTERISTICS**

	International Bond Fund	Bloomberg Barclays Global Agg ex USD Index
Weighted Average Maturity	9.05 years	9.59 years
Weighted Average Effective Duration	8.14 years	8.14 years
Weighted Average Coupon	2.99%	2.19%
Yield to Maturity	1.56%	0.61%
Percent of Portfolio in Cash	4.1%	-
Total Assets (all share classes)	1,113,749,464	-

**SECTOR DIVERSIFICATION**

	Sub Investment Grade	Corporate	Collateralised	Agency/Su pranation- als	Government	Reserves
International Bond Fund	5.9%	15.4%	0.8%	2.4%	71.4%	4.1%
Bloomberg Barclays Global Agg ex USD Index	0.0	11.2	3.9	12.5	72.4	0.0
<b>Over/Underweight</b>	<b>5.9</b>	<b>4.2</b>	<b>-3.1</b>	<b>-10.0</b>	<b>-1.0</b>	<b>4.1</b>

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**BOND ALLOCATION (ISSUE CURRENCY)**

	Europe	Asia ex-Japan	Japan	North America	Latin America	Middle East & Africa	Reserves
International Bond Fund	48.5%	17.9%	14.3%	9.2%	3.4%	2.5%	4.1%
Bloomberg Barclays Global Agg ex USD Index	53.3	16.2	24.9	4.6	0.8	0.2	0.0
<b>Over/Underweight</b>	<b>-4.8</b>	<b>1.8</b>	<b>-10.6</b>	<b>4.6</b>	<b>2.6</b>	<b>2.3</b>	<b>4.1</b>

**CREDIT QUALITY DIVERSIFICATION**

	AAA	AA	A	BBB	Below Inv. Grade	Not Rated	Reserves
International Bond Fund	13.1%	7.6%	24.8%	20.9%	11.6%	18.0%	4.1%
Bloomberg Barclays Global Agg ex USD Index	16.4	21.9	31.0	15.8	0.1	14.8	0.0
<b>Over/Underweight</b>	<b>-3.3</b>	<b>-14.4</b>	<b>-6.2</b>	<b>5.1</b>	<b>11.4</b>	<b>3.2</b>	<b>4.1</b>

**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.

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