



## PORTFOLIO UPDATE

# International Bond Fund (USD Hedged)

As of December 31, 2023

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Kenneth Orchard	2017	2010
Andrew Keirle	2023	2005

## INVESTMENT OBJECTIVE

The fund seeks to provide current income and capital appreciation.

## FUND INFORMATION

Symbol	TNIBX
CUSIP	77956H211
Inception Date of Fund	September 12, 2017
Benchmark	Bloomberg Global Agg ex USD - USD Hdg Index
Expense Information (as of the most recent Prospectus)	0.75%
Fiscal Year End	December 31
12B-1 Fee	—

## MARKET COMMENTARY

International fixed income markets, as measured by the Bloomberg Global Aggregate ex USD Index hedged to U.S. dollars, continued to rebound and posted strong absolute returns in December. Government bond yields in most large sovereign debt markets notably declined with major central banks looking more dovish heading into 2024. Excess returns in the index were also positive as investment-grade credit spreads tightened modestly over the month.

Core eurozone government bond yields also declined sharply, tracking moves in the U.S. Treasury market given the dovish pivot from the Fed, despite the European Central Bank broadly maintaining its hawkish stance. That said, Isabel Schnabel, an executive board member, regarded as one of the institution's most hawkish members, described the region's inflation slowdown as "remarkable." Peripheral eurozone government bond markets such as Italy and Spain saw more pronounced yield declines than core eurozone markets. Japanese government bond yields also declined across tenors, tracking the downward trend of their U.S. peers. Receding speculation about an imminent policy pivot from the Bank of Japan, alongside the central bank's regular bond-buying operations, also added downward pressure on yields. Government bonds in the UK, Canada, and Australia also rallied following the U.S. market, while softer-than-expected inflation in the UK also supported Bank of England rate cut bets, contributing to the move lower in gilt yields. Meanwhile, Australia's third-quarter gross domestic product grew less than expected, thereby supporting the country's bonds, although the fall in yields moderated slightly given hawkishness from the Reserve Bank of Australia.

Credit spreads, as measured by the option-adjusted spread for the Bloomberg Global Aggregate ex USD Index, tightened in December. Investors maintained a generally healthy appetite for risk amid decreased market activity and low amounts of new supply, which supported credit spreads.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	One Year	Annualized			30-Day SEC Yield
				Three Years	Five Years	Since Inception 9/12/17	
International Bond Fund (USD Hedged)	3.03%	6.46%	9.88%	-1.67%	1.82%	1.89%	3.23%
Bloomberg Global Aggregate ex USD Bond (USD Hedged) Index	2.72	5.36	8.32	-1.22	1.50	1.83	—

**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.

The Fund is subject to risks of fixed income investing, including interest rate risk and credit risk.

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 December 31, 2023)

	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
International Bond Fund (USD Hedged)	5.45%	0.43%	1.20	0.87	0.15	-0.02	2.12%
Bloomberg Global Agg ex USD - USD Hdg Index	4.29	0.00	1.00	1.00	0.00	-0.09	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 44.4% of total net assets.

	Country	Industry	% of Fund
Japan	Japan	Sovereign	13.5%
United Kingdom of Great Britain and N. Ireland	United Kingdom	Sovereign	5.7
People's Republic of China	China	Sovereign	5.5
Republic of Italy	Italy	Sovereign/Transportation	4.0
Federal Republic of Germany	Germany	Government Guarantee/Sovereign	3.8
Federation of Malaysia	Malaysia	Sovereign	3.1
Republic of Indonesia	Indonesia	Sovereign	3.0
Kingdom of Sweden	Sweden	Sovereign	2.1
Kingdom of Thailand	Thailand	Sovereign	1.9
Republic of Singapore	Singapore	Sovereign	1.8

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

**NET CURRENCY EXPOSURE (TOP 10)**

	% of Fund
U.S. dollar	93.0%
Chinese renminbi	6.2
Hungarian forint	1.7
Canadian dollar	1.3
Indonesian rupiah	1.3
Brazilian real	1.0
Korean won	0.8
Mexican peso	0.7
Peruvian nuevo sol	0.6
Malaysian ringgit	0.5

**PORTFOLIO CHARACTERISTICS**

	International Bond Fund (USD Hedged)	Bloomberg Glob- al Agg ex USD - USD Hdg Index
Weighted Average Maturity	8.50 years	8.58 years
Weighted Average Effective Duration	6.61 years	7.08 years
Weighted Average Coupon	2.76%	2.23%
Yield to Maturity	3.49%	2.64%
Percent of Portfolio in Cash	11.4%	–
Total Assets (all share classes)	6,058,275,270	–

**SECTOR DIVERSIFICATION**

	Government	Corporate	Sub Invest- ment Grade	Collateral- ised	Agency/Su pranation- als	Reserves
International Bond Fund (USD Hedged)	68.4%	15.3%	5.1%	0.1%	0.1%	11.4%
Bloomberg Global Agg ex USD - USD Hdg Index	69.8	10.9	0.0	3.9	15.4	0.0
<b>Over/Underweight</b>	<b>-1.4</b>	<b>4.4</b>	<b>5.1</b>	<b>-3.8</b>	<b>-15.3</b>	<b>11.4</b>

**BOND ALLOCATION (ISSUE CURRENCY)**

	Europe	Asia ex-Japan	Japan	North America	Latin America	Middle East & Africa	Reserves
International Bond Fund (USD Hedged)	46.7%	19.5%	13.5%	4.6%	4.3%	0.1%	11.4%
Bloomberg Global Agg ex USD - USD Hdg Index	50.7	23.6	19.6	4.9	1.0	0.2	0.0
<b>Over/Underweight</b>	<b>-4.1</b>	<b>-4.0</b>	<b>-6.1</b>	<b>-0.4</b>	<b>3.3</b>	<b>-0.1</b>	<b>11.4</b>

**CREDIT QUALITY DIVERSIFICATION**

	AAA	AA	A	BBB	BB	B	CCC	C	Not Rated	Reserves
International Bond Fund (USD Hedged)	14.2%	10.2%	34.5%	23.5%	4.5%	1.4%	0.2%	0.1%	-0.1%	11.4%
Bloomberg Global Agg ex USD - USD Hdg Index	19.8	21.4	45.7	12.6	0.0	0.0	0.0	0.0	0.5	0.0
<b>Over/Underweight</b>	<b>-5.5</b>	<b>-11.2</b>	<b>-11.2</b>	<b>10.9</b>	<b>4.5</b>	<b>1.4</b>	<b>0.2</b>	<b>0.1</b>	<b>-0.5</b>	<b>11.4</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.

**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](http://troweprice.com). Read it carefully.**

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