QUARTERLY REVIEW

Emerging Markets Bond Fund (PREMX)

As of March 31, 2026

Portfolio Highlights

The portfolio posted negative absolute returns but outperformed the J.P. Morgan Emerging Markets Bond Index Global Diversified for the three-month period ended March 31, 2026.

Relative performance drivers:

- An overweight to Venezuela was beneficial.
- An underweight to Bahrain and the United Arab Emirates (UAE) bolstered results.
- Corporate holdings in Brazil detracted.

Additional highlights:

- We entered the period with an underweight to frontier exposure and a tilt toward mainstream markets but added into frontier and distressed markets as valuations improved.
- A volatile quarter-defined by geopolitical shocks ranging from U.S. intervention in Venezuela to the escalation of the Iran conflict-has reinforced the importance of distinguishing between headline-driven sentiment and underlying fundamentals.

Fund Information

CUSIP	77956H872
Inception Date of Fund	December 30, 1994
Benchmark	J.P. Morgan EMBI Global Diversified
Expense Information (as of the most recent Prospectus)	0.95%
Total Assets (all share classes)	$5,727,992,131
Percent of Portfolio in Cash	4.5%

Performance (%) (NAV, total return performance > 1 year is annualized)

	3m	1yr	3yrs	5yrs	10yrs	15yrs	30-Day SEC Yield
Emerging Markets Bond Fund	-0.95	10.74	10.21	2.73	3.48	3.76	5.59
J.P. Morgan Emerging Markets Bond Index Global Diversified	-1.26	10.38	9.45	2.47	3.75	4.57	N/A

Calendar Year Performance (%) (NAV, total return)

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Emerging Markets Bond Fund	Dec 30 1994	14.63	8.98	-7.23	11.30	4.62	-2.45	-17.31	13.26	6.17	14.13
J.P. Morgan Emerging Markets Bond Index Global Diversified		10.15	10.26	-4.26	15.04	5.26	-1.80	-17.78	11.09	6.54	14.30

Past performance is not a guarantee or a reliable indicator of future results. 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.
The Fund’s total return figures reflect the reinvestment of dividends and capital gains, if any.
The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.
Risks: Interest rates: A rise in interest rates typically causes the price of a fixed rate debt instrument to fall and its yield to rise. Conversely, a decline in interest rates typically causes the price of a fixed rate debt instrument to rise and the yield to fall. **Emerging markets:** Investments in emerging market countries are subject to greater risk and overall volatility than investments in the U.S. and other developed markets. **Derivatives:** The use of derivatives exposes the fund to additional volatility and potential losses and the fund may not achieve the purpose of using the derivative. A derivative involves risks different from, and possibly greater than, the risks associated with investing directly in the reference or assets on which the derivative is based, including liquidity risk, valuation risk, correlation risk, market risk, interest rate risk, leverage risk, counterparty and credit risk, operational risk, management risk, legal risk, and regulatory risk. See the prospectus for more detail on the fund's principal risks.

Performance Review

Geopolitical Conflict Triggered Inflation and Energy Concerns

In U.S. dollar terms, emerging markets (EM) debt was positive through the first two months of the quarter before giving way to a pronounced reversal in March, resulting in negative full-quarter returns. High yield issuers performed in line with investment-grade issuers, with positive performance in the nonrated and CCC segments of the market offset by spread widening across other rating buckets. Most regions posted losses, while Latin America had modest gains.

Developed markets government bonds were flat to negative as the onset of the Iran conflict drove a rapid and broad repricing of inflation expectations. The Federal Reserve maintained its federal funds rate target in the 3.50% to 3.75% range throughout the quarter, noting the need to monitor how geopolitical events and energy prices flow through to underlying inflation and economic growth. The European Central Bank (ECB) held the deposit facility rate at 2.00% at its February meeting, with the bank describing the economic environment as resilient and its approach as data dependent. However, by the end of the period, markets shifted to pricing in one to two rate hikes by the ECB by midyear. The Bank of England unanimously voted to keep the Bank Rate at 3.75% in March as the conflict in the Middle East caused a sharp rise in global energy and commodity prices, pushing up household fuel and utility costs and raising business expenses. The Bank of Japan held its policy rate at 0.75% at the March meeting but acknowledged that higher oil prices created a complex combination of inflationary upward pressure and downward pressure on economic activity, creating an uncertain path for further normalization. In China, the central bank kept its key lending rates unchanged, signaling a preference for stability over aggressive stimulus.

In January, the U.S. removal of President Nicolás Maduro and the formation of a cooperative transitional government provided support for one of the more historically volatile segments of the asset class, which led to tighter credit spreads and an improved regional backdrop in Latin America. The February Supreme Court ruling on the International Emergency Economic Powers Act was broadly supportive of emerging markets fixed income, reducing the near-term risk of escalating tariffs on key exporters. March brought a sharp reversal, with sovereign spreads widening meaningfully after a period of sustained compression, as the Iran conflict prompted a broad reassessment of sovereign creditworthiness across the developing world. Economies with elevated energy import dependence or limited fiscal space faced a particularly difficult environment, as the combination of higher energy costs and tighter global financial conditions increased external financing pressures. Several central banks in Asia and emerging Europe that had been expected to pursue rate-cutting cycles earlier in the year found those plans complicated by the energy-driven inflation shock, which mounted alongside slowing growth dynamics and constrained their ability to ease.

Relative Performance

Venezuela Contributed

Our overweight exposure to Venezuela drove relative outperformance over the quarter as a major political shift following the January 3 U.S. intervention led to rapid reforms, improving prospects for future investor engagement, and expectations of a recovery in oil production from a very low base. We modestly increased our overweight, with a preference for the state-owned oil company Petróleos de Venezuela (PDVSA), reflecting our view that despite near-term risks like sanctions and restructuring complexity, the reform momentum and reopening of the economy create meaningful upside potential.

An Underweight to Bahrain and the UAE Had a Positive Impact

Our underweight to Bahrain was beneficial due to the U.S.-Israeli strikes on Iran, which led to retaliatory strikes across countries in the region. Bahrain saw some of the worst damage in the region, which underscored its weak fiscal and external position. We moderated our underweight position at the end of the period as we anticipate that the geopolitical shock may accelerate the long-anticipated need for external financial support.

Our underweight to the UAE also lifted relative results amid Iran's attacks on ports in the country. While the UAE is facing economic costs from the war, we believe the country is anchored by its strong balance sheets.

Nigerian Local Debt Added Value

Our locally denominated holdings in Nigeria rose as higher oil prices boosted export earnings and helped the country build up foreign reserves, strengthening its currency and external position. However, while oil revenues exceeded expectations, much of the extra income was spent rather than saved, and we remain mindful that fiscal pressures and inflation risks could persist-so our positioning reflects a balanced view of strong external support but ongoing domestic vulnerabilities.

Brazilian Corporates Had a Negative Impact

Higher-yielding corporate holdings in Brazil lost ground as investors became acutely sensitive to leverage and governance risks following late-2025 stress events. Specifically, our position in Raízen, a sugar and ethanol producer, sold off sharply, driven less by underlying solvency concerns and more by a breakdown in corporate governance. While the company remained a going concern, actions by minority shareholders contributed to a rapid collapse in bond prices as they sought to extract value through a potential restructuring. This dynamic led to an extraordinary downgrade cycle-with bonds moving from BBB to CCC in a matter of days-pushing the company into distressed territory and raising significant uncertainty around the treatment of creditors and the stability of its capital structure. In sympathy with Raízen, CSN Resources, an integrated steel producer with high leverage, also fell on contagion concerns. While both of these companies retraced some losses, they were impacted by the global sell-off in yields in March. Following the sell-off, we have maintained and modestly added to Raízen at distressed levels, reflecting our view that the market undervalues the potential recovery outcomes. However, we trimmed our holdings in CSN to manage our high yield exposure in Brazil.

Peru Detracted

Our holdings in Peru fell over the period, particularly our local holdings, as multiple supply shocks weighed on the country. The country's inflation outlook shifted due to higher oil prices linked to the Middle East conflict and disruptions in the Strait of Hormuz, along with a temporary domestic natural gas supply shock following the Camisea pipeline leak, resulting in expectations that the central bank will hold interest rates steady through 2026.

Portfolio Positioning And Activity

We entered the period with an underweight to frontier exposure and a tilt toward mainstream markets. Over the period, we put cash to work as valuations improved, adding into frontier and distressed markets. We maintain a tilt toward mainstream countries that are making durable adjustments, as we believe they offer attractive yields and are more insulated from risk-off moves, creating a compelling risk/return profile. We reduced our local currency bond as risk sentiment deteriorated.

Frontier Sovereigns

We moderated our underweight to frontier countries where valuations have improved, such as Costa Rica, the Dominican Republic, Angola, Kenya, and Senegal. We added to the Bahamas given its improving fiscal performance and its path to a credit rating upgrade. We increased our exposure to Egypt due to positive cyclical tailwinds and a longer-term structural improvement story, adding into market weakness. We added to Ecuador on supportive macro fundamentals, higher oil prices, and a favorable geopolitical position.
On the other hand, we trimmed our position in El Salvador due to increased concerns over the continuity in the International Monetary Fund program, stemming from the pension reform, continued bitcoin purchases, and the ability to reach fiscal targets. In Africa, we trimmed Côte d'Ivoire as valuations have tightened in favor of more attractive opportunities.

Mainstream Markets

We are structurally underweight higher-rated mainstream EM countries-such as the United Arab Emirates and Saudi Arabia-due to limited opportunities, although we added into market weakness. We added to Kazakhstan as higher oil prices should improve its fiscal backdrop. In Latin America, we added energy exporters Brazil and Mexico on better valuations. We trimmed our position in Colombia due to increased political risk. In Europe, we continued to increase our overweight in Romania and Serbia due to fiscal consolidation and attractive valuations, while trimming holdings in Poland amid sticky inflation dynamics and the oil/gas price shock. We also find value in Türkiye on expectations of spread tightening.

We continue to find value in quasi-sovereigns and corporates in other higher-quality mainstream markets, which typically offer yield premiums over the sovereigns. However, we trimmed our high yield exposure to corporates in Brazil, such as CSN Resources, Cosan, and Sabesp, in favor of more attractive opportunities. In Mexico, we rotated our exposure to Petróleos Mexicanos, the state-owned oil company, moving down the curve amid attractive yields.

Distressed Sovereigns

In the distressed space, we are focused on structurally improving credits with favorable paths toward restored market access. Our analysts identified opportunities to add into distressed names, such as Argentina given high yields and potential positive catalysts as well as Sri Lanka amid market weakness early in the Iran conflict. We increased exposure to Argentina due to the significant macroeconomic adjustment program, improving fundamentals, and significant U.S. support. In Ukraine, we added to our position to maintain a slight overweight following index inclusion. In the Middle East, we moderated our underweight to Bahrain as we anticipate the geopolitical shock may accelerate the need for external financial support.

Following the removal of Nicolás Maduro at the beginning of the year, we view Venezuela as a high-conviction recovery story following a historic political and policy inflection, with strong stakeholder alignment, rapid reform momentum, and significant upside from oil-led growth despite near-term frictions. Accordingly, we are overweight, favoring PDVSA, as we see risks skewed to the upside with potential for faster restructuring and recovery values toward the high end of consensus.

Locally Denominated Bonds

We reduced our local currency bond exposure by nearly half as risk sentiment deteriorated, rotating within that smaller allocation, and also reduced our net EM FX exposure. In Europe, we added to locally denominated debt in Romania on expectations that the central bank will begin to lower interest rates in the second half of the year. Elsewhere, we increased exposure to Malaysia as we believe it is relatively insulated from macro risk. In Latin America, we increased our inflation-linked holdings in Brazilian local debt as a potential hedge against upward inflation surprises. We also added to local bonds in Nigeria as the oil producer should benefit from higher energy prices.

On the other hand, we eliminated our local bond holdings in Peru as the country's inflation outlook shifted due to higher oil prices linked to the Middle East conflict and disruptions in the Strait of Hormuz, along with a temporary domestic natural gas supply shock. In Chile, we closed our local position on inflationary pressures from the currency and oil pass-through. We also trimmed exposure to local holdings in Colombia as expectations for a more market-friendly candidate moderated and concerns about central bank credibility increased toward the end of the period.

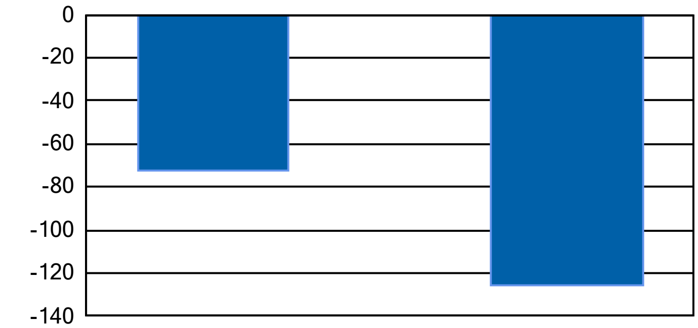
Manager's Outlook

A volatile quarter-defined by geopolitical shocks ranging from U.S. intervention in Venezuela to the escalation of the Iran conflict-has reinforced the importance of distinguishing between headline-driven sentiment and underlying fundamentals. While the path of these events remains uncertain, two themes are likely to shape the near-term outlook: resilient macro fundamentals and increasingly attractive bottom-up opportunities.

Against this backdrop, March was challenging, with EM fixed income posting negative returns across sovereign, corporate, and local markets. However, this weakness followed stronger performance earlier in the first quarter (Q1), leaving the broader Q1 picture more constructive. More importantly, EM debt is entering this period from a position of strength-with solid fundamentals, steady growth, moderating inflation, and improving balance sheets, which could help absorb some of this shock-alongside elevated commodity prices and supportive technical conditions.
However, the macro backdrop remains differentiated across regions. The direct impact of the Iran conflict is concentrated in the Middle East, but many core Gulf Cooperation Council countries entered this period with substantial fiscal and external buffers, which may limit downside risks to sovereign balance sheets. Meanwhile, Latin America appears relatively well positioned to benefit from shifting U.S. foreign policy and higher commodity prices, with improving political dynamics and easing tail risks across several historically volatile issuers. Elsewhere, we prefer idiosyncratic reform-driven stories in countries like Venezuela and Sri Lanka, which present unique recovery stories. We also see opportunities in global oil exporters that could benefit from higher energy prices.
Valuations further reinforce the case for selective reengagement. After entering the quarter with a defensive posture, we are now gradually leaning into select dislocations. Given ongoing geopolitical uncertainty-particularly around the duration and scope of the Iran conflict-we are selectively adding to risk assets with a clear focus on bottom-up opportunities.
Overall, EM sovereign debt has demonstrated resilience through periods of stress. While volatility is likely to persist, improved fundamentals and repriced risk premia create a more favorable backdrop for selective, bottom-up investing. In this environment, differentiation across countries is becoming increasingly pronounced-underscoring the importance of fundamental research and active positioning to capture opportunities.

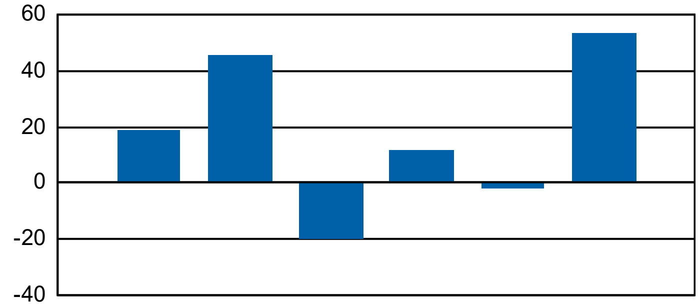
Quarterly Attribution

Overall Performance: Fund vs. J.P. Morgan EMBI Global Diversified (3 months ended March 31, 2026) (bps)



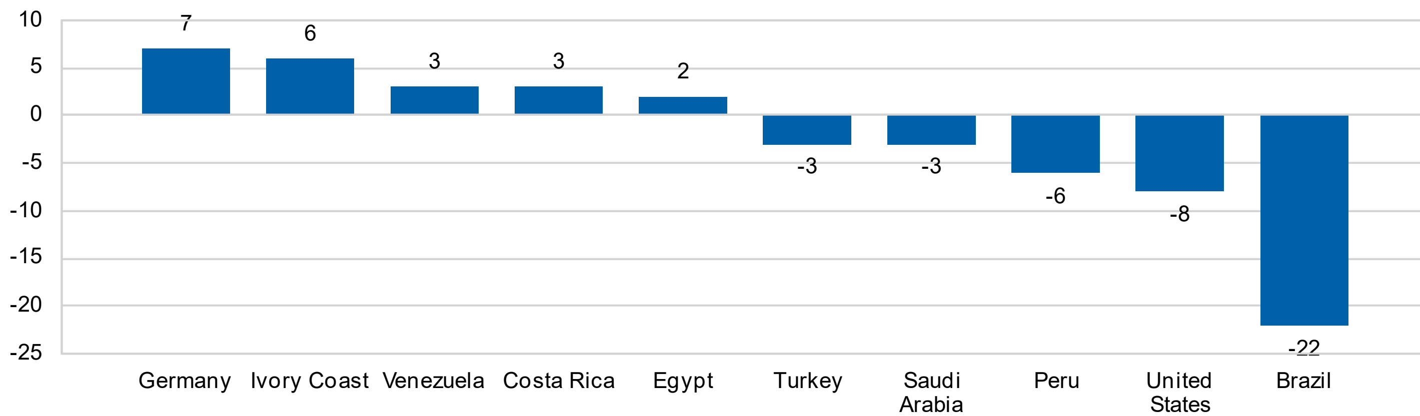
Fund	Benchmark
-72	-126

Contribution To Allocation Effect: Fund vs. J.P. Morgan EMBI Global Diversified (3 months ended March 31, 2026) (bps)

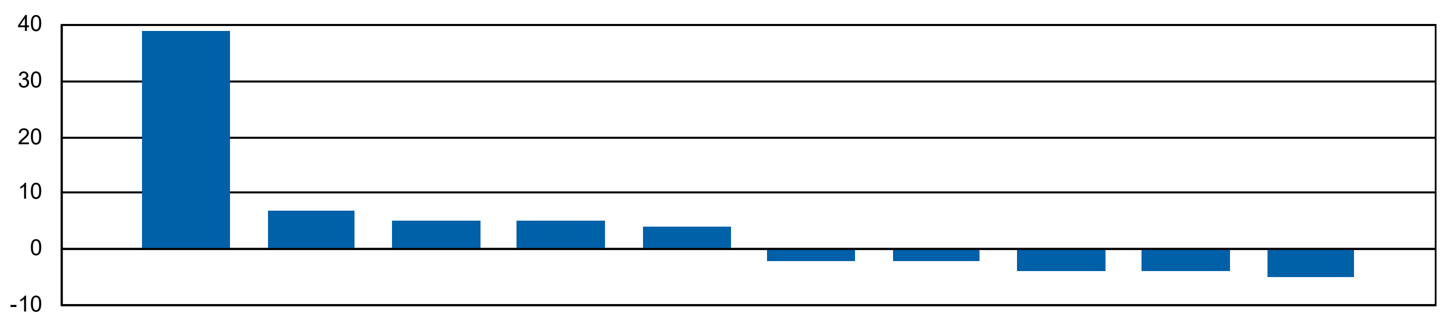


FX Allocation	Market Allocation	Security Selection	Reserve	Residual	Total
19	46	-20	12	-2	54

USD Security Selection Details - Top 5 and Bottom 5: Fund vs. J.P. Morgan EMBI Global Diversified (3 months ended March 31, 2026) (bps)



Market Allocation: Top 5 and Bottom 5 Contributors: Fund vs. J.P. Morgan EMBI Global Diversified (3 months ended March 31, 2026) (bps)

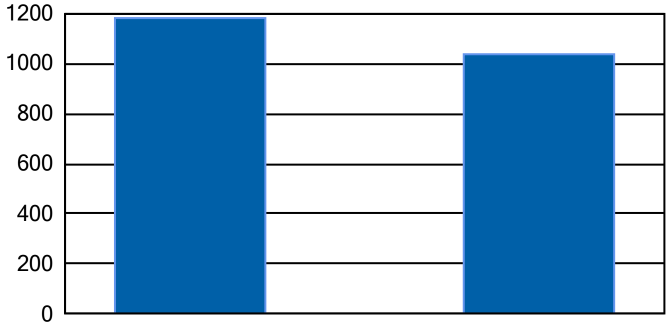


Venezuela	Bahrain	United Arab Emirates	Kenya	Brazil	South Africa	Gabon	Angola	Ivory Coast	China
39	7	5	5	4	-2	-2	-4	-4	-5

Past performance is not a guarantee or a reliable indicator of future results.
Attribution analysis represents the combined performance of the underlying securities held within the given time period relative to its benchmark as calculated by T. Rowe Price's proprietary attribution model. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance for each security is obtained in the local currency and, if necessary, is converted to USD using an exchange rate determined by an independent third party.
A performance residual arises due to differences from timing, intra-day trading and pricing. Please see the Additional Disclosures page for additional legal notices and disclaimers.

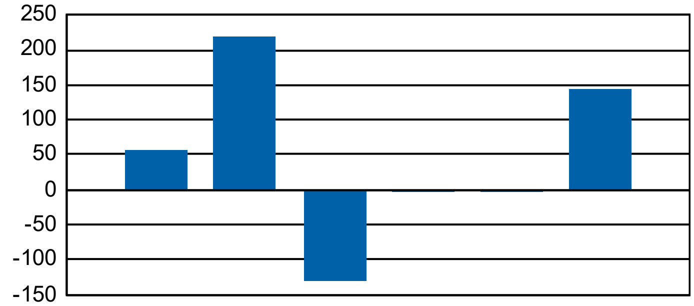
12-Month Attribution

Overall Performance: Fund vs. J.P. Morgan EMBI Global Diversified (12 months ended March 31, 2026) (bps)



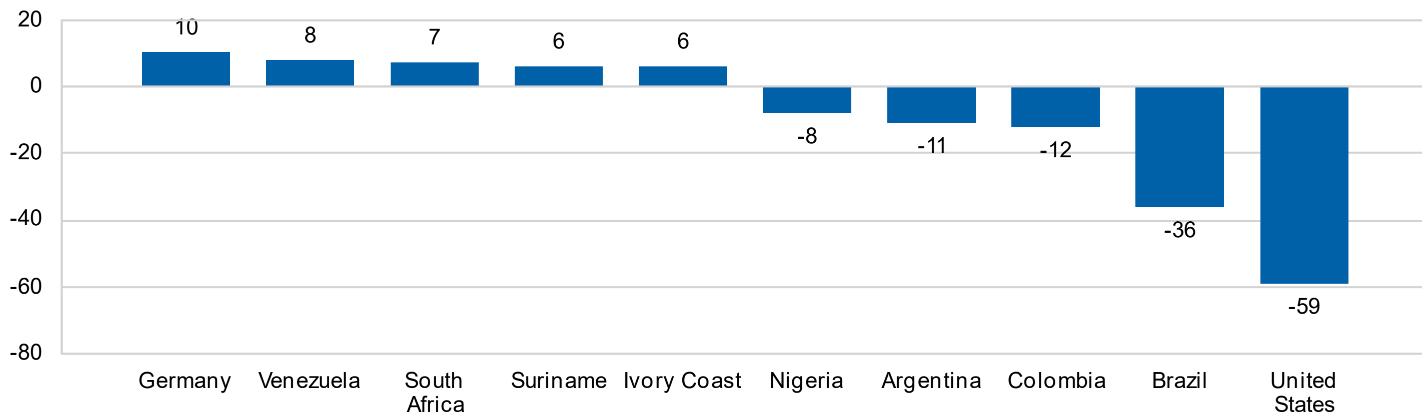
Fund	Benchmark
1182	1038

Contribution To Allocation Effect: Fund vs. J.P. Morgan EMBI Global Diversified (12 months ended March 31, 2026) (bps)

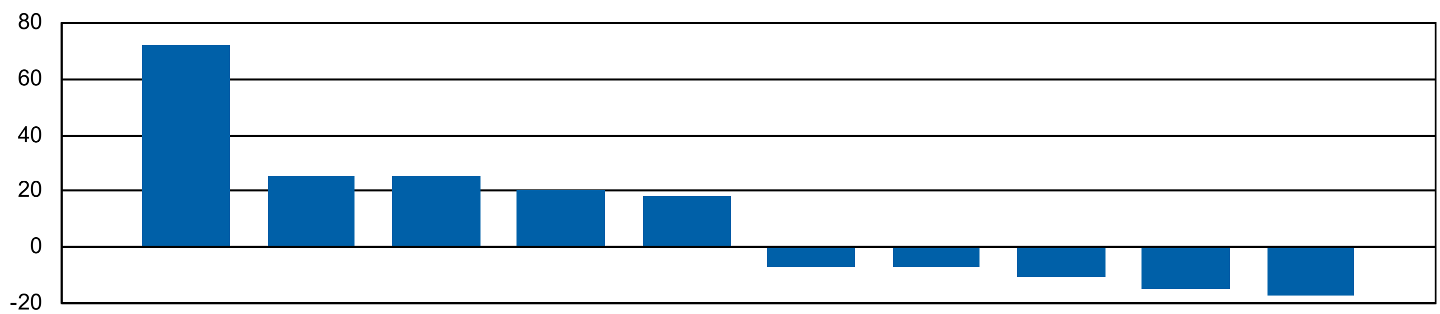


FX Allocation	Market Allocation	Security Selection	Reserve	Residual	Total
58	219	-130	-3	-1	143

USD Security Selection Details - Top 5 and Bottom 5: Fund vs. J.P. Morgan EMBI Global Diversified (12 months ended March 31, 2026) (bps)



Market Allocation: Top 5 and Bottom 5 Contributors: Fund vs. J.P. Morgan EMBI Global Diversified (12 months ended March 31, 2026) (bps)



Venezuela	United Arab Emirates	Ecuador	China	Saudi Arabia	Bolivia	Lebanon	Brazil	Nigeria	Angola
72	25	25	20	18	-7	-7	-11	-15	-17

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Portfolio Positioning

Geographic Diversification - Changes Over Time vs. J.P. Morgan EMBI Global Diversified (%)

Region	Fund 3/31/25	Fund 12/31/25	Fund 3/31/26	Benchmark 3/31/26
Latin America	43.2	46.4	44.1	36.5
Middle East & Africa	29.1	22.6	23.0	29.5
Emerging Europe	12.9	15.2	15.8	18.1
Asia	13.9	13.9	12.0	15.8
Reserves	0.3	1.2	4.5	0.0
Other	0.6	0.7	0.6	0.0

Market Distribution - Significant Over/Underweight Markets vs. J.P. Morgan EMBI Global Diversified (%)

Sector	Fund 3/31/26	Benchmark 3/31/26	Overweight/Underweight
Mexico	9.4	5.2	4.2
Brazil	5.7	3.3	2.4
Romania	4.4	2.8	1.6
Sri Lanka	2.3	1.0	1.3
Colombia	4.2	2.9	1.3
Indonesia	2.4	4.2	-1.8
Poland	0.5	2.9	-2.4
Hungary	0.2	2.8	-2.6
Saudi Arabia	2.3	5.2	-2.8
China	0.1	3.2	-3.1

Credit Quality Diversification — Changes Over Time vs. J.P. Morgan EMBI Global Diversified (%)

	Fund 3/31/25	Fund 12/31/25	Fund 3/31/26	Benchmark 3/31/26
AAA	0.3	0.3	0.2	0.0
AA	4.9	3.8	3.7	7.4
A	5.8	7.0	5.3	10.6
BBB	32.3	37.4	33.7	38.5
BB	30.3	27.0	26.1	19.6
B	11.8	10.9	12.2	15.6
CCC	10.1	8.3	8.5	6.1
CC	0.0	0.0	0.0	0.1
C	0.1	0.2	0.7	0.6
D	1.9	2.0	2.8	1.5
Not Rated	2.3	1.9	2.4	0.0
Reserves	0.3	1.2	4.5	0.0

Holdings

Top 10 Issuers

Issuer	% of Fund
Federative Republic of Brazil	4.7
Republic of Turkey	4.1
Romania	4.0
United Mexican States	3.8
Republic of Colombia	3.7
Republic of South Africa	3.6
Argentine Republic	3.5
Petroleos Mexicanos	3.4
Dominican Republic	2.8
Arab Republic of Egypt	2.5

Source: Financial data and analytics provider FactSet.
If fewer than 10 currencies are shown, those are all of the currency exposures for the period.

Portfolio Management

	Managed Since	Joined Firm
Samy Muaddi	2020	2006
Richard Hall	2025	2012

Additional Disclosures

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Visit Troweprice.com/glossary for a glossary of financial terminology.

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T. Rowe Price uses a custom structure for sector and industry reporting for this product.

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

Credit ratings for the securities held in the Fund are provided by Moody's, Standard & Poor's and Fitch and are converted to the Standard & Poor's nomenclature. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The Fund is not rated by any agency. U.S. Government Agency securities, if any, may include conventional pass-through securities and collateralized mortgage obligations. This category may include rated and unrated securities.

"Other" includes any categories not explicitly mentioned.

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.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that investments in the securities identified and discussed were or will be profitable.

The manager’s views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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