T. Rowe Price

QUARTERLY REVIEW

Emerging Markets Local Currency Bond Fund

As of March 31, 2024

PORTFOLIO HIGHLIGHTS

The portfolio produced a negative absolute return and trailed its benchmark for the three-month period ended March 31, 2024.

Relative performance drivers:

- Our overweight positioning in Central and Eastern Europe and Latin America dragged on returns as both regions partially retraced previous strong performance, despite continued falling inflation and interest rate cuts.
- New off-benchmark positions in the Kenyan shilling and Nigerian naira performed well, while our off-index long position in the Sri Lankan rupee also added value. This was mostly offset, however, by exposure to the Egyptian pound and a long position in the Hungarian forint.

Additional highlights:

- We selectively added to our long emerging market (EM) currency exposure, notably in the Hungarian forint, which depreciated. We added a long position in the Thai baht on weakness, partly against the Japanese yen, given the interest rate differential and relatively low volatility.
- We initiated off-benchmark positions in the Kenyan shilling and Nigerian naira as both countries took steps to address financial and economic challenges. Kenya issued a U.S. dollar bond that assuaged concerns over its public finances, while Nigeria's central bank raised interest rates significantly to tackle high inflation.
- We trimmed our overweight to duration, as we implemented an underweight to Thailand given that market expectations for monetary easing were overdone and valuations appeared stretched.
- EM currencies fell as reduced expectations for U.S. interest rate cuts broadly supported the U.S. dollar and led to uneven risk sentiment. Emerging Europe and Asia weakened, with more mixed performance in Latin America. Local bonds made a moderate gain thanks to income returns.
- The asset class remains well supported by fundamentals, falling inflation, the prospect of monetary easing in EMs and globally, and years of moribund flows starting to reverse. Slowing global growth and geopolitics remain concerns, but our active approach, focused on country selection and structural themes, should continue to work well.

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	–
Total Assets (all share classes)	$316,499,666
Percent of Portfolio in Cash	8.8%

PERFORMANCE

(NAV, total return)

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

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emerging Markets Local Currency Bond Fund	May 26 2011	-5.80%	-15.20%	10.26%	15.76%	-7.63%	13.49%	4.08%	-9.54%	-11.00%	14.91%
J.P. Morgan GBI - EM Global Diversified		-5.72	-14.92	9.94	15.21	-6.21	13.47	2.69	-8.75	-11.69	12.70

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. 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.

PERFORMANCE REVIEW

Emerging Market Currencies Depreciate Amid Reduced Expectations for U.S. Rate Cuts

Emerging market (EM) local bonds and currencies declined overall for the quarter, retracing some of 2023's particularly strong performance as high expectations for U.S. interest rate cuts were tempered, weighing on risk sentiment and leading to a stronger dollar. While EM currencies depreciated overall, local bonds registered a modest gain due to income returns.

In the January update to the World Economic Outlook, the International Monetary Fund (IMF) projected that global growth will be below its historical average, driven by elevated central bank policy, a withdrawal of fiscal support, and low underlying productivity growth. However, the 2024 forecast was slightly higher due to resilience in the U.S. and several large emerging markets economies as well as fiscal support in China. In the U.S., the Fed held official short-term interest rates steady as strong economic data prompted investors to temper their expectations for aggressive interest rate cuts. Across other developed markets, the European Central Bank also left its policy rate on hold during the period, while the Bank of Japan took a step toward policy normalization by ending negative interest rates and other remnants of its ultra-loose monetary policy in March. In China, the central bank cut its reserve ratio requirement and the five-year loan prime interest rate in an effort to stimulate its economy.

The J.P. Morgan Global Manufacturing Purchasing Managers' Index rose over the period, indicating improving growth. New orders rose relative to inventories, and more countries experienced an improvement in data. Several central banks, including those in Czech Republic, Mexico, Brazil, Argentina, and Colombia, cut rates amid signs of slowing inflation. On the other hand, Türkiye's central bank hiked the interest rate 750 basis points as inflation remained high. Amid discussions with the IMF, Egypt's central bank delivered 800 basis points in rate hikes; signed a deal with the United Arab Emirates to develop a section of the Mediterranean coast; allowed the Egyptian pound to float, causing a significant devaluation; and eased some capital control restrictions. The IMF subsequently announced an agreement to expand the size of its lending program for Egypt, and multiple ratings agencies upgraded their outlooks for Egypt's credit rating to positive. In Latin America, Argentina delivered strong gains as investors expect President Javier Milei's radical reform agenda to transform the economy. J.P. Morgan announced that Venezuelan sovereign and Petroleos de Venezuela bonds will be included in its EM bond indices over a period starting April 30, 2024, and ending June 28, 2024.

Bond Allocations

Overweight to Hungary detracted

Our overweight to duration in Hungary was detrimental, as local bonds retraced some of the strong 2023 performance amid concerns over a proposed law change that could challenge the central bank's independence. The central bank continued to cut interest rates amid declining inflation.

Overweight to Latin America proved negative

Our overweight to duration in Latin America was negative, principally through our exposures to Brazil and Mexico. Bonds in both countries saw some retracement after stellar performance in 2023, even as their central banks cut interest rates and inflation fell.

Underweight to Thailand dragged

An underweight to Thailand dragged on performance as the market priced in interest rate cuts, with the central bank giving dovish signals and inflation easing.

Foreign Exchange Allocations

Off-benchmark positions in Africa added value

New positions in the Kenyan shilling and Nigerian naira contributed well. Kenya issued a U.S. dollar bond, assuaging concerns over its public finances, and Nigeria's central bank implemented substantial interest rate rises. At the same time, our exposure to the Egyptian pound detracted as the currency was devalued.

Overweight to the Hungarian forint weighed

A depreciation in the Hungarian forint detracted as the currency retraced some of its strong performance from the previous 12 months amid more mixed risk sentiment.

PORTFOLIO POSITIONING AND ACTIVITY

We remained overweight to duration through the quarter, given positive fundamentals and attractive valuations. This is focused on Latin America where disinflation is persisting, and central banks continue to cut interest rates. Our duration overweight was moderated overall, however, as we extended our underweight to Thailand, where valuations look stretched, market expectations for monetary easing seem overdone, and the interest rate differential with the U.S. could weigh on the bonds. We added exposure to move modestly overweight in Central and Eastern Europe, maintaining our conviction on Hungary. In currencies, we added off-benchmark exposure while maintaining our long positions in Central and Eastern Europe and Latin America.

Given the strength of performance from EMs in 2023, and elevated expectations for U.S. policy easing, the recent retracement is not too concerning. The outlook for EM local bonds and currency remains positive, in our view. On balance, we still anticipate U.S. interest rate cuts, although this is more uncertain, and expectations could be further challenged. The path to interest rate cuts looks clearer in Europe. EM fundamentals remain resilient, supported by disinflationary trends; monetary policy cycles; positive growth differentials to developed markets; and for many countries, healthy current account balances.

Bond Allocation

- Latin America remained our largest regional overweight-notably in Mexico, Brazil, Peru, and Colombia-as central banks continued or began reducing interest rates, and disinflation continued.
- We moved to a modest overweight in Central and Eastern Europe, up from neutral. This is concentrated in Hungary where we see attractive valuations and supportive fundamentals.
- We moved further underweight in Asia, extending our underweight position in Thailand as the substantial interest rate differential with the U.S. could put pressure on the bonds, particularly as U.S. data are likely to remain positive near term.
- The depth and breadth of our research process allows us to evaluate markets that are outside the benchmark in our search for value. We maintained our off-benchmark holding in India as our fundamental view remains intact, while India will be included in the benchmark in June 2024.

- In terms of developed market hedges, we added an overweight position in German bunds as policy easing could begin midyear and increased our short hedge in Japanese government bonds with the central bank potentially shifting away from accommodative measures.

Currency Selection

- We maintained our long position in EM currencies, particularly in Latin America where we retain strong conviction considering improving current account balances, and attractive valuations and carry.
- We reduced our U.S. dollar short position, diversifying EM funding exposure into increased short exposures in the euro and Japanese yen. Our in-house analysis continues to indicate dollar weakness longer term, although improved U.S. data may bolster the dollar near term.
- We stayed overweight in Central and Eastern Europe, adding to our long position in the Hungarian forint on weakness. This remains the largest long position in the portfolio, given its attractive carry and our confidence in the central bank's measured approach to easing.
- We switched to underweight in Asia as we increased our short position in the Chinese renminbi. Concerns over the economy, unattractive valuations, near-term U.S. dollar strength, and expectations of easing have led to rising capital outflows and could further impact the currency.
- The breadth of our research process also allows us to evaluate currencies outside the benchmark where we see attractive opportunities. Accordingly, we added off-benchmark exposures to the Kenyan shilling and Nigerian naira in view of helpful policy measures, while maintaining holdings in the Korean won, Indian rupee, and Sri Lankan rupee.

MANAGER'S OUTLOOK

The soft first quarter for emerging market local bonds and currencies was largely attributable to some retracement of 2023's particularly strong performance and a moderation of expectations for monetary easing in the U.S., which had become excessive. In view of this, the pullback was not overly surprising or unduly concerning. Encouragingly, there were instances of idiosyncratic outperformance, while healthy yields supported bonds. Overall, the decline has led to more attractive valuations in some of those markets where we have strong conviction.

We do, however, see scope for slightly more challenging dynamics to continue near term. While the Federal Reserve appears minded to start cutting interest rates, U.S. data are likely to remain positive for now, in view of improved global manufacturing conditions and rising new orders, and there is a risk of further upside surprises in inflation. This could put further upward pressure on U.S. bond yields and support the U.S. dollar.

Looking further out, though, the key factors for the EM local asset class remain in place. EM bonds offer attractive valuations, carry, and income. Monetary easing cycles have room to run, in our view, with Mexico becoming the latest EM to initiate interest rate cuts, and policy easing could support improved growth. The disinflationary trend is well intact, albeit it may moderate or become more uneven, and should remain a supportive factor, particularly in Latin America and Central and Eastern Europe.

Our analysis continues to show the U.S. dollar as expensive, with most EM currencies undervalued against the greenback to some degree. The skew in global investor allocations toward U.S. assets, and broadly underweight to EMs, persists. So, while years of moribund flows into local EMs have started to reverse, we see clear scope for further rotation.

While the prospect of monetary easing in the U.S. is more uncertain, we still ultimately expect to see rate cuts off the back of falling inflation, which should contribute to U.S. dollar depreciation. The key question is the timing and pace of easing. We think current expectations for rate cuts appear realistic.

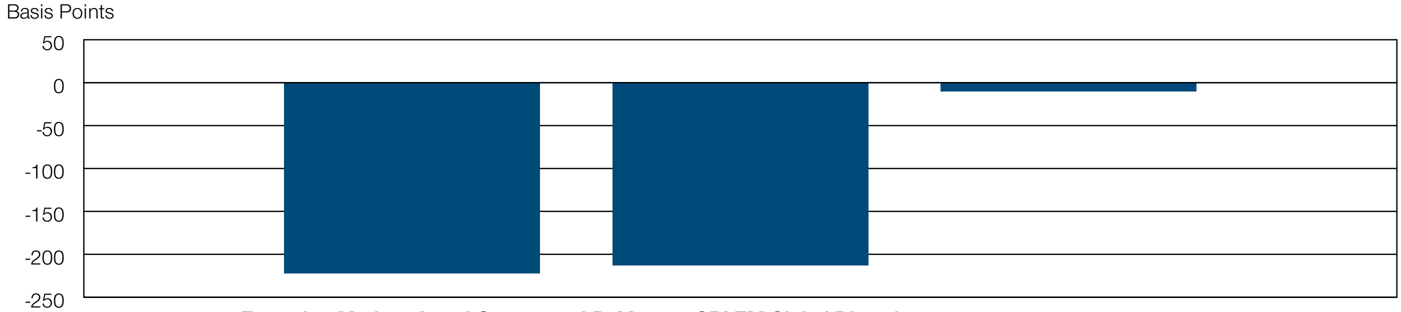
Elections and political developments are a key factor to monitor in 2024. Deep, on-the-ground analysis will be vital in navigating these events and identifying potential market impacts. We also remain vigilant about the growth outlook. Activity is looking positive for now, but the risk of a lagged impact from restrictive monetary conditions remains.

Investing in EMs is complex, but by focusing on active country selection and structural themes, there is potential to reap further attractive rewards investing in these markets at this stage of the cycle.

QUARTERLY ATTRIBUTION

OVERALL PERFORMANCE: FUND VS. J.P. MORGAN GBI-EM GLOBAL DIVERSIFIED

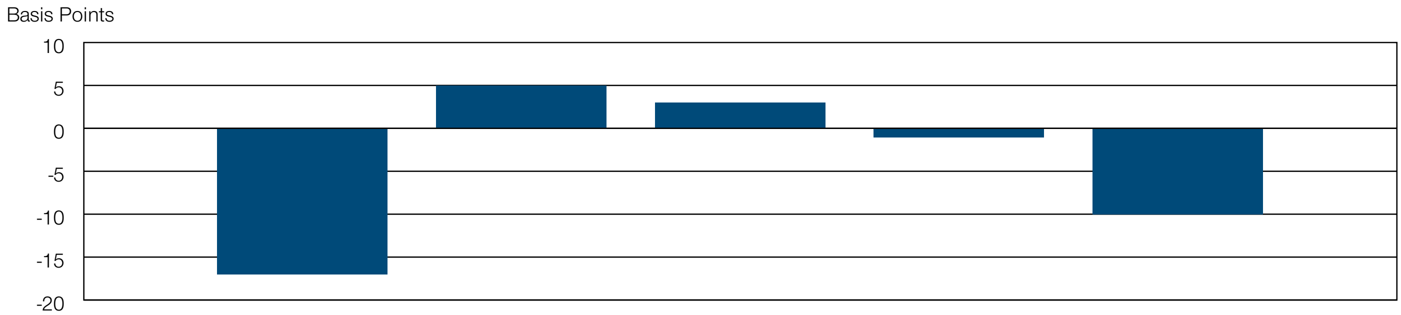
(3 months ended March 31, 2024)



Emerging Markets Local Currency Bond Fund	J.P. Morgan GBI-EM Global Diversified	Relative Performance
-222	-212	-10

CONTRIBUTION TO EXCESS RETURN: FUND VS. J.P. MORGAN GBI-EM GLOBAL DIVERSIFIED

(3 months ended March 31, 2024)



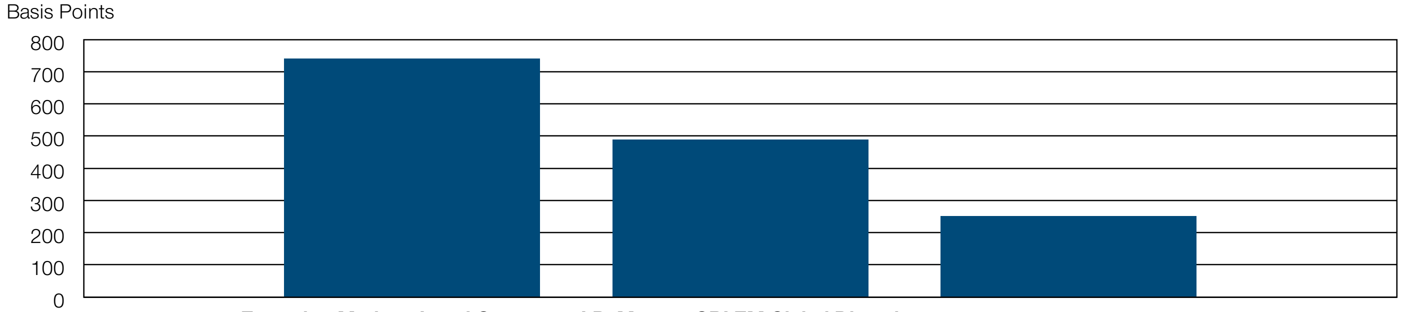
FX Allocation	FX Timing	Bond	Residual	Total
-17	5	3	-1	-10

Source: T. Rowe Price.
Past performance is not a reliable indicator of future performance. T. Rowe Price Proprietary Performance Attribution Model is used to separate ('attribute') the period outperformance (or underperformance) of a portfolio relative to its benchmark. The system attributes the outperformance (or underperformance) to a set of portfolio decisions such as currency and country weightings and specific security selections. The portfolio return is calculated by a daily compounding of returns from changes in present value, additional interest accruals, and trading activities. 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 currency in which it is issued and, if necessary, is converted to USD using an exchange rate determined by an independent third party. Performance returns are in USD.

12-MONTH ATTRIBUTION

OVERALL PERFORMANCE: FUND VS. J.P. MORGAN GBI-EM GLOBAL DIVERSIFIED

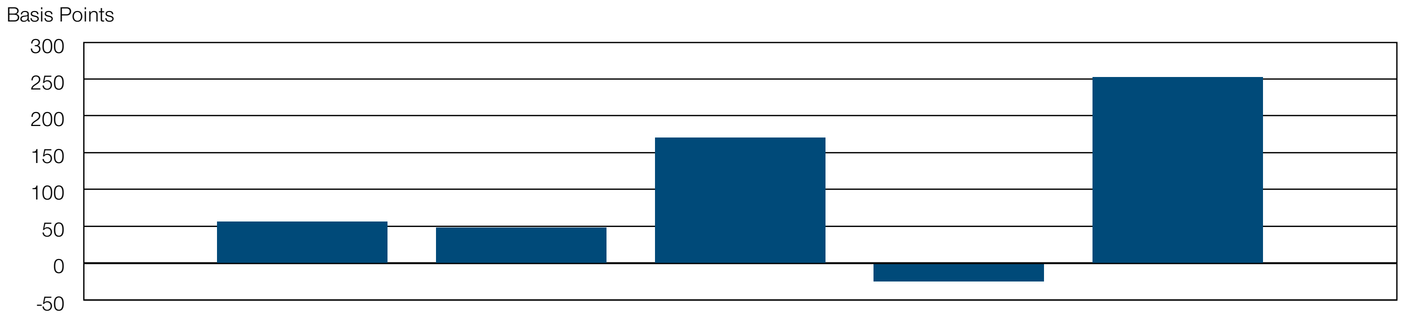
(12 months ended March 31, 2024)



Emerging Markets Local Currency Bond Fund	J.P. Morgan GBI-EM Global Diversified	Relative Performance
744	491	253

CONTRIBUTION TO EXCESS RETURN: FUND VS. J.P. MORGAN GBI-EM GLOBAL DIVERSIFIED

(12 months ended March 31, 2024)



FX Allocation	FX Timing	Bond	Residual	Total
57	49	171	-24	253

Source: T. Rowe Price.

Past performance is not a reliable indicator of future performance. T. Rowe Price Proprietary Performance Attribution Model is used to separate ('attribute') the period outperformance (or underperformance) of a portfolio relative to its benchmark. The system attributes the outperformance (or underperformance) to a set of portfolio decisions such as currency and country weightings and specific security selections. The portfolio return is calculated by a daily compounding of returns from changes in present value, additional interest accruals, and trading activities. 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 currency in which it is issued and, if necessary, is converted to USD using an exchange rate determined by an independent third party. Performance returns are in USD.

PORTFOLIO POSITIONING

BOND ALLOCATION (ISSUE CURRENCY)

	% of Fund	% of J.P. Morgan GBI-EM Global Diversified	Over/Underweight
Indonesia	11.6%	10.0%	1.6%
Brazil	7.9	10.0	-2.2
South Africa	7.8	8.2	-0.4
Colombia	7.4	4.8	2.7
Thailand	6.2	9.8	-3.6
Malaysia	5.6	10.0	-4.4
Mexico	5.1	10.0	-4.9
China	5.0	10.0	-5.1
Poland	4.9	7.9	-3.0
Czech Republic	4.8	6.5	-1.6
United States	4.2	0.0	4.2
Peru	4.2	2.2	1.9
Romania	3.7	4.3	-0.6
Hungary	3.5	3.0	0.6
Europe	2.7	0.0	2.7
India	1.9	0.0	1.9
Uruguay	1.1	0.2	0.9
Sri Lanka	0.9	0.0	0.9
Egypt	0.7	0.0	0.7
Nigeria	0.6	0.0	0.6
Kenya	0.5	0.0	0.5
Türkiye	0.4	0.9	-0.4
Serbia	0.3	0.4	-0.1
Hong Kong	0.1	0.0	0.1
Philippines	0.1	0.0	0.1
Total Bonds	**91.2**	**100.0**	**-8.8**
Reserves	8.8	0.0	8.8
Total	**100.0**	**100.0**	**0.0**

Sources: T. Rowe Price and Bloomberg Index Services Ltd.

PORTFOLIO POSITIONING, CONTINUED.

CURRENCY EXPOSURE

	% of Fund	% of J.P. Morgan GBI-EM Global Diversified	Over/Underweight
Dominican peso	0.0%	0.2%	-0.2%
Mexican peso	12.4	10.0	2.4
Brazilian real	11.2	10.0	1.2
Indonesian rupiah	11.0	10.0	1.0
Thai baht	10.3	9.8	0.5
Malaysian ringgit	10.1	10.0	0.1
South African rand	8.3	8.2	0.0
Polish zloty	7.3	7.9	-0.6
Czech koruna	6.5	6.5	0.0
Hungarian forint	5.7	3.0	2.7
Chinese renminbi	5.1	10.0	-4.9
New Romanian leu	4.8	4.3	0.5
Colombian peso	4.7	4.8	-0.1
Chilean peso	3.2	1.7	1.5
Peruvian nuevo sol	2.2	2.2	0.0
Turkish lira	1.6	0.9	0.8
Ukranian hryvna	1.4	0.0	1.4
Egyptian pound	1.0	0.0	1.0
Korean won	1.0	0.0	1.0
Indian rupee	1.0	0.0	1.0
Sri Lanka rupee	0.9	0.0	0.9
Peso uruguayo	0.8	0.2	0.5
Nigerian naira	0.6	0.0	0.6
Kenyan shilling	0.5	0.0	0.5
Serbia dinar	0.4	0.4	0.0
Philippine peso	0.0	0.0	0.0
Argentinian peso	0.0	0.0	0.0
Hong Kong dollar	0.0	0.0	0.0
Japanese yen	-1.3	0.0	-1.3
New Taiwan dollar	-2.0	0.0	-2.0
euro	-2.6	0.0	-2.6
U.S. dollar	-7.7	0.0	-7.7
Total	**98.4%**	**100.0%**	

SECTOR DIVERSIFICATION: FUND VS J.P. MORGAN GBI-EM GLOBAL DIVERSIFIED

Industry	% of Fund	% of J.P. Morgan GBI-EM Global Diversified	Over/Underweight
Government - Nominal	85.4%	100.0%	-14.6%
Government - Inflation Protection	1.4	0.0	1.4
Quasi-Sovereign	2.8	0.0	2.8
Supranational	1.1	0.0	1.1
Corporate	0.5	0.0	0.5
Reserves	8.8	0.0	8.8

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

MARKET PERFORMANCE

GLOBAL GOVERNMENT BOND MARKET RETURNS (LOCAL CURRENCY)

(3 months ended March 31, 2024)

Country	
Argentina	75.80%
Russia	39.86
Uruguay	5.38
Dominican Republic	2.89
Thailand	1.98
China	1.87
Colombia	1.50
Brazil	1.29
Malaysia	1.17
Indonesia	1.09
Mexico	1.00
Romania	0.87
Czech Republic	0.69
Poland	0.24
Turkey	0.21
Philippines	-0.61
Chile	-0.82
Peru	-1.63
Hungary	-1.89

Based on the J.P. Morgan Government Bond Index - Emerging Markets (GBI-EM) Global Diversified.
Source: JP Morgan Index **Past performance is not a reliable indicator of future performance.**

CURRENCY RETURNS (SPOT PRICE RETURNS VS USD)

(3 months ended March 31, 2024)

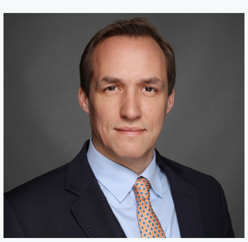
Currency	
Uruguay Peso	3.93%
Mexican peso	1.46
Peruvian nuevo sol	-0.48
Colombian peso	-1.12
Philippine peso	-1.43
Chinese reminbi	-1.68
Polish zloty	-2.22
South African rand	-2.52
Dominican Republic peso	-2.60
Malaysian ringgit	-2.65
Indonesian rupiah	-2.74
Brazilian real	-3.31
Russian ruble	-3.32
Czech koruna	-4.93
Hungarian forint	-5.57
Thai baht	-6.25
Turkish lira	-8.96
Chilean peso	-9.64
Argentina Peso	-14.56

HOLDINGS

TOP 10 ISSUERS

Issuer	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

PORTFOLIO MANAGEMENT



Portfolio Manager:
Andrew Keirle

Managed Fund Since:
2011

Joined Firm:
2005

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. Read it carefully.

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Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.
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. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the Fund and no assumptions should be made that the securities identified and discussed were or will be profitable.
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Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.
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.
Sources for Issue Currency: T. Rowe Price and Bloomberg Index Services Ltd.
The fund is a non-USD strategy. When we purchase securities denominated in USD, we hedge the USD exposure with forward contracts. Due to market valuations, the loss on currency forwards caused the allocation to the USD to be negative.
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