



QUARTERLY REVIEW

Emerging Markets Local Currency Bond Fund

As of June 30, 2020

PORTFOLIO HIGHLIGHTS

The portfolio outperformed the J.P. Morgan Government Bond Index-Emerging Markets Global Diversified benchmark for the three-month period ended June 30, 2020.

Relative performance drivers:

- Bond exposure helped the portfolio's performance relative to the benchmark. Our overweights to South Africa and Mexico were the top contributors, rebounding from first-quarter weakness. An underweight to Thailand mitigated our relative gains.
- Currency selection also boosted relative returns. Our positions in the Russian ruble and Indonesia rupiah had the largest positive impact.

Additional highlights:

- EM local currency bonds enjoyed a sustained rebound over the period, posting positive returns in each of the three months of the quarter. Monetary and fiscal stimulus and the scaling back of lockdown measures were the primary drivers of the improved backdrop.

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)	0.94%
Fiscal Year End	December 31
12B-1 Fee	-
Total Assets (all share classes)	\$447,465,807
Percent of Portfolio in Cash	3.6%

PERFORMANCE

(NAV, total return)

	Three Months	Year-to-Date	One Year	Annualized			
				Three Years	Five Years	Since Inception 5/26/11	30-Day SEC Yield
Emerging Markets Local Currency Bond Fund	11.49%	-6.96%	-3.21%	0.54%	2.08%	-0.41%	3.94%
J.P. Morgan GBI - EM Global Diversified	9.82	-6.89	-2.82	1.14	2.34	0.05	-

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2012	2013	2014	2015	2016	2017	2018	2019
Emerging Markets Local Currency Bond Fund	May 26 2011	17.69%	-10.18%	-5.80%	-15.20%	10.26%	15.76%	-7.63%	13.49%
J.P. Morgan GBI - EM Global Diversified		16.76	-8.98	-5.72	-14.92	9.94	15.21	-6.21	13.47

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. 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. 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. For Sourcing Information, please see Additional Disclosures.

PERFORMANCE REVIEW

Stimulus measures trigger sharp rebound

EM local currency bonds posted strong positive returns over the three-month period ended June 30, 2020. Unprecedented central bank and government stimulus measures helped markets rebound sharply from March lows despite the ongoing global risk posed by the coronavirus epidemic.

As the quarter progressed, many major economies saw stronger-than-expected recoveries after sharp drops in March and April. This helped the rebound in EM markets gain strength with bond prices enjoying a sustained rally through the period. Although EM currencies lagged initially, they gained some ground against the U.S. dollar over the period as many countries began to reopen their economies by easing the restrictions in place to combat the spread of the virus.

The recovery in China appeared to be ahead of many other regions with upside surprises in industrial production and export data. This positive news helped overcome renewed tensions between the Beijing government and Hong Kong and boosted the outlook for many regional Asian economies.

Many of the top performing markets over the quarter were those that suffered the most during the early-year volatility. Oil prices also began to recover after hitting lows in April, resulting in the more commodity-reliant countries generally performing well later in the period.

Argentinean assets were volatile throughout the period. The sovereign officially defaulted in May the ninth in its history, when it failed to make a USD 500 million payment on its debt after it was unable to secure an agreement on debt restructuring with creditors. Bond prices recovered in June on the back of hopes of a potential agreement.

South Africa enjoys strong rebound

South Africa endured a difficult first quarter, which included a downgrade by Moody's to sub-investment grade. However, the reversal in risk sentiment in the second quarter resulted in the country's bonds rallying as investors sought their relative yield advantage. A supportive monetary policy and a relative benign emergency budget meeting in June also supported bond prices. Hence, our overweight position had a positive impact on relative performance.

Mexico bond exposure added to gains

Mexico is another country that was hit particularly hard by the early year selling pressures. Although aware of ongoing concerns, we viewed the country's bonds as oversold. The improved backdrop in the second quarter alongside successive interest rate cuts by the Bank of Mexico helped drive a recovery in Mexican bond prices, resulting in our overweight exposure furthering relative gains.

Thailand underweight hurts

China's economic recovery from the impact of the coronavirus continued to remain ahead of other major global economies. This provided a boost to other Asian economies closely linked to trade with China. Consequently, Thailand assets strengthened in the second quarter, causing our underweight exposure, which we hold due to expensive valuations relative to other countries, to drag on relative gains. Our underweight to the Thai baht also hurt for similar reasons.

Off-index external debt was supportive

Our small basket of off-benchmark U.S. dollar and euro-denominated bonds was positive and contributed to relative performance. Hard currency emerging markets debt outperformed over the quarter as credit risk premia and spreads came down.

Boost from Indonesia rupiah exposure

The Indonesian rupiah was one of the top performing EM currencies over the three-month period, helped by a shrinking current account deficit and attractive real yields pulling in strong demand amid the improving macro backdrop. We began the period with an overweight exposure and subsequently added to this position over the period as we recognized the improving backdrop for Asian economies. Our positioning formed the top relative contributor to the portfolio's performance in the second quarter.

Colombia peso underweight weighed on gains

The oil-price sensitive Colombian peso also posted strong gains as oil prices stabilized in May and June. We held an underweight exposure to the currency through the period, which had a negative impact on our performance.

PORTFOLIO POSITIONING AND ACTIVITY

We added to the portfolio's risk profile early in the quarter in anticipation of a market rebound, which played out over the period. We then reduced some of our exposure to higher beta markets later in the period following strong performance.

Bond Allocation

- We increased our exposure to the Asia-Pacific region where our outlook is improving. Indonesia and the Philippines government bonds are among our favored positions.
- We were overweight to South Africa as we saw compelling value following the early-year selloffs. However, we began trimming this toward the end of the period following the strong performance over the quarter.
- We remained overweight Mexico through the period. We viewed it as a strong rebound candidate due to healthy fundamentals and accommodative monetary policy. Conversely, we moderated an overweight to Brazil as political turmoil and rising coronavirus cases could trigger near-term volatility. We also maintained an underweight to Chile.
- In emerging Europe, we maintained an overweight to Russia as we believe the country offers healthy account balances and stable policy. We are underweight Poland and Czech Republic as we see less long-term value in these countries' bonds relative to other regions. We moderately increased an off-benchmark exposure to Serbia.

Currency Selection

- We began selectively adding back to our positions in local currencies during the quarter as our outlook improved following the selloff in March. We maintained overweight exposures to the Mexico peso and Indonesia rupiah, which we believe still offer long-term value.
- We also added or maintained off-benchmark exposures in the Indian rupee, Egyptian pound, and Serbian dinar as we see improving fundamentals in these countries.

- The Czech koruna remains one of our largest overweights due to the Czech National Bank's relative hawkish policy outlook compared to regional peers. Conversely, we opened an underweight to the Polish zloty during the period, partly due to its central bank's more accommodative stance.
- Late in the first quarter, we moderated or closed overweights to defensive currencies, such as the Korean won and Singapore dollar, as we prefer to use these currencies as funding currencies for more attractive value opportunities.

MANAGER'S OUTLOOK

EM countries are trying to mitigate the economic impact of the coronavirus pandemic with accommodative monetary policy. Local bond yields have dropped significantly from their March peak supported by broad based monetary policy rate cuts as well as by quantitative easing in several countries. The valuation of EM local currency bonds continues to look attractive from a medium-term perspective, despite the sharp bond market rally we have seen since March. EM currencies also remain attractive to a U.S. dollar-biased marketplace due to their low duration and relatively supportive yields.

The phasing out of lockdown measures in many countries will support EM growth momentum as trade increases. However, EM growth is still set to drop substantially through the middle of 2020 with many emerging countries hit hard by COVID-19. Additionally, developed market growth downgrades are materializing and will impact external demand for EM goods and services, pulling down the China related bounce. The timing and magnitude of the growth rebound going forward depends on the timing of the phasing out of lockdown measures across the globe and to what extent a second wave of the virus materializes.

Even with substantial monetary stimulus measures in place to fight the economic slowdown, inflation across emerging markets remains broadly well behaved. The presence of output gaps, or the difference between an economy's actual growth and potential growth rates, and stable external positions allows for continued accommodative monetary policy.

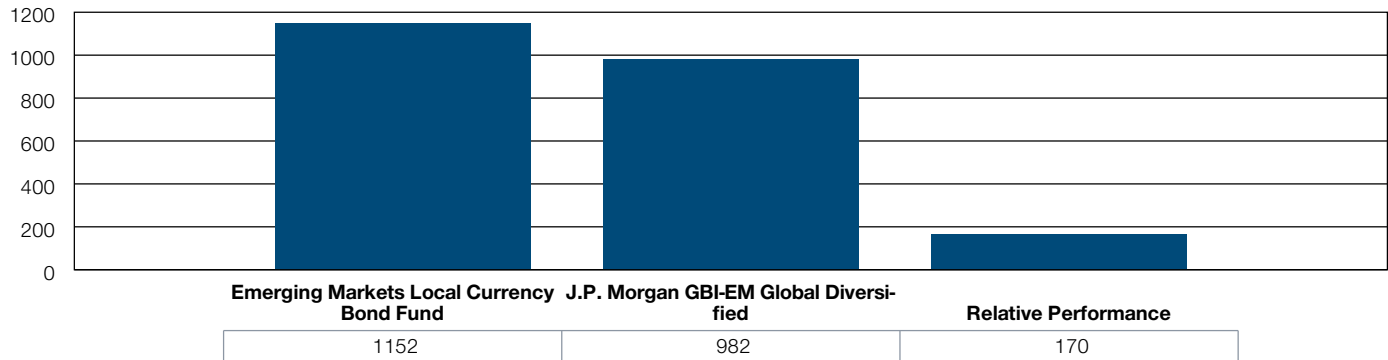
Following a seven-year rally, the U.S. dollar remains overvalued after just one quarter of weakness. However, we believe we need to see further weakness in the greenback for investors to gain confidence that it has peaked. Fortunately, market technicals are supportive as international investors' exposure to emerging local markets is light. In the case of prolonged U.S. dollar weakness, inflows to the asset class could pick up, supporting market performance.

QUARTERLY ATTRIBUTION

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

(3 months ended June 30, 2020)

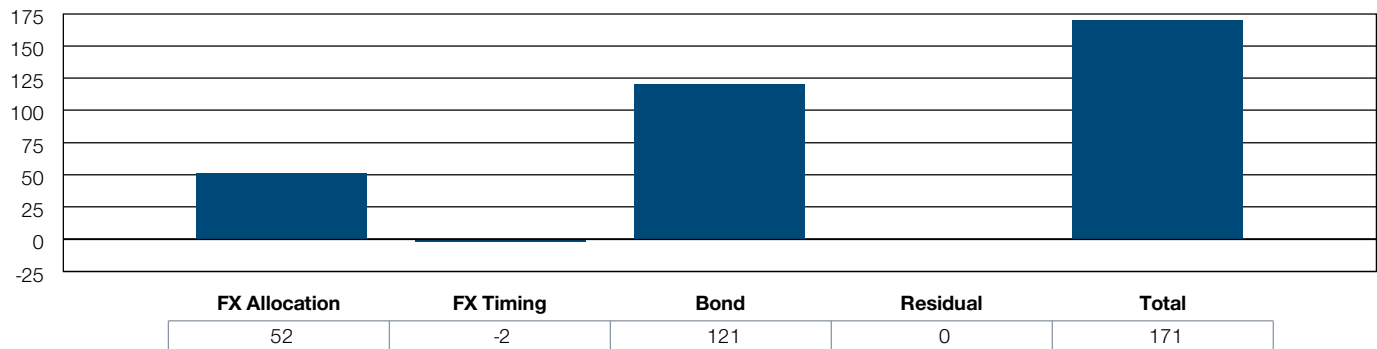
Basis Points



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

(3 months ended June 30, 2020)

Basis Points



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 using an exchange rate determined by an independent third party. Performance returns are in USD.

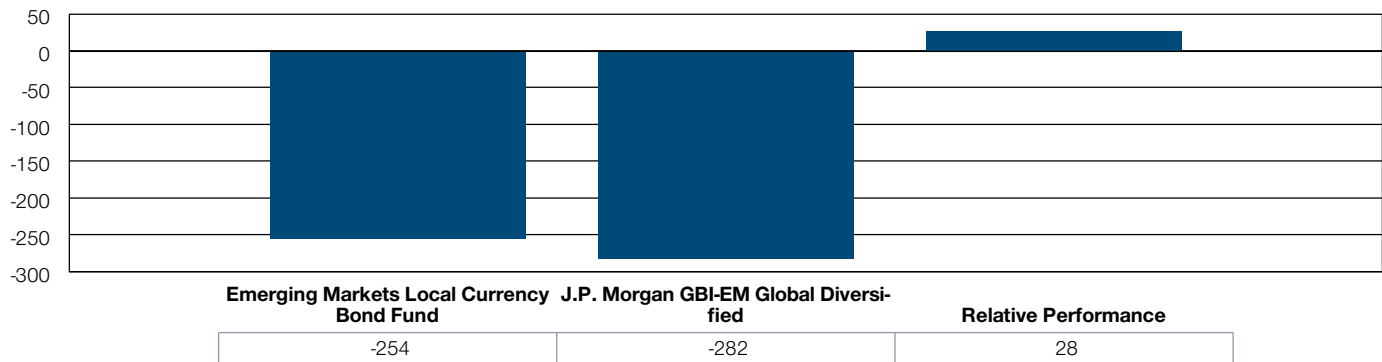
A performance residual arises due to differences from timing, intra-day trading, pricing, interest rate derivatives basis and global allocation exclusions effect. For Sourcing Information, please see Additional Disclosures.

12-MONTH ATTRIBUTION

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

(12 months ended June 30, 2020)

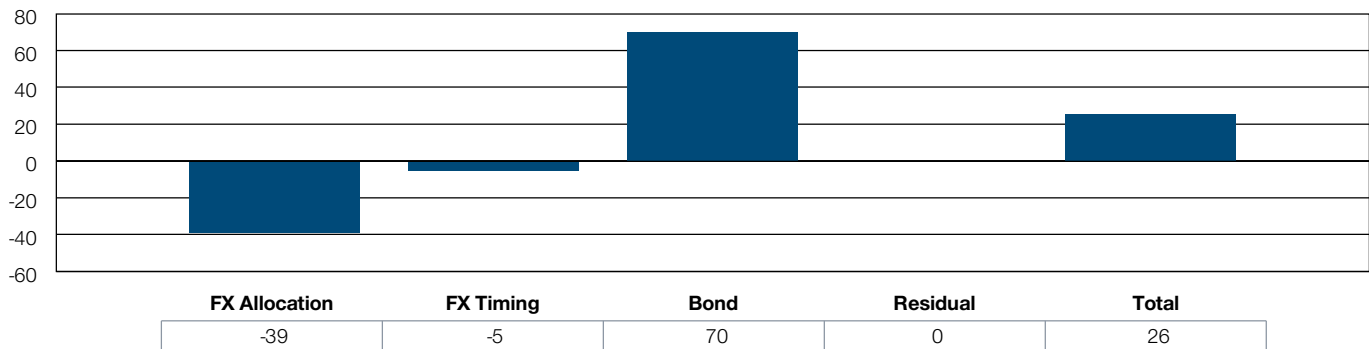
Basis Points



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

(12 months ended June 30, 2020)

Basis Points



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 using an exchange rate determined by an independent third party. Performance returns are in USD.

A performance residual arises due to differences from timing, intra-day trading, pricing, interest rate derivatives basis and global allocation exclusions effect. For Sourcing Information, please see Additional Disclosures.

PORTFOLIO POSITIONING

BOND ALLOCATION (ISSUE CURRENCY)

	% of Fund	% of J.P. Morgan GBI-EM Global Diversified	Over/Underweight
Indonesia	11.4%	9.7%	1.8%
South Africa	9.7	7.4	2.3
Russia	9.2	8.8	0.5
Mexico	8.8	9.8	-1.0
Brazil	7.4	9.0	-1.6
Malaysia	4.8	6.9	-2.1
Thailand	4.8	9.2	-4.3
United States	4.3	0.0	4.3
Colombia	4.2	5.8	-1.5
Peru	4.2	3.4	0.7
China	4.0	4.0	0.0
Romania	3.8	3.0	0.7
Hungary	3.5	3.6	-0.1
Poland	2.8	8.6	-5.7
India	2.3	0.0	2.3
Chile	1.8	2.3	-0.5
Czech Republic	1.8	5.0	-3.2
Serbia	1.8	0.0	1.8
Turkey	1.5	3.1	-1.6
Egypt	1.1	0.0	1.1
Europe	1.0	0.0	1.0
Philippines	0.8	0.2	0.6
Ukraine	0.7	0.0	0.7
Kenya	0.3	0.0	0.3
Uruguay	0.2	0.1	0.0
Total Bonds	96.4	100.0	-3.6
Reserves	3.6	0.0	3.6
Total	100.0	100.0	0.0

Sources: T. Rowe Price and Bloomberg Barclays.

PORTFOLIO POSITIONING, CONTINUED.**CURRENCY EXPOSURE**

	% of Fund	% of J.P. Morgan GBI-EM Global Diversified	Over/Underweight
Dominican peso	0.0%	0.1%	-0.1%
Mexican peso	12.4	9.8	2.6
Indonesian rupiah	10.9	9.7	1.2
Russian ruble	9.5	8.8	0.8
Thai baht	9.2	9.2	0.0
Brazilian real	8.9	9.0	-0.1
Czech koruna	8.1	5.0	3.1
Malaysian ringgit	7.6	6.9	0.7
South African rand	7.5	7.4	0.1
Polish zloty	7.2	8.6	-1.3
Colombian peso	6.8	5.8	1.0
Chinese renminbi	4.0	4.0	0.0
New Romanian leu	4.0	3.0	1.0
Hungarian forint	3.7	3.6	0.0
Peruvian nuevo sol	3.5	3.4	0.0
Turkish lira	3.1	3.1	0.0
Chilean peso	2.4	2.3	0.1
Serbia dinar	2.0	0.0	2.0
Egyptian pound	1.7	0.0	1.7
Offshore Chinese renminbi	1.6	0.0	1.6
Indian rupee	1.5	0.0	1.5
Ukrainian hryvna	0.8	0.0	0.8
Kenyan shilling	0.3	0.0	0.3
Philippine peso	0.2	0.2	0.0
Peso uruguayo	0.1	0.1	0.0
Argentinian peso	0.0	0.0	0.0
Israeli shekel	-1.0	0.0	-1.0
Australian dollar	-1.2	0.0	-1.2
Korean won	-1.2	0.0	-1.2
Singapore dollar	-1.5	0.0	-1.5
Swiss franc	-1.7	0.0	-1.7
euro	-2.0	0.0	-2.0
New Taiwan dollar	-3.1	0.0	-3.1
U.S. dollar	-5.5	0.0	-5.5
Total	100.0%	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	89.6%	100.0%	-10.4%
Government - Inflation Protection	0.7	0.0	0.7
Quasi-Sovereign	1.1	0.0	1.1
Supranational	0.6	0.0	0.6
Corporate	4.4	0.0	4.4
Reserves	3.6	0.0	3.6

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

For Sourcing Information, please see Additional Disclosures.

MARKET PERFORMANCE

GLOBAL GOVERNMENT BOND MARKET RETURNS (LOCAL CURRENCY)

(3 months ended June 30, 2020)

Country	
Argentina	44.58%
Uruguay	13.80
Chile	11.24
South Africa	10.03
Turkey	9.39
Colombia	8.68
Mexico	8.60
Philippines	8.12
Russia	6.84
Peru	6.65
Indonesia	6.38
Brazil	4.67
Czech Republic	4.25
Romania	3.79
Malaysia	3.37
Dominican Republic	2.83
Poland	2.44
Hungary	2.41
Thailand	2.40

CURRENCY RETURNS (SPOT PRICE RETURNS VS USD)

(3 months ended June 30, 2020)

Currency	
Indonesian rupiah	14.18%
Russian ruble	9.65
Colombian peso	8.58
Thai baht	6.19
Czech koruna	5.26
Polish zloty	5.00
Hungarian forint	4.17
Chilean peso	3.87
South African rand	2.79
Romanian new leu	2.20
Philippine peso	2.08
Uruguay Peso	1.90
Mexican peso	1.52
Malaysian ringgit	0.82
Peruvian nuevo sol	-2.74
Turkish lira	-3.86
Brazilian real	-5.54
Dominican Republic peso	-7.38
Argentina Peso	-17.80

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.**

HOLDINGS

TOP 10 ISSUERS

Issuer	Country	Industry	% of Fund
Republic of South Africa	South Africa	Sovereign	9.7%
Russian Federation	Russia	Sovereign	9.2
Republic of Indonesia	Indonesia	Sovereign	9.0
United Mexican States	Mexico	Sovereign	8.4
Federative Republic of Brazil	Brazil	Sovereign	7.3
Federation of Malaysia	Malaysia	Sovereign	4.8
Kingdom of Thailand	Thailand	Sovereign	4.8
Romania	Romania	Sovereign	4.2
Republic of Peru	Peru	Sovereign	4.1
Republic of Colombia	Colombia	Sovereign	3.8

PORTFOLIO MANAGEMENT



Portfolio Manager:
Andrew Keirle

Managed Fund Since:
2011

Joined Firm:
2005

For Sourcing Information, please see Additional Disclosures.

Additional Disclosures

Source for J.P. Morgan data: J.P. Morgan. Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2020, J.P. Morgan Chase & Co. All rights reserved.

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.

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.

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 Barclays.

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.

This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations.

© 2020 T. Rowe Price. All rights reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc.

T. Rowe Price Investment Services, Inc., Distributor.

202007-1224099