



International Bond Fund (RPIBX)

As of December 31, 2025

Portfolio Highlights

The portfolio delivered modest negative absolute performance but outperformed the Bloomberg Global Aggregate ex USD Bond Index for the three months ended December 31, 2025.

Relative performance drivers:

- An underweight to duration in the eurozone contributed.
- Sector allocations were positive.
- Our duration positioning in China detracted.

Additional highlights:

- We lowered our exposure to the U.S. dollar to nearly zero, funded by moderating our underweight to the euro and the Swiss franc, as we expect the dollar to remain range-bound in the near term on expectations that the Fed will hold rates steady in the first half of 2026.
- We believe that developed markets sovereign yields will continue to face upward pressure over time, reflecting firmer-than-expected growth and elevated levels of government issuance.

Fund Information

CUSIP	77956H104
Inception Date of Fund	September 10, 1986
Benchmark	Bloomberg Global Agg ex USD Index
Expense Information (as of the most recent Prospectus) ⁽¹⁾	0.87%(Gross) 0.67%(Net)
Total Assets (all share classes)	\$885,753,957
Percent of Portfolio in Cash ⁽²⁾	13.2%

⁽¹⁾The Fund operates under a contractual expense limitation that expires on February 28, 2027.

⁽²⁾Percent of Portfolio in Cash includes T-Bills, Cash & Cash Equivalents, etc

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

	3m	1yr	3yrs	5yrs	10yrs	15yrs	30-Day SEC Yield	30-Day SEC Yield w/o Waiver ⁽³⁾
International Bond Fund	-0.12	10.12	3.82	-3.71	0.82	0.21	3.38	3.12
Bloomberg Global Aggregate ex USD Bond Index	-0.47	8.85	3.29	-3.59	0.56	0.09	N/A	N/A

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

	Inception Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
International Bond Fund	Sep 10 1986	2.20	11.15	-2.94	6.66	11.50	-7.19	-20.30	7.09	-5.12	10.12
Bloomberg Global Aggregate ex USD Bond Index		1.49	10.51	-2.15	5.09	10.11	-7.05	-18.70	5.72	-4.22	8.85

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.

⁽³⁾Excludes the effect of contractual expense limitation arrangements. If the expense waiver was not in effect for the 30-Day period shown, there may not be a difference in the 30-day SEC yields shown above.

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. A derivative involves risks different from, and possibly greater than, the risks associated with investing directly in the 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

International Bond Markets Were Negative Amid Mixed Sovereign Yields

The non-U.S. fixed income market, as measured by the Bloomberg Global Aggregate ex USD Bond Index, produced negative returns in U.S. dollar terms as government bonds diverged and major non-U.S. currencies were mixed relative to the dollar. Credit spreads tightened for most credit sectors, which drove positive excess returns for the index.

Developed markets government bonds diverged amid varying regional fiscal and monetary policy developments. The U.S. Treasury yield curve steepened amid softening labor market data, two interest rate cuts from the Fed, and expectations for further policy easing in 2026. Short-dated yields fell, with intermediate yields little changed and longer-dated yields moderately higher. In the eurozone, German sovereign yields increased, reflecting expectations for fiscal expansion, and higher public borrowing and bond issuance in 2026, as well as hawkish central bank rhetoric in December. UK gilt yields fell as the government secured more than double the fiscal headroom projected in March, with further support from a downside inflation surprise and a December rate cut. Japanese government bond yields rose markedly, amid stronger economic data, anticipation of substantial fiscal expansion under new Prime Minister Sanae Takaichi, and monetary tightening in December. Australian government bonds sold off notably later in the quarter as hawkish central bank signals and upside surprises to inflation and jobs data raised expectations that the easing cycle has ended. Sovereign yields in Canada also rose across most of the curve, as investors reassessed the monetary policy outlook for 2026 after surprisingly strong employment data. Emerging markets bonds produced positive returns in U.S. dollar terms. Bonds denominated in local currencies fared about the same as dollar-denominated bonds, as the U.S. dollar was mixed versus various emerging markets currencies.

In currencies, the U.S. dollar fluctuated, strengthening in the first half of the period on broad risk aversion and hawkish Fed commentary, before weakening on softening economic data, rising prospects of an incoming dovish Fed chair, and a dovish rate cut in December. The Swedish krona appreciated notably, largely in December, in response to the Riksbank suggesting it may keep rates on hold until 2027. The Japanese yen weakened over the quarter, however, as expectations for rate hikes in Japan moderated given Takaichi's victory in the Liberal Democrat Party leadership election.

Relative Performance

Currency Management Contributed the Most

A short position in the Taiwanese dollar and Swiss franc as well as an underweight to the euro contributed to results, as the currencies depreciated relative to the dollar over the quarter. Among emerging markets currencies, an overweight to the Chilean peso appreciated over the quarter, driven by rising copper prices and a market-friendly election outcome. Our exposure to the Nigerian naira and Egyptian pound also bolstered relative results. The naira benefited from Nigeria's strong external position and structural economic reforms. In Egypt, the pound appreciated on an improving current account balance and a staff-level agreement with the IMF.

On the other side of the ledger, an overweight position in the Japanese yen detracted as Sanae Takaichi's victory in the Liberal Democrat Party leadership election raised expectations for fiscal loosening, despite sticky inflation. An overweight to the Indian rupee also marginally detracted.

Duration Management Was Helpful

The portfolio's interest rate management had a positive impact. Our underweight duration position in several developed markets, such as Europe, Canada, and Japan, lifted results as longer-term yields rose over the period amid rising fiscal concerns in Europe and Japan and moderating monetary policy expectations in Canada.

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Elsewhere, exposure to USD-denominated government-related securities issued by EM countries lifted relative results as spreads tightened. Our overweight to South Africa bolstered performance, driven by a structural shift to a lower inflation target, fiscal improvement, and a rally in gold prices.

Conversely, our underweight to duration in China detracted as yields were flat to lower over the quarter. An overweight to Colombia had a negative impact as volatility in November due to an acceleration in annual inflation and in December following an announcement of a 23% minimum wage hike weighed on the country.

Sector Allocations Lifted Results

Emerging markets debt and global high yield bonds delivered positive returns, outperforming investment-grade corporates, as investors embraced risk later in the quarter, supported by robust ETF demand and absence of significant economic surprises. Investment-grade corporate bonds faced headwinds from geopolitical tensions, AI-related growth concerns, and heavy supply. Against this backdrop, the portfolio's allocation to euro-denominated corporate and government-related debt was beneficial. Conversely, dollar-denominated corporates held back relative results, driven by holdings in Brazil.

Portfolio Positioning And Activity

Sector Positioning

Overall, our credit risk positioning ticked up slightly over the quarter. We modestly increased exposure to emerging markets credit markets given their lower-duration risk, more resilient characteristics, and greater spread pickup relative to U.S. credits, in our view, while also adding to positions in high-quality Swedish securitized debt. We ended the quarter with a similar weight in high yield debt amid healthy fundamentals, low default rates, and disciplined underwriting standards, while moderating our exposure to investment-grade due to tight valuations, low carry, and expectations of heavy issuance in 2026. We increased our cash/reserve allocation heading into the end of the year, allowing us to have dry powder to buy into market volatility or participate in new issuance.

Duration Management

Total portfolio duration decreased over the quarter. In the eurozone, we moved further underweight duration in Germany as we expect the large issuance plans for 2026, and the Dutch pension fund rebalancing to put upward pressure on yields. Elsewhere in Europe, we added to Italy on expectations that gradual fiscal consolidation would lead to a stabilizing debt ratio in 2026. We closed our overweight to the UK after the position had recouped its earlier underperformance, as near-term catalysts diminished following the budget announcement. We increased our Japanese duration underweight due to uncertainty around the country's fiscal path. In Asia, we opened an overweight stance in South Korea at the end of November given markets could start pricing in easing again and index inclusion should support flows, although fiscal policy remains a risk. We added to duration in Australia as we expect the yield curve to flatten.

Among emerging markets, we increased our overweight to duration in Romania due to expectations that the central bank will begin reducing interest rates this year. In Poland, we are underweight to duration as we believe the market is pricing in too many rate cuts. In Asia, we closed our position in the Philippines due to a hawkish pivot by the central bank. In India, we trimmed duration as we believe yields are likely to move higher in the near term. In Latin America, we lowered our duration in Brazil, as the central bank is likely to remain on hold in the near term.

Currencies

We lowered our exposure to the U.S. dollar to near zero, funded by moderating our underweight to the euro and the Swiss franc, as we expect the dollar to remain range-bound in the near term on expectations that the Fed will hold rates steady in the first half of 2026. In other developed markets, we increased our exposure to the Canadian dollar, although we trimmed our position in December following a period of outperformance. We shifted to an overweight in Japanese yen amid market weakness as the Bank of Japan was more hawkish than expected. Among emerging markets currencies, we moderated our overweight position in the Hungarian forint as we expect the election to put pressure on the currency. In Latin America, we lowered our long exposure in the Brazilian real due to increased election uncertainty, although we maintain a position given the currency's high carry, while we closed an overweight to the Mexican peso after a run of strong performance. We increased our exposure to the Chilean peso due to solid fundamentals, political regime change, and a constructive reform outlook. In Asia, we added to the Malaysian ringgit given positive momentum and fundamentals and the Chinese renminbi amid expectations for near-term appreciation, while moderating our short position in the Taiwanese dollar as the position became less attractive. In Africa, we continue to hold out-of-benchmark exposure in the Egyptian pound, Nigerian naira, and the West African CFA franc on higher yields.

In credit sectors, our view has become more constructive for the near-term. Despite historically tight valuations even after periods of spread-widening over the past quarter, we believe risk assets have room to perform well if the global economy remains resilient. With that being said, we will continue to be nimble in our credit risk exposures as higher sovereign rates may eventually drag on risk assets over the longer term.

Manager's Outlook

We expect major developed market central banks to continue to diverge as uncertainty remains around the timing and magnitude of future policy adjustments in 2026. We believe that developed markets sovereign yields will continue to face upward pressure over time, reflecting firmer-than-expected growth and elevated levels of government issuance. Against other developed market currencies, we expect the U.S. dollar to remain broadly range-bound, as narrowing rate differentials offset relatively resilient U.S. growth. By contrast, the dollar is more likely to weaken against select emerging market currencies, supported by attractive yield opportunities and a generally favorable global growth backdrop.

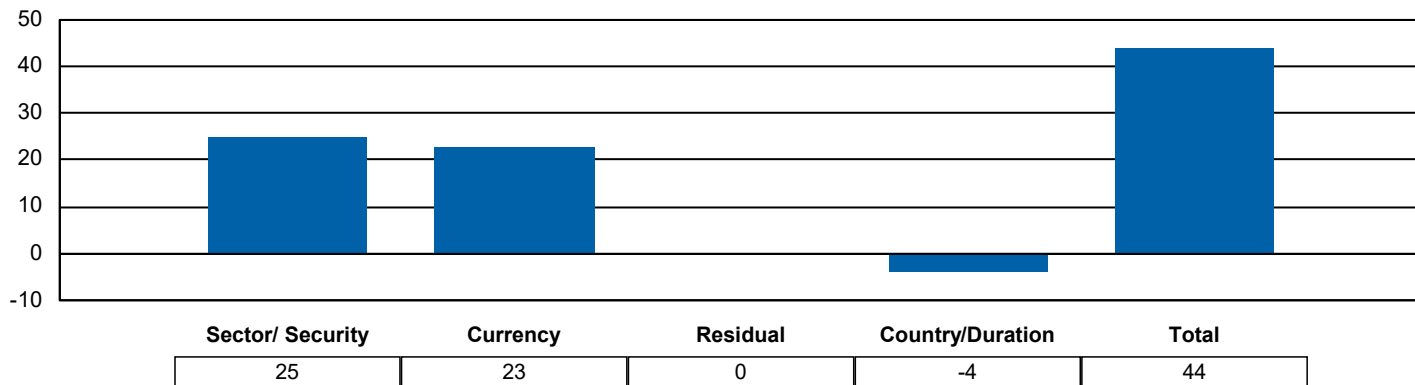
Inflation trends across developed markets remain uneven. In the eurozone, inflation is likely to ease modestly in early 2026 before stabilizing later in the year, although services inflation—the key metric watched by policymakers—may remain sticky into next year. In Japan, structurally tight labor markets, steady wage growth, and supply-side pressures, including food shortages, are likely to keep inflation elevated. In the U.S., inflation has remained above the Federal Reserve's target, influenced in part by temporary data distortions related to the government shutdown, as well as ongoing uncertainty around the impact of tariffs.

Fiscal policy is increasingly shaping cross-market outcomes. In Europe, higher fiscal spending in Germany is supportive for the eurozone, though the impact may be moderated by a still-significant output gap and the pace of policy deployment. In Japan, a pro-growth fiscal agenda risks reinforcing inflationary pressures in an economy with limited spare capacity. In the U.S., expansionary fiscal measures are expected to support capital expenditure and medium-term growth, but at the cost of wider deficits and increased long-term Treasury supply, adding upward pressure on yields.

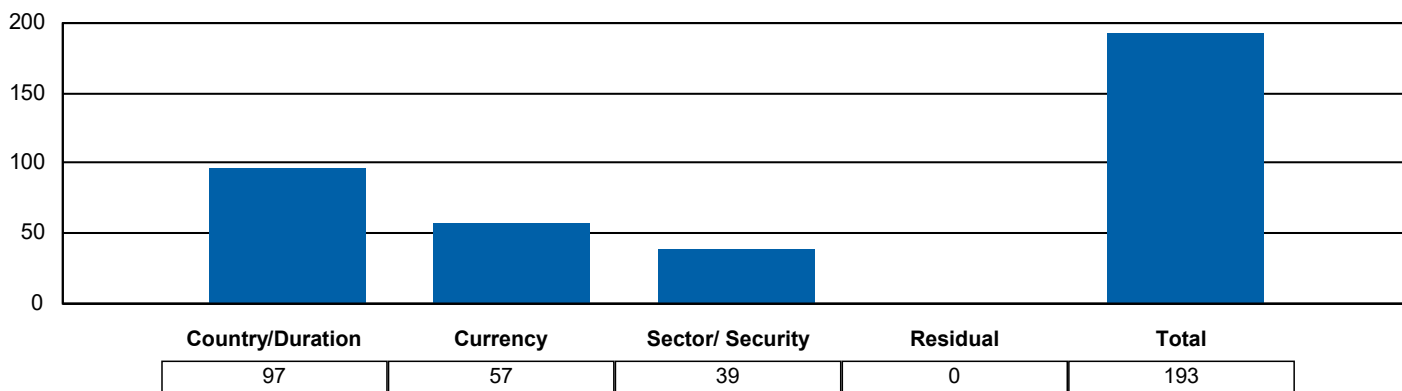
Monetary policy paths are therefore likely to diverge further in 2026. In the eurozone, the European Central Bank is expected to stay on hold. In Japan, the Bank of Japan continues to signal a tightening bias, with December's unanimous rate hike and guidance that policy remains far from neutral raising the likelihood of further tightening in 2026. In the U.S., the Federal Reserve may keep rates unchanged through the first half of the year as it assesses labor market conditions and inflation persistence amid upcoming leadership changes.

Attribution

Contribution To Allocation Effect: Fund vs. Bloomberg Global Agg ex USD Index (3 months ended December 31, 2025) (bps)



Contribution To Allocation Effect: Fund vs. Bloomberg Global Agg ex USD Index (12 months ended December 31, 2025) (bps)



Past performance is not a guarantee or a reliable indicator of future results.

T. Rowe Price's Proprietary Performance Attribution Model is used to explain ("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 local currency and, if necessary, is converted to USD using an exchange rate determined by an independent third party.

Portfolio Positioning

Credit Quality Diversification — Changes Over Time vs. Bloomberg Global Agg ex USD Index (%)

	Fund 12/31/24	Fund 9/30/25	Fund 12/31/25	Benchmark 12/31/25
U.S. Govt Ag	0.0	0.0	0.0	0.0
AAA	14.1	12.2	12.4	21.4
AA	10.3	10.8	10.1	21.4
A	37.1	34.1	30.1	45.1
BBB	21.6	24.4	24.2	11.9
BB	5.2	8.1	6.8	0.0
B	2.0	1.8	1.9	0.0
CCC	0.3	0.3	0.2	0.0
C	0.0	0.1	0.1	0.0
Not Rated	1.2	0.9	1.2	0.2
Reserves	8.2	7.4	13.1	0.0

Sector Diversification: Fund vs. Bloomberg Global Agg ex USD Index

	% of Fund	% of Benchmark	Over/Underweight (%)
Government	61.7	68.8	-7.1
Agency/Supranationals	0.4	15.9	-15.5
Corporate	20.2	11.3	8.9
Financials	8.6	5.0	3.6
Utilities	2.1	1.1	1.0
Industrials	9.5	5.2	4.3
Collateralised	0.6	4.0	-3.3
Sub Investment Grade	3.7	0.0	3.7
Emerging Market Corporate	1.4	0.0	1.4
High Yield Issuer	2.3	0.0	2.3
Derivatives	0.3	0.0	0.3
Options	0.2	0.0	0.2
Swaps	0.1	0.0	0.1
Reserves	13.1	0.0	13.1
Total	100.0	100.0	N/A

Bond Allocation Issue Currency — Changes Over Time vs. Bloomberg Global Agg ex USD Index (%)

	Fund 12/31/24	Fund 9/30/25	Fund 12/31/25	Benchmark 12/31/25
North America	11.1	11.1	9.0	5.0
Latin America	4.3	5.0	4.4	0.9
Europe	45.2	53.0	52.2	53.4
Middle East & Africa	1.5	2.1	1.0	0.3
Asia ex-Japan	19.1	13.0	13.9	25.8
Japan	10.6	8.4	6.5	14.6
Reserves	8.2	9.3	13.2	0.0

Portfolio Positioning, Continued

Currency Exposure

	% of Fund	% of Bloomberg Global Agg ex USD Index	Over/Underweight (%)
U.S. dollar	0.1	0.0	0.1
Australian dollar	2.5	2.5	0.0
Canadian dollar	4.8	5.0	-0.2
Mexican peso	0.7	0.7	0.0
New Zealand dollar	0.3	0.3	0.0
Dollar Bloc	8.4	8.5	-0.1
euro	41.0	42.5	-1.4
British pound sterling	6.4	7.4	-1.0
Czech koruna	0.3	0.3	0.0
Danish krone	0.4	0.4	0.0
Hungarian forint	0.6	0.1	0.5
Norwegian krone	0.2	0.2	0.0
Polish zloty	0.6	0.6	0.0
Swedish krona	0.7	0.7	0.0
Swiss franc	-1.7	1.0	-2.7
European Bloc	48.4	53.2	-4.7
Japanese yen	16.8	14.6	2.2
Korean won	2.4	2.0	0.4
Malaysian ringgit	1.5	0.7	0.7
New Taiwan dollar	-1.0	0.0	-1.0
Singapore dollar	0.4	0.4	0.0
Thai baht	1.2	0.7	0.5
Far East Bloc	21.3	18.5	2.8
Brazilian real	0.5	0.0	0.5
CFA franc bceao	0.4	0.0	0.4
Chilean peso	0.9	0.1	0.7
Chinese renminbi	3.7	18.3	-14.6
Colombian peso	<0.1	0.0	0.0
Egyptian pound	0.9	0.0	0.9
Indian rupee	0.7	0.0	0.7
Indonesian rupiah	0.8	0.8	0.0
Israeli shekel	0.3	0.3	0.0
New Romanian leu	0.2	0.2	0.0
Nigerian naira	0.5	0.0	0.5
Offshore Chinese renminbi	12.1	0.0	12.1
Peruvian nuevo sol	0.1	0.1	0.0
Sri Lanka rupee	0.3	0.0	0.3
Turkish lira	0.5	0.0	0.5
Ukrainian hryvna	0.1	0.0	0.1
Emerging Markets Bloc	21.8	19.8	2.0
Total	100.0	100.0	0.0

Market Performance**Global Government Bond Market Returns (Local Currency)**
(3 months ended December 31, 2025) (%)

United Kingdom	3.26
Poland	2.75
Czech Republic	1.11
Mexico	0.99
United States	0.90
Malaysia	0.69
Norway	0.69
Euro	0.25
Sweden	-0.28
New Zealand	-0.36
Germany	-0.51
Canada	-0.68
Denmark	-1.22
Singapore	-1.38
Australia	-1.56
Japan	-2.25
South Korea	-3.73

Currency Returns (Spot Price Returns vs. USD)
(3 months ended December 31, 2025) (%)

Sweden	2.01
Mexico	1.96
Canada	1.48
Poland	0.91
Australia	0.60
Czech Republic	0.60
Singapore	0.24
Germany	-0.07
Denmark	-0.13
United Kingdom	-0.16
New Zealand	-0.98
Norway	-1.09
South Korea	-2.50
Japan	-5.77

Past performance is not a guarantee or a reliable indicator of future performance.

Source: Bloomberg Index Services Ltd.

Holdings

Top 10 Issuers

Issuer	Market	Industry	% of Fund
Japan	Japan	Sovereign	6.4
Canada	Canada	Sovereign	3.8
People's Republic of China	China	Sovereign	3.7
Republic of Indonesia	Indonesia	Sovereign	3.3
Czech Republic	Czech Republic	Sovereign	2.9
Republic of Italy	Italy	Sovereign/Transportation	2.7
United Kingdom of Great Britain and N. Ireland	United Kingdom	Sovereign	2.3
London Stock Exchange	United Kingdom	Interest Rate/Other Derivatives	2.3
Republic of France	France	Sovereign	2.0
Federal Republic of Germany	Germany	Government Guarantee/Sovereign	2.0

Portfolio Management

	Managed Since	Joined Firm
Kenneth Orchard	2015	2010
Andrew Keirle	2023	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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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.

Reserves include T-Bills, Cash & Cash Equivalents, etc.

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.

Sources for Issue Currency: T. Rowe Price and Bloomberg Index Services Ltd.

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