



QUARTERLY REVIEW

Institutional Emerging Markets Bond Fund

As of December 31, 2023

PORTFOLIO HIGHLIGHTS

The portfolio outperformed the J.P. Morgan Emerging Markets Bond Index Global Diversified for the three-month period ended December 31, 2023.

Relative performance drivers:

- Out-of-benchmark holdings in Venezuela drove outperformance.
- A significant underweight to China added value.
- Our underweight to Nigeria weighed on results.

Additional highlights:

- Emerging markets (EM) debt has continued to offer a substantial yield premium over many fixed income assets and broadly sound fundamentals, making the asset class compelling on a long-term risk-adjusted basis in our view.
- We are monitoring election activity as many EM countries have elections in 2024, several of which carry important implications for macroeconomic sustainability.

FUND INFORMATION

Symbol	TREBX
CUSIP	74144Q401
Inception Date of Fund	November 30, 2006
Benchmark	J.P. Morgan EMBI Global Diversified
Expense Information (as of the most recent Prospectus)	0.70%
Fiscal Year End	December 31
12B-1 Fee	–
Total Assets (all share classes)	\$352,018,719
Percent of Portfolio in Cash	2.6%

PERFORMANCE

(NAV, total return)

	Three Months	One Year	Annualized				30-Day SEC Yield
			Three Years	Five Years	Ten Years	Fifteen Years	
Institutional Emerging Markets Bond Fund	10.91%	12.73%	-3.02%	1.53%	3.09%	6.08%	6.15%
J.P. Morgan Emerging Markets Bond Index Global Diversified	9.16	11.09	-3.56	1.67	3.22	5.98	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Institutional Emerging Markets Bond Fund	Nov 30 2006	4.55%	1.52%	14.69%	9.33%	-5.61%	12.68%	4.99%	-2.06%	-17.39%	12.73%
J.P. Morgan Emerging Markets Bond Index Global Diversified		7.43	1.18	10.15	10.26	-4.26	15.04	5.26	-1.80	-17.78	11.09

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit [troweprice.com](https://www.troweprice.com). The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

This Fund involves a high-risk approach to income from foreign bonds, and its share price could fluctuate significantly. The Fund is subject to the risks unique to international investing, including unfavorable changes in currency values, as well as credit risk and interest rate risk. 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 Markets Bonds Advanced Amid Signs of Easing Inflation

EM debt delivered strong positive returns in the quarter as yields fell amid signs of inflation easing and expectations that the U.S. Federal Reserve will cut rates in 2024. High yield issuers outperformed investment-grade countries, as credit spreads modestly tightened. All regions advanced, led by Africa and Latin America. The Middle East rose to a lesser extent as the Israel-Hamas war weighed on the region.

In the October update to the World Economic Outlook, the International Monetary Fund (IMF) projected that global growth will slow to well below the historical average, expecting a more substantial slowdown in advanced economies than those in emerging markets. The IMF forecasts global inflation to decline steadily, due to tighter monetary policy aided by lower international commodity prices; however, it projects core inflation to decline more gradually, and in most cases, inflation is not expected to return to target until 2025.

After U.S. Treasury yields climbed to multiyear highs in late October, yields plunged through year-end amid signs of disinflation, labor market softening, and expectations for Fed rate cuts in 2024. In Europe, government bond yields declined for most of the quarter, as inflation continued to ease, and the Bank of England and the European Central Bank kept short-term interest rates steady. Japanese government bond yields retreated in November and December, tracking government bond yields in the U.S. and Europe. In China, the economy remained sluggish, hobbled in part by continued distress in the real estate sector. China's largest state-run banks cut their deposit rates for the third time this year, a form of soft monetary easing.

The J.P. Morgan Global Manufacturing Purchasing Managers' Index increased in December, mainly due to improvement in China and the eurozone. New orders rose and inventories fell, more countries reported improved activity, and the percentage of countries reporting expansion increased. Several central banks, including those in Chile, Brazil, and Hungary, cut rates amid signs of slowing inflation. On the other hand, Türkiye's central bank significantly raised interest rates in its continued pivot toward a more orthodox monetary policy. In Argentina, bonds rose amid hopes that newly elected President Javier Milei, a right-wing libertarian economist, would take strong measures to address the country's economic woes. Moody's downgraded Egypt's credit rating deeper into junk territory, citing worsening debt affordability. In Latin America, the U.S. eased sanctions on Venezuela's oil and gold mining sectors and lifted a secondary trading ban on Venezuelan sovereign and quasi-sovereign debt after the government agreed to hold free elections in 2024.

Relative Performance Beneficial Venezuelan Positioning

Our holdings in Venezuela were a significant contributor to relative performance as the U.S. eased sanctions and lifted a secondary trading ban on sovereign and quasi-sovereign debt. Following the news, Venezuelan sovereign bonds and Petroleos de Venezuela bonds were placed on index watch for the JPM EMBI Index Series until January 31, 2024.

Underweight to China Added

Our significant underweight to China lifted relative results as higher-rated mainstream countries underperformed high yield countries and a sluggish economic recovery coupled with continued woes in the property market weighed on the country.

Selections in Côte d'Ivoire and the Dominican Republic Advanced

Our positioning in countries that score well in our anchoring framework, such as Côte d'Ivoire and the Dominican Republic, was beneficial to relative performance due to an overweight allocation and our selection of longer-duration securities.

Underweight to Nigeria Was a Hindrance

Our underweight allocation to Nigeria also detracted from relative returns as the country has secured additional financing and made progress on market reforms, such as eliminating fuel subsidies and FX market liberalization.

Exposure to Israel Weighed

Our exposure to Israel weighed as an early-October Hamas attack against Israel raised concerns that Israel's military response in the Gaza Strip could lead to a broader regional conflict in the Middle East.

PORTFOLIO POSITIONING AND ACTIVITY

Amid rate volatility and reduced liquidity, we made modest changes to the portfolio.

We are overweight countries pursuing reform agendas that target long-term growth.

Higher-Conviction Frontiers

We remained meaningfully overweight high-conviction frontiers, such as Angola, Côte d'Ivoire, Senegal, and the Dominican Republic, as they offer higher yields and score well in our anchoring framework, in our view. We took the opportunity to trim our positions in Senegal, Côte d'Ivoire, and the Dominican Republic after a period of outperformance.

Mexico

Mexico continued to be an important overweight and we added to our sovereign holdings over the quarter amid solid fundamentals. We continued to find attractive relative value in the liquid investment-grade country, particularly in high-quality corporate issuers, such as BBVA Bancomer. The portfolio's sovereign exposure is largely in quasi-sovereign issuer Petroleos Mexicanos, though we moderated our Petroleos Mexicanos holdings after a period of outperformance.

Suriname

We increased our overweight position in Suriname as progress was made on debt restructuring.

We remain underweight countries that offer limited risk-adjusted return potential.

China

We maintained our notable underweight allocation to China as the fund is structurally underweight mainstream quality assets. Economic activity is decelerating, and the country's property market continues to exhibit stress. Policy reactions so far remain moderate.

The United Arab Emirates, Malaysia, and Uruguay

The United Arab Emirates', Malaysia's, and Uruguay's high credit ratings and duration sensitivity provided limited opportunities, and we saw better relative value elsewhere.

Distressed Sovereigns

We added to our holdings in Ghana and Egypt, moderating our underweight to the debt-laden countries.

MANAGER'S OUTLOOK

EM debt has continued to offer a substantial yield premium over many fixed income assets and broadly sound fundamentals, making the asset class compelling on a long-term risk-adjusted basis in our view.

However, the rally in credit spreads in recent months has largely priced in many of the positive developments around the Fed's expected policy path and the potential for a soft landing in the U.S. This market complacency leaves us more cautious as current valuations leave little buffer for potential exogenous headwinds associated with still tight financial conditions and U.S. inflation volatility.

Sovereign fundamentals remain broadly supportive with sufficient economic buffers to support debt sustainability. EM growth continues to notably outpace that of developed markets, and inflation remains on a downward trajectory. Stressed fiscal conditions persist in some frontier markets due to higher base rates, but we do not anticipate a systematic default cycle as risks are concentrated in smaller markets that pose less contagion risk. We will continue to monitor election activity as upwards of 20 EM countries have elections, several of which carry important implications for macroeconomic sustainability.

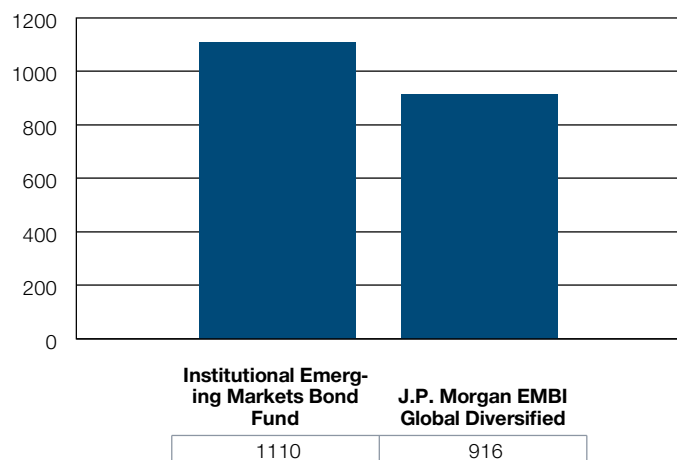
Following strong performance in 2023, the portfolio manager expects volatility to persist over the medium term with more heterogeneous outcomes across emerging markets that better reflect underlying fundamentals. The investment team will look to add to high-conviction assets as dislocations would create attractive entry points. In addition to sovereign and quasi-sovereign bonds, we believe emerging market corporate debt also offers increasingly attractive opportunities given its more defensive nature and improved relative value.

QUARTERLY ATTRIBUTION

OVERALL PERFORMANCE: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(3 months ended December 31, 2023)

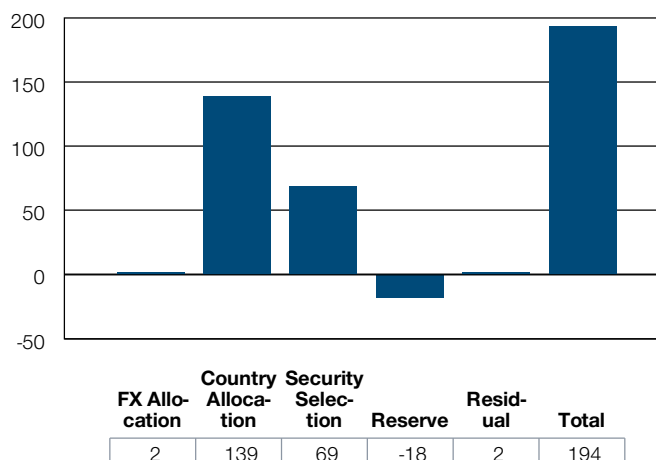
Basis Points



CONTRIBUTION TO EXCESS RETURN: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(3 months ended December 31, 2023)

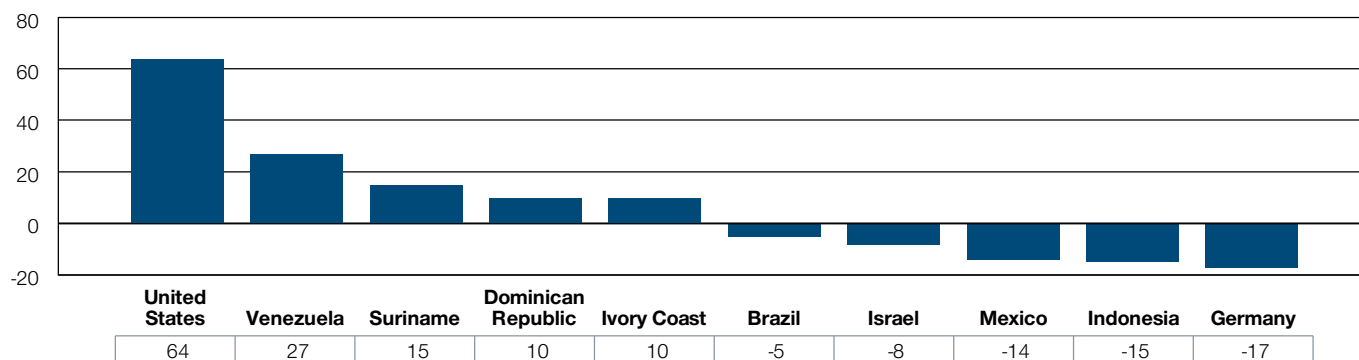
Basis Points



USD SECURITY SELECTION DETAILS - TOP 5/BOTTOM 5: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(3 months ended December 31, 2023)

Basis Points



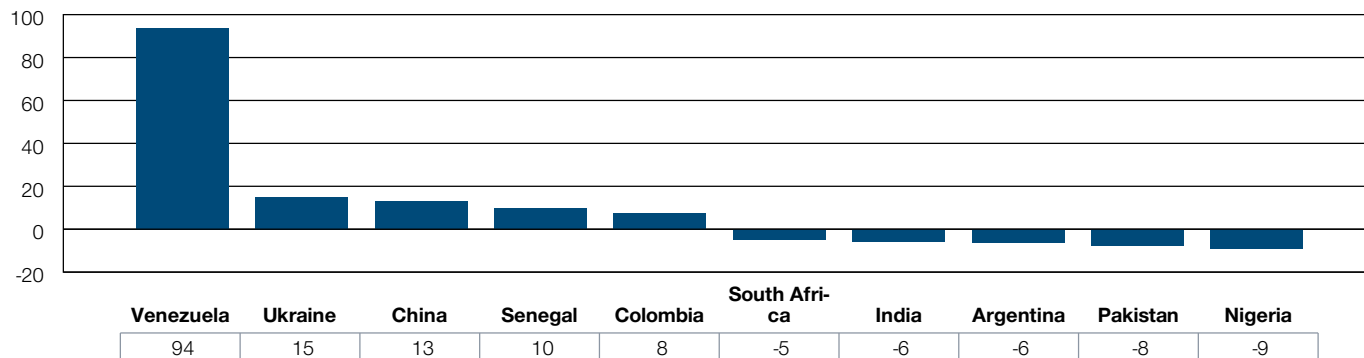
Past performance is not a reliable indicator of future performance. T. Rowe Price Proprietary Performance Attribution Model is used to separate ('attribute') the period outperformance (or underperformance) of a portfolio relative to its benchmark. The system attributes the outperformance (or underperformance) 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. 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. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD.

QUARTERLY ATTRIBUTION, CONTINUED

COUNTRY ALLOCATION: TOP FIVE AND BOTTOM FIVE CONTRIBUTORS: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(3 months ended December 31, 2023)

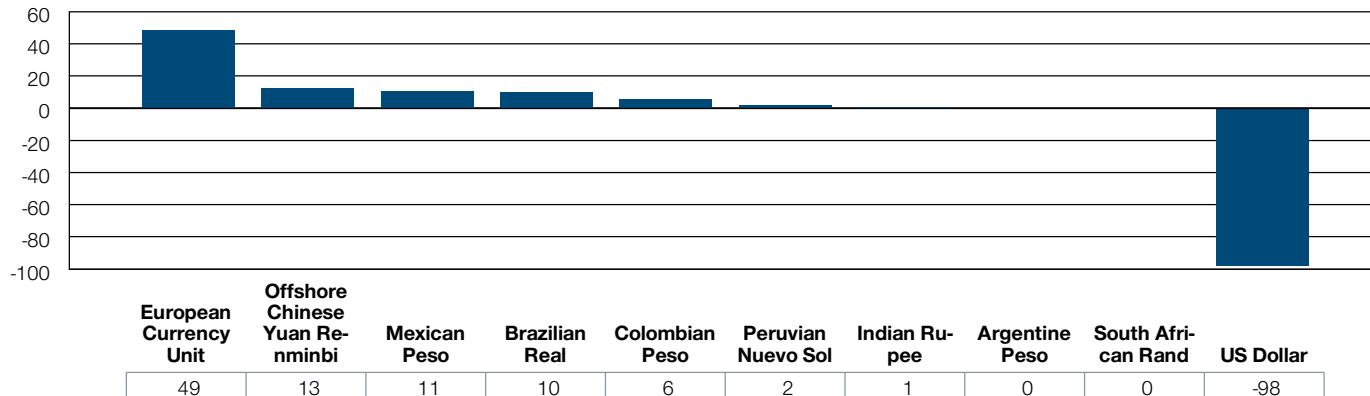
Basis Points



FX ALLOCATION: TOP FIVE AND BOTTOM FIVE CONTRIBUTORS: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(3 months ended December 31, 2023)

Basis Points



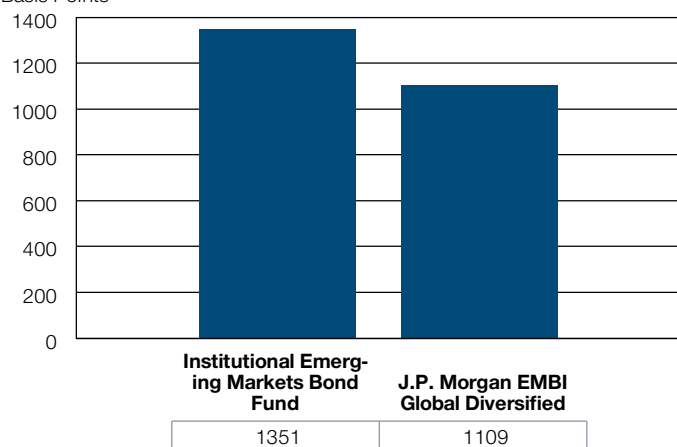
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12-MONTH ATTRIBUTION

OVERALL PERFORMANCE: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(12 months ended December 31, 2023)

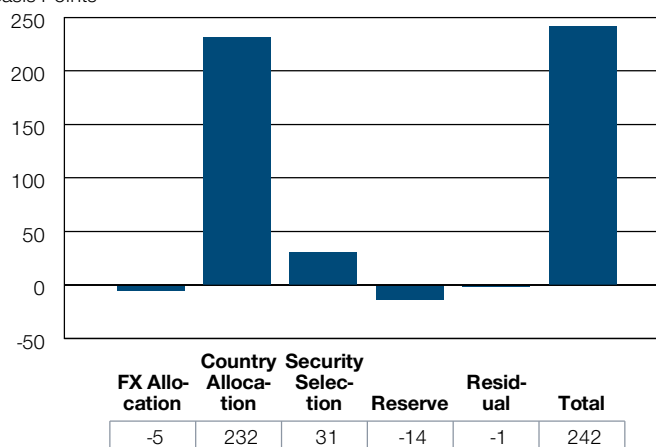
Basis Points



CONTRIBUTION TO EXCESS RETURN: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(12 months ended December 31, 2023)

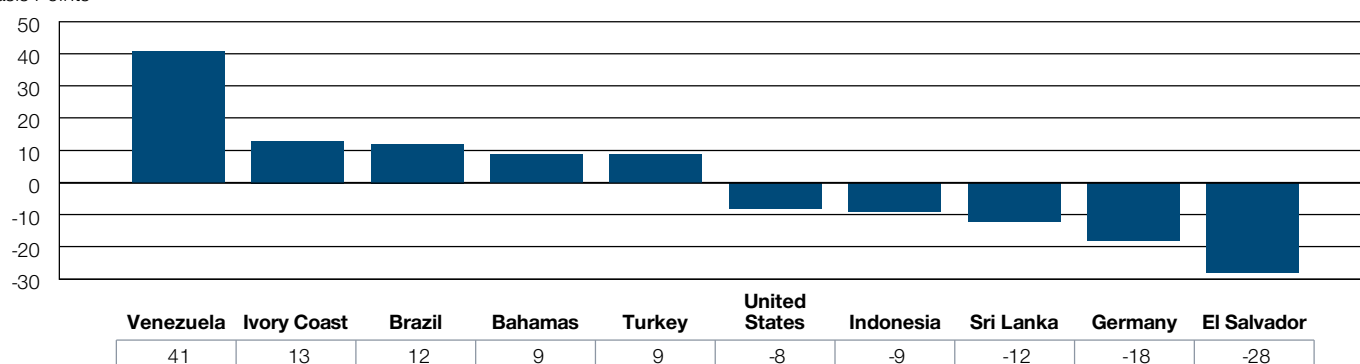
Basis Points



USD SECURITY SELECTION DETAILS - TOP 5/BOTTOM 5: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(12 months ended December 31, 2023)

Basis Points



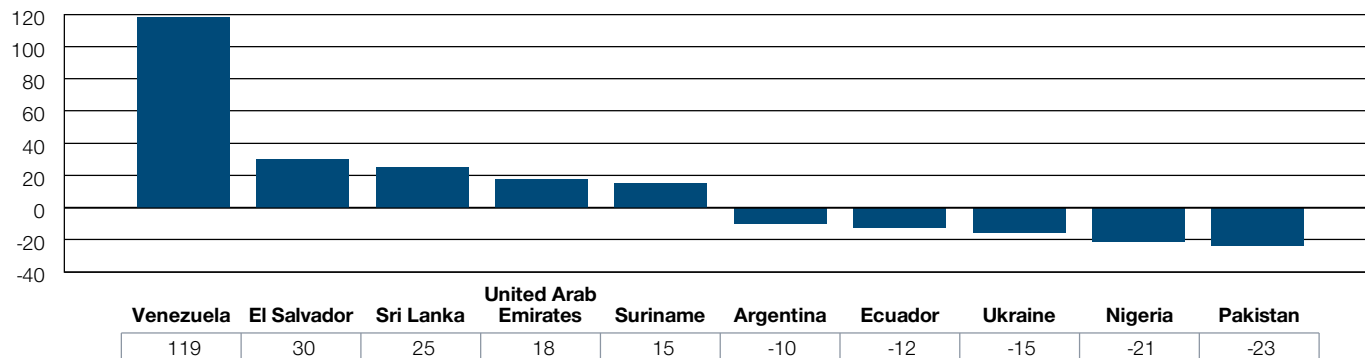
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12-MONTH ATTRIBUTION, CONTINUED

COUNTRY ALLOCATION: TOP FIVE AND BOTTOM FIVE CONTRIBUTORS: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(12 months ended December 31, 2023)

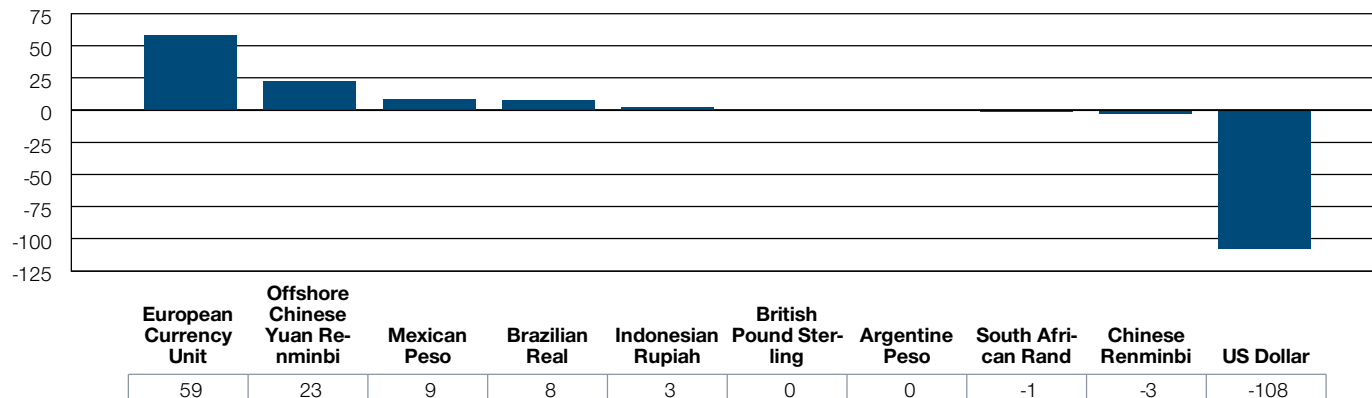
Basis Points



FX ALLOCATION: TOP FIVE AND BOTTOM FIVE CONTRIBUTORS: FUND VS. J.P. MORGAN EMBI GLOBAL DIVERSIFIED

(12 months ended December 31, 2023)

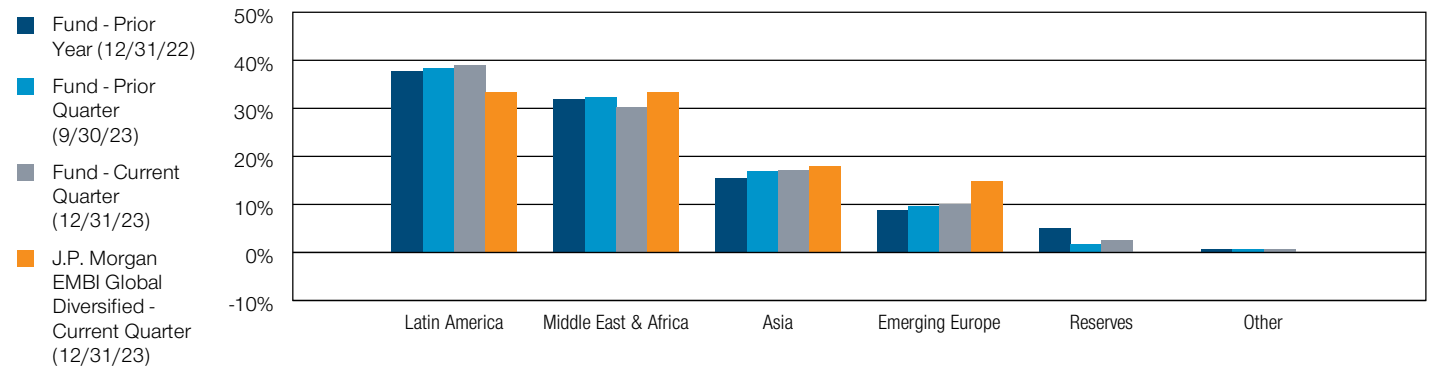
Basis Points



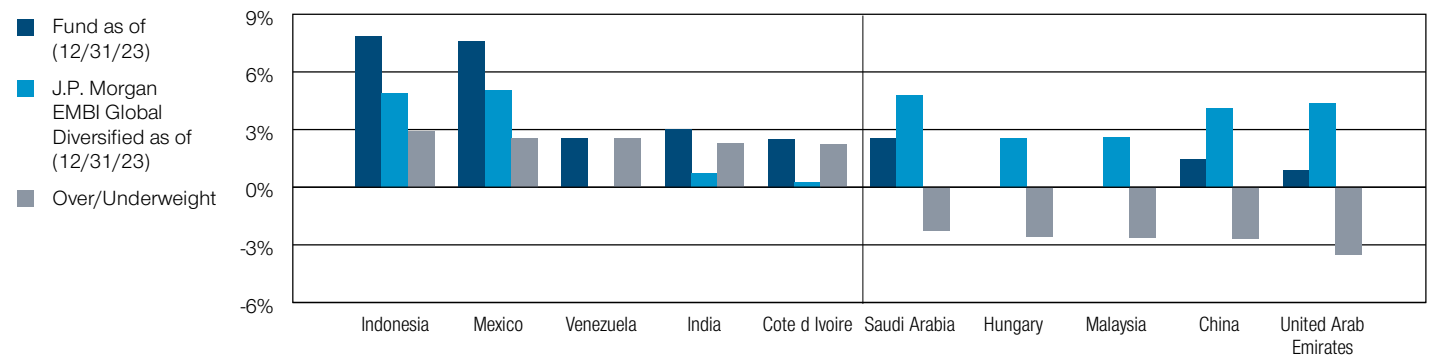
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PORTFOLIO POSITIONING

GEOGRAPHIC DIVERSIFICATION - CHANGES OVER TIME



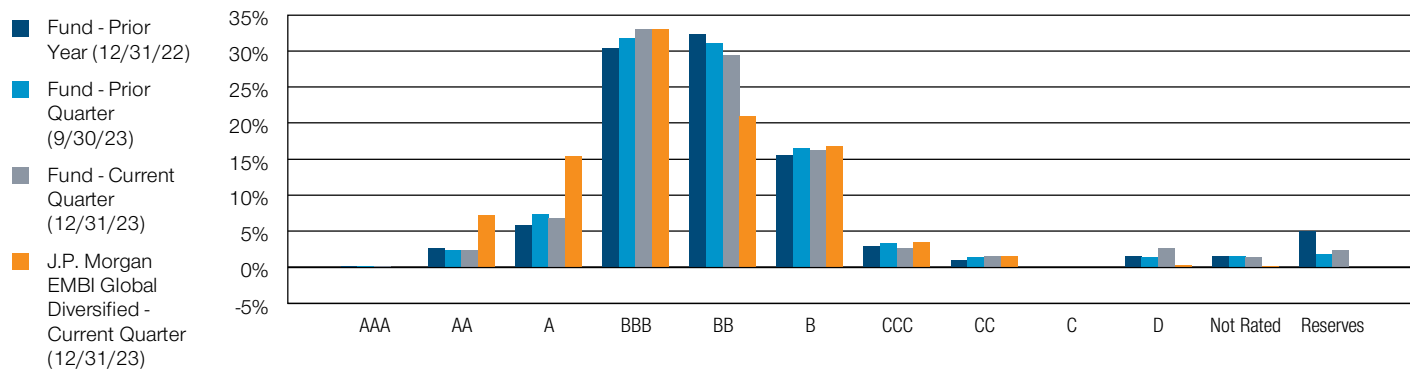
COUNTRY DISTRIBUTION: SIGNIFICANT OVER/UNDERWEIGHT COUNTRIES FUND VS. J.P. Morgan EMBI Global Diversified



Sources: T. Rowe Price and J.P. Morgan Chase & Co.

PORTFOLIO POSITIONING, CONTINUED.

CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



HOLDINGS

TOP 10 ISSUERS

Issuer	% of Fund
Republic of Indonesia	6.6%
Petroleos Mexicanos	3.8
Dominican Republic	3.8
Sultanate of Oman	3.5
Republic of Colombia	3.1
Republic of Angola	2.9
Republic of Turkey	2.8
Republic of Panama	2.7
Kingdom of Bahrain	2.7
Republic of Cote d'Ivoire	2.5

PORTFOLIO MANAGEMENT



Portfolio Manager:
Samy Muaddi

Managed Fund Since:
2021

Joined Firm:
2006

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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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.

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"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.

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