



STRATEGY HIGHLIGHTS

As of 30 September 2020

High Yield Bond Strategy

Total High Yield Assets: \$30.5 billion² | **Total High Yield Bond Strategy Assets:**¹ \$20.1 billion²

Figures shown in U.S. Dollars

INVESTMENT APPROACH

- Focus on BB/B securities, with a measured allocation to lower-quality bonds when valuations are compelling.
- Proprietary fundamental research is key — emphasis on industries that enjoy stable cash flow and rational competitive environments.
- Extensive analyst interaction across sectors and asset classes promotes broad credit perspective.
- Disciplined risk management practices employed in conjunction with broad portfolio diversification to manage risk profile.

PORTFOLIO CONSTRUCTION

- Diversified portfolio structure of high yield corporate bonds: typically 250-350 issuers
- Industry exposure typically will range +/- 3% around benchmark weight
- Conservative exposure guidelines to individual issuers:
 - BB issuer: 3% maximum
 - B issuer: 2% maximum
 - CCC issuer: 1% maximum

BENCHMARK

- Linked Performance Benchmark*

PORTFOLIO MANAGEMENT

Rodney Rayburn, CFA®

- 21 years of investment experience; 6 years with T. Rowe Price.
- M.B.A., University of Chicago, Booth School of Business
- B.S., Georgia Institute of Technology

Michael Della Vedova

- 27 years of investment experience; 11 years with T. Rowe Price.
- Graduate Diploma, University of Technology, Sydney
- LL.B., University of New South Wales
- B.Com., University of New South Wales

Paul Massaro, CFA®

- 20 years of investment experience; 17 years with T. Rowe Price.
- M.B.A., University of Pennsylvania, The Wharton School
- B.S., Cornell University

Michael Trivino, CFA®

- 15 years of investment experience; 9 years with T. Rowe Price.
- M.B.A., Columbia University
- B.S., Georgetown University

PORTFOLIO SPECIALISTS

Michael Lesesne

- 29 years of investment experience; 8 years with T. Rowe Price.
- M.B.A., Columbia Business School
- B.A., Brown University

Portfolio Specialists do not assume management responsibilities.

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¹ Includes U.S.-registered mutual funds, a sub-fund of a Luxembourg domiciled SICAV, a common trust fund, separate accounts, and subadvised portfolios.

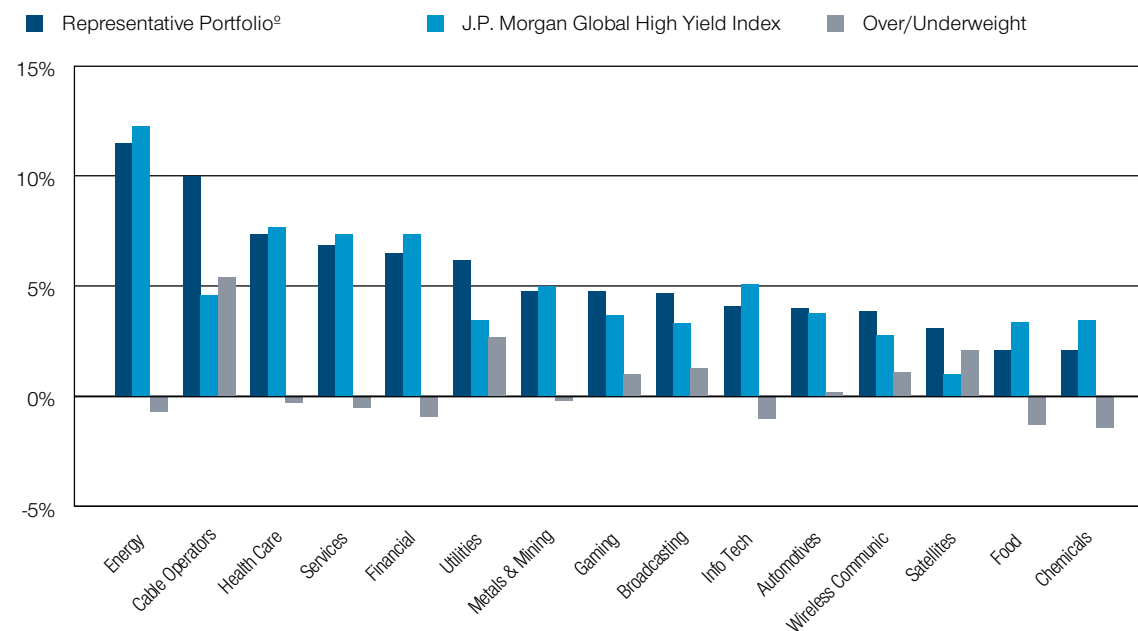
² Assets reported are as of 30 June 2020.

*Please see Performance section for further information.

TOP 10 ISSUERS

	% of Representative Portfolio ²
Charter Communications Inc	2.3%
Bausch Health Cos Inc	2.2
Asurion LLC	1.8
Netflix Inc	1.8
Intelsat Jackson Holdings SA	1.7
Targa Resources Corp	1.4
Altice USA Inc	1.3
Albertsons Cos Inc	1.3
Occidental Petroleum Corp	1.3
NRG Energy Inc	1.2
Total	16.4%

15 LARGEST INDUSTRIES



PORTFOLIO CHARACTERISTICS

	Representative Portfolio ²	J.P. Morgan Global High Yield Index
Weighted Average Maturity	6.14 years	5.81 years
Modified Duration to Worst	3.18 years	3.62 years
Current Yield	6.25%	6.43%
Yield to Worst	5.53%	6.57%
Spread to Worst	516 bps	626 bps
Average Credit Quality*	B+	Split BB
Number of Holdings	559	1,722

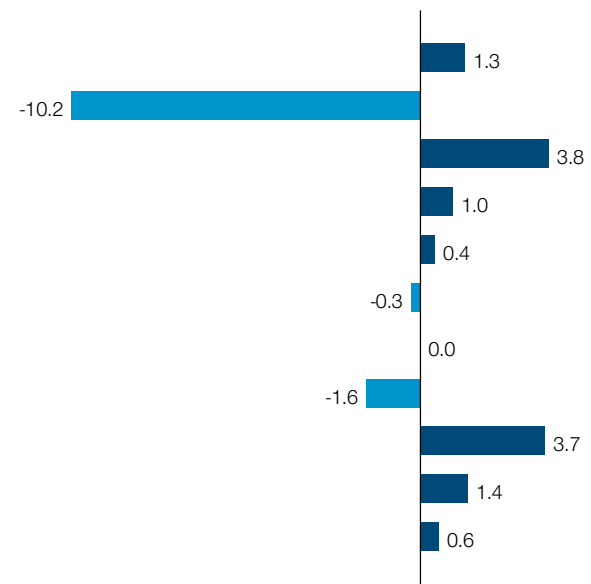
* Average Credit Quality is calculated by averaging the Moody's weighted average quality and the S&P weighted average quality (50/50 split), regardless of the % of the portfolio actually rated by each of these ratings agencies.

²Please see Additional Disclosures section for further information.

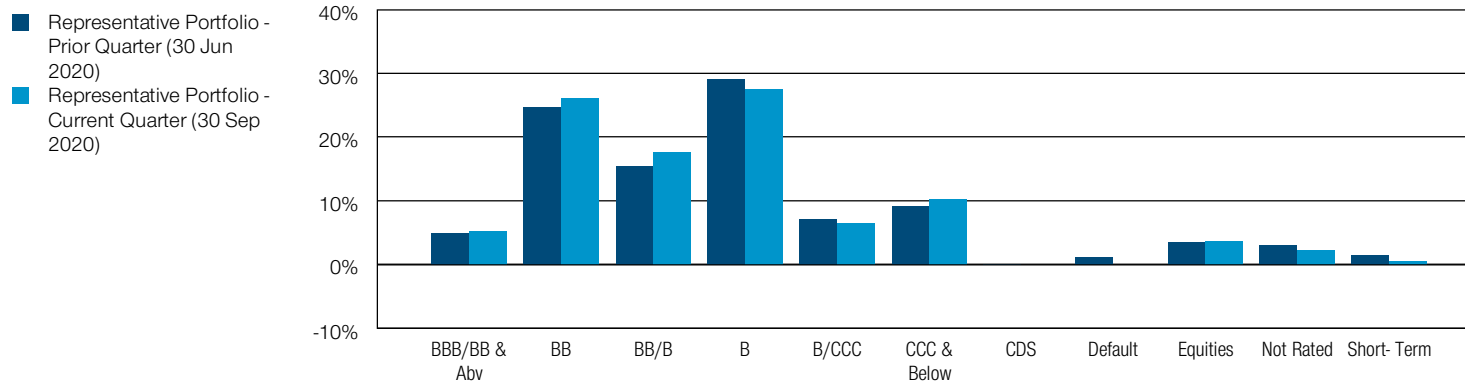
CREDIT QUALITY DIVERSIFICATION

	% of Representative Portfolio ²	% of Index
BBB/BB Rated & Above	5.3	4.0
BB Rated	26.1	36.3
BB/B Rated	17.6	13.9
B Rated	27.6	26.6
B/CCC Rated	6.6	6.2
CCC and Below	10.2	10.5
Credit Default Swaps	0.0	0.0
Default	0.0	1.6
Equities	3.7	0.0
Not Rated	2.3	0.9
Short-Term	0.6	0.0

Representative Portfolio² vs. J.P. Morgan Global High Yield Index



QUARTER-OVER-QUARTER CHANGE



²Please see Additional Disclosures section for further information.

PERFORMANCE

	Three Months	Year-to-Date	One Year	Annualized			
				Three Years	Five Years	Ten Years	Fifteen Years
High Yield Master Bond Composite (Gross)	4.35%	-0.13%	2.37%	4.32%	6.74%	6.70%	7.20%
High Yield Master Bond Composite (Net)	4.22	-0.51	1.86	3.80	6.21	6.17	6.67
Linked Performance Benchmark*	4.90	-1.12	1.83	3.72	6.77	6.51	6.27
Value Added (Gross)	-0.55	0.99	0.54	0.60	-0.03	0.19	0.93
Value Added (Net)	-0.68	0.61	0.03	0.08	-0.56	-0.34	0.40

Past performance is not a reliable indicator of future performance.

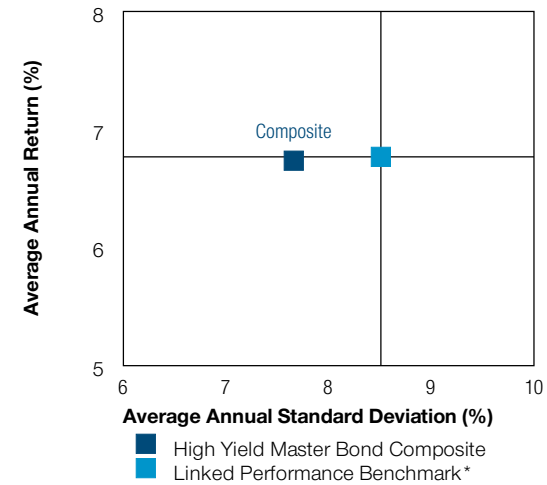
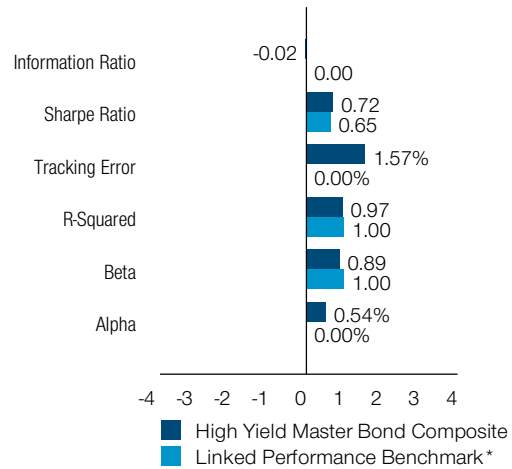
Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains.

*Primary benchmark is J.P. Morgan Global High Yield Index and the secondary benchmark is FTSE All BB&B Rated Index. Prior to 1 July 2010, the primary benchmark was FTSE All BB&B Rated Index and the secondary benchmark was J.P. Morgan Global High Yield Index. The benchmark changes were made because the firm viewed the new benchmarks to be a better representation of the investment strategy of the composite. Historical benchmark representations have not been restated.

For Sourcing Information, please see Additional Disclosures.

RISK/RETURN CHARACTERISTICS

Five Years ended 30 September 2020



Past performance is not a reliable indicator of future performance. Statistics based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees.
 *Please see Performance section for further information.

FEE SCHEDULE**High Yield Master Bond Composite**

The High Yield Master Bond Composite combines accounts included in the High Yield Core Composite and the High Yield Strategy Composite. The master composite seeks high current income and capital appreciation primarily through investment in fixed income securities rated below investment grade (BB or below) by S&P, Moody's, or another nationally recognized securities rating organization (NRSRO). Emerging market sovereign and corporate securities are excluded from this strategy. (Created June 2006) (Formerly known as the High Yield Composite)

First \$50 million	50 basis points
Next \$50 million	45 basis points
Next \$150 million	40 basis points
Next \$250 million	37.5 basis points
Minimum separate account size	\$100 million

GIPS® Disclosure

High Yield Master Bond Composite

Period Ended December 31, 2019

Figures Shown in U.S. dollar

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross Annual Returns (%)	14.95	4.29	15.58	9.19	2.82	-2.42	15.11	8.04	-2.55	15.65
Net Annual Returns (%) ¹	14.38	3.78	15.01	8.65	2.31	-2.91	14.54	7.51	-3.04	15.08
Linked Benchmark - High Yield Composite - Primary (%) ²	13.88	5.73	16.21	7.42	1.67	-4.25	18.27	8.28	-2.37	14.59
Linked Benchmark - High Yield Composite - Secondary (%) ²	14.51	6.58	14.45	6.17	2.78	-4.21	15.48	7.03	-1.97	14.50
Linked Benchmark - Credit Suisse High Yield Index (%) ²	14.42	5.47	14.71	7.53	1.86	-4.93	18.25	7.03	-2.37	14.00
Composite 3-Yr St. Dev.	14.00	9.66	7.40	6.82	4.72	5.24	5.33	4.87	4.00	3.71
Linked Benchmark - High Yield Composite - Primary 3-Yr St. Dev.	14.29	9.12	6.68	6.33	4.62	5.42	6.13	5.66	4.50	3.86
Linked Benchmark - High Yield Composite - Secondary 3-Yr St. Dev.	16.27	10.13	6.27	5.68	4.32	5.36	5.89	5.41	4.18	3.91
Linked Benchmark - Credit Suisse High Yield Index 3-Yr St. Dev.	15.64	9.70	6.36	5.88	4.39	5.34	6.12	5.67	4.64	4.10
Composite Dispersion	0.46	0.44	0.48	1.03	0.28	0.69	1.26	0.19	0.32	0.27
Comp. Assets (Millions) ³	14,467.2	14,625.2	17,864.9	18,384.0	17,191.0	15,399.4	17,576.3	16,402.2	12,732.1	16,408.7
# of Accts. in Comp.	16	11	17	16	18	16	14	13	13	12
Total Firm Assets (Billions)	485.0	493.1	579.8	696.3	749.6	772.4	817.2	1,000.2	972.7	1,218.2 ⁴

¹Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance is not a reliable indicator of future performance. Monthly composite performance is available upon request. **See below for further information related to net of fee calculations.**

²Primary benchmark is J.P. Morgan Global High Yield Index and the secondary benchmarks are FTSE All BB&B Rated Index and Credit Suisse High Yield Index. Prior to July 1, 2010, the primary benchmark was FTSE All BB&B Rated Index and the secondary benchmark was J.P. Morgan Global High Yield Index. The changes were made because the firm viewed the new benchmarks to be a better representation of the investment strategy of the composite. Effective April 1, 2016, Credit Suisse changed its methodology for calculating the performance of the Credit Suisse High Yield Index. Historical benchmark representations have not been restated.

³Non-fee paying portfolios account for less than three percent of the composite.

⁴Preliminary - subject to adjustment.

T. Rowe Price (TRP) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 23-year period ended June 30, 2019 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

The strategy utilizes on a regular basis a variety of derivative instruments such as (but not limited to) currency forwards, fixed income futures, interest rate swaps and credit default swaps, primarily to hedge certain market risks associated with the strategy's objective and to express directional opportunities on specific markets and to facilitate liquidity management.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

A portfolio management change occurred effective July 8, 2015, January 14, 2019, and January 1, 2020. There were no changes to the investment program or strategy related to this composite.

ADDITIONAL DISCLOSURES

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

Weighted Average Maturity is an average of the maturities of the underlying bonds, with each bond's maturity weighted by the percentage of Composite assets it represents. Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of the Composite to changes in interest rates. In general, the longer the average maturity or duration, the greater the Composite's sensitivity to interest rates. Duration is a better indicator of price sensitivity because it takes into account the time value of cash flows.

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 or sold for this Composite. This information is not intended to be a recommendation to take any particular investment action and is subject to change. No assumption should be made that the securities identified and discussed were or will be profitable.

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Source: T. Rowe Price. 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.

Sources for credit quality: Moody's Investors Service and Standard & Poor's (S&P); split ratings (e.g., BB/B and B/CCC) are assigned when the Moody's and S&P ratings differ. T. Rowe Price does not evaluate these ratings, but simply assigns them to the appropriate credit quality category as determined by the rating agency. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps. Short-term holdings are not rated.

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The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS Disclosure page for additional information on the composite.

The current representative portfolio is an account that was designated as such on 1 July 2010. Data for prior periods represents the account that was the representative portfolio at that time.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Risks

The following risks are materially relevant to the portfolio.

Credit risk - A bond or money market security could lose value if the issuer's financial health deteriorates.

Default risk - The issuers of certain bonds could become unable to make payments on their bonds.

Derivatives risk - Derivatives may result in losses that are significantly greater than the cost of the derivative.

Emerging markets risk - Emerging markets are less established than developed markets and therefore involve higher risks.

High yield bond risk - A bond or debt security rated below BBB- by Standard and Poors or an equivalent rating, also termed below investment grade, is generally subject to higher yields but to greater risks too.

Interest rate risk - When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.

Liquidity risk - Any security could become hard to value or to sell at a desired time and price.

Sector concentration risk - The performance of a portfolio that invests a large portion of its assets in a particular economic sector (or, for bond portfolios, a particular market segment), will be more strongly affected by events affecting that sector or segment of the fixed income market.

General Portfolio Risks

Capital risk - The value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the portfolio and the currency in which you subscribed, if different. **Counterparty risk** - An entity with which the portfolio transacts may not meet its obligations to the portfolio. **Geographic concentration risk** - To the extent that a portfolio invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area. **Hedging risk** - A portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended. **Investment portfolio risk** - Investing in portfolios involves certain risks an investor would not face if investing in markets directly. **Management risk** - The investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably). **Operational risk** - Operational failures could lead to disruptions of portfolio operations or financial losses.

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2016-GL-5397