T.RowePrice®
INVEST WITH CONFIDENCE

QUARTERLY REVIEW

Emerging Markets Bond Fund

As of September 30, 2019

PORTFOLIO HIGHLIGHTS

The portfolio underperformed the J.P. Morgan Emerging Markets Bond Index Global for the three-month period ended September 30, 2019.

Relative performance drivers:

- An overweight allocation to Venezuela detracted from relative returns.
- Argentina held back relative performance amid sell off.
- Security selection within Brazil contributed to relative results.

Additional highlights:

- We are somewhat cautiously positioned, focusing on idiosyncratic opportunities with positive reform momentum (Brazil, South Africa) as well as smaller markets that are underpriced relative to their fundamental risks (Ukraine, Sri Lanka) or offer diversification benefits (Jamaica, Serbia).
- We remain cautiously optimistic on the asset class as it offers one of the highest yielding opportunities in the fixed income market and credit fundamentals remain generally healthy.

FUND INFORMATION

Symbol	PREMX
CUSIP	77956H872
Inception Date of Fund	December 30, 1994
Benchmark	J.P. Morgan EMBI Global
Expense Information (as of the most recent Prospectus)	0.91%
Fiscal Year End	December 31
12B-1 Fee	–
Total Assets (all share classes)	$5,650,593,265
Percent of Portfolio in Cash	2.0%

PERFORMANCE

(NAV, total return)

				Annualized				
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Fifteen Years	30-Day SEC Yield
Emerging Markets Bond Fund	-2.42%	8.25%	5.64%	2.18%	4.23%	5.61%	7.03%	5.02%
J.P. Morgan Emerging Markets Bond Index Global	1.34	12.08	10.74	3.84	5.10	6.51	7.27	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Emerging Markets Bond Fund	Dec 30 1994	34.93%	13.29%	3.47%	19.62%	-7.19%	3.21%	0.62%	14.63%	8.98%	-7.23%
J.P. Morgan Emerging Markets Bond Index Global		28.18	12.04	8.46	18.54	-6.58	5.53	1.23	10.19	9.32	-4.61

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.
The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

PERFORMANCE REVIEW

Pockets of Distress Met with Investor Demand for Yield
Emerging markets (EM) debt generated modest returns consistent with the coupon in the third quarter. Pockets of distress were balanced by investor demand for yield as several global rate cuts left yields near historic lows. Nearly all regions produced positive results, led by Emerging Europe and the Middle East. Only Latin America declined. On average, longer-duration investment-grade issues outperformed high yield securities, which declined. Market technicals were a tailwind, as inflows provided more than enough support for an uptick in new supply.

At the beginning of the quarter, the International Monetary Fund (IMF) again cut global growth forecasts for 2019 to 3.2%, down from 3.3%, and noted that the balance of risks is skewed to the downside due to trade disputes, a decline in business confidence, and higher policy uncertainty across many economies. Global manufacturing data continued to show a decline. The trade dispute between China and the U.S. remained unresolved. China's second-quarter gross domestic product (GDP) growth slowed to 6.2%, meeting expectations. The U.S. also reported slower GDP growth of 2.0% for the second quarter as expected.

As anticipated, the United States Federal Reserve cut its fed funds rate twice during the quarter. The "dots plot" accompanying the statement from the committee's meeting showed members were divided about another cut in 2019, and views were also split on whether rates would be higher or lower by the end of 2020. The European Central Bank (ECB) lowered its deposit rate deeper into negative territory and will restart quantitative easing in November. The People's Bank of China reduced reserve requirements for banks, aiming to boost liquidity. Several EM central banks-including Brazil, Russia, Mexico, Ukraine, Chile, Indonesia, South Africa, Turkey, and Egypt-cut rates to spur growth.

In Turkey, President Recep Tayyip Erdogan removed central bank governor Murat Cetinkaya and replaced him with Murat Uysal. Fitch downgraded Turkey's credit rating, citing concerns about the central bank's lack of independence. Shortly after Uysal took office, the Turkish central bank cut rates more than expected. Following a low inflation print for August, the central bank cut rates a second time to encourage growth.

In Argentina, opposition candidate Alberto Fernandez's unexpectedly strong performance over incumbent President Mauricio Macri in the presidential primary election led to a sharp sell-off in Argentine assets. The government announced that it would delay repayments on short-term local notes, leading S&P and Fitch to declare Argentina in selective default and adding to negative sentiment. Argentina then implemented capital controls to help stabilize the falling peso.

Relative Performance

Venezuela Lower on Pricing Changes
Venezuela detracted from relative returns as a result of our overweight. Venezuelan securities declined amid pricing write-downs by the index, as the index reduces Venezuela's weight by reducing prices. The sanctioned bonds do not trade. The portfolio manager sees long-term upside potential in an eventual restructuring, as there are significant assets backing these low-dollar-priced bonds.

Political Uncertainty Weighed on Argentina
An overweight allocation to Argentina detracted from relative returns. The high yield sovereign fell sharply after opposition candidate Alberto Fernandez won the presidential primary by a wider-than-expected margin. The result immediately raised concerns about Argentina's willingness to continue with its economic reforms and its ability to repay its large dollar-denominated debt burden.

Falling Global Yields Supported Lower Duration
Underweight or zero weight allocations to higher-quality, longer-duration sovereigns, such as Saudi Arabia, Russia, the Philippines, and Qatar was a drag on relative performance as U.S. Treasuries rallied, disproportionally supporting longer-duration investment-grade EM issuers.

Positive Sentiment Benefited Brazil
An overweight allocation to Brazil, as well as effective security selection within the country, contributed to relative performance. Brazil advanced as optimism about progress in an important pension reform bill supported sentiment. Positions in quasi-sovereign Petrobras outperformed as the company reported solid earnings and successfully refinanced some of its outstanding debt and extended maturities.

Political Struggles Pressured Lebanon
An underweight allocation to Lebanon added to relative performance. Lebanon's newly formed government struggled to implement the reforms necessary to rein in its large debt burden and receive foreign support. Fitch downgraded Lebanon during the period.

PORTFOLIO POSITIONING AND ACTIVITY

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

Brazil
Brazil remains our largest overweight. We added to our overweight throughout the quarter, with a preference for bonds from quasi-sovereign oil company Petrobras as the company continues to improve its credit profile. We are also invested in sovereign debt as well as corporate debt from several issuers in the consumer-oriented sectors that benefit from domestic economic recovery.

South Africa
We added to our overweight position in South Africa with positions favoring quasi-sovereign utility company Eskom. Reform momentum could increase following the reelection of President Ramaphosa and his appointment of new cabinet members. The country's assets offer attractive relative value.

Ukraine
Ukraine has grown into a meaningful overweight. Recent elections led to a majority for President Volodymyr Zelensky's party, creating a strong mandate for reform and commitment to the IMF program. Inflation has been falling, and growth has ticked up.

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

Saudi Arabia and Qatar
Saudi Arabia and Qatar are recent additions to the benchmark and our positioning has not kept up with their gradual inclusions. Our underweight to these higher-quality, low-yielding sovereigns is consistent with our structural underweight to such countries.

China
China remains a significant underweight. China's external debt consists largely of low-yielding, quasi-sovereign issuers with limited transparency and generally uninspiring relative value.

Russia
We maintained the fund's underweight allocation to Russia. Despite a conservative fiscal policy, solid credit metrics, and support from recovering oil prices, we remain cautious on the country due to the persisting risk of additional sanctions.

MANAGER'S OUTLOOK

After a very strong start to the year, emerging markets debt returns were more subdued in the third quarter. Concerns about slowing global growth, questionable monetary policy, inflated equity market valuations, trade wars, and geopolitical uncertainty, resulted in a bifurcated market, with more defensive investment grade issuers rallying while high yield credits sold off.

While emerging markets are not insulated from the global risk environment, we remain cautiously optimistic on the asset class as it offers one of the highest yielding opportunities in the fixed income market and credit fundamentals remain generally healthy. Despite a strong rally early in the year, spreads remain at reasonable levels relative to history with yields of over 5%-three times those of Treasuries. This income provides a substantial buffer from market corrections and offers materially better carry than most comparable developed markets bonds. Also, there is a silver lining to the mixed global risk environment - a more dovish Fed has given emerging markets room for easier monetary policy spurring EM growth.

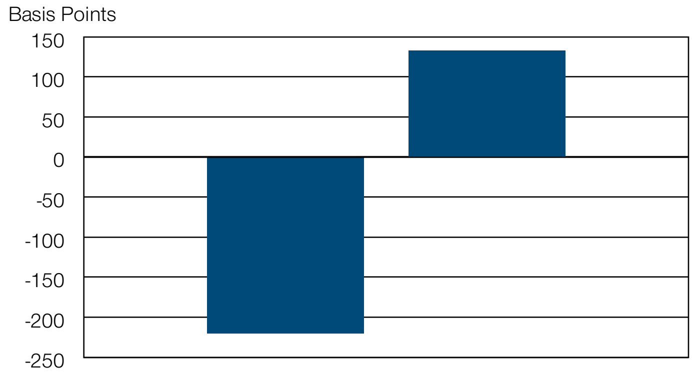
Fundamentals remain broadly supportive, including stable underlying economic growth, more disciplined government spending, largely balanced current accounts, and rational economic policy in most major markets. In the near term, we think aforementioned exogenous macro risks along with several idiosyncratic factors within EM will likely be the key drivers through year end, including China (trade war and domestic fiscal stimulus), Argentina (path of debt restructuring and fiscal policy under a new government), and the speed and magnitude of monetary easing in major economies.

We are somewhat cautiously positioned, focusing on idiosyncratic opportunities with positive reform momentum, such as Brazil and South Africa as well as smaller markets that are underpriced relative to their fundamental risks (Ukraine, Sri Lanka) or offer diversification benefits (Jamaica, Serbia). We are overweight select quasi-sovereign companies that benefit from reforms and offer attractive carry pickup versus the sovereign, including Eskom and Petrobras. We have also added to our corporate exposure on more attractive relative value, focusing on consumer-oriented companies in higher-quality markets. Despite their strong recent performance, we maintained our structural underweight to low yielding investment grade countries including China and the Gulf states.

QUARTERLY ATTRIBUTION

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

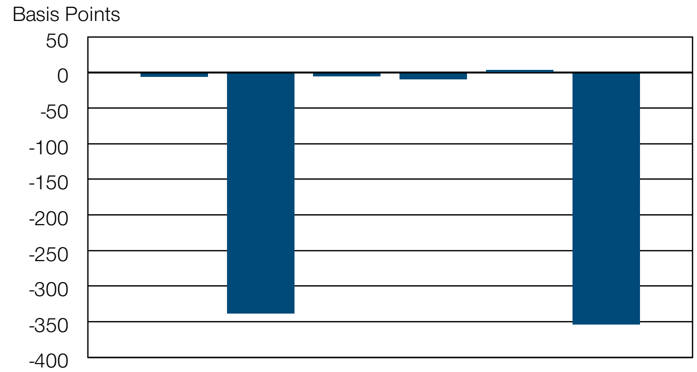
(3 months ended September 30, 2019)



Emerging Markets Bond Fund	J.P. Morgan EMBI Global
-219	134

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

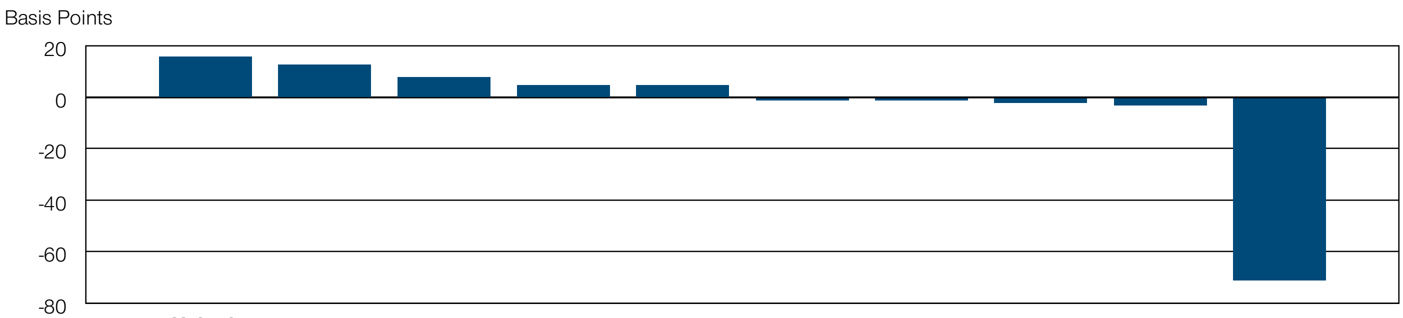
(3 months ended September 30, 2019)



FX Allo-cation	Country Alloca-tion	Security Selec-tion	Reserve	Resid-ual	Total
-5	-338	-4	-9	4	-353

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

(3 months ended September 30, 2019)



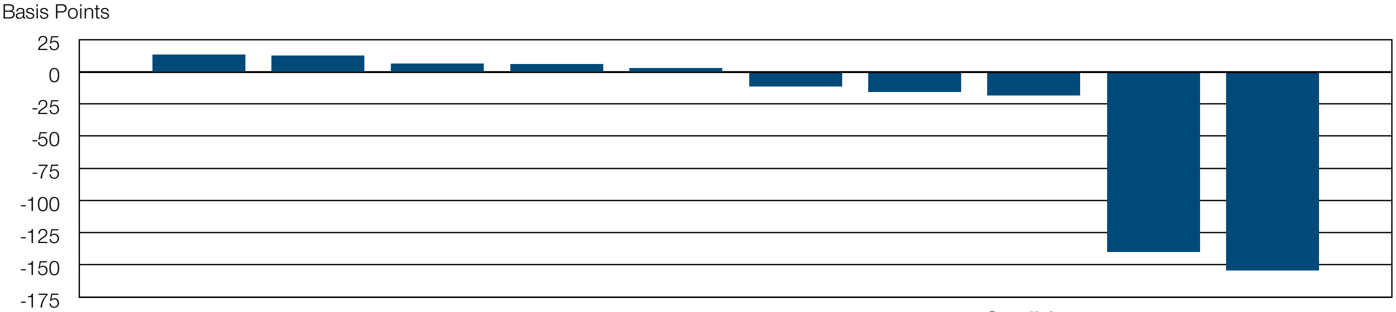
United States	Brazil	Indonesia	Israel	Argentina	Pakistan	Egypt	Peru	Bahamas	Venezuela
16	13	8	5	5	-1	-1	-2	-3	-71

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 returns are in USD.

QUARTERLY ATTRIBUTION, CONTINUED

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

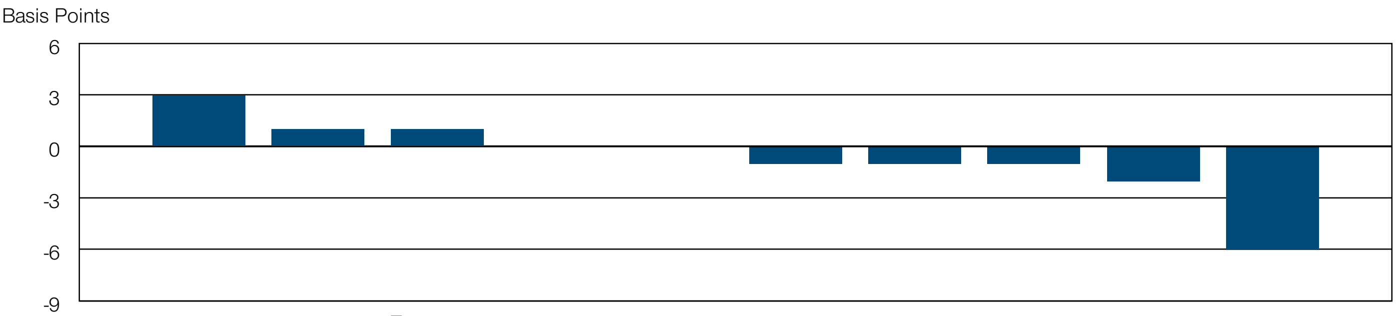
(3 months ended September 30, 2019)



Lebanon	Brazil	Turkey	Mexico	Ukraine	Qatar	Russia	Saudi Arabia	Venezuela	Argentina
14	13	7	6	4	-11	-15	-18	-139	-154

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

(3 months ended September 30, 2019)



Chilean Peso	Egyptian Pound	European Currency Unit	Mexican Peso	South African Rand	Taiwan Dollar	Serbian Dinar	South Korean Won	Brazilian Real	Argentine Peso
3	1	1	0	0	-1	-1	-1	-2	-6

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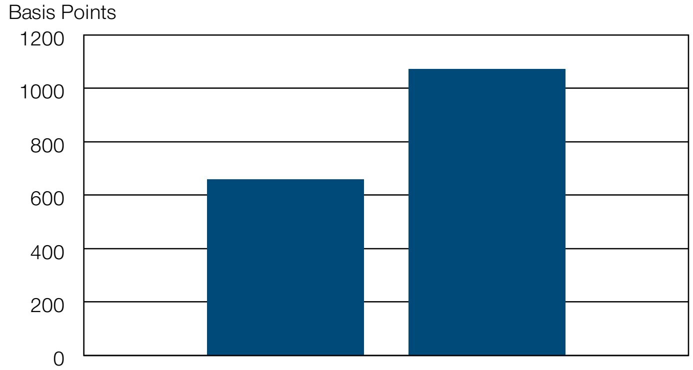
12-MONTH ATTRIBUTION

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

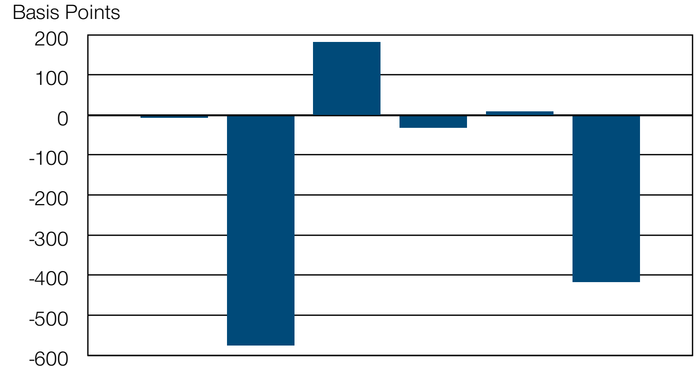
(12 months ended September 30, 2019)



Emerging Markets Bond Fund	J.P. Morgan EMBI Global
659	1074

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

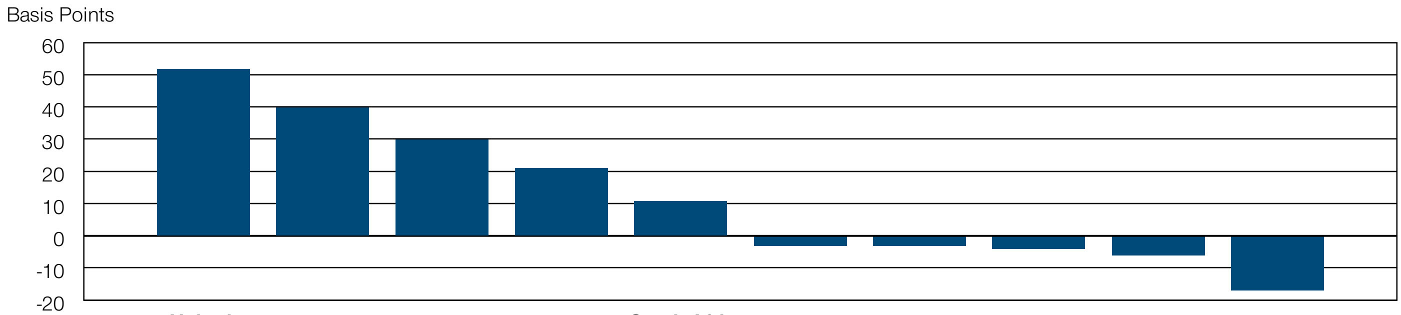
(12 months ended September 30, 2019)



FX Allo-cation	Country Alloca-tion	Security Selec-tion	Reserve	Resid-ual	Total
-5	-573	183	-30	10	-415

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

(12 months ended September 30, 2019)



United States	Venezuela	Brazil	Indonesia	South Afri-ca	Ukraine	Peru	Egypt	Poland	Mexico
52	40	30	21	11	-3	-3	-4	-6	-17

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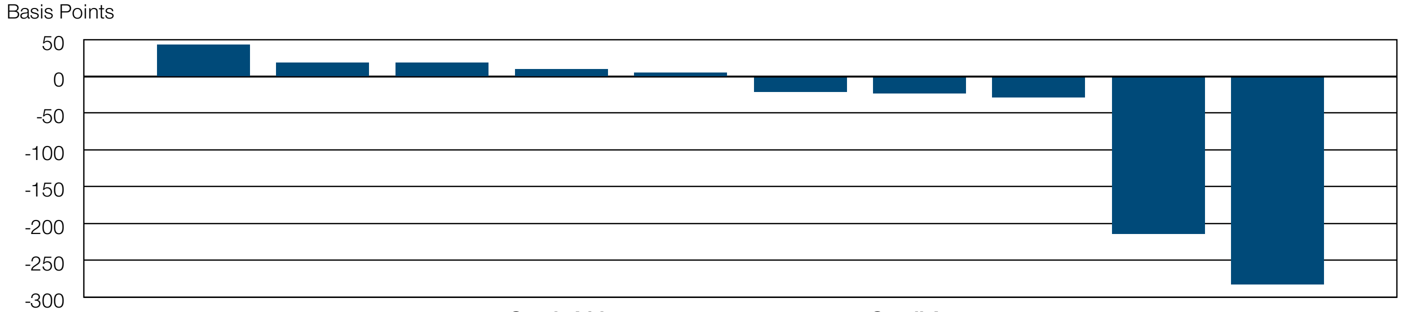
12-MONTH ATTRIBUTION, CONTINUED

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

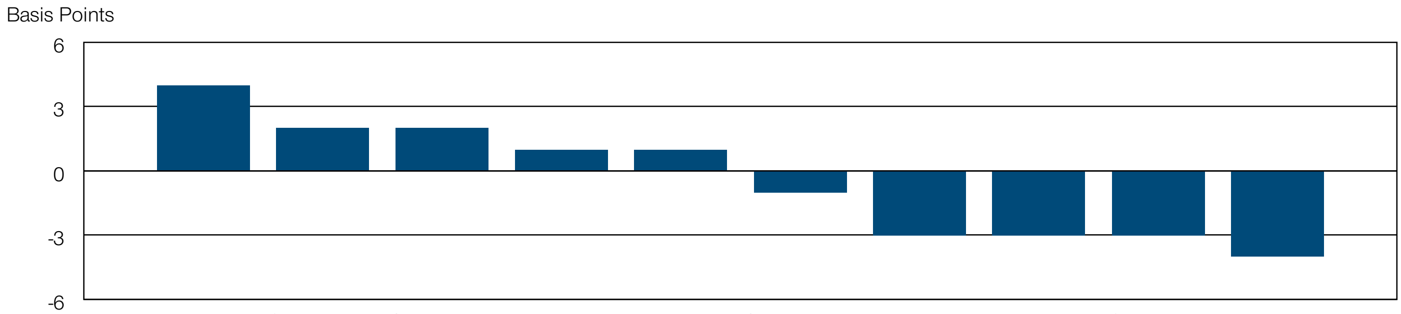
(12 months ended September 30, 2019)



Brazil	Lebanon	Ukraine	South Africa	El Salvador	Philippines	Saudi Arabia	Russia	Argentina	Venezuela
43	19	19	10	6	-20	-23	-28	-213	-282

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

(12 months ended September 30, 2019)



Egyptian Pound	Chilean Peso	South African Rand	Peruvian Nuevo Sol	Indonesian Rupiah	South Korean Won	Brazilian Real	Mexican Peso	Colombian Peso	Argentine Peso
4	2	2	1	1	-1	-3	-3	-3	-4

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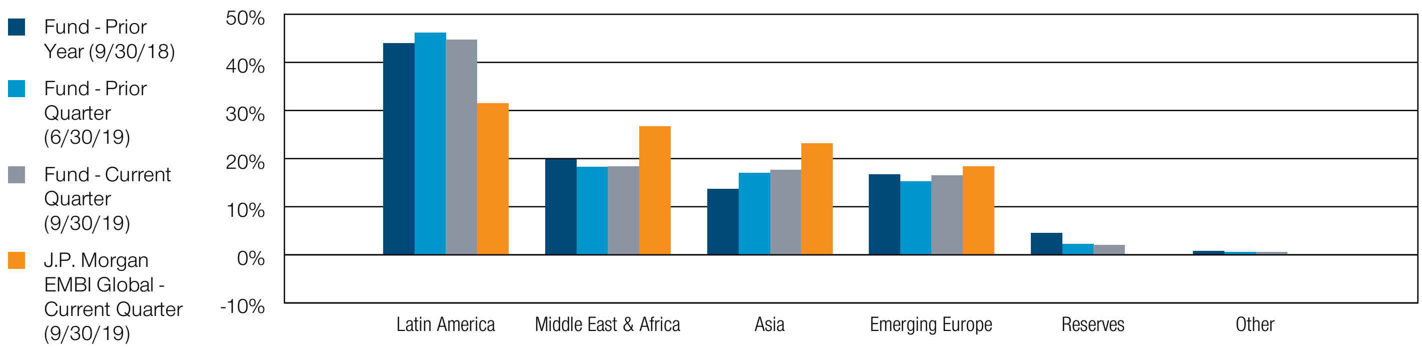
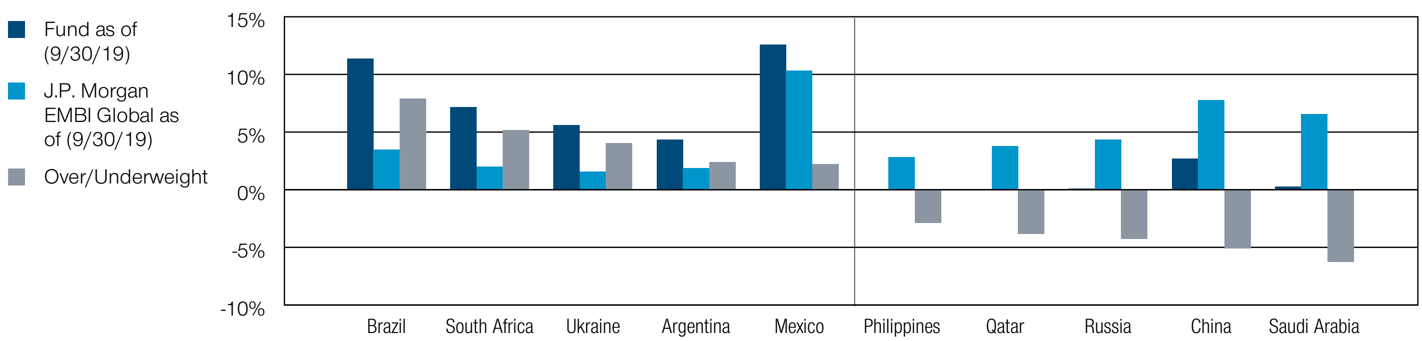
PORTFOLIO POSITIONING

GEOGRAPHIC DIVERSIFICATION - CHANGES OVER TIME



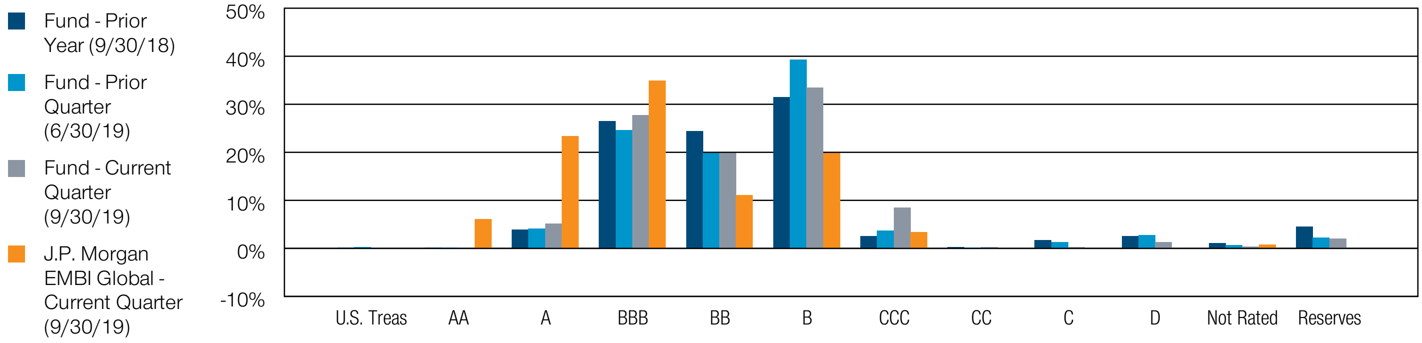
COUNTRY DISTRIBUTION: SIGNIFICANT OVER/UNDERWEIGHT COUNTRIES FUND VS. J.P. Morgan EMBI Global



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

PORTFOLIO POSITIONING, CONTINUED.

CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



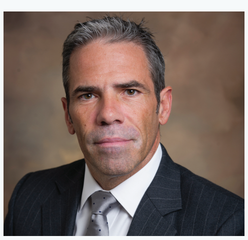
*U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

HOLDINGS

TOP 10 ISSUERS

Issuer	% of Fund
Petroleos Mexicanos	6.4%
Republic of Turkey	6.3
Ukraine	5.3
Petrobras Global Finance BV	5.0
Eskom Holdings SOC	4.9
Republic of Indonesia	4.0
Argentine Republic	3.8
Democratic Socialist Republic of Sri Lanka	3.0
Federative Republic of Brazil	2.9
Republic of Ecuador	2.9

PORTFOLIO MANAGEMENT



Portfolio Manager:
Mike Conelius

Managed Fund Since:
1994

Joined Firm:
1988

Additional Disclosures

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Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.
Sources for credit quality: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. 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.
"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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