T. Rowe Price®
INVEST WITH CONFIDENCE

QUARTERLY REVIEW

International Bond Fund – Multi-Class

As of March 31, 2020

PORTFOLIO HIGHLIGHTS

The portfolio underperformed the benchmark gross of fees for the three-month period ended March 31, 2020.

Relative performance drivers:

- Country/duration positioning had a negative impact on relative performance, with an underweight Canada duration stance a notable drag.
- Active currency management also weighed on relative performance owing to losses from commodity-sensitive currencies such as the Chilean peso.
- Sector allocation and security selection detracted from relative returns, particularly our exposures to U.S. and European corporate bonds.

Additional highlights:

- The spread of the coronavirus led to a global slowdown in activity. While the economic impact is likely to be substantial, we expect it also to be short-lived, thanks to aggressive central banks and a potential China rebound. Credit valuations are attractive and we marginally added European investment grade credit.
- Current volatility means that certain fixed income sectors carry greater risk in the nearer term as coronavirus concerns continue. Therefore, we remain flexible in order to respond to changes in the outlook.

FUND INFORMATION

Symbol	RPIBX
CUSIP	77956H104
Inception Date of Fund	September 10, 1986
Benchmark	Bloomberg Barclays Global Agg ex USD Index
Expense Information (as of the most recent Prospectus)	0.70%
Fiscal Year End	December 31
12B-1 Fee	–
Total Assets (all share classes)	$1,008,957,353
Percent of Portfolio in Cash	8.3%

Please refer to the detailed Fund Information section, at the end of the report, for additional expense information and available share classes.

PERFORMANCE

(NAV, total return)

				Annualized					
	Inception Date	Three Months	One Year	Three Years	Five Years	Ten Years	Fifteen Years	30-Day SEC Yield	30-Day SEC Yield w/o Waiver°
International Bond Fund	Sep 10 1986	-5.24%	-0.88%	1.97%	1.70%	1.22%	2.17%	1.49%	–
International Bond Fund - Advisor Class	Mar 31 2000	-5.19	-1.04	1.73	1.43	0.95	1.90	1.18	–
International Bond Fund - I Class	Aug 28 2015	-5.19	-0.71	2.19	1.88	1.31	2.23	1.63	1.63%
Bloomberg Barclays Global Aggregate ex USD Bond Index		-2.68	0.74	2.57	2.04	1.39	2.43	–	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
International Bond Fund	Sep 10 1986	5.17%	2.63%	6.10%	-3.81%	-3.77%	-5.70%	2.20%	11.15%	-2.94%	6.66%
International Bond Fund - Advisor Class	Mar 31 2000	4.85	2.50	5.90	-4.26	-3.98	-6.00	1.93	10.92	-3.36	6.47
International Bond Fund - I Class	Aug 28 2015	5.17	2.63	6.10	-3.81	-3.77	-5.54	2.36	11.29	-2.71	6.83
Bloomberg Barclays Global Aggregate ex USD Bond Index		4.95	4.36	4.09	-3.08	-3.08	-6.02	1.49	10.51	-2.15	5.09

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. 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 1-877-804-2315 or visit troweprice.com. Read it carefully. The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The T. Rowe Price Fund shares the portfolio of an existing fund (the original share class of the fund referred to as the "investor class"). The total return figures for the I Class shares have been calculated using the performance data of the investor class up to the inception date of the I Class (8/28/15) and the actual performance results of the I Class since that date. Because the I Classes are expected to have lower expenses than the Investor Classes, the I Class performance, had it existed over the periods shown, would have been higher.

°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.

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.

Source for Bloomberg Barclays data: Bloomberg Index Services Limited. See additional disclosures.

PERFORMANCE REVIEW

Core bonds rally on coronavirus outbreak

International bond markets delivered negative returns in the first quarter. While yields across most core countries fell over the period, the significant appreciation of the U.S. dollar through the quarter weighed on returns in U.S. dollar terms. Early optimism that China was having success containing the spread of the coronavirus kept bond markets relatively sanguine at the start of the year. However, investors flocked to safety as the disease turned from a local outbreak into a global pandemic, pushing core government bond prices higher. However, later in the period, a significant increase in cash demand resulted in challenging liquidity conditions across fixed income markets, with strain even put on trading activity in the most liquid government bond markets. This caused core yields to rise until major central banks announced sweeping policy measures to improve confidence and support economies. For example, the Federal Reserve cut interest rates by 125 basis points in two steps in March, bringing the fed funds target rate down to the 0.00%-0.25% range. The central bank also ramped up quantitative easing: An initial plan to purchase $500 billion in Treasuries and $200 billion in agency mortgage-backed securities was later replaced by a pledge to purchase these securities "in the amounts needed" to provide much needed market liquidity. In Europe, the European Central Bank said it would remove some of the self-imposed limits on its EUR 750 billion in asset purchases to support the economy. In emerging markets, bonds were broadly negative amid the risk-off environment, with local-currency bonds particularly under strain thanks to the strong U.S. dollar during the quarter.

In the portfolio, an underweight duration bias to Canada negatively impacted relative returns as coronavirus concerns fueled demand for high-quality government bonds, driving yields across Canada's government bond curve lower. Underweight duration positions to the UK, eurozone, and Poland also negatively impacted relative performance, while an off-benchmark position to South Africa weighed as emerging market bonds came under pressure during the risk-off environment. By contrast, our overweight duration bias toward Australia contributed positively to relative returns as uncertainty emanating from the coronavirus fueled demand for high-quality government bonds, such as Australia's. Elsewhere, our steepening bias in the Czech Republic curve also supported relative gains, as did an off-benchmark allocation to India.

Risk-off sentiment spurs U.S. dollar demand

Most developed and emerging market currencies declined against the dollar in the first quarter. Growing concerns over the spread of the coronavirus boosted demand for more liquid currencies over the period, supporting the dollar and other perceived safe havens among developed market currencies. Emerging markets, meanwhile, struggled throughout amid the risk-off environment. Among developed markets, the most notable decline was in the Norwegian krone, which regressed against the dollar as oil prices plunged due to Saudi Arabia and Russia's failure to agree on production cuts. The drop in oil prices also hurt other commodity-sensitive currencies, such as the Canadian dollar. The global impact from the coronavirus weighed on currencies more sensitive to global trade, including the New Zealand dollar and Australian dollar. By contrast, the euro finished the quarter broadly flat, after the single currency's gains early in the period fell away amid the sell-off. Perceived safe-haven currencies such as the Swiss franc and Japanese yen, meanwhile, saw mild gains against the U.S. dollar over the period. Emerging market currencies that were particularly negatively affected during the period include the Russian ruble, Brazilian real, South African rand, and Mexican peso, whose commodity-correlated currencies were hit further as oil prices plummeted. The rand also faced pressure earlier in the quarter due to concerns over state utility Eskom. A Moody's downgrade in late March further dampened the currency.

In the portfolio, the commodity price crash during the quarter led to our overweights in the commodity-sensitive Canadian dollar and Chilean peso detracting from relative performance. Meanwhile, our overweight exposure to a number of emerging market currencies, including the Indian rupee, also weighed on relative gains. An emergency rate cut by the Czech central bank in March also negatively impacted our overweight to the Czech koruna. Elsewhere, an underweight to the Japanese yen expressed via an option, which we held for the first three weeks of March, supported relative gains. Elsewhere, an underweight to the euro supported relative gains, particularly in February, when market concerns grew over eurozone economic prospects, pushing down the euro. An overweight to the British pound also contributed positively over the quarter.

Credit spreads widen amid pandemic-driven sell-off

Across investment-grade and high yield markets, spreads widened significantly in a period dominated by volatility and challenging liquidity conditions. Coronavirus fears fueled recession fears and a sharp rise in volatility during the first quarter. This led to sell-offs across risk markets, such as equity and credit.

With respect to the portfolio, our exposure to U.S. and European corporate bonds, as well as U.S. dollar- and euro-denominated government-related debt, significantly weighed on relative returns. A long position to credit risk via a European high yield index also contributed to relative losses as credit spreads widened significantly. An allocation to Canadian dollar-denominated government-related bonds provided a mild upside to relative returns, however, as did an allocation to euro-denominated securitized debt.

PORTFOLIO POSITIONING AND ACTIVITY

As global growth concerns increased through the quarter, we increased duration in the portfolio through adding off-benchmark exposure to U.S. Treasuries and moving to an overweight position in Australian duration. Despite the moves, we retained an overall underweight duration bias as underweight biases toward Japan, Germany and the UK were kept in place.

Country/duration positioning

- We added an off-benchmark allocation to U.S. Treasuries toward the end of the quarter as concerns increased surrounding the coronavirus. In the eurozone, we reduced our underweight duration bias. In particular, we increased overweight biases to France and Latvia, reduced our Spanish underweight, and added exposure in Portugal. However, we also moved our overweight to Austrian duration to an underweight and maintained an underweight duration bias to Germany, where negative yields still persist across most of the curve. In other developed markets, we maintained an underweight duration bias to Japan and Canada; however, we also added to our Australian duration overweight.

- We maintained an overweight bias toward Israel, where we see supportive technicals and attractive valuations. We also kept an overweight duration position to Sweden and an underweight to the UK. We believed that the huge extent of fiscal measures announced to combat the impact of the coronavirus could put upward pressure on gilt yields.
- We reduced exposure to emerging markets in the quarter given the risk-off sentiment; however we retained an overweight duration bias. In particular, we closed an overweight duration position to Mexico, reduced a Malaysian duration overweight, and trimmed off-benchmark exposure to Brazil and India. We did, however, maintain overweight and off-benchmark positions to the local currency government bond markets of Russia, Serbia, and South Africa. We also increased overweight duration biases to specific markets, such as South Korea, where we anticipated interest rate cuts ahead, and upped an off-benchmark position to Romania on an improving domestic politics outlook.

Currency Selection

- In foreign exchange markets, we reduced our underweight to the euro in part through trimming our long position in the Romanian leu. Elsewhere in G10 currencies, we opened up overweights to the Japanese yen, a perceived safe haven, as well as the Australian dollar and British pound. By contrast, we increased our underweight bias to the U.S. dollar toward the end of the period as we see potential for mean reversion in developed market currencies which lagged the dollar.
- Within emerging markets, we closed overweights and off-benchmark positions in the Egyptian pound, Brazilian real, Sri Lankan rupee, and Mexican peso, preferring instead to allocate more to developed market currencies amid market turbulence. We did, however, retain exposure in Eastern Europe with an overweight to the Czech koruna, an off-benchmark position in the Serbian dinar, as well as a slightly reduced Romanian leu off-benchmark position. We also opened overweights to the Chinese yuan and South Korean won. The yuan could benefit from China being one of the first to emerge from the coronavirus slump, in our view, while we consider the won to be undervalued amid the wider market downturn.

Sector allocation and security selection

- We held an allocation to hard currency emerging market sovereign and quasi-sovereign debt as the income stream remained attractive. We did, however, increase our long credit position toward Greece by adding to our credit default swap.
- We maintained exposure to hard currency emerging market corporate debt and European high yield bonds. Late in the quarter, we tactically added risk back into the portfolio, adding exposure to European investment-grade corporate bonds and removing our short credit position against a European investment-grade index.

MANAGER'S OUTLOOK

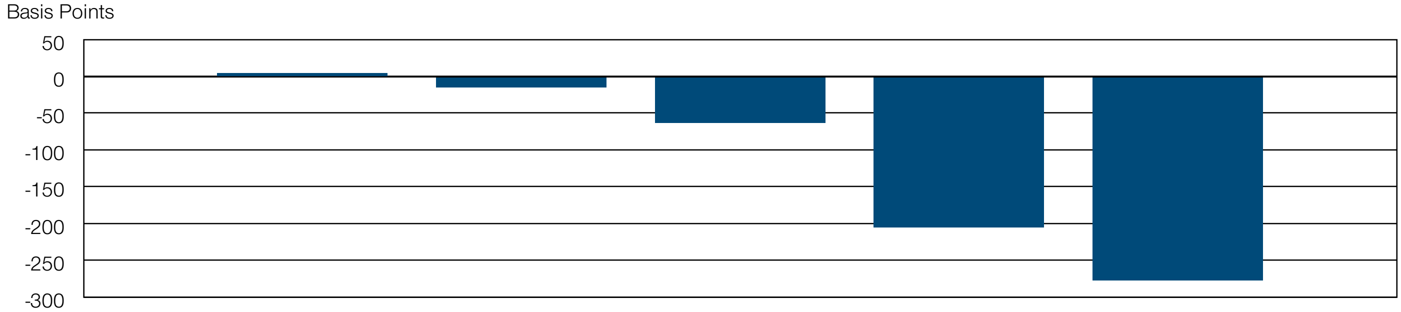
The spread of the coronavirus from a regional concern to a worldwide crisis led to a global slowdown in economic activity, as countries imposed severe restrictions in a bid to limit the spread of the disease. Governments also implemented large fiscal programs to support domestic businesses, while central banks announced massive monetary stimulus packages, including unlimited quantitative easing, in a bid to remedy liquidity shortages in markets. In our view, while the economic impact is likely to be substantial, we expect it also to be short-lived. The aggressive action by the likes of the Federal Reserve and potential return to growth in China could support this thesis. Additionally, the widening of credit spreads has created some areas of value where prices have become dislocated from fundamentals. With this in mind, we have tentatively added risk in select names identified as attractive by our bottom-up research process. This includes European investment grade credit.

While we hold a positive longer-term outlook for those fixed income sectors currently underperforming, such as high yield and investment-grade bond markets, the volatile nature of the current environment means they are a risk in the near to medium term. These include concerns over the functionality of money markets, rising implied volatility, and the fundamental question of whether the coronavirus can be contained enough in the next few months to allow for an economic rebound. In the meantime, we retain flexibility within the portfolio in order to respond to changes in the outlook accordingly.

ATTRIBUTION

CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG EX USD INDEX

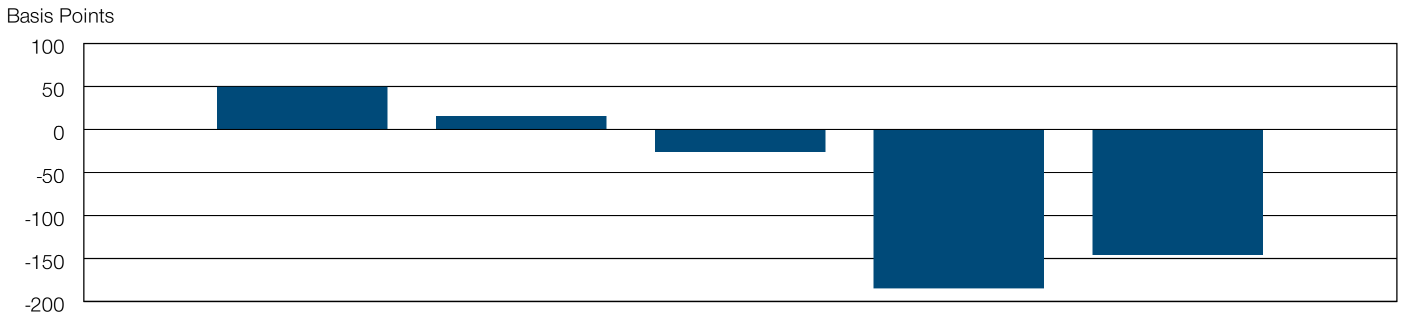
(3 months ended March 31, 2020)



Residual	Currency	Country/Duration	Sector/ Security	Total
5	-14	-63	-205	-277

CONTRIBUTION TO EXCESS RETURN: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG EX USD INDEX

(12 months ended March 31, 2020)



Country/Duration	Currency	Residual	Sector/ Security	Total
50	16	-26	-185	-145

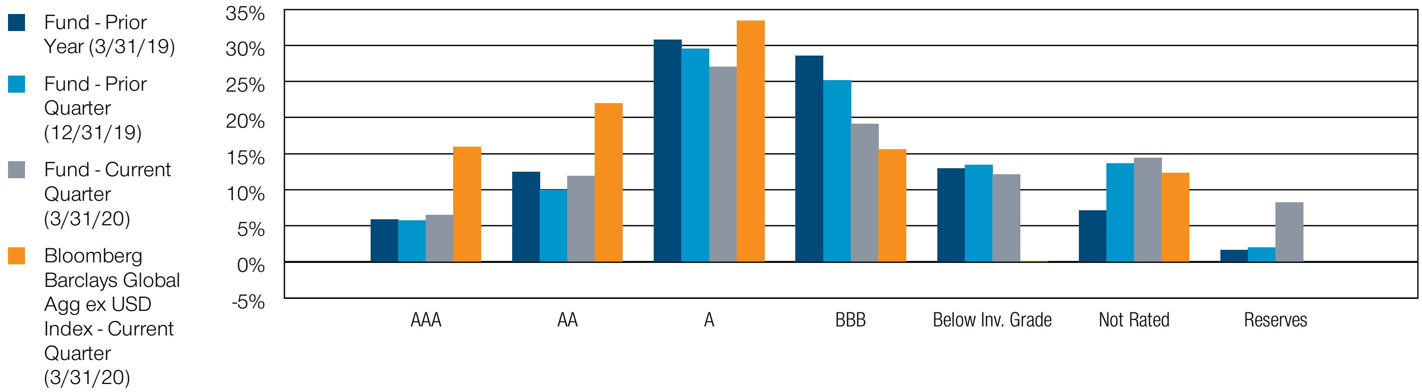
Source: T. Rowe Price.

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.

PORTFOLIO POSITIONING

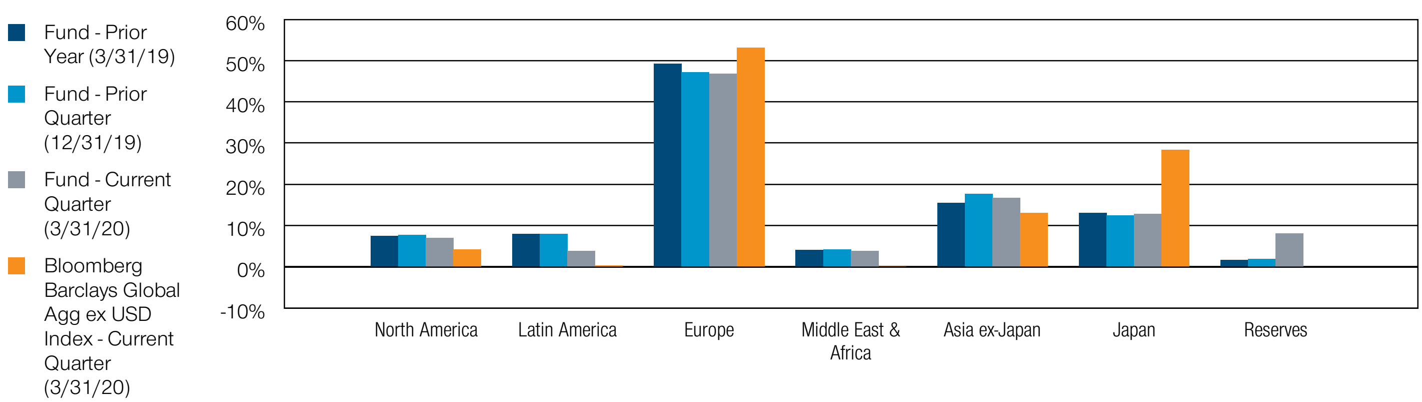
CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



SECTOR DIVERSIFICATION: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG EX USD INDEX

	% of Fund	% of Bloomberg Barclays Global Agg ex USD Index	Over/Underweight
Government	69.0%	73.2%	-4.2%
Agency/Supranationals	4.0	11.5	-7.5
Corporate	12.0	11.0	1.1
Financials	6.8	4.8	2.0
Utilities	1.5	1.0	0.5
Industrials	3.8	5.2	-1.4
Collateralised	0.9	4.3	-3.5
Sub Investment Grade	6.1	0.0	6.1
Emerging Market Corporate	3.0	0.0	3.0
High Yield Issuer	3.1	0.0	3.1
Derivatives	-0.3	0.0	-0.3
Swaps	-0.1	0.0	-0.1
Options	-0.2	0.0	-0.2
Reserves	8.3	0.0	8.3
Total	**100.0**	**100.0**	

BOND ALLOCATION ISSUE CURRENCY – CHANGES OVER TIME



Sources: T. Rowe Price and Bloomberg Barclays.

PORTFOLIO POSITIONING, CONTINUED

CURRENCY EXPOSURE

	% of Fund	% of Bloomberg Barclays Global Agg ex USD Index	Over/Underweight
U.S. dollar	-8.5%	0.0%	-8.5%
Australian dollar	4.4	2.0	2.4
Canadian dollar	4.4	4.4	-0.0
Mexican peso	0.4	0.5	-0.0
New Zealand dollar	0.2	0.2	0.0
Dollar Bloc	0.9	7.1	-6.2
euro	37.4	41.7	-4.2
British pound sterling	10.6	8.3	2.3
Czech koruna	1.8	0.1	1.6
Danish krone	0.4	0.4	0.0
Hungarian forint	-0.1	0.1	-0.2
Norwegian krone	0.2	0.2	0.0
Polish zloty	0.2	0.4	-0.2
Swedish krona	0.8	0.7	0.0
Swiss franc	1.0	1.0	-0.0
European Bloc	52.3	52.9	-0.6
Japanese yen	30.3	28.4	1.9
Hong Kong dollar	0.2	0.0	0.2
Korean won	2.9	2.1	0.8
Malaysian ringgit	0.9	0.5	0.4
New Taiwan dollar	-0.6	0.0	-0.6
Singapore dollar	0.4	0.4	0.0
Thai baht	0.6	0.6	0.0
Far East Bloc	34.8	32.0	2.7
Brazilian real	<0.1	0.0	-0.0
Chilean peso	1.6	0.1	1.5
Chinese renminbi	7.5	6.9	0.7
Indian rupee	<0.1	0.0	0.0
Indonesian rupiah	0.5	0.5	-0.0
Israeli shekel	0.4	0.2	0.2
New Romanian leu	0.7	0.0	0.7
Offshore Chinese renminbi	0.4	0.0	0.4
Russian ruble	0.3	0.3	-0.0
Serbia dinar	0.5	0.0	0.5
South African rand	<0.1	0.0	0.0
Emerging Markets Bloc	12.0	8.0	4.0
Total	**100.0**	**100.0**	**0.0**

MARKET PERFORMANCE

GLOBAL GOVERNMENT BOND MARKET RETURNS (LOCAL CURRENCY)

(3 months ended March 31, 2020)

Country	
United States	8.20%
United Kingdom	6.86
Canada	5.67
Australia	4.14
Norway	3.90
New Zealand	3.74
Singapore	3.67
Poland	2.70
Germany	2.09
Czech Republic	1.88
Sweden	1.62
South Korea	0.91
Malaysia	0.65
Mexico	0.47
Euro Area	0.29
Denmark	0.06
Japan	-0.35

CURRENCY RETURNS (SPOT PRICE RETURNS VS USD)

(3 months ended March 31, 2020)

Currency	
Japanese yen	0.67%
Danish krone	-2.16
Euro	-2.29
South Korean won	-5.07
Malaysian ringgit	-5.29
Swedish krona	-5.54
Singapore dollar	-5.63
United Kingdom sterling	-6.50
Polish zloty	-8.90
Canadian dollar	-9.05
Czech koruna	-9.28
New Zealand dollar	-12.26
Australian dollar	-13.10
Norwegian krone	-16.56
Mexican peso	-19.35

Past performance is not a reliable indicator of future performance.
Source: Bloomberg Barclays.

HOLDINGS

TOP 10 ISSUERS

Issuer	Country	Industry	% of Fund
Japan	Japan	Sovereign	12.9%
United Kingdom of Great Britain and N. Ireland	United Kingdom	Sovereign	5.4
People's Republic of China	China	Sovereign	3.7
China Development Bank	China	Owned No Guarantee	3.5
Republic of France	France	Sovereign	3.4
Republic of Ireland	Ireland	Sovereign	3.2
Republic of Cyprus	Cyprus	Sovereign	3.2
State of Israel	Israel	Sovereign	3.0
Romania	Romania	Sovereign	2.7
Republic of Chile	Chile	Sovereign	2.7

PORTFOLIO MANAGEMENT

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Arif Husain	2014	2013
Kenneth Orchard	2015	2010

FUND INFORMATION

	International Bond Fund	International Bond Fund - Advisor Class	International Bond Fund - I Class
Symbol	RPIBX	PAIBX	RPISX
Expense Information	0.70%	1.06%	0.55% (Gross) 0.54% (Net)
Fiscal Year End Date	12/31/19	12/31/19	12/31/19
12B-1 Fee	–	0.25%	–

The expense ratios shown are as of the most recent prospectus. The stated expense ratio for the Advisor Class includes the applicable 12b-1 fee. The I Class is subject to a contractual operating expense limitation that expires on 4/30/21.

Additional Disclosures

Source for Bloomberg Barclays index data: Bloomberg Index Services Limited.
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 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; 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.
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.

T. Rowe Price Investment Services, Inc., Distributor.
2016-US-26857