T.RowePrice®
INVEST WITH CONFIDENCE

QUARTERLY REVIEW

Institutional Emerging Markets Bond Fund

As of June 30, 2019

PORTFOLIO HIGHLIGHTS

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

Relative performance drivers:

- An overweight to Venezuela held back relative results.
- An overweight allocation to Argentina also hampered relative performance despite positive absolute performance.
- Positioning in Brazil contributed to relative results due to our overweight and security selection.

Additional highlights:

- We are positioned somewhat conservatively, focusing on idiosyncratic opportunities with positive reform momentum, such as Brazil and South Africa as well as markets that are underpriced relative to their fundamental risks such as Argentina and Ukraine.
- We remain cautiously optimistic on the asset class as it offers one of the highest yielding opportunities in the fixed income market and has proven increasingly durable through market corrections.

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)	$467,999,226
Percent of Portfolio in Cash	2.3%

PERFORMANCE

(NAV, total return)

				Annualized				
	Three Months	Year-to-Date	One Year	Three Years	Five Years	Ten Years	Since Inception 11/30/06	30-Day SEC Yield
Institutional Emerging Markets Bond Fund	3.89%	11.56%	11.73%	5.93%	5.29%	7.82%	6.49%	5.31%
J.P. Morgan Emerging Markets Bond Index Global Diversified	4.08	11.31	12.45	5.47	5.30	7.78	6.85	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Institutional Emerging Markets Bond Fund	Nov 30 2006	35.63%	14.23%	2.84%	18.58%	-5.33%	4.55%	1.52%	14.69%	9.33%	-5.61%
J.P. Morgan Emerging Markets Bond Index Global Diversified		29.82	12.24	7.35	17.44	-5.25	7.43	1.18	10.15	10.26	-4.26

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

Investors' Search for Yield Drove Emerging Markets Bonds
Emerging markets (EM) debt advanced in the second quarter, amid renewed investor risk appetite spurred on by more dovish central banks. All regions produced positive results, led by Emerging Europe and Africa. On average, longer-duration, investment-grade issues outperformed high yield securities, though both were positive. 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 IMF cut global growth forecasts for 2019 to 3.3%, down from 3.5%, and noted that the balance of risks is skewed to the downside due to trade disputes, a decline in business confidence, tighter financial conditions, and higher policy uncertainty across many economies. However, China's first-quarter GDP growth slightly exceeded expectations, coming in at 6.4%. The U.S. also reported a stronger-than-expected GDP growth of 3.1% for the first quarter.

As expected, the United States' Federal Reserve (Fed) held steady its fed funds rate throughout the quarter. While the "dots plot" accompanying the statement from the committee's June meeting showed no rate cuts forecast for 2019, the market is expecting at least 50bps in cuts by year end. Fed expectations for a rate cut in 2020 increased in a notable shift from the previous dots plot that had indicated a future rate hike. The European Central Bank (ECB) altered its forward guidance, stating rates should remain on hold through the middle of 2020. Several EM central banks, including India, Chile, and Russia cut rates to spur growth.

Ratings agency Fitch downgraded Mexican state-owned oil company Pemex to below investment grade, and Moody's lowered its outlook for Pemex to negative from stable, putting pressure on Mexican assets broadly. The highly indebted company is tasked with steadying debt and increasing investment to boost production.

Under pressure from President Recep Tayyip Erdogan, Turkey's high election board nullified the results of Istanbul municipal elections where Erdogan's AKP party lost, citing irregularities. In a revote, the opposition party's mayoral candidate won the revote by a large margin. The results were recognized by the Erdogan government, reducing concerns about government intervention in the democratic process.

South Africa, India, and Indonesia completed elections, with market-favored incumbents being reelected. South African President Cyril Ramaphosa appointed a new, smaller cabinet that removed previous members embroiled in corruption investigations.

Relative Performance

Stagnant Politics Weighed on Venezuela
An overweight allocation to Venezuela held back relative returns. Lack of political momentum following the initial enthusiasm for opposition leader Juan Guaido weighed on Venezuelan securities. The portfolio manager continues to see long-term upside potential in an eventual restructuring, as there are significant assets backing these low-dollar-priced bonds. Ongoing volatility is anticipated for the foreseeable future amid trading restrictions on the bonds and continued political uncertainty.

Political Uncertainty Held Back Argentina
An overweight allocation to Argentina weighed on relative results. Political uncertainty ahead of the upcoming presidential election and persistently high inflation coupled with low growth weighed on Argentine assets.

Russian Assets Supported by Oil
Lack of exposure to Russia was a modest drag on relative performance. Russian securities advanced with higher oil prices but remain exposed to sanctions risk.

Optimism Fuels Brazil
An overweight allocation to Brazil, as well as effective security selection within the country, contributed to relative performance. Brazilian assets advanced as pension reform prospects continued to advance. Our selection of quasi-sovereign oil company Petrobras and corporates, such as Banco do Brasil, CSN Resources, and Minerva outperformed.

South Africa Recovered
An overweight allocation to South Africa aided results. Bonds recovered from recent weakness following May's parliamentary elections, which consolidated the ruling ANC party's reform mandate. President Cyril Ramaphosa appointed a smaller, restructured cabinet and his appointments were well received by investors.

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.

Argentina
Argentina remains a meaningful overweight. The fund primarily holds sovereign bonds, but we also invest in debt from several corporate issuers in the consumer-oriented sectors that could benefit from potential domestic economic recovery.

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

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.

Philippines
The Philippines is a notable underweight, primarily due to the unattractive relative value of its external sovereign debt. The country is supported by strong local ownership causing it to consistently trade rich to peers.

Chile and Hungary
We have underweight allocations to Chile and Hungary as these higher-rated sovereigns offer low yields and offer asymmetric returns in the face of potential macroeconomic missteps. We sought better value elsewhere.

MANAGER'S OUTLOOK

After a strong rebound in the first quarter, uncertainty has weighed on markets more recently driving up volatility. Concerns about slowing global growth, questionable monetary policy, inflated equity market valuations, trade wars, and geopolitical uncertainty, among other factors, have made markets jittery.

While emerging markets are not insulated from this 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 has proven increasingly durable through market corrections. Despite a strong rally, spreads remain at attractive levels relative to history with yields now three times those of Treasuries. This income provides a substantial buffer to exogenous volatility and offers materially better carry than 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 and may support non-dollar currencies.

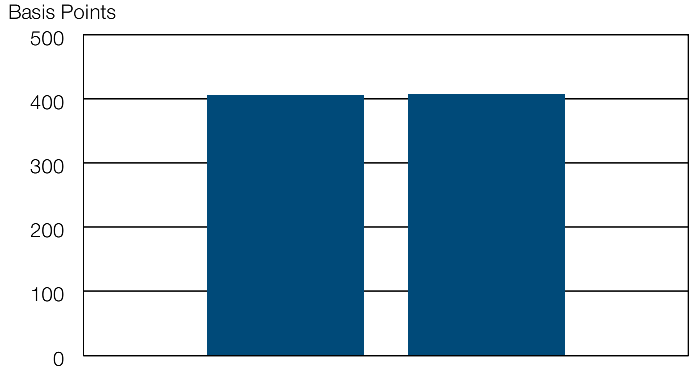
Fundamentals remain broadly supportive, including stable underlying economic growth, more disciplined government spending, largely balanced current accounts, and rational economic policy in most major markets. In the near term, we think aforementioned exogenous macro risks along with several idiosyncratic factors within EM will likely be the key drivers in 2019, including China (trade war and domestic fiscal stimulus), Mexico (President AMLO's policy direction, especially on energy reforms), Argentina (adjustments under the IMF program as well as the upcoming election), and Turkey (willingness to reform in the face of political pressures).

We are positioned somewhat conservatively, focusing on idiosyncratic opportunities with positive reform momentum, such as Brazil and South Africa as well as markets that are underpriced relative to their fundamental risks such as Argentina and Ukraine. We are overweight select quasi-sovereign companies that benefit from reforms and offer attractive carry pickup versus the sovereign, including Eskom and Petrobras. While we maintained our structural underweight to low beta countries, we added to several defensive countries such as Israel, Bermuda, and the Gulf states. We have also moved to an underweight position on Turkey as reforms seem unlikely.

QUARTERLY ATTRIBUTION

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

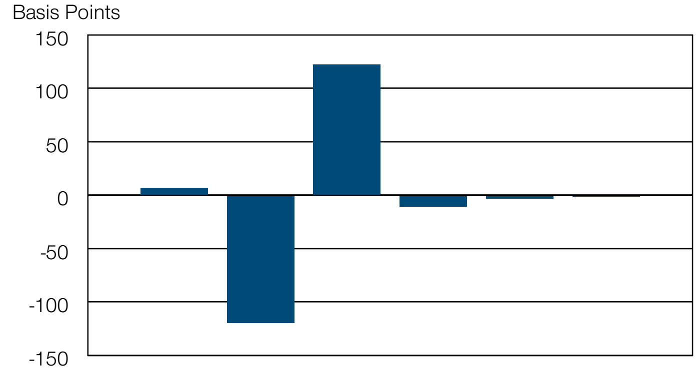
(3 months ended June 30, 2019)



Institutional Emerging Markets Bond Fund	J.P. Morgan EMBI Global Diversified
407	408

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

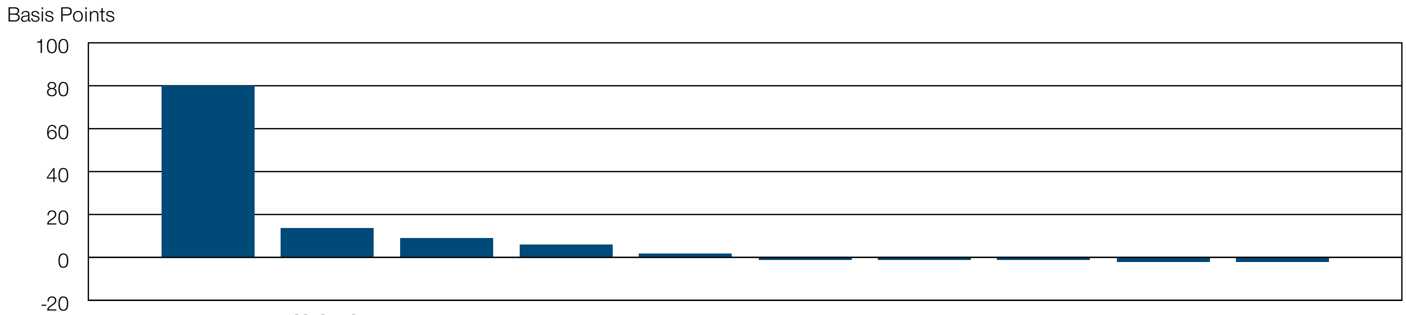
(3 months ended June 30, 2019)



FX Allocation	Country Allocation	Security Selection	Reserve	Residual	Total
7	-119	123	-10	-3	-1

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

(3 months ended June 30, 2019)



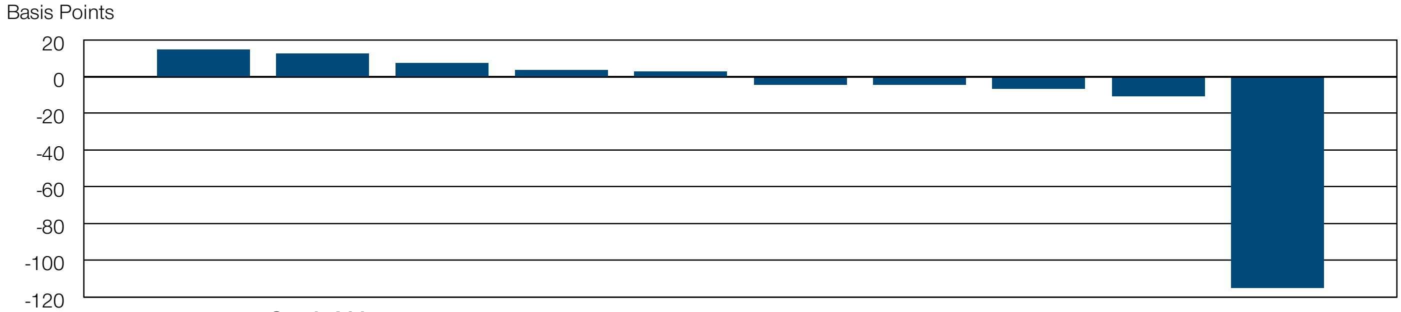
Venezuela	United States	Brazil	Romania	Kazakhstan	Senegal	China	Nigeria	Ukraine	Egypt
80	14	9	6	2	-1	-1	-1	-2	-2

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 DIVERSIFIED

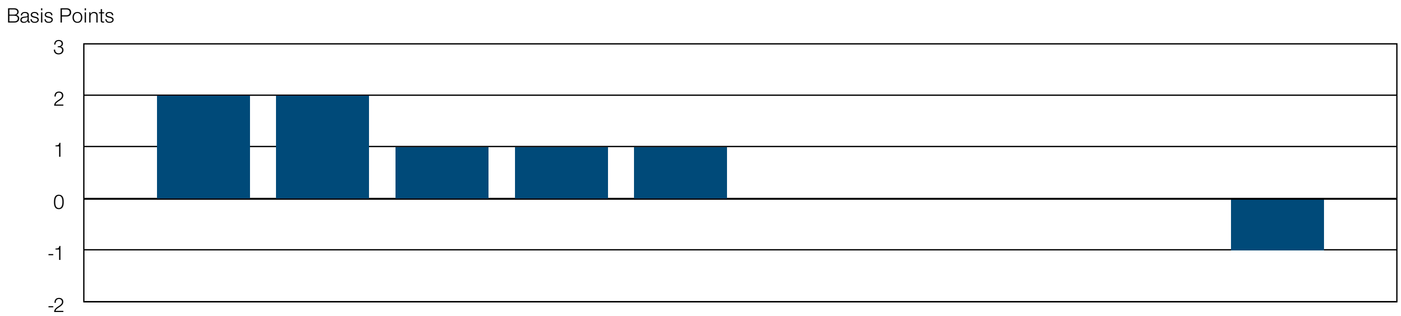
(3 months ended June 30, 2019)



Ukraine	South Africa	Brazil	Zambia	Lebanon	Kazakhstan	Sri Lanka	Russia	Argentina	Venezuela
15	13	8	4	3	-4	-4	-6	-10	-115

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

(3 months ended June 30, 2019)



Egyptian Pound	Argentine Peso	South African Rand	Brazilian Real	Serbian Dinar	Colombian Peso	Indian Rupee	British Pound Sterling	US Dollar	Chilean Peso
2	2	1	1	1	0	0	0	0	-1

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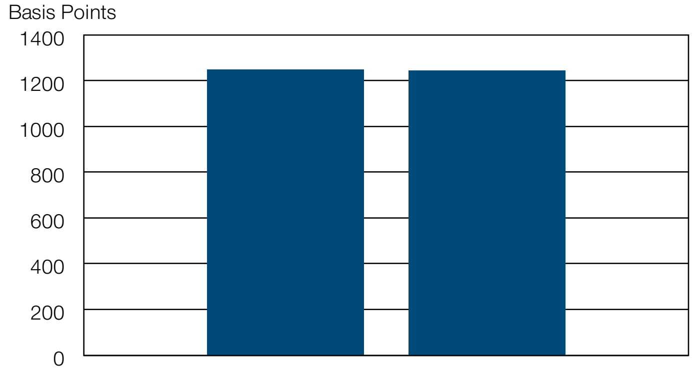
12-MONTH ATTRIBUTION

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

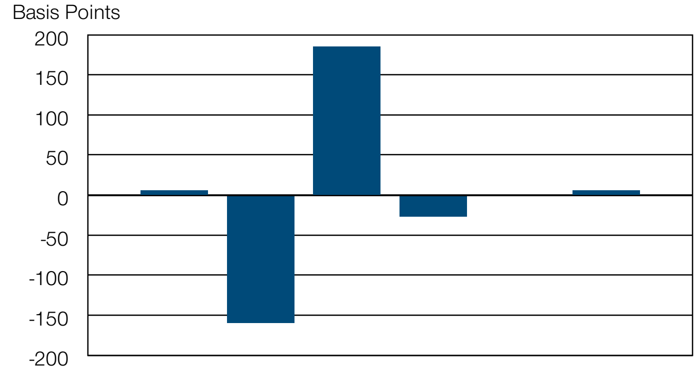
(12 months ended June 30, 2019)



Institutional Emerging Markets Bond Fund	J.P. Morgan EMBI Global Diversified
1251	1245

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

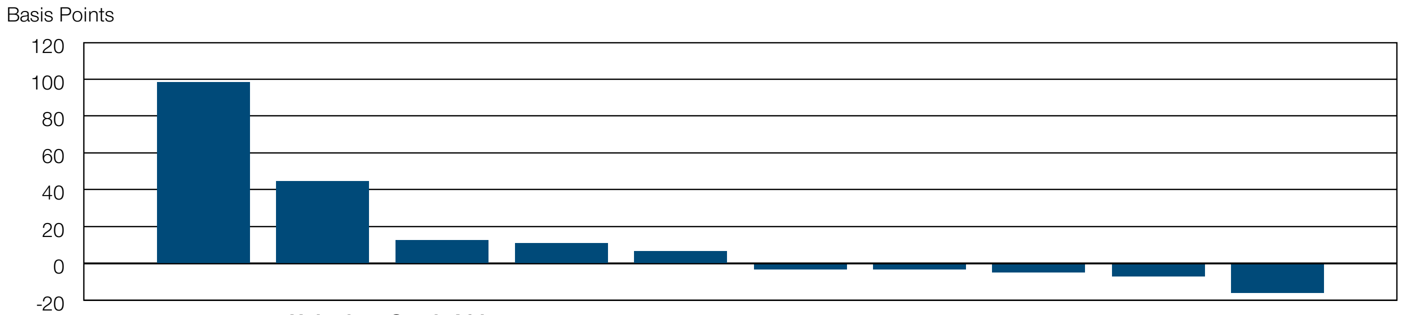
(12 months ended June 30, 2019)



FX Allocation	Country Allocation	Security Selection	Reserve	Residual	Total
6	-159	186	-26	0	6

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

(12 months ended June 30, 2019)



Venezuela	United States	South Africa	Turkey	Indonesia	Russia	Hungary	Costa Rica	Poland	Argentina
99	45	13	11	7	-3	-3	-5	-7	-16

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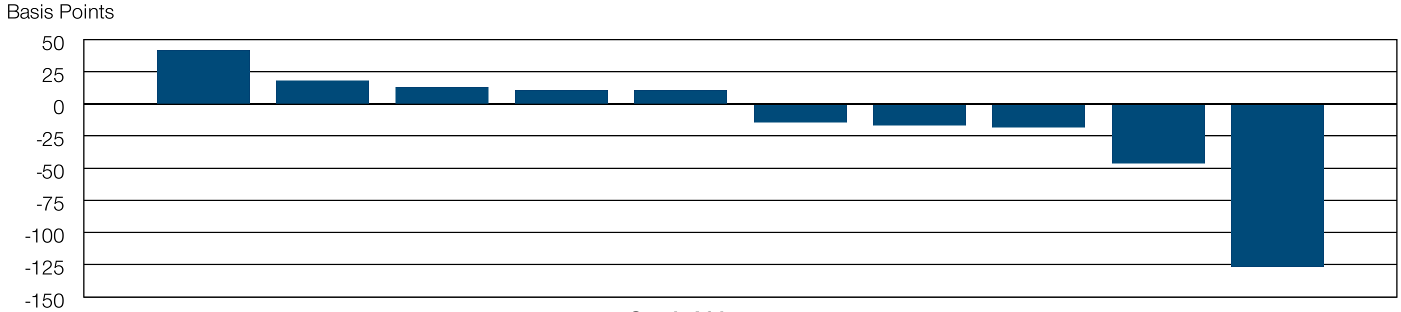
12-MONTH ATTRIBUTION, CONTINUED

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

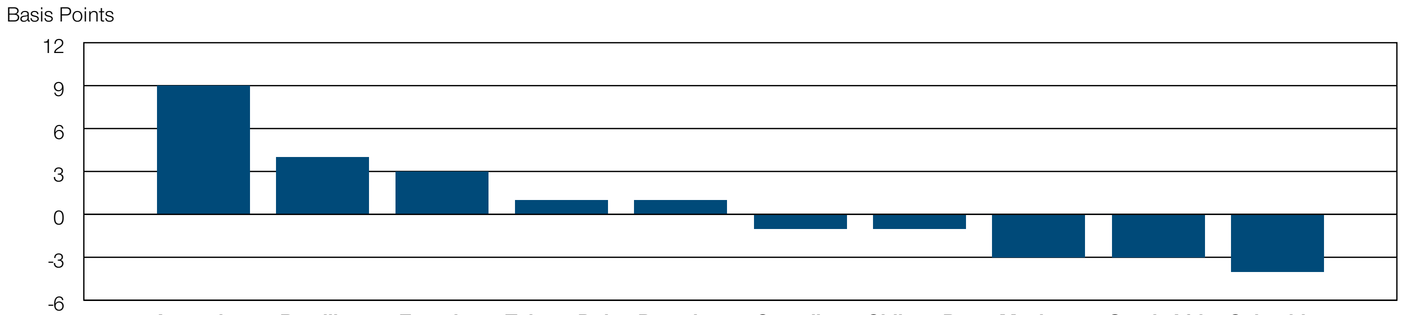
(12 months ended June 30, 2019)



Brazil	Ukraine	Zambia	Costa Rica	South Africa	Ecuador	Serbia	Mexico	Argentina	Venezuela
42	18	14	11	11	-14	-16	-18	-46	-126

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

(12 months ended June 30, 2019)



Argentine Peso	Brazilian Real	Egyptian Pound	Taiwan Dollar	Peruvian Nuevo Sol	Canadian Dollar	Chilean Peso	Mexican Peso	South African Rand	Colombian Peso
9	4	3	1	1	-1	-1	-3	-3	-4

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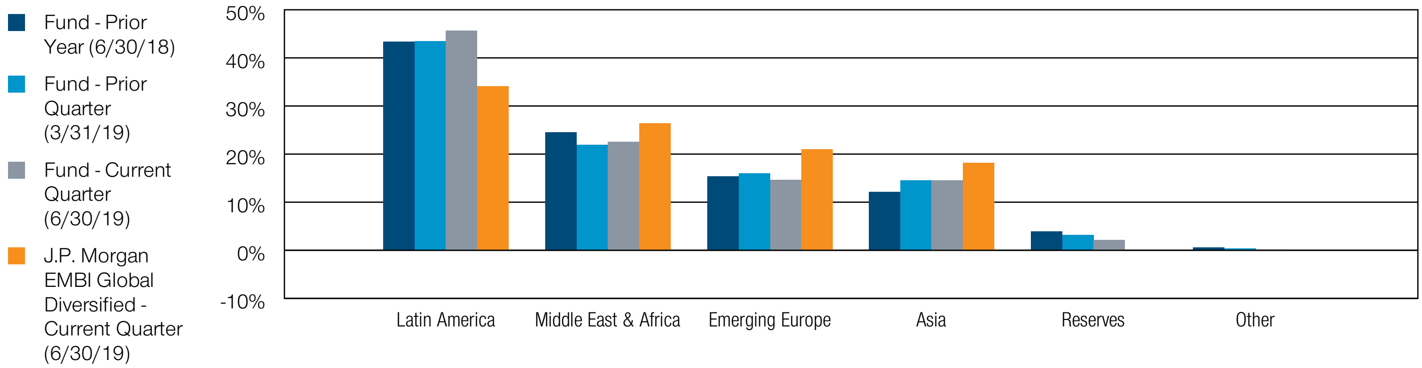
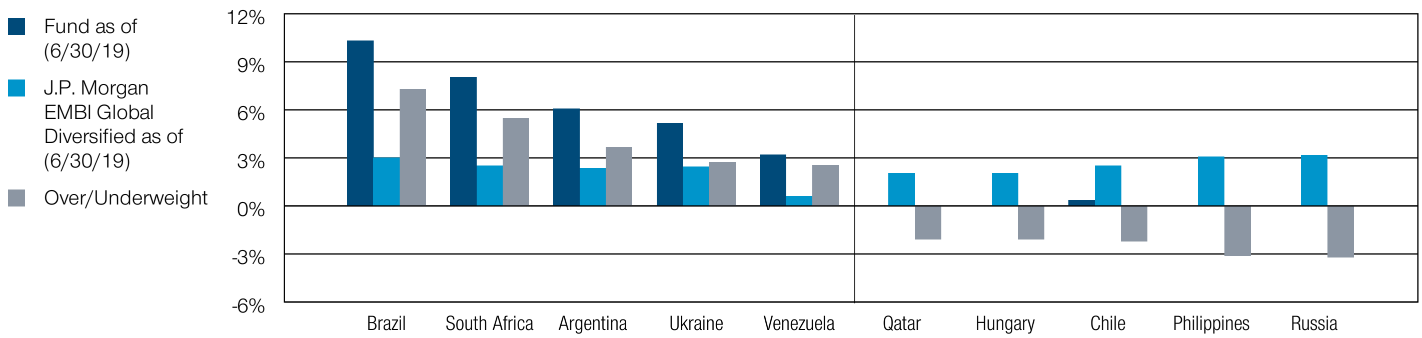
PORTFOLIO POSITIONING

GEOGRAPHIC DIVERSIFICATION - CHANGES OVER TIME



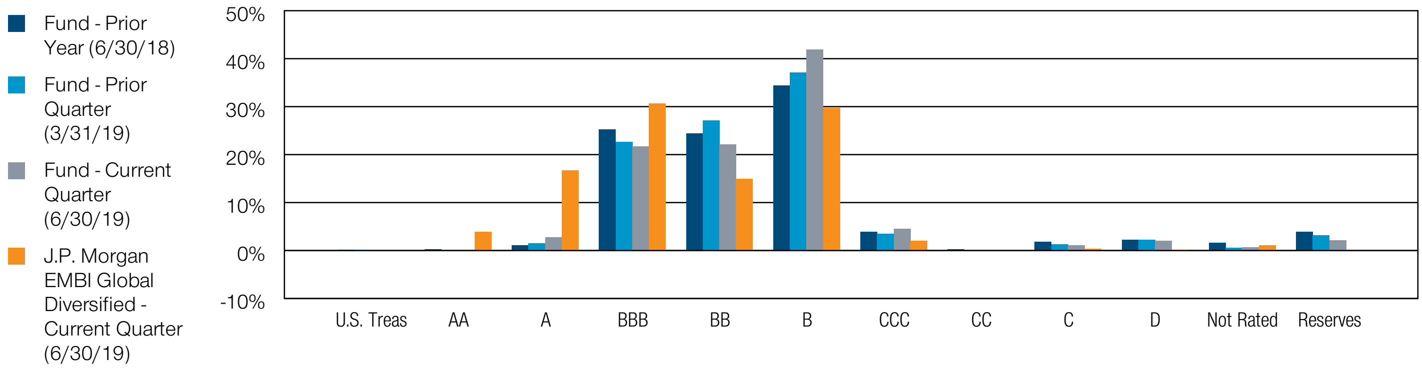
COUNTRY DISTRIBUTION: SIGNIFICANT OVER/UNDERWEIGHT COUNTRIES
FUND VS. J.P. Morgan EMBI Global Diversified



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

PORTFOLIO POSITIONING, CONTINUED.

CREDIT QUALITY DIVERSIFICATION – CHANGES OVER TIME



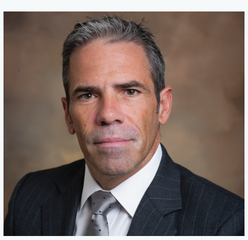
*U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings on the U.S. government.

HOLDINGS

TOP 10 ISSUERS

Issuer	% of Fund
Argentine Republic	5.5%
Ukraine	5.2
Eskom Holdings SOC	4.9
Petrobras Global Finance BV	4.8
Democratic Socialist Republic of Sri Lanka	3.7
Republic of Ecuador	3.5
Republic of Turkey	2.9
Republic of South Africa	2.7
Dominican Republic	2.7
Arab Republic of Egypt	2.5

PORTFOLIO MANAGEMENT



Portfolio Manager:
Mike Conelius

Managed Fund Since:
2006

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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