T.RowePrice®
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QUARTERLY REVIEW

Global Multi-Sector Bond Fund

As of June 30, 2019

PORTFOLIO HIGHLIGHTS

The portfolio outperformed the Bloomberg Barclays Global Aggregate Bond USD Hedged Index for the three-month period ended June 30, 2019.

Relative performance drivers:
- Interest rate management contributed to relative returns.
- Currency positioning helped the portfolio as well.
- Sector allocation was a detractor.

Additional highlights:
- We have turned more defensive and pared the fund's risk exposure as we head into the second half of 2019.
- Our outlook for the coming months remains more cautious. While there are some tentative signs that eurozone growth may be stabilizing, Chinese data are mixed and U.S. data show that the economy continues to slow.

FUND INFORMATION

Symbol	PRSNX
CUSIP	74149N106
Inception Date of Fund	December 15, 2008
Benchmark	Bloomberg Barclays Global Agg USD Hdg Index
Expense Information (as of the most recent Prospectus)*	0.72% (Gross) 0.64% (Net)
Fiscal Year End	May 31
12B-1 Fee	–
Total Assets (all share classes)	$1,096,690,830
Percent of Portfolio in Cash	9.3%

* The fund's net expense ratio reflects a permanent waiver of a portion of the T. Rowe Price Associates, Inc. management fee charged to the fund. This waiver is an amount sufficient to fully offset any acquired fund fees and expenses related to investments in other T. Rowe Price mutual funds. T. Rowe Price funds would be required to seek regulatory approval in order to terminate this arrangement. As a result of other class' contractual expense limitations, T. Rowe Price Associates, Inc. waived fund-level expenses proportionately across all classes. There is no guarantee that these impacts on this share class will continue for the length of the contractual waiver in place on the other class.

PERFORMANCE

(NAV, total return)

	Three Months	Year-to-Date	One Year	Three Years (Annualized)	Five Years (Annualized)	Ten Years (Annualized)	Since Inception 12/15/08 (Annualized)	30-Day SEC Yield	30-Day SEC Yield w/o Waiver°
Global Multi-Sector Bond Fund	3.18%	6.92%	8.63%	4.68%	3.79%	5.62%	6.66%	3.36%	3.32%
Bloomberg Barclays Global Aggregate Bond USD Hedged Index	2.92	6.00	7.80	2.95	3.82	4.23	4.32	–	–
Linked Performance Benchmark*	2.92	6.00	7.91	3.53	3.70	4.58	4.86	–	–

CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Global Multi-Sector Bond Fund	Dec 15 2008	19.87%	10.42%	1.93%	10.90%	0.30%	4.32%	-0.04%	6.84%	6.46%	0.44%
Bloomberg Barclays Global Aggregate Bond USD Hedged Index		5.09	4.61	5.40	5.72	-0.14	7.59	1.02	3.95	3.04	1.76
Linked Performance Benchmark*		9.14	5.67	5.25	7.18	-0.38	6.94	0.58	4.09	3.69	1.78

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.
°Excludes the effect of contractual expense limitation arrangements.
The fund is subject to the risks of fixed income investing, including interest rate risk and credit risk. Any investments in foreign markets are also subject to political risk and currency risk.
*Effective October 1, 2018, the benchmark for the Fund changed to the Bloomberg Barclays Global Aggregate Bond USD Hedged Index. Prior to this change, the benchmark was the Bloomberg Barclays Multiverse Index USD Hedged. Prior to February 1, 2017, the benchmark was the Barclays Global Aggregate ex Treasury Bond USD Hedged Index. The changes were made because the firm viewed the new benchmark to be a better representation of the investment strategy of the Fund. Historical benchmark representations have not been restated.
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

Dovish central banks helped fuel total returns for global fixed income

Global fixed income markets, as measured by the Bloomberg Barclays Global Aggregate Index (USD Hedged), posted positive total and excess returns. The DXY, a USD currency index, closed the quarter down 1.19%.

U.S. Treasury yields fell during the quarter as slowing economic growth and tariff concerns led to increasingly dovish signals from the Federal Reserve (Fed) and other developed market central banks. The benchmark 10-year Treasury note's yield dropped from 2.41% to 2.00%, its lowest level since President Trump's election in November 2016, and other maturities also saw significant yield declines. The Fed kept its policy interest rate unchanged at its two meetings during the period, but at its June meeting the central bank signaled that a cut may be looming, noting increased uncertainties around the economic outlook. The central bank's policymakers, who had previously said they would be "patient" in their approach to interest rate adjustments, instead said that they "will act as appropriate to sustain the expansion," implying a willingness to cut rates if needed.

Eurozone government bond yields also fell over the quarter. Worries around slowing global growth, weak economic data from China, and increased geopolitical tensions helped government bond yields lower. In June, Mario Draghi, president of the European Central Bank, signaled that it was prepared to offer more stimulus or cut interest rates if growth continued to stall. In the UK, Parliament avoided an imminent "no deal" Brexit scenario by agreeing with the European Union to an extension to October 31.

Japan government bond yields declined. The Bank of Japan (BoJ) maintained ultra-low interest rates at its latest monetary policy meeting. Pressure for additional easing could increase after the latest inflation data showed that prices stalled in May and core inflation remained far below the BoJ's 2% target level. Governor Haruhiko Kuroda has said the BoJ can still pursue additional easing if inflation shows signs of softening. A batch of key indicators reflected further slowdown in the economy. While first-quarter GDP unexpectedly grew at an annualized rate of 2.1% according to preliminary data from the Cabinet Office, the pickup was attributable to inventory-building and shrinking imports rather than improvement in consumption or business activity. Meanwhile, exports dropped 2.4% YoY in April, declining for a fifth consecutive month, according to the Ministry of Finance.

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 (IG) 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.

In global credit, European high yield posted the strongest excess returns as spreads tightened the most compared with U.S. high yield and the investment-grade market. Still, global credit broadly generated positive excess returns as increased risk appetite and dovish central banks aided corporate bonds across the quality spectrum.

Agency mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), and asset backed securities (ABS) all underperformed IG corporate bonds for the quarter. Spreads for MBS widened, leading to negative excess returns for the quarter. Increased prepayment risk from falling Treasury yields and talks about housing finance reform both weighed on MBS. CMBS fared better and outperformed Treasuries. ABS underperformed and posted some of the weakest total returns in the index. The shorter-duration, more-defensive sector lagged in this quarter's market backdrop.

Overweight duration exposure in the U.S. and Chile contributed

- Over the quarter, we moved to an overweight duration positioning in the U.S. that significantly benefited performance as U.S. Treasury yields declined. Weaker economic data, a dovish pivot from the Fed and growing confidence that the next policy move from the FOMC will be a cut pushed yields lower.
- Overweight duration exposure in Chile also helped as the country's central bank unexpectedly cut policy rates during the quarter.
- A slight duration overweight in Brazil contributed. Brazilian sovereign yields dropped meaningfully amid increased optimism surrounding pension reform in the country.

Currency positioning benefited relative returns

- A long exposure in the Japanese yen helped as the currency appreciated versus the U.S. dollar. We are holding this position as a risk hedge, and it performed well during periods of risk aversion in the second quarter.
- Long positions in select emerging market currencies, such as the Egyptian pound, Romanian leu, and South African rand, also contributed.
- The Egyptian pound continued to benefit from ongoing economic reforms by the government.
- The Romanian leu rebounded after underperforming in the first quarter as the government avoided a credit downgrade.
- South African President Cyril Ramaphosa won reelection during the quarter and appointed a new, smaller cabinet that removed previous members embroiled in corruption investigations.

Security selection in global high yield aided the portfolio

- Positive security selection within global high yield contributed. Overweight exposure to Avantor helped. The company is a leading provider of product and service solutions to laboratory and production companies and its recently completed initial public offering was supportive for the credit as a large portion of the proceeds will be used to pay down debt.
- Exposure to Altice helped as the French cable provider released earnings that were mostly in line with expectations and also outlined a better-than-expected outlook for the rest of 2019.

Sector allocation decisions were mildly negative

- Allocations to the global sovereign sector detracted as credit sectors rebounded more sharply.

- On the back of strong risk appetite, the portfolio's underweight exposure to global investment-grade corporate bonds weighed on performance as corporate spreads tightened over the period.

PORTFOLIO POSITIONING AND ACTIVITY

Going into the beginning of the 2019, we were positioned advantageously for the rebound in risk assets fueled by the Fed's dovish pivot. However, we have turned more defensive and pared some of the fund's risk exposure as we head into the second half of 2019. To achieve this, we added duration exposure in high-quality markets as slowing global growth, continued dovish policies from central banks, and trade war tensions could lead to lower yields.

Added to high-quality duration

- We closed our underweight to U.S. duration and finished the quarter overweight as market volatility is poised to continue and an acceleration in trade tension has potentially negative implications for global growth. Increased dovish sentiment from the Fed has also increased the likelihood for a Fed rate cut.
- Additionally, we added back into Australian duration as the central bank should remain accommodative in the near term.

Trimmed agency MBS exposure

- We also reduced our allocation to agency mortgage-backed securities (MBS). MBS valuations appeared stretched and expectations for higher Treasury rate volatility may also weigh on the sector. Technical factors also look to be a headwind with the Fed continuing to shrink its balance sheet of Treasury and MBS holdings through the end of September.

Foreign currencies offer opportunities

- In currencies, we hold long positions in the Egyptian pound, Sri Lankan rupee, Romanian leu and Mexican peso versus the U.S. dollar as we believe these currencies can be a solid source of income for the fund.
- In June, we added a 2% long position in the Chinese yuan (CNH) as valuations look fair and further progress in trade talks and thawing of relations between the U.S. and China could be positive for the currency.
- We added to the Japanese yen (funded from the Canadian dollar and U.S. dollar) to help reduce risk in the portfolio's currency positioning.

MANAGER'S OUTLOOK

Our outlook for the coming months remains more cautious. While there are some tentative signs that eurozone growth may be stabilizing, Chinese data are mixed and U.S. data show that the economy continues to slow. Additionally, we are closer in time to the positive effects of U.S. fiscal stimulus rolling off. Persistent trade war noise seems likely to take a toll on business confidence, while another tariff increase would be a hit to the U.S. consumer. Market indicators tell a similar story. Industrial commodity prices have been trending downward-suggesting weak global demand. From a valuation perspective, corporate investment-grade spreads are near their tightest levels in 12 months, which is a stark contrast relative to spreads in January 2019.

The Fed took a decidedly dovish turn in recent months. With rising trade war concerns, the market is pricing in multiple rate cuts this year. With the Fed on hold or possibly easing, we expect the yield on the benchmark 10-year Treasury note to remain low. While 2019's early rebound in credit markets has been stronger than expected, we believe that our more cautious stance is warranted. Valuations provide less upside potential, and downside risks are more prevalent in this current late stage of the credit cycle, as evidenced in the most recent uptick in volatility brought on by trade war concerns and global growth worries. It is unlikely the Fed can successfully execute a prolonged pause that extends the cycle, as a suspension of rate hikes has usually portended the end of the cycle and been followed by rate cuts.

In credit, we see opportunities in European high yield, particularly in stable eurozone credit stories that are less susceptible to swings in the market and are higher in the capital structure. Overall, fundamentals in the sector look steady, the ECB remains supportive, and technicals also provide a tailwind. Additionally, European high yield valuations had become significantly more attractive relative to U.S. high yield over the past year and could benefit with an improvement in Chinese growth.

Emerging markets debt is also an area of focus after significant weakness in the sector in 2018. Growth and fundamentals in select emerging markets remain relatively strong, and emerging market currencies should receive a boost from a dovish Fed. Economic stimulus in China could also provide a tailwind for emerging market assets.

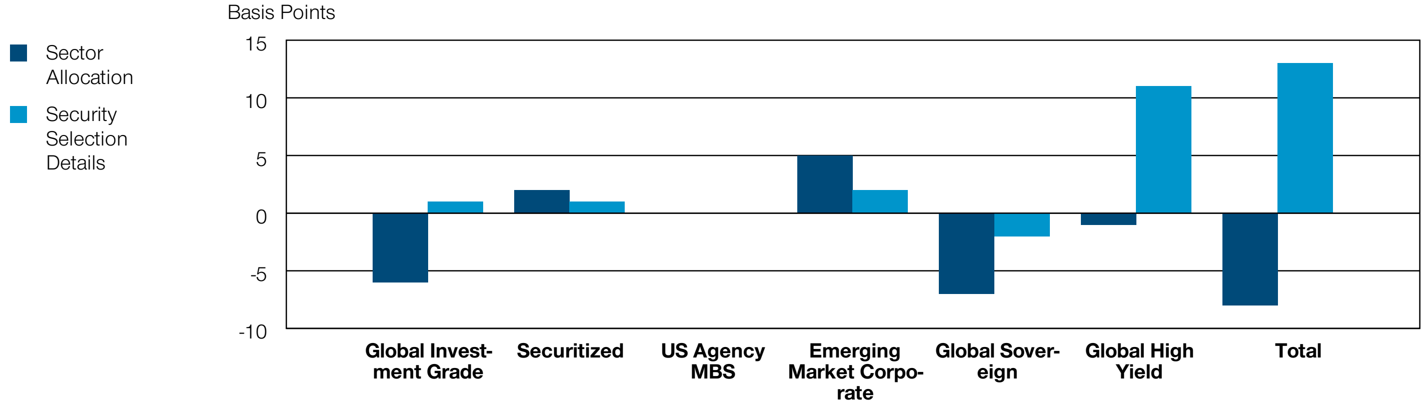
ORGANIZATIONAL UPDATE

Vincent Chung joined the firm on May 15, 2019, as an associate portfolio manager supporting the Global Multi-Sector Bond and Diversified Income Bond strategies. He has a M.Sc. in Physics from Imperial College London and is a CFA charterholder.

QUARTERLY ATTRIBUTION

USD SECTOR ALLOCATION AND SECURITY SELECTION DETAILS: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG USD HDG INDEX

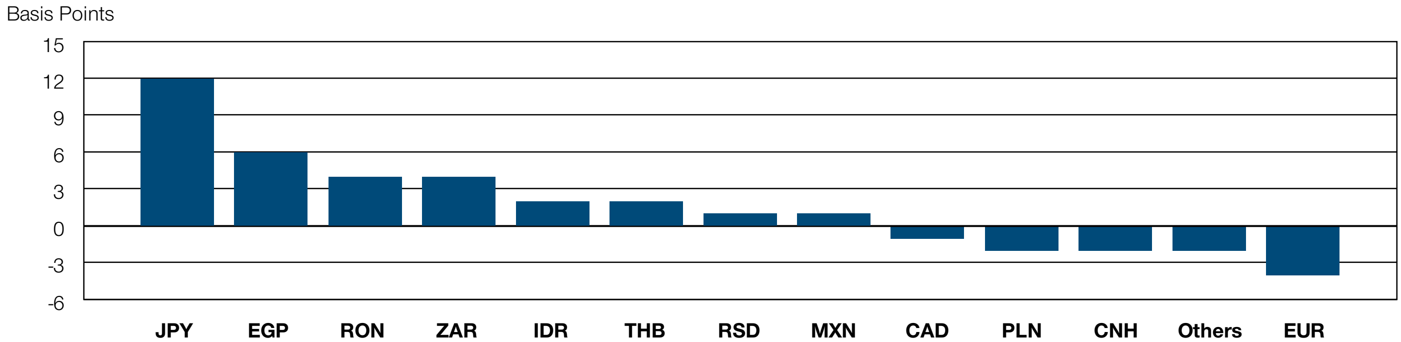
(3 months ended June 30, 2019)



	Global Investment Grade	Securitized	US Agency MBS	Emerging Market Corporate	Global Sovereign	Global High Yield	Total
Sector Allocation	-6	2	0	5	-7	-1	-8
Security Selection Details	1	1	0	2	-2	11	13

FX DETAILS: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG USD HDG INDEX

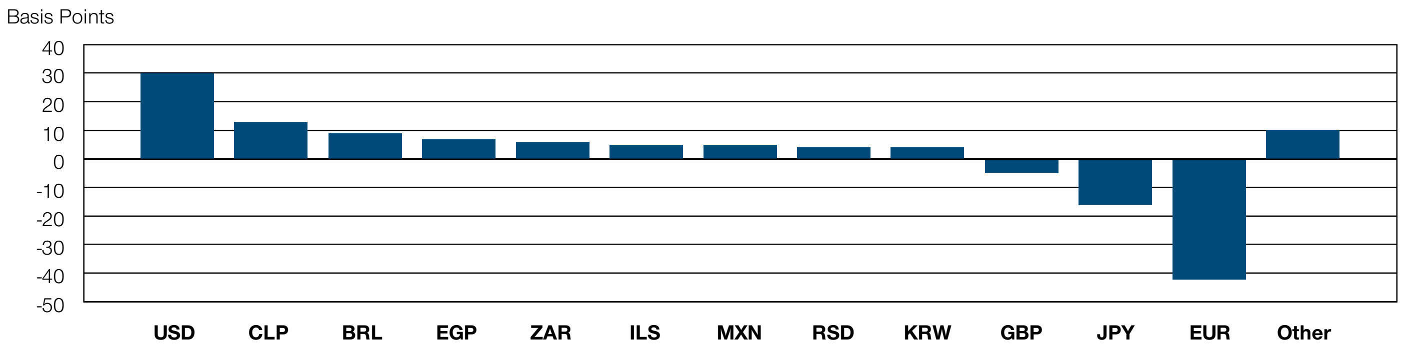
(3 months ended June 30, 2019)



JPY	EGP	RON	ZAR	IDR	THB	RSD	MXN	CAD	PLN	CNH	Others	EUR
12	6	4	4	2	2	1	1	-1	-2	-2	-2	-4

INTEREST RATE DETAILS: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG USD HDG INDEX

(3 months ended June 30, 2019)



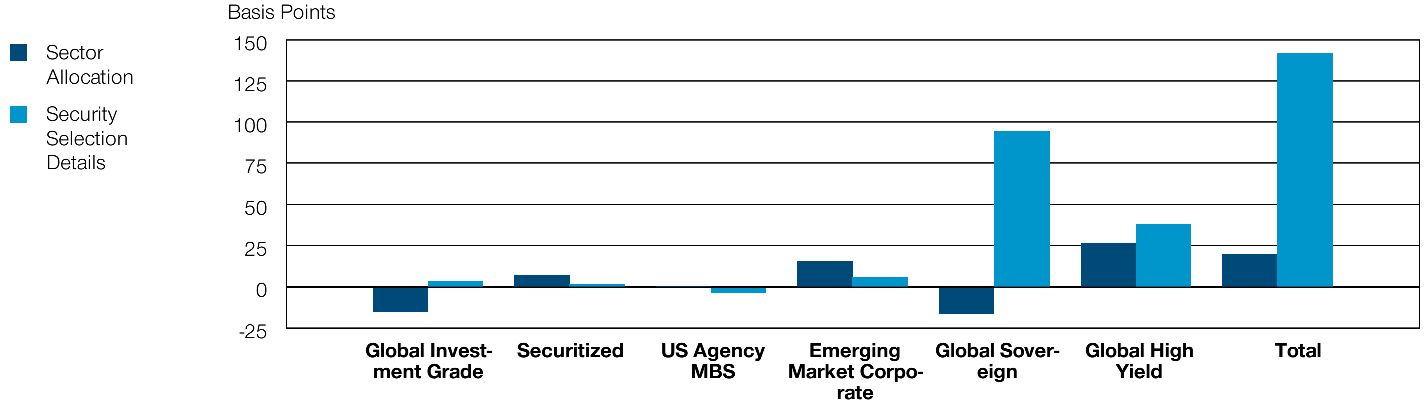
USD	CLP	BRL	EGP	ZAR	ILS	MXN	RSD	KRW	GBP	JPY	EUR	Other
30	13	9	7	6	5	5	4	4	-5	-16	-42	10

Past performance is not a reliable indicator of future performance.
Source: Bloomberg Index Services Limited.
Analysis represents the performance of the portfolio compared to its benchmark as calculated by the Bloomberg attribution model. Performance is attributed to a set of portfolio decisions such as credit quality, duration and yield curve exposures, relative sector weightings, and security selection. Performance for each security is obtained in the local currency and, if necessary, is converted to U.S. dollars using an exchange rate determined by an independent third party. Figures are shown gross of fees. Returns would have been lower as a result of the deduction of such fees.

12-MONTH ATTRIBUTION

USD SECTOR ALLOCATION AND SECURITY SELECTION DETAILS: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG USD HDG INDEX

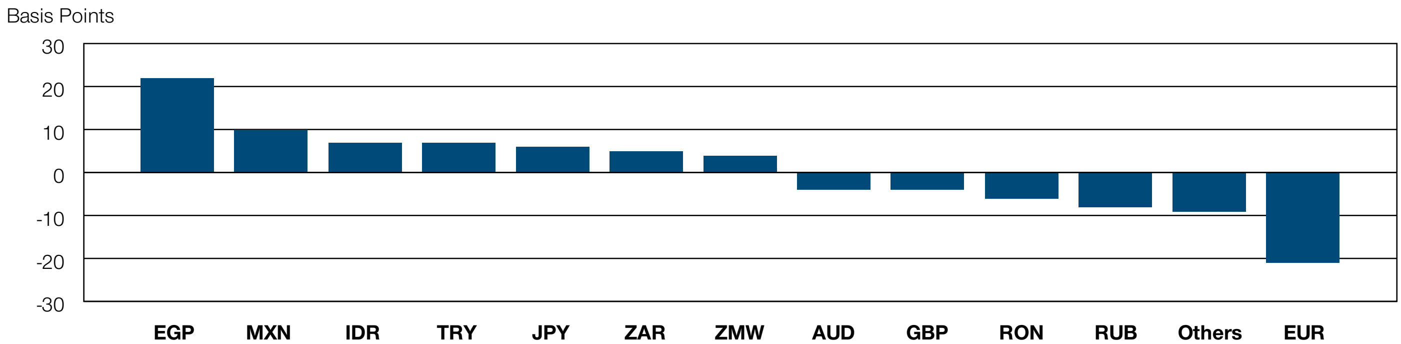
(12 months ended June 30, 2019)



	Global Investment Grade	Securitized	US Agency MBS	Emerging Market Corporate	Global Sovereign	Global High Yield	Total
Sector Allocation	-15	7	1	16	-16	27	20
Security Selection Details	4	2	-3	6	95	38	142

FX DETAILS: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG USD HDG INDEX

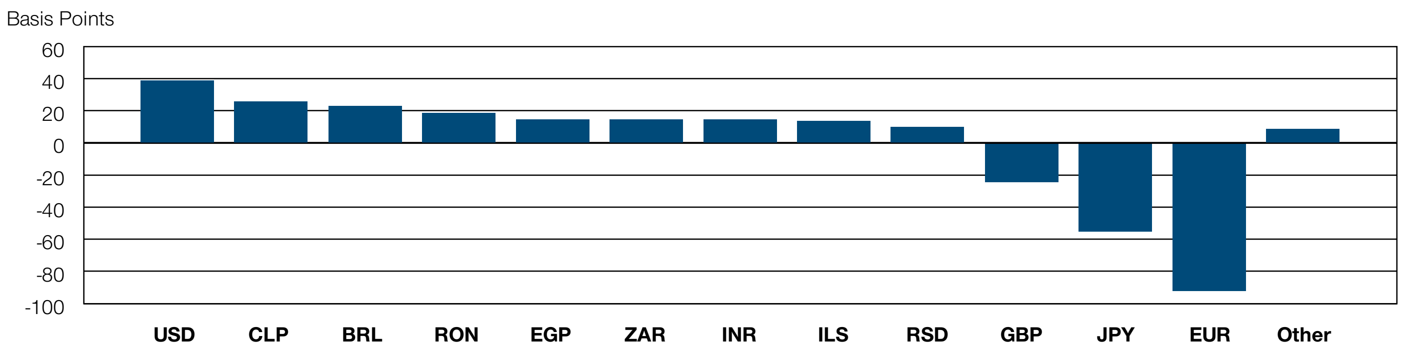
(12 months ended June 30, 2019)



EGP	MXN	IDR	TRY	JPY	ZAR	ZMW	AUD	GBP	RON	RUB	Others	EUR
22	10	7	7	6	5	4	-4	-4	-6	-8	-9	-21

INTEREST RATE DETAILS: FUND VS. BLOOMBERG BARCLAYS GLOBAL AGG USD HDG INDEX

(12 months ended June 30, 2019)



USD	CLP	BRL	RON	EGP	ZAR	INR	ILS	RSD	GBP	JPY	EUR	Other
39	26	23	19	15	15	15	14	10	-24	-55	-92	9

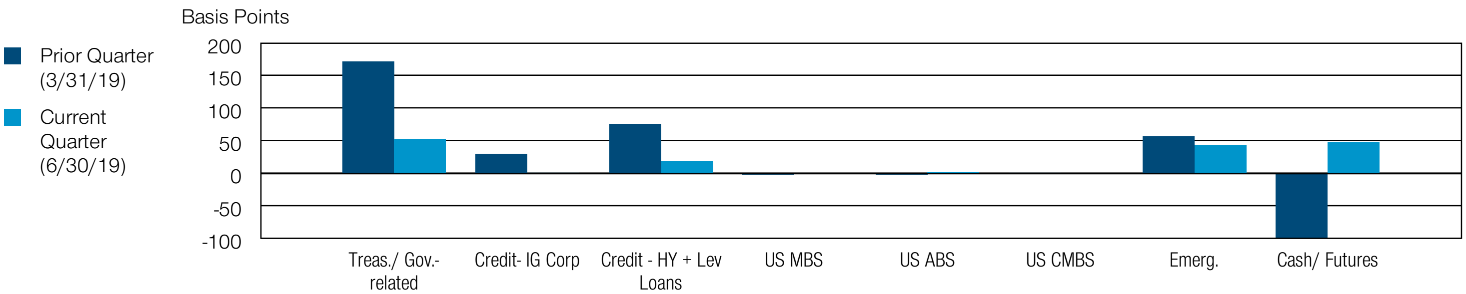
Past performance is not a reliable indicator of future performance.
Source: Bloomberg Index Services Limited.
Analysis represents the performance of the portfolio compared to its benchmark as calculated by the Bloomberg attribution model. Performance is attributed to a set of portfolio decisions such as credit quality, duration and yield curve exposures, relative sector weightings, and security selection. Performance for each security is obtained in the local currency and, if necessary, is converted to U.S. dollars using an exchange rate determined by an independent third party. Figures are shown gross of fees. Returns would have been lower as a result of the deduction of such fees.

RISK ANALYSIS

RISK FACTOR CONTRIBUTION

	Contribution to TEV (Annualized) 3/31/19 (Prior Quarter)	Contribution to TEV (Annualized) 6/30/19 (Current Quarter)
Systematic	218.5 bps	157.2 bps
Foreign Exchange	50.7	61.4
Curve	87.9	72.9
Inflation Linked	1.6	0.0
Swap Spreads	1.3	-0.2
Volatility	0.8	-0.1
Spread Government Related	3.2	6.2
Spread Credit and EMG	69.4	13.6
Spread Securitized	3.5	-0.8
Spread Other	0.0	4.2
Equity	0.2	0.0
Idiosyncratic	0.0	0.0
Credit Default	14.4	5.1
Total	**235.1**	**165.1**

SECTOR CONTRIBUTION TO RISK VERSUS BENCHMARK

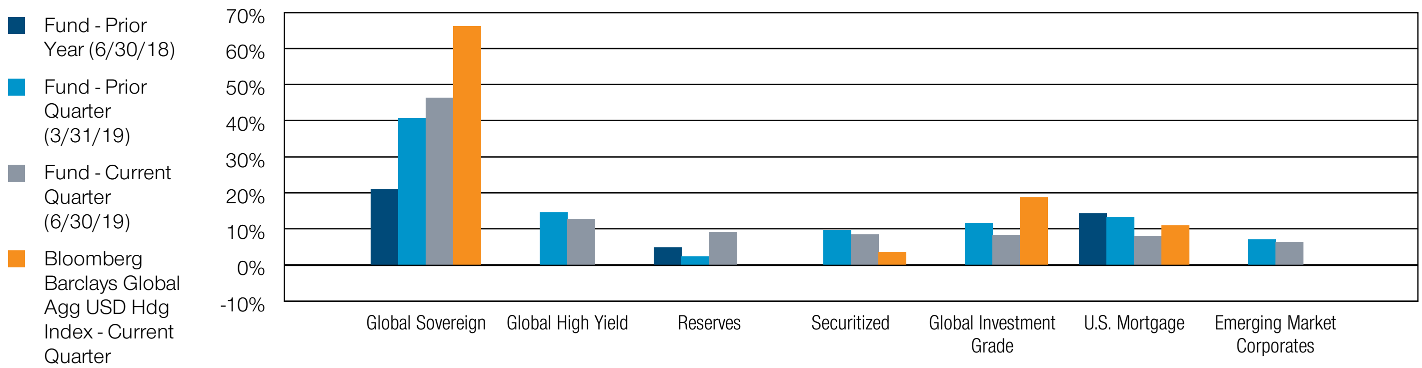


Source: Bloomberg Index Services Limited. Statistics based on monthly data. TEV, or Tracking error volatility, is the standard deviation of the difference between portfolio and benchmark returns. It is the square root of the tracking error variance, or TE variance. The TE variance is the projected variance of the difference between portfolio and benchmark returns. It is estimated from historical return data and from portfolio and benchmark characteristics. It can be decomposed into three sources: Systematic, Idiosyncratic and Default. Systematic (Market) Risk is the risk due to the effect of all systematic factors of the Bloomberg risk model. Idiosyncratic (nonsystematic) risk is the risk not explained by the combination of all systematic or default factors. It represents risk due to non-default events that affect only the individual issuer or bond.

The contribution to TEV is the contribution, in basis points, of a risk factor to total TEV. This measure includes the effect of correlation. The risk factors included in this analysis and shown above are credit spreads, currency, and interest rate duration. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment actions. **Past performance is not a reliable indicator of future performance.**

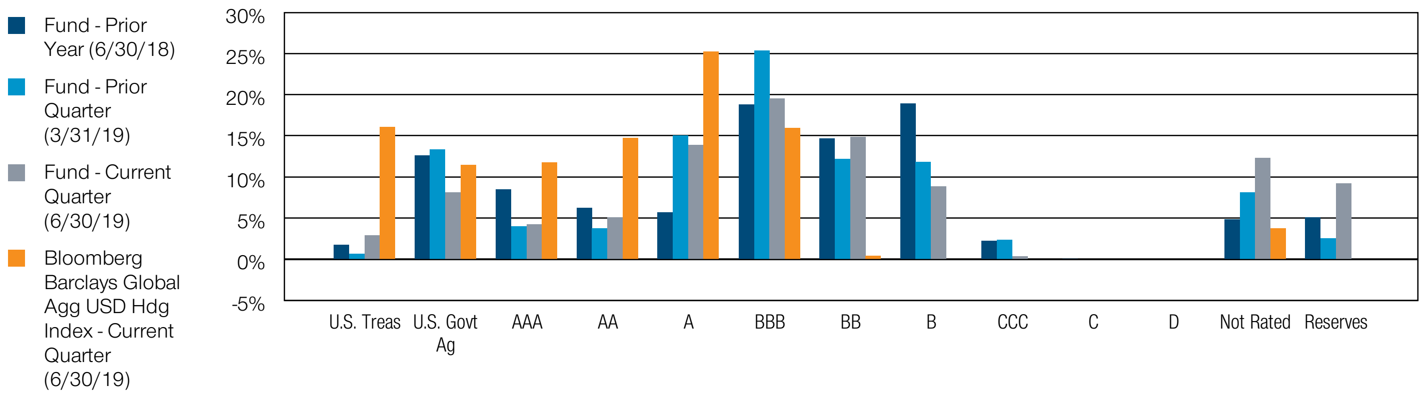
PORTFOLIO POSITIONING

SECTOR DIVERSIFICATION – CHANGES OVER TIME



Global/Emerging Sovereigns includes global developed sovereign, emerging market hard currency sovereign and emerging market local sovereign bonds.

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.
**U.S. government agency securities are issued or guaranteed by a U.S. government agency, and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.
Source for Bloomberg Barclays data: Bloomberg Index Services Limited.

TOP ISSUERS

Issuer	% of Fund
Japan	4.2%
Romania	2.8
United Mexican States	2.8
Republic of Chile	2.5
Republic of South Africa	2.1
Republic of Cyprus	2.0
Federation of Malaysia	1.9
Republic of India	1.9
Federative Republic of Brazil	1.8
Republic of Italy	1.7

PORTFOLIO POSITIONING, CONTINUED.

FX EXPOSURE

Currency	Currency Code	Net %	Bonds %	Cash %	Forwards %
Brazilian real	BRL	0.01	1.76	0.00	-1.75
Canadian dollar	CAD	-0.01	1.22	0.00	-1.22
Chinese yuan renminbi	CNH	-0.45	0.00	0.00	-0.45
Chinese yuan renminbi	CNY	3.43	2.12	1.30	0.00
Egyptian pound	EGP	1.47	1.47	0.00	0.00
European currency unit	EUR	0.50	12.17	-0.21	-11.46
Indonesian rupiah	IDR	1.08	1.75	0.00	-0.67
Indian rupee	INR	0.02	2.52	0.13	-2.62
Japanese yen	JPY	7.00	4.25	0.00	2.74
South Korean won	KRW	0.02	1.55	0.00	-1.53
Sri Lankan rupee	LKR	0.59	0.59	0.00	0.00
Mexican peso	MXN	1.00	2.76	0.00	-1.77
Malaysian ringgit	MYR	1.49	1.89	0.00	-0.40
Polish zloty	PLN	-0.01	-0.06	0.00	0.05
Romanian leu	RON	1.50	2.69	0.04	-1.23
Serbian dinar	RSD	1.01	1.34	0.00	-0.33
Thai baht	THB	0.49	1.01	0.00	-0.52
US dollar	USD	79.85	44.31	6.66	28.88
South African rand	ZAR	1.00	2.08	0.06	-1.14
Total		**100.00**	**85.43**	**7.99**	**6.58**

PORTFOLIO MANAGEMENT

Portfolio Manager:
Kenneth Orchard

Managed Fund Since:
2018

Joined Firm:
2010

Additional Disclosures

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Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.
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Unless indicated otherwise the source of all data is T. Rowe Price.
Sources for Issue Currency: T. Rowe Price and Bloomberg Barclays.
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