

Dynamic Global Bond Fund

Legal entity identifier: 549300EZGJHY7GNVPY28

1 January to 31 December 2024

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ____%

☒ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and/or social ("E/S") characteristics by committing to maintain a minimum of 50% of the value of its portfolio invested in issuers and/or securities that are rated "Green" by the T. Rowe Price proprietary Responsible Investor Indicator Model ("RIIM"). More details on the approach to identifying these investments can be found in the prospectus.

Throughout the reference period the Fund held an average of 80.0% of the value of its portfolio invested in issuers and/or securities that are rated "Green" by RIIM, always maintaining a minimum of 50%.

How did the sustainability indicators perform?

The sustainability indicator performed as follows.

Throughout the reference period the Fund held an average of 80.0% of the value of its portfolio invested in issuers and/or securities that are rated "Green" by RIIM.

T. Rowe Price calculated the proportion of sustainable investments during the reference period by using an asset-weighted average of quarter-end portfolio measurements.

... and compared to previous periods?

The historical values of the Fund's sustainability indicator are shown in the table below.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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Period	% Green rated Investments
2022 ¹	87.0
2023	81.4
2024	80.0

¹ As the Fund's sustainability indicator took effect from 1 October 2022, the percentage of green rated investments reflects the value on 31 December 2022.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable as the Fund has not committed to make sustainable investments.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable as the Fund has not committed to make sustainable investments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Fund made a commitment to consider the following PAI indicators:

- investee countries subject to social violations (PAI #16)

PAI Indicator	Unit of Measurement	Value (%)	Fund Coverage (%) [*]
Investee countries subject to social violations (PAI #16)	Percentage of Fund invested	0.0	55.9

^{*} Fund coverage represents the proportion of investments for which PAI data is available and applicable.

The Fund considered PAI #16 by restricting investment in countries the investment manager identified are subject to social violations. These restrictions were implemented systematically via the T. Rowe Price Responsible Exclusion List. For the reference period, the Fund's exposure to countries subject to social violations was zero. Since this PAI value cannot be improved, the investment manager is not planning any engagement or investment action. The investment manager will continue to monitor this on an ongoing basis.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January to 31 December 2024

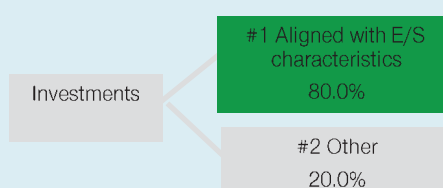
Largest Investments	Sector	% Assets	Country
United States Treasury Note/Bond	US Govt & Agencies	12.1	United States
United States Treasury Inflation Indexed Bonds	US Govt & Agencies	5.3	United States
Deutsche Bundesrepublik Inflation Linked Bond	Government	4.1	Germany
Thailand Government Bond	Government	3.6	Thailand
New Zealand Government Bond	Government	3.5	New Zealand
Kreditanstalt fuer Wiederaufbau	Government	2.9	Germany
United Kingdom Inflation-Linked Gilt	Government	2.5	United Kingdom
Serbia Treasury Bonds	Government	2.4	Serbia
Malaysia Government Bond	Government	2.1	Malaysia
Brazil Notas do Tesouro Nacional Serie F	Government	1.9	Brazil
India Government Bond	Government	1.9	India
Bonos de la Tesoreria de la Republica en pesos	Government	1.8	Chile
Australia Government Bond	Government	1.5	Australia
Philippine Government International Bond	Government	1.3	Philippines
Goto Foods Funding LLC	Mortgage Backed Securities	1.2	United States



What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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● *In which economic sectors were the investments made?*

Sector	Sub-sector	% Assets	
Government	Foreign Govt & Muni (Excl Canadian)	41.0	41.0
	Taxable Futures	0.0	
US Govt & Agencies	U S Treasury Obligations	17.4	17.4
Corporate High Grade	Banking	7.8	17.0
	Miscellaneous	2.3	
	Financial	1.2	
	Automotive	1.1	
	Utilities	0.7	
	Energy	0.6	
	Wireless Communications	0.5	
	Gas & Gas Transmission	0.4	
	Airlines	0.4	
	Transportation (Excluding Railroads)	0.3	
	Electric Utilities	0.3	
	Healthcare	0.2	
	Exploration & Production	0.2	
	Chemicals	0.2	
	Manufacturing	0.2	
	Real Estate Investment Trust Securities	0.2	
	Investment Dealers	0.2	
	Media & Entertainment	0.1	
	Consumer Products	0.1	
	Beverages	0.1	
	Information Technology	0.0	
	Other Telecommunications	0.0	
	Retail	0.0	
	Entertainment & Leisure	0.0	
	Metals & Mining	0.0	
	Food/Tobacco	0.0	
	Lodging	0.0	
	Forest Products	0.0	
	Supermarkets	0.0	
	Drugs	0.0	
	Industrial - Other	0.0	
	Services	-0.1	
	Aerospace & Defense	-0.1	
Corporate High Yield	HY-Broadcasting	1.4	6.3
	HY-Automotive	1.0	
	HY-Consumer Products	0.6	
	HY-Restaurants	0.5	
	HY-Energy	0.4	
	HY-Financial	0.4	
	HY-Entertainment & Leisure	0.4	
	HY-Information Technology	0.3	
	HY-Banking	0.3	

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Sector	Sub-sector	% Assets	
Corporate High Yield (cont'd)	HY-Cable Operators	0.3	
	HY-Retail	0.2	
	HY-Airlines	0.1	
	HY-Wireline Communications	0.1	
	HY-Healthcare	0.1	
	HY-Services	0.1	
	HY-Other Telecommunications	0.0	
	HY-Industrial Other	0.0	
Mortgage Backed Securities	Asset Backed Other	2.4	
	Whole Loans Backed	1.3	3.9
	Commercial Mortgage Backed Securities	0.2	
Emerging Market Corporate	EM-Building & Real Estate	0.7	
	EM-Banks	0.6	1.9
	EM-Chemicals	0.5	
	EM-Information Technology	0.0	
Tax-Free Gen. Obligations	General Obligations - State	0.7	0.7
Index	Index	0.1	0.1
Asset Backed Securities	Auto Backed	0.0	0.0
Energy	Exploration & Production	0.0	0.0
Basic Materials	Mining	0.0	0.0
Process Industries	Chemicals	0.0	0.0
Cash/Reserves	Cash/Reserves	11.7	11.7



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The actual proportion of Taxonomy-aligned investments held by the Fund was 0.0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

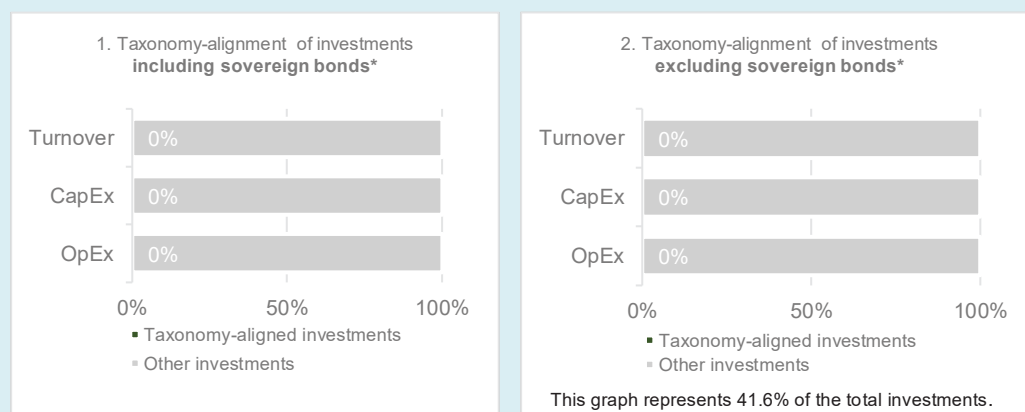
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures (including quasi-sovereign bonds).

What was the share of investments made in transitional and enabling activities?

The share of investments in transitional activities was 0.0% and in enabling activities was 0.0%.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Period	% Taxonomy-aligned Investments
2022	0.0
2023	0.0
2024	0.0

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are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Fund did not commit to making sustainable investments and therefore the investment manager has not assessed the Fund's portfolio alignment with the SFDR sustainable investment criteria.



What was the share of socially sustainable investments?

The Fund did not commit to making sustainable investments and therefore the investment manager has not assessed the Fund's portfolio alignment with the SFDR sustainable investment criteria.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

This included all other investments that were not rated "Green" in RIIM. These were subject to screening by the investment manager to avoid investment in issuers that the investment manager believed were harmful to the environment or society through the application of the T. Rowe Price Responsible Exclusion List. The T. Rowe Price Responsible Exclusion List is a binding exclusion list that applies directly to the fund's entire portfolio, meaning that all investments the Fund made were screened against this exclusion list. At the discretion of the investment manager, the Fund may have held investments that are not relevant to the T. Rowe Price Responsible Exclusion List (cash and certain derivatives used for efficient portfolio management). These investments were still subject to the good governance assessment, where relevant.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Throughout the reference period an average of 80.0% of the value of the Fund's portfolio was invested in securities that were rated "Green" in RIIM.

In determining whether an issuer or security was rated "Green" in RIIM, the investment manager took into account the following E/S factors, as applicable, to sovereign and corporate investments. Each E/S factor was scored using the investment manager's proprietary methodology and an overall issuer/security profile score was assigned on a weighted average basis. This meant that not all E/S factors described below may have positively contributed to an issuer's "Green" profile score and those E/S factors that did positively contribute may have changed over time.

Sovereign investments		Corporate investments	
Environmental	Energy and emissions	Environmental	Operations
	Freshwater		Environment end product
	Climate risk	Social	Human capital
	Biodiversity		Society
	Use of natural capital		Social end product
Social	Demographics		
	Safety		
	Health		
	Education and employment		
	Infrastructure		
	Equality		



How did this financial product perform compared to the reference benchmark?

A reference benchmark was not used for the purpose of promoting the Fund's E/S characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.