T. Rowe Price®
INVEST WITH CONFIDENCE

T. ROWE PRICE GLOBAL IMPACT CREDIT STRATEGY

IMPACT STATEMENT

January 2023

As our world evolves, societal, governmental, regulatory, and fiduciary pressures are driving change on a range of environmental and social fronts. As companies respond and increasingly shift investment to address global pressure points, the opportunity to invest in a business that creates a positive impact on society and the planet is broader than it has ever been in public debt markets. We believe impact investing is vital in positioning investors to invest on the right side of societal and environmental change. It creates a real opportunity to select investments that we believe will deliver a favourable impact profile and capture the added return potential that this can bring.

We strongly believe that impact is achieved within an investment portfolio in more ways than simply investing and capturing the economics and activities of certain types of companies. It involves directing fresh capital toward desired impact outcomes, impact-oriented company engagement, and the associated influence feedback loop.

Our investment process embeds clear principles of **materiality** and **measurability** to form the basis for identifying positive impact for clients. We aim to make a difference with our capital as a fixed income manager, and hope to accelerate this change through engagement. Due to the very complex friction points that exist for our planet and global communities, delivering impact requires patience and an understanding of change. This is why being **resilient** in applying an impact-oriented investment approach is imperative.

Our Impact Charter

Material

We base our security inclusion criteria on an issuer's activities and its alignment with clearly defined impact pillars, always accounting for dimensions of positive future change.

Measurable

We quantify outcomes both individually and collectively as we translate impact intentionality into a measurement framework.

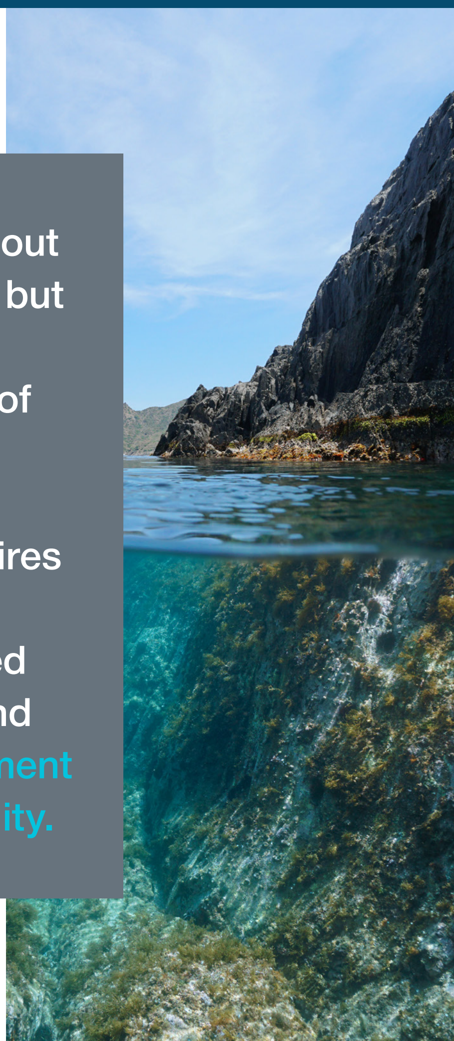
Additional

We aim to capture positive environmental and social outcomes on a global basis, but we also commit to using our scale and resources to promote and progress the impact agenda.

Resilient

In an era of disruption and extreme outcomes, positive change has to be durable. Patience and collaboration will be key in pursuing good client outcomes.

Impact is about the present, but includes dimensions of change and persistence. Impact requires conscious action, skilled execution and the commitment of additionality.



MATERIAL POSITIVE IMPACT

All our investments start with a security-by-security assessment of impact materiality. Our responsible investing team defines our impact universe through careful screening, a deep understanding of environmental, social and governance (ESG) factors, industry-specific, forward-looking impact inclusion criteria and an evaluation of the credibility of the ESG-labelled bonds through our proprietary framework.

Avoiding significant harm: T. Rowe Price Impact Exclusion List

The initial global aggregate credit opportunity set of around 3,500 issuers (the Bloomberg Global-Aggregate Credit Index) is screened* to exclude areas of the global economy that, in our view, generate significant harm. We also exclude securities that screen out individually on conduct-based metrics, integrating our proprietary Responsible Investing Indicator Model (RIIM) analysis to identify specific controversies or areas of ESG risk that merit individual consideration.

Systematic and proactive integration of ESG considerations

The Global Impact Credit strategy leverages our ESG integration process to understand environmental and social dynamics related to a company's conduct. All of our securities selection decisions begin with a clearly defined positive impact thesis, which proactively and systematically integrates ESG considerations. Our philosophy is that ESG factors cannot be separate or tangential parts of a traditional investment thesis. Company fundamentals, including its consideration of environmental, social and governance factors, play a critical role in the security selection process.

The process of ESG integration takes place on three levels:

1. First, as our fundamental and responsible investing research analysts incorporate environmental, social, and governance factors into their analysis;
2. Second, as we use T. Rowe Price's proprietary RIIM analysis at regular intervals to help us understand the ESG characteristics of securities and the aggregate portfolio; and
3. Third, as the portfolio manager integrates ESG considerations within the investment thesis and portfolio construction process itself.

The T. Rowe Price Impact Exclusion List currently consists of the following categories:

Adult Entertainment
companies that generate >5% of revenues from adult entertainment.

Alcohol
companies that generate >5% of revenues from alcohol.

Assault-style Weapons
companies that manufacture or retail semi-automatic weapons for civilian use.

Controversial Weapons
companies with direct exposure to anti-personnel land mines, cluster munitions, incendiary weapons, biological weapons, chemical weapons and/or nuclear weapons.

Conventional Weapons
companies that generate >5% of revenues from the production of conventional weapons.

For-Profit Prisons
companies that generate >5% of revenues from for-profit prisons.

Fossil Fuels
companies that generate >5% of revenues from the production of thermal coal, and companies that are identified within the Oil or Gas industry through the Global Industry Classification Standard (GICS) and/or Bloomberg Industry Classification Systems (BICS) classification.

Gambling
companies that generate >5% of revenues from direct gambling operations.

Tobacco
companies that produce tobacco or key components of tobacco products.

Conduct-based
corporate or sovereign issuers that, in the opinion of the investment manager, have been involved in an extreme environmental, social, ethical or governance breach as determined in reference to the UN Global Compact principles and are not taking adequate steps to remediate the issue.

* Screening is generally applied only to the relevant company itself and to its subsidiaries. Minority holdings (less than 50% ownership) are generally not considered for screening purposes.

Aligning our investments to the United Nations Sustainable Development Goals (UN SDGs)

Our strategy philosophy aligns with the UN SDGs, a globally recognised framework designed to end poverty, protect the planet, and ensure prosperity. We believe this is the best way to align all stakeholders in the impact journey, encompassing our clients, investment team, and the businesses our strategy owns.

To ensure our approach has substance and materiality, we adopt a forward-looking perspective on change while ensuring all investment decisions are based on a clearly defined, positive impact thesis that is both material and measurable. We assess business activities and how they align to the following three impact pillars and eight sub-pillars, guided by the UN SDGs:

Companies must meet at least one of the following four impact inclusion criteria to be eligible for consideration:

1. Majority of current revenues or profits is tied to at least one impact sub-pillar
2. Majority of projected revenues or profits in 10 years is tied to at least one impact sub-pillar
3. Use of proceeds are allocated to projects tied to at least one impact sub-pillar
4. Best-in-class response to impact situations

Pursuing positive impact from our investments against these pillars is the start point for every investment decision we make.

T. Rowe Price Pillars & Sub-pillars

1 Climate and resource Impact

1. Reducing greenhouse gases (GHGs)
2. Promoting healthy ecosystems
3. Nurturing circular economies

2 Social equity and quality of life

4. Enabling social equity
5. Improving health
6. Enhancing quality of life

3 Sustainable innovation and productivity

7. Sustainable technology
8. Building sustainable industry & infrastructure

UN SDG Alignment

T. Rowe Price uses a proprietary custom structure for impact pillar and sub-pillar classification.
The UN SDGs encompass 17 goals. For further information, please visit http://www.un.org/sustainabledevelopment/sustainable-development-goals/
The trademarks shown are the property of their respective owners. Use does not imply endorsement, sponsorship, or affiliation of T. Rowe Price with any of the trademark owners.

Evaluating the credibility of ESG-labelled Bonds

Our Global Impact Credit strategy leverages our proprietary ESG bond framework to assess the credibility of ESG-labelled bonds to enhance our research and promote better decision making. By evaluating the ESG-labelled bonds in-depth, we aim to safeguard ourselves against greenwashed bonds and ultimately identify high impact projects.

The process of evaluating ESG-labelled Bonds:

Our fundamental and responsible investment analysts assess each ESG-labelled bond using our proprietary framework.

First, our fundamental and responsible investment analysts evaluate the issuer's ESG profile based on our proprietary Responsible Investing Indicator Model (RIIM) score, together with an assessment of the issuer's environmental and/or social targets and commitments.

We then verify alignment with standards put forth by the International Capital Markets Association (ICMA), second party opinion solicitation, and an assessment of the governance structure supporting the sustainable finance framework.

We further evaluate the use of proceeds and credibility of the financed projects. Performing such analysis helps filter out greenwashed bonds and ultimately identify high impact projects.

The final step of our evaluation involves post-issuance reporting to ensure the targeted ESG bond stays true to its label.

Each bond is rated green, orange, or red based on its weighted average overall score.

Evaluating ESG-labelled Bonds

We utilize a proprietary framework for assessing the credibility of ESG-labelled bonds

Issuer's ESG Profile

- ✓ Proprietary T. Rowe Price RIIM score
- ✓ Issuer's environmental and/or social targets/ commitments

Framework, Standards, Verification

- ✓ ICMA alignment
- ✓ Second party opinion
- ✓ Governance structure

Use of Proceeds

- ✓ Credibility of proceeds
- ✓ Proceeds management and allocation
- ✓ Refinancing
- ✓ Addressing ineligibility

Post-Issuance Reporting

- ✓ Reported allocation of proceeds
- ✓ Audit reporting

How it works

- Analysts assess ESG bond frameworks across 4 pillars and 12 sub-pillars, each rated Green, Orange or Red
- A weighted average overall score is assigned to the framework and integrated into the investment decision process

Our ESG bond model aims to guard against greenwashing and identify high impact projects

Responsible Investing Indicator Model (RIIM) is a proprietary tool developed to enhance research and aid better decision making. RIIM rates companies in a traffic light system measuring their environmental, social and ethical profile and flagging companies with elevated risks (Green=No/Few Flags, Orange=Medium Flags, Red=High Flags).

MEASURABILITY

Quantifying and measuring outcomes is one of the most significant challenges impact investors face. This is due to the lack of generally accepted measurement standards and the need to capture the evolving dimension of change, not just a backwards-looking data set of historical impacts. Networks of impact investing professionals, including asset managers, continue to evolve and establish harmonised terminology, frameworks, and principles, to increase reporting clarity to clients. Due to the rapid development in impact management and measurement best practices, we keep our approach under constant review.

Impact due diligence: assessing fundamentals and risk

We use the five dimensions of impact framework* to carry out the impact due diligence of a given security. This framework was developed by the Impact Management Project, an impact practitioner community of over 2,000 organisations.

This framework leads to assessing a company's ability to deliver impact on a holistic basis, including the risks that may affect its ability to deliver the targeted impact.

The five dimensions are:

1. What outcome is occurring in the period?
2. Who experiences the outcome?
3. How much of the outcome is occurring (scale, depth, and duration)?
4. Contribution—Would this change likely have happened anyway? and
5. Risk—What is the risk to people and the planet if the impact does not occur as expected?

Our approach to impact measurement

Alignment

Quantify alignment with our three impact pillars and eight sub-pillars
To create a robust and measurable impact universe

Outcomes

Measure outcomes and impact
Using the theory of change, quantifying wherever possible, using external data

Fundamentals

Assess fundamentals through an impact lens
Using the Impact Management Project's five dimensions of impact to gain a deeper understanding of a business' impact footprint

Risk

Understand impact risk
Qualify risks and track evolution and impairment of the impact thesis

The Impact Management Project, a project by Bridges Fund Management Ltd (company number 10401079) ("**Bridges**").

* The Five Dimensions of Impact is a measurement framework developed by the Impact Management Project, an impact practitioner community of over 2,000 organizations.

Within this process and depending on data availability, we also use guidance and metrics from the IRIS+ catalogue of metrics, developed by the Global Impact Investing Network (GIIN).

This analysis leads us to formalise an impact thesis, highlight negative externalities and risks and define key performance indicators (KPIs) for each security.

This impact-oriented due diligence can also be a starting point for engaging with a company. During this stage, the investment and responsible investing teams may identify gaps in the disclosures, which are necessary to the impact measurement process.

Outcome and impact measurement

In our end of year annual impact report, we provide a portfolio review to give clarity to clients on our ownership and impact successes, engagements, and sell-driven events where necessary. We measure individual and aggregate impact where we can and aim for clarity without over-simplifying a complex equation.

We plan to release our next annual impact report in the second half of 2023 and believe that the 'Theory of Change' model provides a clear and comprehensive framework for evaluating how the efforts of each holding is delivering impact, through the measurement of achieved outcomes. This framework explains the steps taken by a company to produce specific societal and environmental outcomes on a chronological basis.

One benefit of this approach is it provides a robust benchmark against which we can measure the effectiveness and progress of a company toward its impact goals over time.

For investment in companies that undertake multiple activities leading to complementary or conflicting outcomes, we will endeavour to reflect this complexity in our methodology and our annual report using case studies.

ADDITIONAL: ACCELERATING IMPACT THROUGH ENGAGEMENT

We truly believe impact is achieved within an investment portfolio in more ways than simply investing in a company and capturing the economics and activities. Our approach involves directing fresh capital towards desired impact outcomes alongside impact-oriented company engagements, and the associated influence feedback loop.

Done well and in partnership with our fundamental and responsible research analysts and governance team, we believe this will potentially create benefits not only for our Global Impact Credit clients, but other investors.

Engagement Programme

Engagement is a crucial tool for impact managers to track a company's progress towards its impact goals and to provide guidance on sustainability best practices when needed.

The central focus of our engagement program is at the company level. Generally, we do not identify broad themes and then engage with multiple companies on the same issue. We identify specific factors through our research that could be potential impediments to a security's performance. We may at times suggest to a company that they make a specific change, or we may seek to gain more information on an ESG issue to ensure our investment decisions are well-informed. We believe this company-specific approach results in the highest impact because it is aligned with our firm's core investment approach: active management rooted in fundamental investment analysis.

Thanks to the trust our clients have placed in us, T. Rowe Price is a significant investor in many of the world's leading companies. This affords us, in most cases, access to company management that we find highly valuable in both engagement and insight terms. This allows us to:

a. see the potential to accelerate the good aspects of their operations while

b. helping to mitigate the negative externalities which naturally exist, even in the purest of business operations.

Part of our additional role will be pursuing an agenda of greater disclosure by businesses to assist in assessing and measuring impact for our client base.

We measure the success of our engagement through maintaining a regular dialogue with the management teams of companies represented across our portfolios. Our investment-driven engagement program frequently identifies targets through our proprietary RIIM analysis, governance screening, and analysts' fundamental research. As an active manager, company management teams are aware that we have the option of selling our investment. That means our investment-driven engagement approach can yield meaningful outcomes.

Our objective is to use our influence to increase the probability that the company will potentially outperform its peers, enabling our clients to achieve their investment goals. We aim to do this using various stewardship activities listed below:

- Regular, ongoing investment diligence
- Engagement with management on ESG issues
- Meetings with senior management, including offering our candid feedback
- Meetings with members of the Board of Directors
- Decisions to increase or decrease the weight of an investment in a portfolio
- Decisions to initiate or eliminate an investment
- On rare occasions, public statements about a company, either to support the management team or to encourage it to change course in what we view to be the long-term best interests of the company.

We currently publish a quarterly engagement report on a selection of engagements and aim to summarise all engagement activities relating to our Global Impact Credit strategy in our annual impact report.

Knowledge sharing

As an impact investor, we understand it is our responsibility to promote and deepen impact investing practice. In this context, we aim to be additional within our firm by using our scale and resources to promote and progress the impact agenda.

We expect to be able to share knowledge with our clients as we bring our collective resources and insights together on a particular subject. While we are at the beginning of our own impact journey, we are commited to advancing the agenda of impact investing with our global client base through thought pieces and openness of communication. We will continue to develop in this area, in the spirit and practice of additionality.

RESILIENCE

In the same way that our environmental sustainability journey requires resilience, commitment, iteration, and imagination, so too will the journey of investing for impact. We aspire to be a partner to our clients, using our full breadth of ideas to harvest both impact and alpha over the long-term with a deep analysis and a long-term view acting as a core driver of decision making.

A forward-looking approach enabled by deep research capabilities

Given the complexity and non-linear nature of delivering impact and the patience it necessitates, adopting a long-term and holistic view when investing to solve sustainability challenges is necessary. Looking forward is also one of the key components that differentiate a backward looking index with a future outcome in a world defined by change, a crucial aspect of successful impact investing and adding value in the long term.

We integrate our security perspectives to identify, in our view, underappreciated impact and mispriced economic return improvement on a truly global, security-by-security basis. We apply a forward-looking, research-driven, and high conviction approach to our investment decisions. This is important with respect to prudent risk management when it matters and aligning with the UN SDGs as we seek to engage with the full breadth of impact opportunities that exist in an evolving world.

GOING BEYOND GREEN BONDS

Impact investing in fixed income is not confined to the ESG labelled bond market. Impact can be captured through directing capital to issuers providing positive environmental or social impact through their everyday activities.

Our investment process is thus not limited to green bonds as we look to a broad opportunity set spanning across the corporate and credit universe to identify the highest impact-aligned issuers. By engaging and investing in companies outside of the ESG-labelled debt market, we can deploy our scale and resources to help progress an issuer's impact agenda.

Examples include a not-for-profit children's hospital, or a development bank which inherently carries a social mission through its investment and lending activities.

Research, measurement, reporting, iteration

The challenge for the industry is that impact investing lives in a complex world of risk and opportunity. We formalise these considerations during the company's impact due diligence, derive an impact thesis, highlight negative externalities and risks, and define key performance indicators (KPIs). We aim to report the company's progress towards its impact goals to our investors annually in our annual impact report by tracking the evolution of these KPIs.

We aim to be a good partner and contribute to innovation in the field of impact measurement and reporting, helping clients navigate this journey with the data and trust they need. Leveraging multiple dimensions of our research expertise (both responsible and fundamental) while investing in the field of responsible investing and impact reporting will, we believe, be a real advantage over the long term.

As an impact manager, we must be additional and commit to engaging openly with businesses in the sustainability journey. We will use our investment in the company as leverage to enter into dialogues with companies where we can see the potential to accelerate the good aspects of their operations, while helping to mitigate the negative externalities which may exist in a business operations.

In this venture, we are committed to making our own contribution by using our global research presence and corporate scale to pursue outcomes that integrate financial returns and align impact for future generations. Change will take time and require resilience, but this is consistent with many aspects of successful long-term investing.

Risks – the following risks are materially relevant to the portfolio:

ABS and MBS risk—Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS) may be subject to greater liquidity, credit, default and interest rate risk compared to other bonds. They are often exposed to extension and prepayment risk.

Contingent Convertible Bonds risk—Contingent Convertible Bonds may be subject to additional risks linked to: capital structure inversion, trigger levels, coupon cancellations, call extensions, yield/valuation, conversions, write downs, industry concentration and liquidity, among others.

Credit risk—Credit risk arises when an issuer's financial health deteriorates and/or it fails to fulfill its financial obligations to the portfolio.

Distressed or defaulted debt risk—Distressed or defaulted debt securities may bear substantially higher degree of risks linked to recovery, liquidity and valuation.

Default risk—Default risk may occur if the issuers of certain bonds become unable or unwilling to make payments on their bonds.

Derivatives risk – Derivatives may be used to create leverage which could expose the portfolio to higher volatility and/or losses that are significantly greater than the cost of the derivative.

Emerging markets risk—Emerging markets are less established than developed markets and therefore involve higher risks.

High yield debt risk—High yield debt securities are generally subject to greater risk of issuer debt restructuring or default, higher liquidity risk and greater sensitivity to market conditions.

Interest rate risk—Interest rate risk is the potential for losses in fixed-income investments as a result of unexpected changes in interest rates.

Liquidity risk—Liquidity risk may result in securities becoming hard to value or trade within a desired timeframe at a fair price.

General Portfolio Risks

Capital risk—the value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the portfolio and the currency in which you subscribed, if different.

Counterparty risk—an entity with which the portfolio transacts may not meet its obligations to the portfolio.

ESG and Sustainability risk—May result in a material negative impact on the value of an investment and performance of the portfolio.

Geographic concentration risk—to the extent that a portfolio invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area.

Hedging risk—a portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended.

Investment portfolio risk—investing in portfolios involves certain risks an investor would not face if investing in markets directly.

Management risk—the investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

Market risk—may subject the portfolio to experience losses caused by unexpected changes in a wide variety of factors.

Operational risk—operational failures could lead to disruptions of portfolio operations or financial losses.

INVEST WITH CONFIDENCE℠

Important Information

This material is being furnished for general informational and/or marketing purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date written and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction.

All investments are subject to risk, including the possible loss of principal. Impact investing may not succeed in generating a positive environmental or social impact. A company's ability to affect positive impact or T. Rowe Price's assessment of a company's positive social and environmental impact may change over time, which could cause the portfolio to temporarily hold securities that are not consistent with the portfolio's responsible investment principles.

Australia—Issued by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 28, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia. For Wholesale Clients only.

Canada—Issued in Canada by T. Rowe Price (Canada), Inc. T. Rowe Price (Canada), Inc.'s investment management services are only available to Accredited Investors as defined under National Instrument 45-106. T. Rowe Price (Canada), Inc. enters into written delegation agreements with affiliates to provide investment management services.

DIFC—Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This material is communicated on behalf of T. Rowe Price International Ltd. by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only.

EEA—Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l. 35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

Hong Kong—Issued in Hong Kong by T. Rowe Price Hong Kong Limited, 6/F, Chater House, 8 Connaught Road Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only.

New Zealand—Issued by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 28, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia. No Interests are offered to the public. Accordingly, the Interests may not, directly or indirectly, be offered, sold or delivered in New Zealand, nor may any offering document or advertisement in relation to any offer of the Interests be distributed in New Zealand, other than in circumstances where there is no contravention of the Financial Markets Conduct Act 2013.

Singapore—Issued in Singapore by T. Rowe Price Singapore Private Ltd., No. 501 Orchard Rd, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional and Accredited Investors only.

Switzerland—Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only.

UK—This material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

USA—Issued in the USA by T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, MD, 21202, which is regulated by the U.S. Securities and Exchange Commission. For Institutional Investors only.

202301-2698197
LE64793