

**T. ROWE PRICE INTERNATIONAL LTD  
(Price International Ltd)**

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**PART 2A OF FORM ADV: FIRM BROCHURE  
JANUARY 3, 2018**

This brochure provides information about the qualifications and business practices of Price International Ltd. If you have any questions about the contents of this brochure, please contact us at [TRP\\_ADV\\_Inquiries@troweprice.com](mailto:TRP_ADV_Inquiries@troweprice.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (**SEC**), the U.K. Financial Conduct Authority (**FCA**) or by any state securities authority.

Additional information about Price International Ltd is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (Price International Ltd is a registered investment adviser under the Investment Advisers Act of 1940 (**Advisers Act**); however, such registration does not imply a certain level of skill or training.)

## Item 2 – Summary of Material Changes

This summary of material changes reflects only the material changes since our last annual filing on March 31, 2017.

This brochure is amended as of January 3, 2018 to reflect that, as of such date, Price International Ltd pays directly for proprietary and third party research from broker-dealers and independent third party research providers (**external research**) out of its own resources. Price International Ltd may still delegate investment management to one or more Price Advisers that continue to acquire external research using equity brokerage commissions through commission sharing arrangements. The Global Trading Committee was also established to oversee the implementation of the brokerage allocation and trade execution policies for Price Advisers. Detailed information regarding changes to our brokerage policies and practices may be found in *Item 12 – Brokerage Practices*.

Additional information regarding the use of short positions, including synthetic short positions, are reflected under *Item 6 – Performance-Based Fees and Side-By-Side Management*, *Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss*, and *Item 12 – Brokerage Practices*.

This brochure is also updated for various non-material changes to provide clarification and additional information.

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## Item 4 – Advisory Business

T. Rowe Price International Ltd (**Price International Ltd**) is an investment adviser registered under the Investment Advisers Act of 1940 (**Advisers Act**) and a wholly owned subsidiary of T. Rowe Price Associates, Inc. (**Price Associates**) which itself is a wholly owned subsidiary of T. Rowe Price Group, Inc. (**Price Group**). Price Group was formed in 2000 as the publicly traded parent holding company of Price Associates and its affiliated entities including Price International Ltd (collectively, **T. Rowe Price**). Price International Ltd is also authorized and regulated by the U.K. Financial Conduct Authority (**FCA**), various European Union and international financial services regulators, the Japan Financial Services Authority and the Kanto Local Finance Bureau, among others. Price International Ltd and its affiliated investment advisers: Price Associates, T. Rowe Price Hong Kong Limited (**Price Hong Kong**), T. Rowe Price Singapore Private Ltd. (**Price Singapore**), and T. Rowe Price (Canada), Inc. (**Price Canada**), are collectively referred to herein as the **Price Advisers**. Additionally, T. Rowe Price Advisory Services, Inc. (**TRP Advisory Services**), an affiliated investment adviser, provides investment advice to U.S. domiciled clients. (Please refer to Part 2A of Form ADV for additional disclosure about each Price Adviser.) For purposes of this brochure, “we,” “us,” and “our” mean Price International Ltd.

Price International Ltd provides investment management services to institutional investors and commingled products and may delegate investment management to one or more of its affiliated investment advisers, Price Associates, Price Hong Kong, or Price Singapore, when appropriate. Price International Ltd also provides investment management services to Japanese investment trusts and other Japanese institutional investors. Price International Ltd and its affiliated entities are committed to meeting the needs of institutional investors worldwide. Price International Ltd primarily provides discretionary investment advisory services and has the authority to select securities or other investment vehicles, all collectively referred to herein as **securities**, consistent with clients’ investment guidelines. However, certain clients may limit or prohibit investment in certain sectors, instruments, and securities as further described in *Item 16 – Investment Discretion*. Price International Ltd offers the following services:

### **Institutional Separate Account Management**

The Price Advisers maintain multiple active management strategies in equity and fixed income asset classes as follows:

- U.S., Global, and International Equity mandates including small-, mid-, and large-cap, growth, value and core, index-enhanced, as well as sector-specific equity mandates;
- U.S., Global, and International Fixed Income mandates including active taxable (core plus, core, enhanced bond), cash management, short-term, high yield, global, emerging markets, and sector-specific fixed income mandates.

In addition, Price International Ltd may offer Distribution Management Service (**DMS**) Multi-Asset Solutions, and Stable Asset Management and other services as further described below.

### **Mutual Fund Management and Collective Investment Funds**

The Price Advisers and their affiliates sponsor and/or establish the following investment vehicles, all collectively referred to herein as **Price Funds**:

- (i) registered investment companies to which Price Associates serves as adviser and Price International Ltd, Price Hong Kong, and/or Price Singapore may serve as subadviser (**TRP Mutual Funds**);
- (ii) non-U.S. collective investment funds to which Price International Ltd serves as adviser and Price Associates, Price Hong Kong, and/or Price Singapore may serve as subadviser;
- (iii) common trust funds to which Price Associates, Price International Ltd, Price Hong Kong, and/or Price Singapore may serve as adviser and/or subadviser to the trustee; and
- (iv) Canadian domiciled pooled vehicles to which Price Canada serves as adviser and Price Associates, Price International Ltd, Price Hong Kong, and/or Price Singapore may serve as subadviser.

Price International Ltd serves as investment subadviser to certain U.S. registered investment companies for which Price Associates sponsors and serves as investment adviser. Price International Ltd serves as adviser and acts as distributor to the T. Rowe Price Funds SICAV and other T. Rowe Price non-U.S. collective investment funds. Price International Ltd may also serve as subadviser for the Canadian domiciled pooled vehicles sponsored by Price Canada. Price Associates, Price Hong Kong, and Price Singapore also serve as subadviser to certain non-U.S. collective investment funds for which Price International Ltd acts as sponsor and adviser. Information concerning each such fund, including details of the advisory fee, is disclosed in each fund's current disclosure documents (e.g., prospectus).

Price International Ltd serves as investment adviser or subadviser to certain employee benefit plans for which T. Rowe Price Trust Company (**Trust Company**), a wholly owned subsidiary of Price Associates, may serve as directed trustee and for which T. Rowe Price Retirement Plan Services, Inc. (**Retirement Plan Services**), a wholly owned subsidiary of Price Associates, may provide recordkeeping, participant accounting, and communication services. Certain of these and other employee benefit plans have authorized investments in one or more collective investment funds (also known as common trust funds) for which the Trust Company serves as trustee and Price International Ltd serves as investment adviser or subadviser to the trustee. The amount of the investment is generally determined by the participating plans. Fees paid to the Trust Company regarding investment in a common trust fund are generally paid by the common trust fund pursuant to its governing documents or are paid by the plan pursuant to a contract between the Trust Company and the plan.

### **Subadvisory Mutual Fund Management**

Price International Ltd may serve as investment subadviser to registered investment companies sponsored by insurance companies, banks, and other third-party financial institutions. Pursuant to an investment subadvisory agreement, Price International Ltd provides day-to-day investment management services to the fund; supports the fund's compliance with applicable investment restrictions and investment policies; provides periodic performance and compliance reports to the fund's adviser and its board; and assists the fund's service providers in pricing certain securities and preparing various fund-related materials to be included in fund registration statements, proxies, and semi-annual and annual reports. It also provides investment-related content, fund communications, and meeting support to the fund sponsor and its affiliates.

### **Distribution Management Service**

The Distribution Management Service (**DMS**) assists institutional investors in seeking the efficient disposition of equity distributions from venture capital partnerships. The Price Advisers use their investment acumen together with a client's risk tolerance, timing objectives, private equity portfolio structure and targeted account size to determine the most efficient time for the sale of stock distributions from these partnerships. We strive to optimize the return of capital to the client and minimize trading expenses through our fiduciary commitment to providing best execution. We also offer an enhanced liquidation service in which the Price Advisers determine what we deem to be the most efficient time for the sale of stock distributions from venture capital partnerships; however, it is understood that clients generally seek to liquidate the securities within a period of 60 days from contribution to the account. The Price Advisers retain the limited discretion to exceed this 60-day period contingent upon multiple factors, including current market cycle conditions and liquidity. While we use research to advise on sell decisions, the ability to obtain the full benefit of the research may be limited due to the enhanced liquidation strategy.

### **Multi-Asset Solutions**

Price International Ltd offers customized analysis and portfolio development focused on achieving specific client objectives such as income generation, liquidity needs and reduced volatility. The customized multi-asset strategies draw from equity, fixed income and alternative investment opportunities. Price International Ltd uses our global research coverage to further offer regional and market specialization within the Multi-Asset Solutions strategy. The strategy utilizes a variety of underlying strategies based upon the client's unique objectives, asset allocation and target risk/return analysis. The strategy focuses on strategic and tactical asset allocation and fundamental security selection.

### **Assets Under Management**

As of December 31, 2016, Price International Ltd managed approximately \$88.0 Billion on a discretionary basis for its separate account clients and subadvisory services to both proprietary (such as the Price Funds) and third-party U.S. and non-U.S. clients. As of the same date, Price International Ltd managed approximately \$404.5 Million on a non-discretionary basis for its

clients.

The above figures for assets managed on a discretionary basis include assets that may be delegated to another Price Adviser. (For example, Price Canada contracts with Canadian clients and delegates investment management authority to Price International Ltd as authorized in the client's investment management agreement.) Such assets are also reported in the advisory affiliate's Part 2A of Form ADV.

### **Indirect Investment Services**

**Litigation.** As an investment manager, we may be asked to decide whether to participate in litigation, including claims in class actions, or bankruptcy proceedings for assets held in an account. It is the client's responsibility to monitor and analyze its portfolio and consult with its own advisers and custodian about whether it may have claims that it should consider pursuing. As a general matter, Price International Ltd cannot, without client written authorization, exercise any rights a client may have in participating in, commencing or defending claims.

**Securities Lending.** The Price Advisers generally do not enter into securities lending arrangements for our clients, other than for the TRP Mutual Funds. Under typical securities lending arrangements, a manager loans a security held in a client's portfolio to a broker-dealer in exchange for collateral. The client may earn potentially enhanced returns from these arrangements by collecting finance charges on the loan or by investing the collateral. Such returns are generally shared between the client and the securities lending agent, and the risk associated with the investment of collateral is generally borne by the client.

Some of our clients have established separate securities lending arrangements with their custodian. If a client has entered into these arrangements, the client and its custodian are responsible for adhering to the requirements of such arrangements, including ensuring that the securities or other assets in the account are available for any securities lending transactions. For accounts that we actively manage, we execute transactions based on a number of factors, including market conditions and best execution, and do not consider factors relating to a client's securities lending arrangement, such as whether the client's custodian may need to recall securities on loan to settle the sales transactions. We have established policies and procedures in the event there is a loss or overdraft in connection with a transaction where a security is not available in an account due to securities lending activities.

**BNY Mellon Services.** Bank of New York Mellon provides services to the Price Advisers for aspects of trade support (including collateral management), security reference, security valuation, corporate actions, fund accounting, portfolio accounting, reconciliation, and financial reporting. Price International Ltd retains all operational functions that are more discretionary in nature and involve more decision-making such as those with a client service aspect or that require input or analysis by our investment personnel. The Price Advisers retains full responsibility for all services outsourced under this arrangement.

### Other Services

**Training.** As part of strategic, client partnership programs, Price International Ltd may arrange to provide customized training to certain institutional clients that mandate training to be part of the service requirements of their investment management agreement. Specifically, clients request such training and reimbursement of costs as part of the services we provide. We limit reimbursement to clients' bona fide travel and accommodation expenses related to such training events.

**Travel.** In very limited circumstances we may pay travel costs for clients and other business contacts including airfare and hotels for educational events sponsored by the Price Advisers. These arrangements are only granted with approval of senior management, as well as the approval of the T. Rowe Price Ethics Committee.

**Marketing.** The Price Advisers may, at their own expense, provide compensation to financial intermediaries that have sold shares of or provide other shareholder services to the TRP Mutual Funds. These payments are used to compensate third parties for distribution and non-distribution shareholder services, including sub-accounting, sub-transfer agency, post-sale shareholder servicing, or other services. Even though these additional payments are not paid by a fund directly, the Price Advisers' revenues or profits may in part be derived from fees earned for services provided to and paid for by the TRP Mutual Funds. The receipt of (or prospect of receiving) payments, reimbursements, and other forms of compensation may provide a financial intermediary and its salespersons with an incentive to favor sales of shares of the TRP Mutual Funds over sales of other mutual funds or other financial products. In addition, if financial intermediaries receive these payments, they may elevate the prominence of the TRP Mutual Funds by, for example, placing the TRP Mutual Funds on a list of preferred or recommended funds and/or providing preferential or enhanced opportunities to promote the TRP Mutual Funds in various ways.



## Item 5 – Fees and Compensation

**Advisory Fees and Expenses.** The standard fee schedules currently in effect for new clients for each type of service provided are listed in Appendix A. Fees are typically calculated as a percentage of assets under management (**AUM**). There are no additional fees charged by Price International Ltd for delegation of investment management services to the other Price Advisers.

To provide clients some protection from large fee swings around the fee breakpoints, Price International Ltd will apply a transitional fee credit. A transitional fee credit is applied to the fee schedule as assets approach or fall below the asset tiers or breakpoints. The breakpoints subject to transitional fee credits are indicated by an asterisk in Appendix A.

Fees may be negotiated or modified in light of a client's special circumstances, pre-existing relationship, asset levels, service requirements, future funding commitments, portfolio complexity, product or investment program or other factors or requirements. Fee practices for collective investment funds vary across jurisdictions including the offering of fixed or tiered fee retrocessions. We sometimes choose to waive all or a portion of our fee for a given period. Also, for fee calculation purposes, we may aggregate the assets of related client accounts and such accounts may receive the benefit of a lower effective fee rate due to such aggregation.

Upon request, clients may receive performance-based fee arrangements for a limited number of strategies. All such arrangements are subject to the approval of senior management which may be predicated on a variety of factors.

**Billing Practices.** Price International Ltd generally bills clients in arrears based on quarter-end portfolio valuations and may at the request of the client make alternate billing arrangements. Fees may be calculated using either the Price International Ltd market value or the client's custodian's value. If a client requests fees calculated using their custodian's value, the Price Advisers relies on the value provided and does not reconcile such value to the Price Advisers' market value.

Our standard investment management agreement may be terminated at any time by either party giving notice to the other consistent with the terms set forth in the client's agreement with Price International Ltd. Fees payable will be prorated to the date of termination. Fees are also prorated for the initial quarter of services to reflect the number of days the Price International Ltd provided investment management services.

Certain clients may request to pay fees quarterly in advance. In the event an investment management agreement for a client paying fees in advance is terminated prior to the end of a quarter, clients will receive a pro rata refund of prepaid fees for which advisory services were not provided.

If Price International Ltd is directed to invest an account's cash reserves in a third-party short-

term investment fund or other pooled vehicle (collectively, **STIF**) offered by the custodian designated by the client, the portion of the account invested in such STIF is included in the account's market value for billing purposes. In certain instances, the custodian may offer clients more than one such STIF, of which Price International Ltd is permitted to select. Clients generally also pay fees to the sponsor/adviser of such STIF. Price International Ltd oversees client STIF vehicle investments and will alert clients if concerns about the performance or viability of the vehicle arise. However, the availability of research and data on STIFs is generally limited.

Certain clients authorize the Price Advisers to invest in certain investment vehicles (such as Exchange-Traded Funds (**ETFs**)), which may be subject to third-party management fees. These assets are also included in the account's market value for billing purposes.

Clients may direct the Price Advisers to send statements for advisory fees directly to the client's designated custodian for payment. In such cases, the Price Advisers sends a copy of the statement to the client at the same time the statement is forwarded to the custodian to allow for client review and acceptance of such fees.

**Non-Advisory Fees and Expenses.** Price International Ltd may include one or more of the Price Funds in client portfolios, as authorized in client guidelines. Except as noted below, Price International Ltd and its affiliates receive advisory fees from each Price Fund based on the value of the Price Fund's assets as disclosed in the prospectuses, copies of which are provided to clients prior to investment. Price International Ltd generally excludes the value of Price Fund shares held in a client account when the advisory fee is computed. However, certain fixed income TRP Mutual Funds and common trust funds do not charge an advisory fee at the fund level and they are included in the portfolio's market value for billing purposes.

Neither representatives of Price International Ltd nor any affiliated entity receive commission-based compensation for the sale of the Price Funds. Additional information regarding fees that clients pay indirectly to the Price Advisers through investment in their respective funds is provided in *Item 10 – Other Financial Industry Activities and Affiliations*.

The Price Advisers may seed or make an investment in Price Funds in which clients invest directly or through a discretionary account managed by the Price Advisers and the Price Advisers' ownership percentage of such Funds may be significant. Senior management periodically reviews the Price Advisers' participation in the Price Funds, the possible inherent conflicts and the decisions to seed, invest in, or redeem from the Price Funds. The Price Advisers may remain a significant shareholder in such funds for an indeterminate period of time.

Please see additional information regarding commission expenses in *Item 12 – Brokerage Practices*.

## Item 6 – Performance-Based Fees and Side-By-Side Management

**Side-by-Side Management.** The Price Advisers manage multiple strategies involving most asset classes and types of securities. Accordingly, we may make investment decisions across strategies and individual accounts that may vary based on specific strategy or client characteristics. We may take different action regarding portfolio implementation and further may take differing positions on the same security across multiple client accounts, which may include simultaneous transactions in different directions, often across strategies with different benchmarks and market capitalization requirements. We may also invest in different parts of an issuer's capital structure (i.e., purchase, sell or have derivatives exposure in the same ultimate issuers across equity and fixed income markets. We have adopted policies and procedures to address such conflicts of interest as detailed further in *Items 8, 11, and 12*.

The Price Advisers may engage in strategies on behalf of advisory clients that involve taking short positions in securities, including synthetic short positions. Please see *Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss* for additional risks related to short positions. Other strategies managed by the Price Advisers, with similar or differing investment objectives, may hold those same securities long. This may result in an impact, adverse or beneficial, to one or more affected accounts. For example, if the Price Advisers purchase a security for one client account and sell the same security short (either directly or through derivatives, such as total return equity swaps) for a different client account, this trading pattern could adversely affect the market value of long positions in one or more accounts managed by the Price Advisers (and vice versa), and create potential trading conflicts. To mitigate potential conflicts of interest, the Price Advisers have implemented policies and procedures that are reasonably designed to provide fair and equitable allocation of trades and to minimize the impact of such trading activity across client accounts. Please see *Item 12 - Brokerage Practices - Block Trading/Aggregated Orders/Order Sequencing* for additional information on allocation of trades.

Conflicts of interest may also exist when a portfolio manager manages multiple strategies for one or more clients. The portfolio manager may be long a security in one strategy for one client and short the same security for another client in either the same or a different strategy. To mitigate such conflicts of interest, portfolio managers are generally prohibited from managing multiple strategies where they hold the same security long in one strategy and short in another. However, in certain circumstances, a portfolio manager may be able to hold the same security long and short where an investment oversight committee has specifically reviewed and approved the holdings or strategy.

Potential conflicts can arise when the Price Advisers invest client assets in multiple parts of an issuer's capital structure. For example, clients may own shares of an issuer's common and preferred stock as well as senior bonds and bank debt. While it is appropriate for different clients to hold investments in different parts of the same issuer's capital structure under normal circumstances, the interests of stockholders and debt holders may conflict, for example when an issuer is in a distressed financial condition, involved in a merger or acquisition, or a going-

private transaction, among other situations. In these situations, investment personnel are mindful of potentially conflicting interests of our clients with investments in different parts of an issuer's capital structure and take appropriate measures to ensure that the interests of all clients are fairly represented.

The Price Advisers may also manage certain funds and accounts that are seeded with T. Rowe Price's corporate money. Most of these portfolios are created to establish a performance track record to market a new product. These portfolios may be similar to other portfolios currently managed by the Price Advisers and may be trading in securities in which the Price Advisers trade for other discretionary clients. These portfolios are traded and receive allocations pursuant to the same policies and procedures the Price Advisers have in place to ensure that all clients are treated fairly. Oversight is in place to ensure that trading and allocations for the T. Rowe Price corporate portfolios are not favored over accounts managed for discretionary clients.

**Performance-Based Fees.** Upon request, clients may receive performance-based fee arrangements for a limited number of strategies. In these instances, the fee will be based on account performance instead of, or in addition to, a percentage of assets under management and may be higher or lower than the Price Advisers' current fee schedule. All such arrangements are subject to the approval of senior management which may be predicated on a variety of factors. The Price Advisers' current fee schedules and billing practices are described in *Item 5 – Fees and Compensation*.

The variability inherent in the various fee structures can present the potential for conflicts of interest (e.g., the Price Advisers may have an incentive to choose investments that are riskier or more speculative than might otherwise be chosen or to favor one type of account over another relative to the availability of investment opportunities or the allocation of trades).

We manage this and other conflicts associated with side-by-side management of client accounts through internal review processes and oversight. While the procedures used to manage these conflicts differ depending upon the specific risks presented, all are designed to guard against intentionally favoring one account over another.

## **Item 7 – Types of Clients**

Price International Ltd's global client base includes banks and/or thrift institutions, corporations or other business entities, governmental entities, insurance companies, investment companies, other investment advisers, pension and profit sharing plans, pooled investment vehicles, charitable organizations, and non-U.S. collective investment funds, among others.

Different strategies have different minimum account sizes. Please see our fee schedules outlined in Appendix A for minimum account sizes, which may be waived at our discretion.

## Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

**Methods of Analysis and Investment Strategies.** The Price Advisers use a complex and multi-faceted approach to investment analysis and asset management decisions. Price International Ltd provides, upon request, certain additional information regarding the analytical process employed for any specific strategy. This analytical process is generally discussed prior to inception of an account and on an ongoing basis thereafter. Additionally, the investment objectives and guidelines for each account are discussed with the client and their representatives which often may include their legal counsel and investment consultants prior to execution of an investment management agreement. The investment guidelines generally include a description of the objective, the strategy to be employed, permissible investments and restrictions as well as additional parameters regarding management of the account as agreed to by the parties.

The Price Advisers maintain a substantial internal equity and fixed income investment research effort undertaken by analysts, economists, and support personnel. Our global research platform (including the investment staff of all affiliates) functions as a unified department for investment purposes. Our effort in this area includes industry and company research, employing reviews of corporate activities, management interviews, interviews with industry and subject matter experts, company-prepared information, financial information published by companies, some of which is filed with the SEC, and on-site visits with participants in the industry such as suppliers and competitors. Portfolio managers and analysts are charged with collaborating across the Price Advisers and by strategies to assist in developing portfolio ideas on behalf of all clients and ensuring that all clients benefit from the global nature of our research platform. For example, a Price Associates' portfolio manager could hold non-U.S. securities in their portfolio for which the background research and proposed valuation has been conducted and provided by a Price International Ltd research analyst.

In addition and subject to jurisdictional rules, the Price Advisers use research provided by brokerage firms and other third-parties, including research providers, in a supportive capacity. For example, we receive information from economists; political observers; foreign commentators; government, industry, and subject matter experts; and market and security analysts. Our analysts use the majority of the external data they gather as inputs into their own company-specific research—typically to gain insight into the macroeconomic environment and/or broader sector or industry dynamics. All external research products are carefully validated and analyzed before we incorporate them into our investment process. Our analysts do not rely on external sources for their conclusions, recommendations, or equity or credit ratings. See *Item 12 – Brokerage Practices* for additional information on the use of external research.

**Risk of Loss.** Below is a summary of the primary risks related to the significant investment strategies and methods of analysis used by Price International Ltd. Investing in securities (as well as commodities, derivatives, investment contracts, and bank loans) involves risk of loss that clients should be prepared to bear; however, clients should be aware that not all of the risks listed below will apply to every investment strategy as certain risks may only apply to certain

investment strategies or investments in different types of securities. Multiple factors contribute to investment risk for all investment strategies and additional factors contribute to investment risk for specific strategies. Furthermore, the risks listed below are not intended to be a complete description or enumeration of the risks associated with the methods of analysis and investment strategies used by Price International Ltd.

**All Strategies (U.S. and International Equity and Fixed Income)**

***Accounts investing in the Price Funds.*** Risks associated with investment in any of the Price Funds are described in the applicable disclosure document for each fund (a copy of which is provided to each client prior to investment of an account's assets in a Price Fund).

***Active management risk.*** An account is subject to the risk that judgments about the attractiveness, value, or potential appreciation of the account's investments may prove to be incorrect. If the selection of securities or strategies fails to produce the intended results, the account could underperform other accounts with similar objectives and investment strategies.

***Asset allocation risk.*** An account's risks directly correspond to the risks of the asset classes in which it invests. Investing in multiple asset classes (either directly or indirectly, such as through pooled investment vehicles) can facilitate diversification, but also create exposure to the risks of many different areas of the market. The direct or indirect allocation of an account's assets among various asset classes and market sectors could cause the account to underperform other accounts with a similar investment objective.

***Counterparty risk and collateral considerations.*** Transactions involving a counterparty other than the issuer of the instrument (e.g., trading partner) are subject to the credit risk of the counterparty and to the counterparty's ability or willingness to perform in accordance with the terms of the transaction. The counterparty may fail to perform its contractual obligations such as failing to make required payments or comply with certain terms of their agreement with the investor. If a counterparty becomes insolvent, the account could lose the total value of its contracted investment with that counterparty. If a counterparty defaults or becomes insolvent, there may be a delay or increased cost in accessing collateral for the benefit of the client account and the value of collateral received may not insulate the account from incurring a loss. If a client has posted collateral to secure its obligations to a counterparty and the counterparty defaults or becomes insolvent, the client may not be entitled to or able to recover all or a portion of the collateral. For certain transactions, collateral posted from client accounts may be transferred directly to counterparties to secure the client's obligations. Additionally, each counterparty may have varying requirements for the posting, use, and transfer of collateral.

**Cyber security risk.** As the use of technology has become more prevalent in the ordinary course of business, accounts have become potentially more susceptible to operational and other risks through breaches in cyber security. In general, cyber incidents can result from intentional and unintentional events for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. This in turn could cause an account and/or Price International Ltd to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the digital information systems that support an account (e.g., through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). Authorized persons could also inadvertently or intentionally release confidential or proprietary information stored on our systems. In addition, cyber security breaches of third party service providers that provide services to an account (e.g., administrators, transfer agents, custodians and subadvisers) or issuers that an account invests in can also subject an account and/or Price International Ltd to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, Price International Ltd has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because Price International Ltd does not directly control the cyber security systems of issuers or third party service providers, or that clients will not be harmed as a result of cyber attacks or similar issues.

**Geographic concentration risk.** If an account concentrates its investments in a particular geographic region or country, the account’s performance is closely tied to the market, currency, social, political, economic, environmental and regulatory conditions within that country or region. These conditions include anticipated or actual government budget deficits or other financial difficulties, levels of inflation and unemployment, fiscal and monetary controls, and political and social instability in such countries and regions. As a result, the account is likely to be more volatile than an account with more geographically diverse international investments.

**Investment style risk.** Different investment styles tend to shift in and out of favor, depending on market conditions and investor opinion. For example, a stock with growth characteristics can decline sharply due to decreases in current or expected earnings and may lack dividends to help cushion its share price. Additionally, an account’s growth approach could cause it to underperform stock accounts that employ a different investment style.

**Issuer concentration risk.** If an account has the ability to invest a significant amount of the account’s assets in any one issuer or obligor, poor performance by that single large holding would adversely affect the account’s performance more than if the account invested a lesser amount in that issuer or obligor.



***Liquidity risk.*** Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). Less liquid investments may be difficult to value and can change prices abruptly. As the size of the holding increases, the liquidity risk may also increase. Illiquid investments may (i) hinder the Price Adviser's ability to sell the investment timely or at desired prices based on current market conditions and/or (ii) impact the client's ability to receive proceeds in a timely manner. Additionally, the Price Advisers may not be able to liquidate illiquid investments upon termination of a client's account and the client may still own such investment after termination.

***Operational risk.*** In some instances, an account can suffer a loss arising from shortcomings or failures in internal or external processes, people or systems, or from external events. Operational risks can arise from factors such as processing errors, human errors, inadequate or failed processes, fraud, failure in systems and technology, changes in personnel and errors caused by third-party service providers.

***Risk of cash reserves investing.*** It is possible to lose money by investing in a custodian's STIF or a money market mutual fund. An investment in STIFs or money market mutual funds is not insured or guaranteed by the United States Federal Deposit Insurance Corporation (**FDIC**) or any other government agency. In the past, certain STIFs and money market funds have experienced significant pressures from shareholder redemptions, issuer credit downgrades and illiquid markets. Although some STIFs and money market funds (government and retail money market funds) seek to preserve the value of their investments at \$1.00 per share, it is possible that a STIF or money market fund may not be able to do so. Other money market funds (institutional money market funds) operate with a floating net asset value (**NAV**), which means that their share price will fluctuate and may decrease in value. Retail and institutional money market funds may impose a fee upon the sale of fund shares or may temporarily suspend redemptions if the fund's liquidity falls below required minimums because of market conditions or other factors. A money market fund's sponsor has no legal obligation to provide financial support to the fund. Clients generally direct us to a limited subset of STIF vehicles available at their custodian in which we can invest short term cash. The availability of research and data on such STIFs is generally limited.

***Risk of unregistered securities/private placements.*** Investments through private placements are not immediately tradable on an exchange or in the over-the-counter (**OTC**) market and may be subject to restrictions on resale including significant holding or "lock-up" restrictions for designated time periods. Private placements may serve as financing vehicles for public companies (commonly referred to as Private Investments in Public Entities or **PIPEs**) or for privately held entities. Securities purchased through private placements may be less liquid than publicly traded securities and investments in privately held entities are generally less liquid than **PIPEs**. The offering documents often contain limited information on the company's business and many private placement securities are issued by companies that are not required to file audited financial reports.

making it difficult to gauge how the private placement is likely to perform over time. Investors purchasing private placements should be prepared to hold such investments over a longer time horizon than public company holdings or possibly for an indefinite period of time. The Price Advisers may not be able to liquidate such securities upon termination of a client's account. The Price Advisers cannot provide oversight of such securities following termination of a client's account and such oversight will be the responsibility of the client or its subsequent adviser. Clients should consider these risks when considering whether to permit such investments for their accounts.

### **Equity Strategies**

***Industry or sector risk.*** An account that focuses its investments in specific industries or sectors is more susceptible to developments affecting those industries and sectors than a more broadly diversified fund. Issuers in a single industry can react similarly to market, economic, industry, social, political, regulatory, and other conditions. For example, if an account has significant investments in technology companies, the account may perform poorly during a downturn in one or more of the industries or sectors that heavily impact technology companies.

***Market capitalization risk.*** Investing primarily in issuers within the same market capitalization category carries the risk that the category may be out of favor due to current market conditions or investor opinion. For example, securities issued by large-cap companies tend to be less volatile than securities issued by smaller companies. However, larger companies may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods. Also, these larger companies may be unable to respond as quickly to industry changes and competitive challenges, and may suffer sharper price declines as a result of earnings disappointments.

***Risks of stock investing.*** Stocks generally fluctuate in value more than bonds and may decline significantly in price over short time periods. Stock prices overall may decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The value of a stock may also decline due to general weakness in the stock market or because of factors that affect a particular company or industry.

### **Fixed Income Strategies**

***Credit risk.*** An account could lose money if the issuer or guarantor of a security, the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, or the issuer or guarantor of collateral, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to honor its obligations. The value of a debt instrument is likely to fall if an issuer or borrower suffers an adverse change in financial condition that results in a payment default, ratings downgrade, or inability to meet a financial obligation. The risk of default is much greater for emerging market bonds and securities rated below investment-grade. An account investing in emerging markets and/or high yield debt is

exposed to greater credit risk than other bond accounts because the companies and governments that issue such debt are usually not as strong financially and their debt carries a higher risk of default.

***Deflation risk.*** When inflation or expectations of inflation are low, the value and income of an account's investments in inflation-linked securities could fall and result in losses for the account.

***Interest rate risk.*** Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. Bond prices and interest rates usually move in opposite directions. Prices fall because the bonds and notes in the account's portfolio become less attractive to other investors when securities with higher yields become available. Interest rate changes can be sudden and unpredictable. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Generally, the longer the maturity of a security or the longer an account's weighted average maturity, the greater its interest rate risk. If an account purchases longer-maturity bonds and interest rates rise unexpectedly, the account's market value could decline. In addition, short-term and long-term interest rates and interest rates in different countries do not necessarily move in the same direction or by the same amount.

***Municipal securities risk.*** Municipal securities are issued by or on behalf of states, territories, possessions and local governments and their agencies and other instrumentalities. An account that invests primarily in municipal securities will be significantly impacted by events that affect such markets, which could include unfavorable legislative or political developments and adverse changes in the financial conditions of municipal securities issuers. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets. Income from municipal securities held by the account could be declared taxable because of changes in tax laws or interpretations by taxing authorities, or non-compliant conduct of a municipal security issuer. In addition, a portion of the account's otherwise tax-exempt dividends may be taxable to those clients subject to the alternative minimum tax. The secondary market for certain municipal securities tends to be less developed, transparent and liquid than many other securities markets.

***Prepayment risk and extension risk.*** Many types of debt instruments, including mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, certain corporate bonds, and municipal housing bonds, and certain derivatives, are subject to the risk of prepayment and/or extension. Prepayment risk is the risk that, during periods of falling interest rates, borrowers will refinance their mortgages or other underlying assets before their maturity dates, leading debt instruments to be repaid more quickly than expected. As a result, the holder of the debt instrument may not be able to reinvest the proceeds at the same interest rate or on the same terms, reducing the potential for gain. In addition, prepayment rates are difficult to predict and the potential impact of

prepayment on the price of a debt instrument depends on the terms of the instrument. Extension risk is the risk that during periods of rising interest rates, prepayments of the underlying mortgages or other underlying assets will occur at a slower than expected rate, thereby lengthening the average life of the mortgage-backed, asset-backed or other callable fixed income securities and making them more volatile.

**Reinvestment risk.** Payments from a debt obligation will not necessarily be reinvested at rates which equal or exceed the interest rate of the original debt obligation. Reinvestment risk is more likely when market interest rates are declining.

### **International Strategies (and U.S. Strategies investing in Non-U.S. Dollar securities)**

**Currency risk.** If an account invests directly in non-U.S. currencies or in securities that trade in, and receive revenues in, non-U.S. currencies, or in derivatives that provide exposure to non-U.S. currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, an account's investments in non-U.S. currency-denominated securities may reduce the returns of the account. Foreign currency exchange transactions are conducted either on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market, or through entering into forward contracts to purchase or sell the currency.

**Emerging markets risk.** The risks of foreign investing are heightened for securities of companies in emerging market countries. The economic and political structures of emerging market countries, in most cases, do not compare favorably with the U.S. or other developed countries in terms of wealth and stability, and their financial markets often lack liquidity. In addition to all of the risks of investing in foreign developed markets, emerging market securities are susceptible to governmental interference, local taxes on investments, restrictions on gaining access to sales proceeds and less efficient trading markets. These factors can make emerging market investments more volatile and less liquid than investments in developed markets.

**Foreign investing risk.** Investing in the securities of non-U.S. issuers involves special risks not typically associated with investing in U.S. issuers. Foreign securities may be more volatile and less liquid than investments in the U.S. and may lose value because of adverse local, political, social or economic developments overseas. In addition, foreign investments may be subject to uncertain tax laws, regulatory standards for accounting, reporting, trading and settlement that differ from those of the U.S. Some jurisdictions may impose unique obligations on clients as a result of their investment in non-U.S. issuers. Enforcing legal rights can be difficult, costly, and slow in certain foreign countries, and can be particularly difficult against foreign governments. Changes in

currency exchange rates can affect the U.S. dollar value of foreign currency investments and investments denominated in foreign currencies. Further, in certain foreign countries, investments are only permitted indirectly through participatory notes which have certain restrictions on transferability and may be more illiquid than direct investments.

### **Strategies Utilizing Derivatives**

***Derivatives risk.*** Derivatives are financial contracts where the value depends on, or is derived from, the value of an underlying asset, reference rate or index. A variety of derivatives may be available to an account, depending on the type of account and the applicable investment guidelines. To the extent that an account uses options, futures, swaps, currency forwards, and other derivatives, it is exposed to additional volatility and potential losses resulting from leverage. Derivatives are used when the Price Advisers believe they will provide a benefit in managing portfolios relative to traditional securities markets. Derivatives are evaluated on a relative basis to traditional securities, taking into account factors such as liquidity and credit/counterparty risks. If derivatives use is authorized for the applicable mandate, the Price Advisers may use such instruments for many reasons, including, but not limited to, seeking to: (i) manage or establish exposure to changes in interest rates, securities prices, and foreign currencies; (ii) efficiently increase or decrease a portfolio's overall exposure to a specific part or broad segment of the market; (iii) enhance income; (iv) protect the value of portfolio securities; and (v) facilitate cash management. Losses may exceed the account's initial investment in the derivatives contract. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, and difficult to value. Other risks include, but are not limited to, the risk that the other party or counterparty to a derivatives contract will not fulfill its contractual obligations or may refuse to cash out a derivatives contract at a reasonable price. To the extent a party to a derivatives contract has posted collateral to secure its obligations, such collateral may be insufficient to cover its obligations and there could be difficulties or delays in accessing such collateral. Due to continuing regulatory initiatives both in the United States and abroad, derivatives are also subject to enhanced government and regulatory risk, which could limit the availability of, restrict the use of, or increase the costs associated with, derivative transactions.

### **Strategies Utilizing Short Positions**

***Short position risk.*** Short positions are subject to special risks. An account may enter into a short position, for example, through a prime brokerage relationship, a forward commitment, or synthetically through derivative positions such as futures contracts or swap agreements. If the price of the security or derivative has increased during this time, then the account will incur a loss corresponding to the increase in price from the time that the short position was entered into plus any premiums and interest paid to the third party. Also, there is the risk that the third party to the short position may fail to honor its contract terms or force the account to close the transaction under unfavorable conditions, causing a loss to the account. There is also no assurance that an account will be able to

close out a short sale position at any particular time or at an acceptable price. Therefore, short positions involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment, especially in the case of leveraged short positions. Losses on short positions are subject to potential offset by investing short-sale proceeds in other investments. An account may also enter into a short sale transaction which involves the sale by an account of a security that it does not own with the hope of purchasing the same security at a later date at a lower price ("short selling"). Risks of short selling include the risks of: (i) increased leverage, and its accompanying potential for losses, (ii) the potential inability to reacquire a security in a timely manner, or at an acceptable price; and (iii) the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. Short selling losses are theoretically unlimited.

### **Bank Debt Strategies**

Strategies investing in bank debt are subject to certain additional risks than those present in high yield portfolios. Clients are bound by contractual obligations under the bank debt's loan documentation and the transfer agreements executed when purchasing and selling bank debt. Bank debt investments are often subject to certain resale restrictions. Purchases and sale transactions for this asset class involve heightened risk of extended and delayed settlement times which can result in increased counterparty, liquidity, and settlement risks. Investing in bank debt is a lending activity that can produce unique tax risks as well as foreign regulatory risks for clients. Bank debt is not registered or regulated under federal securities laws.

**Chief Risk Officer.** T. Rowe Price has a comprehensive risk management program in place to ensure adequate controls and independent risk oversight throughout the organization. The Chief Risk Officer (**CRO**) provides leadership and oversight of business (including cyber security and business continuity) and investment risk management activities across all business units. The Enterprise Risk Management Group, on behalf of the CRO, partners with investment and business units to identify risks, understand how these risks are managed, and implement enterprise-level solutions that seek to mitigate exposure to significant risks.

The CRO also chairs the Risk Management Oversight Committee, which is made up of senior business leaders from across the firm, and together they set the firm's risk management strategy and oversee risk efforts on behalf of the T. Rowe Price Group, Inc., Board of Directors, CEO, and Management Committee.

**Business Continuity Management.** T. Rowe Price has established an internal Business Continuity organization which includes an executive charged with implementation and coordination of all Business Continuity activities as well as a Business Continuity Governance Committee (**BCGC**). The BCGC serves as the final decision-making body for all activities related to business continuity, subject to the oversight of T. Rowe Price's Management Committee.

T. Rowe Price has an established global business continuity strategy which is supported by appropriate policies and procedures. An enterprise-wide Business Continuity organizational structure has been established to ensure execution of the strategy.

The major objectives of T. Rowe Price's Business Continuity organization are to:

- provide a framework for global crisis management and business continuity planning;
- provide for the safety and welfare of personnel during an interruption or crisis;
- oversee the proper maintenance of business and technology recovery plans for the recovery of essential activities and vital services;
- establish external recovery options when internal resources are not available or feasible; and
- ascertain compliance with regulatory obligations and guidelines.

## **Item 9 – Disciplinary Information**

Neither Price International Ltd nor its management persons have been the subject of legal or regulatory findings, or are the subject of any pending criminal proceedings that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm. (Additional information regarding any pending litigation as provided in Part 1A of Form ADV is available to clients upon request.)

From time to time, our firm is involved in regulatory examinations or litigation that arise in the ordinary course of our business.

In the event that we become aware of any regulatory matters or litigation that we believe would be material to an evaluation of our advisory business, we promptly notify all clients or prospects affected by those events, subject to applicable law and regulation. It is conceivable that we could choose to disclose a regulatory matter or litigation to one client but not another based on the materiality of the matter relative to the services we provide to a particular client.



## Item 10 – Other Financial Industry Activities and Affiliations

### **Registration of Management Persons as Registered Representatives of a Broker-Dealer.**

Certain of the Price Advisers' management persons are registered, or have an application pending to register, as registered representatives of T. Rowe Price Investment Services, Inc. (**Investment Services**).

**Investment Advisers.** Price International Ltd may delegate its portfolio management obligations (with client consent) to one or more of the Price Advisers, as identified below and in *Item 4 – Advisory Business*; however, there are no additional advisory fees charged by Price International Ltd with respect to such delegation. For certain transactions, Price International Ltd may utilize the service of an affiliated investment adviser for trading and other services. Such affiliated investment advisers and their local regulators are as follows:

Price Associates, a Maryland corporation founded in 1937, is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Group. Price Associates provides investment management services for individual and institutional investors and sponsors investment companies and may delegate investment management to one of its affiliated investment advisers when appropriate.

Price Hong Kong is an investment adviser registered under the Advisers Act of and a wholly owned subsidiary of Price International Ltd. Price Hong Kong is a Hong Kong limited company licensed by the Securities and Futures Commission (**SFC**). Price Hong Kong provides investment management services for clients seeking to invest in global securities markets. It may also act as subadviser to certain investment companies and other commingled products for which Price Associates, Price International Ltd or Price Canada serves as adviser.

Price Singapore is an investment adviser registered under the Advisers Act of and a wholly owned subsidiary of Price International Ltd. Price Singapore is a Singapore limited private company licensed by the Monetary Authority of Singapore (**MAS**). Price Singapore provides investment management services for clients seeking to invest in global securities markets. It may also act as subadviser to certain investment companies and other commingled products for which Price Associates, Price International Ltd or Price Canada serves as adviser.

Other investment advisers affiliated with Price International Ltd include:

Price Canada is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Associates. Price Canada is also registered with the Ontario, Manitoba, British Columbia, Alberta, Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island Securities Commissions, the Saskatchewan Financial and Consumer Affairs Authority, and the Autorité des Marchés Financiers in Quebec.

Price Canada offers Canadian domiciled pooled vehicles and provides advisory services to institutional clients residing in Canada and delegates investment management services to Price Associates, Price International Ltd, Price Hong Kong, or Price Singapore.

TRP Advisory Services is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Group. TRP Advisory Services delivers services to clients through the use of proprietary computer analysis, with support from advisory representatives using Price Funds sponsored and advised by Price Associates, Price International Ltd, Price Hong Kong and Price Singapore.

Price International Ltd owns approximately 26% of UTI Asset Management Company Limited (**UTI AMC**). UTI AMC is an Indian asset management firm, with multiple subsidiaries, managing a variety of Indian domiciled fixed income and equity mutual funds. The Price Advisers have no active role in the day-to-day management of UTI AMC.

Price Group owns 10% of Daiwa SB Investments Ltd. (**Daiwa**), a joint venture with Daiwa Securities Group, Inc. and Sumitomo Mitsui Financial Group, Inc. since 1999. Daiwa is an investment manager that delegates certain of its investment management responsibilities to Price International Ltd. In certain circumstances, Daiwa serves as non-discretionary investment adviser to Price International Ltd.

The Price Advisers are not currently registered with the Commodity Futures Trading Commission as commodity pool operators (**CPOs**) or commodity trading advisors (**CTAs**). TRP Advisory Services is also not currently registered as a CPO or CTA.

**Investment Companies.** Price International Ltd serves as investment subadviser to certain investment companies registered under the Investment Company Act of 1940 and for which Price Associates sponsors and serves as investment adviser. Price International Ltd may include one or more of the TRP Mutual Funds in client portfolios, as authorized in client guidelines. One of the Price Advisers may, from time to time, invest corporate money to seed or invest in newly formed proprietary funds. The Price Advisers' ownership percentage may be significant for an unspecified period and the Price Advisers may elect to redeem all or a portion of their investment at any time. Except as noted below, Price International Ltd and its affiliates receive advisory fees from each TRP Mutual Fund based upon the value of the TRP Mutual Fund's assets. As noted in *Item 5 – Fees and Compensation: Non-Advisory Fees and Expenses*, Price International Ltd generally excludes the value of TRP Mutual Fund shares held in a client account when the advisory fee is computed. (However, certain fixed income TRP Mutual Funds and common trust funds, which do not charge an advisory fee at the fund level, are included in the portfolio's market value for billing purposes.)

Price International Ltd generally has the ability to vary the exposure to one or more of the TRP Mutual Funds in clients' separate accounts pursuant to clients' stated investment guidelines. However, clients specifically approve each TRP Mutual Fund to be utilized up to a stated maximum percentage of the account's market value. The TRP Mutual Fund prospectus, a copy of which is provided to each client prior to investing in the TRP Mutual Fund, outlines all fees

and expenses paid by shareholders of a TRP Mutual Fund.

**Broker-Dealer.** Investment Services, a Maryland corporation, is a wholly owned subsidiary of Price Associates, originally organized for the purpose of acting as principal underwriter and distributor for the TRP Mutual Funds. Investment Services also provides introducing brokerage services to complement the other services provided to shareholders of the TRP Mutual Funds. Price Associates sponsors and certain Price Advisers serve as investment adviser or investment subadviser for the TRP Mutual Funds. Investment Services may also serve as private placement agent for certain private funds for which the Price Advisers serve as investment manager.

Investment Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (**FINRA**). Investment Services does not effect securities transactions for clients of Price International Ltd.

**Trust Company.** The Trust Company, a wholly owned subsidiary of Price Associates, is a Maryland-chartered limited-purpose trust company. Under its charter, it is not permitted to accept deposits or make commercial loans. The Trust Company sponsors common trust funds for investment in securities of global issuers. Price International Ltd and its affiliated advisers may now or in the future serve as investment adviser or investment subadviser to the Trust Company with respect to certain common trust funds and typically would receive a fee from the Trust Company for its services. Participation in the common trust funds is limited to U.S. qualified retirement plans, certain U.S. governmental retirement plans, and certain U.S. church plans.

**Affiliates.** Because our clients and our personnel are located around the world, we conduct business through a number of affiliated entities licensed to offer services in various jurisdictions and to perform particular business functions. Though legally distinct, our affiliates function as a unified, global business. Our affiliates often engage one another to assist in managing client mandates. For example, affiliated personnel often provide research, portfolio management or trading services to a client account. From time to time, investment management, client liaison, account administration and investment monitoring services are delegated to an affiliated entity. When we delegate portfolio management responsibilities to an affiliate, we will notify you and take steps to ensure that the delegation complies with all applicable laws.

**Other.** T. Rowe Price (Switzerland) GmbH (**Price Switzerland**) is a wholly owned subsidiary of Price International Ltd. The activities of Price Switzerland are limited to the promotion of investment management services and funds in Switzerland. The Swiss Financial Market Supervisory Authority has granted Price Switzerland a license to distribute funds in Switzerland to all categories of investor.

T. Rowe Price (Luxembourg) Management S.à r.l. (**Price Sarl**) is a wholly owned subsidiary of Price International Ltd. The activities of Price Sarl are limited to the provision of management company services to investment funds domiciled in Luxembourg and the Cayman Islands. It is authorized as a Chapter 15 management company by the Luxembourg Commission de Surveillance du Secteur Financier. Price Sarl also acts as an alternative investment fund

manager (**AIFM**) in accordance with the law dated July 12, 2013 relating to Alternative Investment Funds Managers.

TRPH Corporation, an affiliate of Price International Ltd, owns 4.9% of Luminex Trading & Analytics (**Luminex**), a joint venture with other asset managers. The Luminex trading platform is designed as an alternative trading system with specific minimum trading thresholds to allow institutional investors to trade large blocks of shares. We may transact with Luminex subject to identical criteria as we would with any other broker-dealer, including best execution obligations. Such trading is actively monitored by the T. Rowe Price Fund Board and T. Rowe Price's Global Trading Committee (**GTC**). A senior T. Rowe Price employee is a member of Luminex Trading & Analytics' Board of Directors.

## Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Price Group maintains a Code of Ethics and Conduct (**Code**) applicable to all T. Rowe Price affiliates. The Code complies with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940 and outlines appropriate standards of conduct for personnel and certain other individuals associated with Price Group. The Code sets forth certain restrictions on activities, such as personal trading and gifts and entertainment. Compliance with the Code is a condition of employment for all personnel. Key provisions of the Code are summarized below. The Legal Department provides the Code to all personnel via the T. Rowe Price Intranet site and requires all personnel to complete an annual verification that certifies their understanding of, and adherence to, the Code. Price Group has a policy that all personnel must participate annually in continuing education training relating to the Code. The Legal Department provides notices of all material amendments to the Code to personnel.

The Code addresses many areas of conduct, such as Price Group's policy regarding conflicts of interest, personal securities transactions, the acceptance and provision of gifts and entertainment, political contributions, material non-public information, confidentiality, privacy, and the reporting of Code violations. A copy of the Code is available to any client or prospective client upon request.

**Personal Trading.** The Code contains a detailed description of the firm's requirements and its monitoring of personal securities transactions, including pre-clearance and reporting requirements applicable to securities transactions based on a person's classification as investment personnel, access person (as defined by the SEC), or non-access person; and filing by access persons of an annual personal securities report, certifying personal securities holdings and securities accounts.

The Code requires access persons to obtain prior clearance before engaging in most personal securities transactions. Requests for prior clearance are submitted to the firm's pre-trade approval system. Certain securities are exempt from prior clearance, such as open-end mutual funds and variable annuities, U.S. government securities, systematic investment plans, employee spouse stock option exercises, and a limited number of ETFs.

The Code also requires prior clearance of initial public offerings (**IPOs**) and private placements, and initial and continuous reporting of reportable securities holdings by investment personnel and other access persons. Price Group has adopted procedures designed to prevent its investment personnel and other access persons from violating the Code.

**Gift and Entertainment.** The Code places restrictions on the receipt of gifts, travel and entertainment opportunities by our personnel. Our personnel occasionally participate in entertainment opportunities that are for legitimate business purposes, subject to limitations set forth in the Code.

**Political Contributions.** Additionally, for compliance with SEC Rule 206(4)-5 of the Advisers Act (**Pay to Play Rule**), Price Group has established prior clearance and reporting obligations for political contributions by personnel.

**Investment of Client Assets in Price Securities.** Information regarding investment of client assets in the Price Funds is provided in *Item 10 – Other Financial Industry Activities and Affiliations*. The Price Advisers do not purchase shares of their publicly traded parent company, Price Group for their clients with active investment strategies.

**Investment by T. Rowe Price and Its Personnel in Products We Manage.** Our personnel, including portfolio managers and other investment personnel, invest in the Price Funds, including the Funds they manage. These investments are made directly by our personnel and through the T. Rowe Price Retirement Plan which offers the Price Funds among its investment options. While personnel who invest in Price Funds have an incentive to favor those accounts in order to obtain a personal benefit, these investments also help to align those individuals' interests with those of our clients.

The Price Advisers may also manage certain funds and accounts that are seeded with T. Rowe Price's corporate money. Most of these portfolios are created to establish a performance track record to market a new product. The Price Advisers' ownership percentage may be significant for an unspecified period and the Price Advisers may elect to redeem all or a portion of their investment at any time. Additionally the Price Advisers may invest corporate assets in a fund for investment purposes on behalf of our corporate holding company T. Rowe Price Group, Inc. These investments may be withdrawn over a period of time or remain as a percentage of the assets of these products for indeterminate periods. The corporate assets may be the largest investment in the fund or product for significant periods of time. These portfolios may be similar to other portfolios currently managed by the Price Advisers and may be trading in securities in which the Price Advisers trade for other discretionary clients. These portfolios are traded and receive allocations pursuant to the same policies and procedures the Price Advisers have in place to ensure that all clients are treated fairly. Oversight is in place to ensure that trading and allocations for the T. Rowe Price corporate portfolios are in no way favored over accounts managed for discretionary clients.

**Valuation of Private Securities.** The Price Advisers have a valuation committee that oversees the pricing of private securities. This committee is comprised of multiple departments including Treasury, Equity, Fixed Income and Global trading personnel. The committee conducts proactive periodic reviews of private security investments; event specific reviews; and market event reviews to ensure we are properly valuing such investments. The valuation reviews are made more difficult by private issuer's sensitivity around disclosing nonpublic financial and operational information. Further such information may be released at irregular intervals as opposed to publicly held companies subject to accounting and disclosure standards as well as information release rules tied to their public listing on a recognized market. The Price Advisers acknowledges that differences can occur in how one party values private securities as opposed to

another party. We note that many large institutional clients hold the same private security across multiple managers, all of whom may value the security differently.

**Other Potential Interests.** From time to time, Price International Ltd may manage assets for or invest client assets in the securities of companies that have appointed Price International Ltd or an affiliate to serve as investment adviser, subadviser, trustee, or recordkeeper or which act as service providers or vendors to Price International Ltd or an affiliate. Additionally, directors serving on the boards of the Price Funds or Price Group may also serve on boards of publicly traded entities in which Price International Ltd invests client assets. Personnel of the Price Advisers may serve on creditor committees for issuers in which client assets may be invested and which are filing for bankruptcy. Additionally, personnel of the Price Advisers or their family members may have certain relationships with entities the firm does business with, including clients, broker-dealers, non-profit organizations, and vendors. The annual compliance certification completed by persons subject to the Code includes various questions regarding such relationships. Where deemed relevant, these relationships are reported to the T. Rowe Price Ethics Committee for further discussion. While the situations described in this paragraph present potential conflicts of interest, Price International Ltd must manage a client's assets in accordance with its fiduciary obligations.

The Price Advisers provide customary marketing and training support payments to certain clients, primarily subadvisory clients.

From time to time, the Price Advisers may donate to charitable organizations that are clients or are supported by clients, prospects, consultants or their employees. In general, donations are made in response to requests from one of those parties. We take into consideration the importance of the business relationship as one factor in determining whether to approve a charitable contribution. All such donations are reviewed and approved by appropriate Legal and Compliance personnel, up to and including the Chief Compliance Officer.

Personnel of the Price Advisers may hold positions with industry groups or committees which deal with advocacy issues applicable to the Price Advisers.

**Services For Other Clients.** The Price Advisers may give advice and take action for clients, including registered investment companies and other pooled investment vehicles, which differs from advice given or the timing or nature of action taken for other clients. The Price Advisers are not obligated to initiate transactions for clients in any security which its principals, affiliates or employees may purchase or sell for their own accounts or for other clients.

Purchase and sale transactions may be effected directly among and between non-ERISA client accounts which permit crossing (including the Price Funds) consistent with the requirements of Rule 17a-7 of the Investment Company Act of 1940 (**Rule 17a-7**). Rule 17a-7 provides that no commission is paid to any broker-dealer, the security traded has readily available market quotations, and the transaction is effected at the independent current market price and may also require that Price International Ltd disclose a client's identity to the party on the other side of the trade. In certain markets, as required by applicable law, a cross trade may be routed through a broker-dealer to facilitate processing and a customary transfer fee may be incurred. These

transactions are reviewed by the appropriate Legal and Compliance personnel and the GTC, which is responsible for the oversight of the Price Advisers' trading policies and procedures. Certain accounts in which T. Rowe Price has an ownership interest are restricted from engaging in cross trades in order to address considerations under Rule 17a-7 and Section 206(3) of the Advisers Act.



## Item 12 – Brokerage Practices

**Broker-Dealer Selection.** An important aspect of our discretionary investment management services includes the selection of broker-dealers. We may effect equity, fixed income, and derivative transactions on behalf of clients with a broker-dealer that furnishes brokerage and in certain cases research services, designate a broker-dealer to receive selling concessions, discounts, or other allowances, and otherwise deal with a broker-dealer in the acquisition of securities in underwritings.

We may also utilize the services of an affiliated adviser's trading desk to initiate or complete all or part of a trade order as appropriate. Such trades may be an order in its entirety (for example, a trade for a particular instrument or security where we determine an affiliate's desk is suited to achieve best execution) or movement of a partial order which was not able to be completed prior to the originating market's close. All such trades are executed with an independent broker-dealer.

**Equity Securities.** In general, Price International Ltd utilizes a broad spectrum of execution venues including traditional stock exchanges, electronic communication networks, alternative trading systems and algorithmic solutions. In selecting a venue, Price International Ltd seeks broker-dealers it believes to be actively and effectively trading the security being purchased or sold. Although we may not be able to influence the venues where broker-dealers ultimately execute, we may request that a broker-dealer not route orders to certain venues we feel may not provide best execution. Price International Ltd monitors brokers' venue selection over time to evaluate trends and quality of execution.

In purchasing and selling equity securities for its clients, Price International Ltd seeks to obtain best execution at favorable prices through broker-dealers, and in the case of agency transactions, at competitive commission rates. However, Price International Ltd believes that the most appropriate commission on a trade is not always the lowest available commission. In addition to prices and commissions, Price International Ltd considers other factors in selecting broker-dealers, including (i) liquidity of the security; (ii) the size and difficulty of the order; (iii) the speed and likelihood of execution and settlement; (iv) the reliability, integrity and creditworthiness, general execution and operational capabilities of competing broker-dealers and services provided; and (v) expertise in particular markets. Therefore, we may pay higher commission rates to broker-dealers we believe offer greater reliability, better pricing, or more efficient execution.

**Fixed Income Securities.** Price International Ltd generally purchases fixed income securities from the issuer or a broker-dealer acting as principal for the securities on a net basis, with no stated brokerage commission paid by the client (although the price usually reflects undisclosed compensation to the broker-dealer). Fixed income transactions through broker-dealers reflect the spread between the bid and asked prices; therefore, Price International Ltd is unable to provide clients with a report of commissions paid. We may also purchase securities available from

underwriters at prices that include underwriting fees.

**Foreign Currency Transactions.** Price International Ltd may but is not required to engage in foreign currency transactions (**FX**) to facilitate trading in or settlement of trades in foreign securities. In accordance with clients' investment guidelines, Price International Ltd may use FX, including forward currency contracts, when seeking to: manage exposure to or profit from changes in interest or exchange rates; protect the value of portfolio securities; or to facilitate cash management. We strive to seek broker-dealers that we believe will provide best execution on behalf of all of our clients, frequently via electronic platforms. To minimize transaction costs, certain FX trading activity may be aggregated across accounts, but each account's trade is individually settled with the counterparty. Our ability to seek best execution for the client may be impacted if trading is limited to the client's custodian or certain counterparties due to client-imposed restrictions or operational considerations, including the absence or delay in implementation of required documentation. Also, restricting the counterparties with which Price International Ltd can trade may present credit risks to the client, particularly for FX and other OTC transactions, as a result of direct exposure to the credit of the counterparty.

**Best Execution.** The GTC oversees the brokerage allocation and trade execution policies for the Price Advisers. The GTC is supported by the **equity and fixed income best execution** subcommittees in monitoring **Price Advisers'** compliance with the execution policy. The execution policy requires Price Advisers to execute trades consistent with the principles of best execution which requires an adviser to take all sufficient steps to obtain the best possible result for clients taking into account various factors. The execution policy and arrangements are reviewed on at least an annual basis or whenever a material change occurs that could impact the firm's ability to provide best execution.

**Research Benefits.** T. Rowe Price believes that original, in-house research is the primary driver of value-added active management. Although proprietary and third party research from broker-dealers and independent third party research providers (**external research**) is an important component of the Price Advisers' investment approach, Price Advisers rely primarily upon their own research and subject any external research to internal analysis before incorporating it into the investment process.

Research received from broker-dealers or independent third party research providers generally include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, currency and commodity market analysis, risk measurement analysis, performance analysis, and analysis of corporate environmental, social and governance responsibility issues. Research services are received in the form of written reports, computer generated data, telephone contacts, investment conferences, bespoke services, financial models and personal meetings with security analysts, market specialists, corporate and industry executives, and other persons. Research may also include access to unaffiliated individuals with expertise in various industries, businesses, or other related areas including use of expert referral networks which provide access to industry consultants, vendors, and suppliers. Price Advisers

may use a limited number of expert networks and such use is closely monitored to ensure compliance with internal guidelines. Proprietary research may be provided by broker-dealers who also provide trade execution, clearing, settlement and/or other services. Proprietary research may include research from an affiliate of the broker-dealer.

Price International Ltd pays for the external research that it receives directly out of its own resources. The Research Governance Oversight Committee (**RGOC**) which oversees the consumption, valuation and appropriate remuneration of third party investment research consumed by Price Advisers globally, sets the research budget for Price International Ltd. Research budgets may be adjusted by the RGOC throughout the calendar year.

Price International Ltd may delegate investment management to one or more Price Advisers that continue to use equity brokerage commissions to acquire external research. The Price Advisers pay for such external research through commission sharing arrangements (**CSAs**) established with various broker-dealers consistent with local industry practice and applicable regulations. Detailed information regarding the use of CSAs by each of the Price Advisers may be found under *Item 12 – Brokerage Practices* of Form ADV Part 2 for the relevant Price Adviser. Price International Ltd has not established a CSA with any broker-dealer. Although Price International Ltd does not participate in any CSA program, certain Price International Ltd's clients may indirectly pay for external research where their account is managed by another Price Adviser who utilizes a CSA program.

Price International Ltd may purchase access to research from certain broker-dealers together with other Price Advisers for a single platform fee. This allows Price Advisers to leverage their size and scale to permission access to certain research services across a broad group of research users globally from each research provider. Based on the terms of these platform arrangements, research services available through these platform access arrangements may be shared among the Price Advisers that participate.

Each Price Adviser generally pays for data subscriptions, investment technology tools and other specialized services to assist with the investment process directly from its own resources. Each Price Adviser also pays for fixed income research and services directly from its own resources where feasible or required.

**Allocation of Brokerage Business.** Price International Ltd has a policy of not pre-committing a specific amount of business to any broker-dealer over any specific period. Price International Ltd makes brokerage placement determinations, as appropriate, based on the needs of a specific transaction such as market-making, availability of a buyer for or seller of a particular security, or specialized execution skills. Price International Ltd may choose to allocate brokerage among several broker-dealers able to meet the needs of the transaction. Allocation of brokerage business is monitored on a regularly scheduled basis by appropriate personnel and the GTC.

Price International Ltd may have brokerage relationships with broker-dealers who are, or are an affiliate of, clients that have appointed Price International Ltd or an affiliate to serve as investment adviser, trustee, or recordkeeper. We also have other relationships with or may own

positions in the publicly traded securities of the broker-dealers with whom we transact with or on behalf of our clients. Additionally, subject to best execution obligations, Price International Ltd may execute transactions for clients with Luminex Trading & Analytics, an alternative trading system of which Price Associates' subsidiary, TRPH, owns 4.9%.

**Broker-Dealer Recommendations.** Price International Ltd does not recommend, request or require clients to direct Price International Ltd to execute transactions through any specified broker-dealer.

**Client Directed Brokerage.** In limited circumstances as further discussed below, Price International Ltd may accept a client's direction to use a specific broker-dealer(s) for all or a portion of their account transactions. If a client directs us to use a specific broker-dealer, the client may lose any discounts that we may negotiate on aggregated transactions, it may pay higher transaction costs or brokerage commissions, and we may be unable to achieve best execution. There may be times when we may not trade with a client's directed broker-dealer until all non-directed brokerage orders are completed and this can result in the client's order being executed on less favorable terms than we obtain for non-directed orders.

Certain other clients (generally institutional clients) request that Price International Ltd endeavor to utilize designated broker-dealers (i.e., minority/women/locally owned broker-dealers) for a portion of their account's transactions subject to best execution. Certain directed broker requests subject to best execution require the use of "step-outs" a process by which one broker steps out of all or a portion of a transaction and allows another broker to act as the broker of commission credit. When Price International Ltd "steps-out" trades pursuant to client direction, such trades transact at execution only rates. If clients prohibit the use of step-outs, the Price Advisers will encounter great difficulty in achieving the client's targets for the account. Absent a "step-out", we may trade this client's order after completion of our aggregated orders. This change to Price International Ltd's normal order processing procedures may result in a price less favorable than if the client had allowed the use of step-outs.

The ability to direct client trades is also limited by operational constraints. Trading instructions vary by client and our ability to meet those requests depends, in part, on the characteristics of the securities and markets in which the account invests and the capabilities of the broker-dealers. In addition, we have determined that certain categories of transactions are not eligible for client direction. For instance, because Price Advisers trade equity securities either through CSAs or at execution only rates, Price Advisers are not able to engage in commission recapture programs. Price Advisers also do not recapture commissions, underwriting discounts, or selling-group concessions for fixed income securities acquired in underwritten offerings. Price Advisers may, however, designate a portion of the underwriting spread to broker-dealers that participate in the offering.

**Block Trading/Aggregated Orders/Order Sequencing.** Since certain clients have similar investment objectives and programs, Price International Ltd may make investment decisions that result in the simultaneous purchase or sale of securities. As a result, the demand for, or supply of, securities may increase or decrease, which could have an adverse effect on prices.

Aggregation of orders may be a collaborative process between trading and portfolio management staff. Price International Ltd's policy is not to favor one client over another in grouping orders for various clients. Clients should be aware that the grouping of orders could at times result in more or less favorable prices. In certain cases, where the aggregated order is executed in a series of transactions at various prices on a given day, each participating client's proportionate share of grouped orders reflects the average price paid or received. Price International Ltd may include orders on behalf of Price Funds and other T. Rowe Price-advised clients and products in its aggregated orders.

The Price Advisers have developed written trade allocation guidelines for their trading desks. Generally, when the amount of securities available in a public or initial offering or the secondary markets is insufficient to satisfy the volume for participating clients, Price International Ltd will make pro rata allocations based upon the relative sizes of the participating client orders or the relative sizes of the participating client portfolios depending upon the market involved, subject to portfolio manager and trader input. For example, a portfolio manager may choose to receive a non-pro rata allocation to comply with certain client guidelines, manage anticipated cash flows, or achieve the portfolio manager's long-term vision for the portfolio. Each client receives the same average share price of the securities for each aggregated order. Because a pro rata allocation may not always accommodate all facts and circumstances, the guidelines provide for adjustments to allocation amounts in certain cases. For example, adjustments may be made: (i) to eliminate de minimis positions or satisfy minimum denomination requirements; (ii) to give priority to accounts with specialized investment policies and objectives; and (iii) to allocate in light of a participating portfolio's characteristics, such as available cash, industry or issuer concentration, duration, and credit exposure. Such allocation processes may result in a partial execution of a proposed purchase or sale order.

Price International Ltd employs certain guidelines in an effort to ensure equitable distribution of investment opportunities among clients of the firm, which may occasionally serve to limit the participation of certain clients in a particular security, based on factors such as client mandate or a sector or industry specific investment strategy or focus. For example, accounts that maintain a broad investment mandate may have less access than targeted investment mandates to certain securities (e.g., sector specific securities) where Price International Ltd does not receive a fully filled order (e.g., certain IPO transactions) or where aggregate ownership of such securities is approaching firm limits.

Also, for certain types of investments, most commonly private placement transactions, conditions imposed by the issuer may limit the number of clients allowed to participate or number of shares offered to the Price Advisers.

Price Advisers have developed written trade sequencing and execution guidelines that it believes are reasonably designed to provide the fair and equitable allocation of equity trades, both long and short, to minimize the impact of trading activity across client accounts. The policies and procedures are intended to: (i) mitigate conflicts of interest when trading both long and short in the same equity security; and (ii) mitigate conflicts when shorting an equity security that is held by other accounts managed by the Price Advisers that are not simultaneously transacting in the

security. Notwithstanding the application of the Price Advisers' policies and procedures, it may not be possible to mitigate all conflicts of interest when transacting both long and short in the same equity security; therefore, there is a risk that one transaction will be completed ahead of the other transaction, that the pricing may not be consistent between long and short transactions, or that an equity long or short transaction may have an adverse impact on the market price of the security being traded.

DMS accounts are traded at the portfolio manager's discretion subject to client negotiated guidelines including maximum holding periods. The factors that impact trading and subsequent trade allocation decisions include, but are not limited to: the number of shares distributed to and held for the clients' accounts, the shares previously sold for the clients' accounts, the inventory of shares anticipated to be available for sale in the market, the average daily liquidity of the security, the lot size necessary to facilitate orderly trading, and the maximum holding periods specified in the clients' guidelines. In limited circumstances, the Price Advisers may also liquidate securities for DMS clients on a non-pro rata basis to minimize transactional and recordkeeping costs based upon the portfolio manager's opinion that such positions are de minimis relative to the shares or number of securities anticipated to be sold for other client accounts.

## **Item 13 – Review of Accounts**

The Price Advisers may manage multiple accounts for different clients in a single investment strategy. While each account generally follows a similar investment program, different accounts have their own unique guidelines and cash flows. To enhance the focus on investment decision-making responsibilities, a portfolio manager may concentrate on a representative portfolio within the strategy and use the services of either a dedicated portfolio modeling group or an analytics and quantitative research team to determine adjustments for similarly managed accounts.

The Price Advisers strive to ensure compliance with clients' investment guidelines consistent with their fiduciary responsibility. Accounts are often customized to reflect a client's specific investment requirements. For example, a client may be unable to invest in a particular country, industry or issuer. These restrictions are documented in the guidelines attached to a client's investment management agreement. Accordingly, we maintain a proprietary compliance system that captures the investment parameters from each client's guidelines and facilitates automated pre- and post- trade testing for compliance. Our compliance and modeling teams work closely with the portfolio management team to ensure guidelines are implemented as closely as possible to a client's intent.

The portfolio modeling group monitors individual positions, asset allocation, and cash flows daily for equity accounts within the same strategy, and may make investments consistent with the portfolio manager's investment strategy for each account within that strategy. The team frequently consults with the portfolio manager, and the team's activities are ultimately subject to the portfolio manager's discretion and monitoring.

The analytics and quantitative research team is responsible for the tools used to measure and monitor fixed income risk and they provide frequent communication with investment professionals and senior management regarding risk exposures at the portfolio and strategy level.

Portfolio managers have the primary responsibility for reviewing client accounts. Working within the firm's investment philosophy and internal investment policy guidelines, the portfolio manager structures portfolios consistent with the objectives and restrictions of each client. Accordingly, the portfolio manager may make adjustments per account to attempt to provide similar performance and outcomes for all accounts within a strategy.

The number of accounts assigned to each portfolio manager varies considerably as a result of differing client characteristics and requirements.

In constructing a client's portfolio, we consider each client's objectives, our perception of the overall balance of risk and return potential, and the relative prospects for individual investment alternatives. We also discuss with each client the portfolio characteristics and requirements including diversification ranges, performance standards and expectations, risk tolerances, and any investment restrictions or constraints imposed by the client. Within this framework, the

portfolio manager evaluates the appropriateness of particular securities and industries, and the overall mix of equities, fixed income instruments, and reserves in an effort to meet the client's goals.

The portfolio managers communicate frequently to establish the Price Advisers' investment policy regarding the portfolio distributions in the various stock markets and in the various types of investments. The portfolio managers review the securities in each client's portfolio and make changes as necessary. Circumstances prompting modifications in the portfolio would include: changes in the Price Advisers' investment policy, changes in the client's objectives, significant price movements of portfolio securities or the portfolio as a whole, changes in the prospects of a particular portfolio security, the need to invest incoming cash, or the need to raise cash from the portfolio.

On a periodic basis, internal investment meetings are conducted by portfolio managers at which global economic assumptions and key market factors are reviewed, so that a consistent background is applied to individual security selection ideas. Inputs to such investment meetings include key economic variables driving world markets including interest rate trends, earnings momentum, historic valuations, market supply and demand, monetary cycle and politics. Weekly investment meetings, attended by portfolio managers, include a review of a sample of client portfolios representing different investment mandates.

Given the dynamic nature of financial markets and the consistent flow of available information, Price International Ltd's account review process is continuous. Our portfolio managers and research personnel analyze economic forecasts, sector and industry strategies, and evaluate the relative attractiveness of individual securities. Revised portfolio manager recommendations or changes in a client's circumstances or investment objectives are among the factors that can trigger a portfolio review and possibly result in alterations to investment strategy. Steering Committees, made up of senior investment personnel, also monitor performance and style consistency. These reviews are also designed to identify any dispersion from the composite for accounts where there is an actual or perceived conflict of interest (e.g., performance-based fees as described in *Item 6 – Performance-Based Fees and Side-by-Side Management*).

Price International Ltd produces a variety of client reports and communicates with clients via phone calls, emails, regular client meetings, and other means. The frequency and type of reporting depends on the individual client's needs and requirements. At a minimum, the following types of materials are typically provided: account balance and activity (monthly); holdings reports and performance analysis (quarterly or monthly and including gross and net of management fees information); and views on global securities markets and economies (quarterly or monthly). Risk reports for certain accounts may be available upon request. Price International Ltd has policies and procedures in place to ensure such communications are delivered consistent with commercially reasonable standards to protect client information. The prices of securities reflected in the Price Advisers' holding reports to clients are determined in a manner consistent with T. Rowe Price's Securities Pricing Information Policy. A copy of this Policy is available upon client request or as otherwise agreed.



The Price Advisers have established trade error correction guidelines and procedures intended to address the correction of errors caused by the action or inaction of a Price Adviser(s) during the trading process.

The Price Advisers have a fiduciary obligation to their clients. In the event a trading error is caused by the action or inaction of the Price Advisers, the Price Advisers will correct the error so that the client is returned to the same economic position it would have been in had the error not occurred. If, however, a trading error is caused by the action or inaction of a third party, the Price Advisers shall provide all reasonable assistance to the client in its attempt to recover all costs from that third party. The Price Advisers will take corrective action as soon as possible after the error has occurred to limit the Price Advisers' liability and the period of time for which a client portfolio may be in breach (if applicable).

In circumstances where an error is identified, the Price Advisers will utilize one of the following correction mechanisms to rectify the trading error: correction through the client account; correction through the original executing broker error account; or, in certain circumstances, correction through an error account established by the Price Advisers.

All errors, whether or not they result in a gain or loss, are documented and reviewed on a monthly basis. The Price Advisers seek to identify trends and best practices in order to avoid the same types of errors in the future.

## Item 14 – Client Referrals and Other Compensation

The Price Advisers rely primarily on the business development and marketing activities of our personnel to solicit new business.

From time to time, the Price Advisers may enter into written referral agreements that involve the payment of a fee for introductions to prospective clients that lead to formal investment management mandates. In the event the Price Advisers enter into such agreements, the terms of the arrangement, including the fee structure, will be disclosed to all such affected prospective clients prior to their execution of the investment management agreement and in accordance with applicable law. A Price Adviser may have other business relationships with entities with which another Price Adviser may have referral fee arrangements.

Some of Price International Ltd's clients use consultants to evaluate and recommend investment advisers and their services, including Price International Ltd and its related entities. (Price International Ltd is not affiliated with any consultant.) These consultant firms represent multiple clients and prospects and, therefore, have frequent interactions with Price International Ltd and related entities. In addition, Price International Ltd and its related groups may engage and pay fees to consultants to attend consultant-sponsored conferences or purchase analytical services and other research offered by them. On limited occasions, the Price Advisers may pay fees to consultants for services designed to help us evaluate other investment managers. The Price Advisers have adopted policies and procedures to ensure that consultant payments are based solely on the value of the services provided, that such services serve a legitimate business purpose, and that payments for services are not intended to influence the consultant firms in their duty to evaluate and recommend investment managers, including any T. Rowe Price entity. Price International Ltd and related persons may pay nominal fees to be listed and include information about our investment strategies in consultant registries or databases that describe services provided by investment managers including Price International Ltd.

Price International Ltd may provide to or receive from third parties minor non-monetary benefits, such as training events, seminars, and hospitality in accordance with the firm's Code of Ethics and Conduct. Any third-party solicitation arrangements regarding Price International Ltd's services will comply with all regulatory requirements.

Price International Ltd or an affiliate may on a limited basis, provide general introductions of its prospects and clients to UTI AMC and its subsidiaries in connection with potentially providing various investment management services to such prospects or clients on a non-exclusive basis. The parties may agree separately, and on a case-by-case basis, to any servicing arrangement. UTI AMC is not authorized to act as a representative of Price International Ltd or its affiliates.

## Item 15 – Custody

Price International Ltd does not act as a custodian for client assets and does not have physical custody of client funds or securities at any time. However, Price International Ltd may be deemed to have custody of client funds or securities as defined in Rule 206(4)-2 of the Advisers Act (**Custody Rule**), and accordingly may be subject to an annual surprise examination by an independent public accountant as further detailed below.

Price International Ltd has or may be deemed to have custody of certain clients' assets under certain circumstances including when:

- it is authorized by clients to directly withdraw its advisory fees from client accounts or to instruct the qualified custodian to pay client expenses;
- in its capacity as adviser, it receives client authorization to invest client assets in the Price Funds; and
- in its capacity as adviser, it receives client authorization to invest client assets in certain private securities.

The accounts for which Price International Ltd may be deemed to have custody are included in the pool of accounts eligible for the annual surprise examination unless an applicable exemption from the audit is available. A sample of the audit eligible accounts is selected from the pool and subjected to the audit process. Price International Ltd has retained an independent public accountant to conduct the Custody Rule audit and report to the SEC regarding such audit on Form ADV-E, as required.

The independent public accountant is responsible for selecting the audit sample from the pool of eligible accounts and for confirming the adviser is in compliance with the procedural requirements of the Custody Rule. This which includes, among other things, confirming Price International Ltd has a reasonable basis for believing the qualified custodians are sending account statements at least quarterly, where applicable, and confirming account statements sent to clients by Price International Ltd are accurate.

The Price Advisers annually request confirmation that each client's qualified custodian sends required periodic account statements. The Price Advisers strongly urge all of their clients to carefully review and reconcile account statements from their qualified custodians, the Price Funds' transfer agent and/or other service providers, as applicable, with account statements received from the Price Advisers. If there are discrepancies between a client's custodian statement and their Price Advisers' account statement, the client should contact their custodian or the Price Advisers for more information.

In the case of Price International Ltd's client accounts, clients must select and appoint their own custodian, whose services and fees will be separate from Price International Ltd's management fee. Clients are responsible for independently arranging for all custodial services, including

negotiating custody agreements and fees and opening custodial accounts.

A client's custody agreement with its qualified custodian may contain authorizations with respect to the transfer of client funds or securities broader than those in the client's written investment management agreement with Price International Ltd. In these circumstances, Price International Ltd's authority is limited to the authority set forth in the client's written investment management agreement with Price International Ltd regardless of any broader authorization in the client's custody agreement with its qualified custodian. The qualified custodian's monitoring, if any, of the client's account is governed by the client's relationship with its custodian.

From time to time, the Price Advisers may inadvertently receive client assets from third-parties. The Price Advisers have appropriate policies and procedures which provide for prompt forwarding of such assets to the client (or the former client), the client's qualified custodian, or returning such assets to the appropriate third party.

## Item 16 – Investment Discretion

All clients enter into a written investment management agreement with Price International Ltd prior to receiving investment management services. We provide discretionary investment management services to a client only if the client's written investment management agreement or other document expressly grants this discretion. Investment management agreements generally give us discretion to manage the client's account and place trades (and where appropriate, to use the trading desk and other services of affiliated investment advisers), subject to the investment objectives and guidelines for the account. Price International Ltd may also delegate certain management responsibilities to one or more its advisory affiliates as it believes reasonably necessary.

While Price International Ltd primarily provides discretionary investment management services certain services may be offered on a non-discretionary basis. Clients may require that every security transaction be authorized by the client prior to execution. The timing, form, and content of such authorization may vary from client to client. In limited circumstances, Price International Ltd may also provide transition management services to existing clients or to assist with the onboarding of new clients.

The stated investment guidelines and policies of certain clients may prohibit the purchase of particular securities or classes of securities if the purchase would cause the amount in the client's portfolio to exceed a percentage designated by the client. In addition, clients may limit the purchase of an issuer's securities if the Price Advisers hold more than a stated percentage of the issuer's securities on behalf of all clients. (Price International Ltd's internal issuer aggregated holdings limits are discussed below.)

Clients may inform the Price Advisers of their participation in securities lending programs. The Price Advisers are not parties to such securities lending agreements and generally have no knowledge of specific lending activity conducted by the custodian or securities lending agent. In limited circumstances, the Price Advisers may agree to delay anticipated trading of such client assets until we are able to confirm the availability of the shares for settlement. Such delays may prevent inclusion in aggregated orders. The Price Advisers bear no responsibility for trade delay or failures, or account performance deviations due to clients' lending activities.

Price International Ltd generally has the discretion to select broker-dealers and to determine commissions to be paid as described; however, certain clients may request that Price International Ltd direct brokerage for a portion of their accounts as discussed in *Item 12 – Brokerage Practices*.

Certain clients who have authorized Price International Ltd to execute transactions for their accounts without prior approval may prohibit the purchase of specific securities or industry groups or impose other limitations on the quality, quantity, or type of securities according to stated investment guidelines and policies. Such client-mandated limitations could include

industry and socially conscious restrictions.

In order to fully implement certain investment mandates, Price International Ltd may ask clients to assist with completing and/or executing documentation or certain filings in order to utilize certain investments (e.g., futures agreements, “MSFTAs”, “ISDAs”). Price International Ltd may also need to provide information (including but not limited to investment management agreements, organizational and tax documents, and other due diligence documents of its clients) to market participants and industry vendors (e.g., Markit Counterparty Manager) as may be reasonably required by any of them in order to effect, clear, or manage Price International Ltd’s transactions in certain complex instruments for their accounts. In the event such required documentation is not in place or filings have not been completed, Price International Ltd may be restricted from effecting such transactions.

Clients should be aware that restrictions on an account’s holdings which result from client-imposed investment restrictions, limits or the client’s inability or unwillingness to fully complete such documentation or filings (which limit Price International Ltd’s ability to manage in accordance with its standard investment strategy) may result in performance returns that differ from performance obtained for other clients in the same strategy that do not impose similar restrictions. A common example is a portfolio manager purchasing a company’s IPO as part of their strategy and a client in such strategy restricting the purchase of IPOs or failing to provide Price International Ltd with a representation that they are not restricted under FINRA Rule 5130 or FINRA Rule 5131. In such scenarios, the portfolio manager may be forced to purchase the security in the secondary market often at a premium to the initial offering price. Another example is a client’s inability to waive sovereign immunity as required by certain trading counterparties, which would hinder the Price International Ltd’s ability to provide the client with full dealer coverage for certain derivative transactions. Likewise, there may be regulatory or other operational issues (e.g., cross trades, derivatives) which limit the Price International Ltd’s ability to manage an account in line with the overall strategy.

Price International Ltd reserves the right, in its discretion, to restrict investments in companies determined after thorough review to be engaged in business activities significantly inconsistent with socially conscious principles. Such restrictions are consistently applied to all accounts under Price International Ltd’s management.

From time to time Price International Ltd’s capacity may be constrained for certain mandates due to market conditions, cash flow levels from prospective and current clients, or other factors. In such event, Price International Ltd reserves the right to allocate capacity among its clients in its discretion and may take into consideration the client’s overall advisory relationship with the Price Advisers in allocating such capacity.

Additionally, from time to time, the Price Advisers may inadvertently receive or affirmatively agree to receive material non-public information concerning an issuer of securities which may cause us, in accordance with applicable laws and regulations, to restrict or limit our ability to trade securities of such issuer for our client accounts.

The Price Advisers monitor the extent of the aggregate ownership of classes of equity

securities across all client accounts over which we have investment discretion. As part of this effort, we have adopted a policy which places limits on our aggregate ownership levels. While we believe that our aggregate holdings limits generally represent a prudent level of investment risk, the size of the Price Advisers' aggregate holdings in a given security may affect the price at or speed with which we are able to liquidate client holdings. Clients may also impose their own limits via guidelines as to their account holdings in securities where we hold sizeable positions.

Absent approval from the appropriate oversight committee, Price International Ltd will not make additional purchases of a common stock for its clients if 10% or more of the outstanding common stock of the issuer would be held by its clients, including registered investment companies for which Price Associates serves as adviser and clients of affiliated advisers in the aggregate. Approval may and is often given for aggregate ownership levels up to 20%, and in certain instances, higher amounts. In limited circumstances, the Price Advisers may, in their discretion, find it beneficial to maintain an economic interest in excess of a regulatory aggregate limit which may result in the Price Advisers having to forego clients' voting rights associated with those shares held in excess of the aggregate limit. We may also be limited by company provisions (e.g., poison pills), regulatory considerations, and other ownership restrictions that constrain capacity. On occasion, a specific limit is imposed by law or regulation often in regulated industries such as gaming or insurance companies, but more frequently we impose ownership limits based on our subjective judgment.

The limits we place on aggregate ownership of securities across client accounts can cause performance dispersion among accounts with similar investment guidelines managed by the same portfolio manager. For example, a portfolio manager would not be able to invest a new account's assets in a security when the security has reached the firm's aggregate ownership limit. This occurs more frequently with respect to accounts invested primarily in stocks in the small- and mid-capitalization ranges.

## Item 17 – Voting Client Securities

Clients generally authorize Price International Ltd to vote proxies for their accounts. Price International Ltd has adopted proxy voting policies and procedures (**T. Rowe Price Proxy Voting Policies and Procedures**) including specific proxy voting guidelines that set forth the general principles we use to determine how to vote in client accounts for which we have proxy voting responsibility. The voting guidelines are established each year by the T. Rowe Price Proxy Committee which relies upon our own fundamental research, independent research provided by outside proxy advisor, Institutional Shareholder Services, Inc. (ISS), and information presented by company management and shareholder groups. If clients authorize us to vote proxies for their accounts, they receive a copy of the T. Rowe Price Proxy Voting Policies and Procedures before the execution of the investment management agreement (and annually thereafter).

We make proxy voting decisions in view of the anticipated impact of a given issue on the security and the overall economic benefit to the client. We vote proxies in a manner consistent with our fiduciary obligations and responsibilities in the best economic interests of our clients, provided we receive proxy materials in a timely manner. Our policy is not to vote proxies for shares of the Price Funds held in separate accounts unless we receive written direction from our clients. Practicalities and costs involved with proxy voting in foreign markets may make it impossible at times, and at other times disadvantageous, to vote proxies in every instance. In addition, the client's custodian must maintain appropriate documentation, including power of attorney forms, to facilitate timely voting of proxies in foreign markets.

The firm's Proxy Committee is responsible for monitoring and resolving potential material conflicts between the interests of Price International Ltd and those of its clients with respect to proxy voting. We have adopted safeguards to ensure that our proxy voting is not influenced by interests other than those of our clients. While membership on the Proxy Committee is diverse, it does not include individuals whose primary duties relate to client relationship management, marketing, or sales. Since the T. Rowe Price Proxy Voting Policies and Procedures are predetermined by the Proxy Committee, they should in most instances adequately address any possible conflicts of interest. However, consistent with the terms of the T. Rowe Price Proxy Voting Policies and Procedures which allow portfolio managers to vote proxies opposite our general voting guidelines, the Proxy Committee regularly reviews all such proxy votes that are inconsistent with the guidelines to determine whether the portfolio manager's voting rationale appears reasonable. The Proxy Committee also assesses whether any business or other material relationships between T. Rowe Price and a portfolio company (unrelated to the ownership of the portfolio company's securities) could have influenced an inconsistent vote on that company's proxy.

The Proxy Committee, and certain personnel under the direction of the Proxy Committee, perform the following oversight and assurance functions, among others, over Price International Ltd's proxy voting: (1) periodically samples proxy votes to ensure that they were cast in



compliance with the T. Rowe Price Proxy Voting Policies and Procedures; (2) reviews, no less frequently than annually, the adequacy of the T. Rowe Price Proxy Voting Policies and Procedures to make sure that they have been implemented effectively, including whether they continue to be reasonably designed to ensure that proxies are voted consistent with our fiduciary obligations to our clients; (3) performs due diligence on whether a proxy advisory firm we retain has the capacity and competency to adequately analyze proxy issues, including the adequacy and quality of the proxy advisory firm's staffing and personnel and its policies; and (4) oversees proxy advisory firm's capabilities to (i) produce proxy research that is based on current and accurate information and (ii) identify and address any conflicts of interest and any other considerations that we believe are appropriate in considering the nature and quality of the services provided by the proxy advisory firm.

Issues raising potential conflicts of interest are referred to designated members of the Proxy Committee for immediate resolution prior to the time Price International Ltd casts its vote. With respect to personal conflicts of interest, Price Group's Code of Ethics and Conduct requires all personnel to avoid placing themselves in a "compromising position" in which their interests may conflict with those of our clients and restrict their ability to engage in certain outside business activities. Portfolio managers or Proxy Committee members with a personal conflict of interest regarding a proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy.

Price International Ltd provides proxy voting reports to clients regarding how the Price Advisers voted proxies with respect to securities held in the client's account. Such reports are provided upon request and generally cover quarterly or annual periods.

Clients may occasionally direct Price International Ltd how to vote on a particular issue, provided the client gives direction in a timely manner to enable us to instruct our proxy voting agent.

Price International Ltd exercises flexibility to vote some proxies, or particular categories of proxies, or not cast proxy votes at all depending on our arrangements with clients and our fiduciary obligations. Certain clients reserve proxy voting authority and restrict Price International Ltd from voting proxies. In those situations, clients should instruct the custodian to forward all proxy voting materials promptly to the client (or designated proxy voting service). When clients restrict Price International Ltd from voting proxies, we would not generally expect to provide consultation services, but would provide information from time to time about how we would vote an issue in question. However, we will not discuss how we intend to vote proxies for securities not held in the client's account.

In certain circumstances, Price International Ltd may not be permitted to vote all of the proxies over which it has voting power due to regulatory or company imposed provisions that limit the percent of proxies voted by any one party. Additionally, Price International Ltd may agree to provisions with regulatory bodies and issuers that limit its ability to vote all of the proxies over which it has voting power with respect to certain issuers in consideration to obtain approval to increase its ownership of those issuers on behalf of its clients above specified levels. In those

instances, Price International Ltd may be required to forego voting rights above a specific level or vote those shares in proportion to all shares voted in the meeting.

As a practice, Price International Ltd does not offer to file proof of claim forms for class action suits for advisory clients. However, certain clients may request that Price International Ltd file proof of claim forms for class action suits that may affect the client's account and such clients have provided Price International Ltd with the authority to do so in their investment management agreements. Price International Ltd, based upon its records, will use reasonable discretion in determining whether to file such forms on behalf of the account; however, there may be restrictions in certain foreign jurisdictions impacting our ability to do so.

## **Item 18 – Financial Information**

Price International Ltd generally bills clients quarterly in arrears. Price International Ltd does not require or solicit pre-payment of fees more than six months in advance but may bill clients in advance upon request.

Price International Ltd is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. A copy of the current annual consolidated audited financial statements of Price Group and its subsidiaries (including Price International Ltd) is available upon request.

Price International Ltd is registered as an investment adviser with the SEC and authorized and regulated by the FCA. Price International Ltd is not registered with any state securities authorities.

## Appendix A – Fee Schedules

All fees are stated in U.S. Dollars except as otherwise noted

Note: \* indicates fee breakpoints for which a transitional fee credit is applied.

### ACTIVE GLOBAL AND INTERNATIONAL EQUITY INVESTMENT MANAGEMENT

#### Global Focused Growth Equity, Global Growth Equity, and Global Value Equity

First \$50 Million	0.600%
Next \$50 Million	0.550%
When assets exceed \$100 Million*	0.500% on all assets
When assets exceed \$200 Million*	0.450% on all assets
Minimum Account Size: \$50 Million	

#### International Core Equity and International Value Equity

First \$50 Million	0.600%
Next \$50 Million	0.550%
When assets exceed \$100 Million*	0.500% on all assets
When assets exceed \$200 Million*	0.425% on all assets
Minimum Account Size: \$50 Million	

#### International Growth Equity and International Concentrated Equity

First \$50 Million	0.625%
Next \$50 Million	0.575%
When assets exceed \$100 Million*	0.525% on all assets
When assets exceed \$200 Million*	0.450% on all assets
Minimum Account Size: \$50 Million	

#### International Small-Cap Equity

First \$50 Million	0.950%
Next \$50 Million	0.900%
When assets exceed \$100 Million*	0.900% on all assets
When assets exceed \$200 Million*	0.850% on all assets
Minimum Account Size: \$50 Million	

#### Europe Equity and Europe ex-UK Equity

First \$50 Million	0.500%
Next \$50 Million	0.450%
When assets exceed \$100 Million*	0.400% on all assets
When assets exceed \$200 Million*	0.350% on all assets
Minimum Account Size: \$50 Million	

#### Europe Smaller Companies Equity

First \$50 Million	0.750%
Next \$50 Million	0.700%
When assets exceed \$100 Million*	0.700% on all assets
When assets exceed \$200 Million*	0.650% on all assets
Minimum Account Size: \$50 Million	

#### Europe Structured Research Equity

First \$50 Million	0.400%
Next \$50 Million	0.350%
When assets exceed \$100 Million*	0.350% on all assets
When assets exceed \$200 Million*	0.300% on all assets
Minimum Account Size: \$50 Million	

#### Japan Equity

First \$50 Million	0.550%
Next \$50 Million	0.500%
When assets exceed \$100 Million*	0.450% on all assets
When assets exceed \$200 Million*	0.375% on all assets
Minimum Account Size: \$50 Million	

#### Emerging Europe Equity and Latin America Equity

First \$50 Million	0.850%
Next \$50 Million	0.750%
When assets exceed \$100 Million*	0.750% on all assets
When assets exceed \$200 Million*	0.650% on all assets
Minimum Account Size: \$50 Million	

#### Emerging Markets Equity and Emerging Markets Value Equity

First \$50 Million	0.850%
Next \$50 Million	0.750%
When assets exceed \$100 Million*	0.750% on all assets
When assets exceed \$200 Million*	0.600% on all assets
Minimum Account Size: \$50 Million	

**Asia ex-Japan Equity and Asia Opportunities Equity**

First \$50 Million 0.850%  
 Next \$50 Million 0.750%  
 When assets exceed \$100 Million\* 0.625% on all assets  
 When assets exceed \$200 Million\* 0.500% on all assets  
 Minimum Account Size: \$50 Million

**Middle East & Africa Equity**

First \$50 Million 0.850%  
 Next \$200 Million 0.750%  
 Above \$250 Million 0.700%  
 Minimum Account Size: \$50 Million

**Frontier Markets Equity**

First \$50 Million 0.950%  
 Next \$200 Million 0.850%  
 Above \$250 Million 0.800%  
 Minimum Account Size: \$100 Million

**Australia Equity**

*Fees are stated in Australian Dollars*

First \$50 Million 0.450%  
 Next \$50 Million 0.400%  
 When assets exceed \$100 Million\* 0.350% on all assets  
 When assets exceed \$200 Million\* 0.300% on all assets  
 Minimum Account Size: \$50 Million

**ACTIVE EQUITY SECTOR STRATEGIES**

**Health Sciences Equity, Media and Telecommunications Equity, Science and Technology Equity, and Financial Services Equity**

All assets 0.600%  
 Minimum Account Size: \$50 Million

**Global Natural Resources Equity**

All assets 0.550%  
 Minimum Account Size: \$50 Million

**U.S. Real Estate Equity**

First \$50 Million 0.550%  
 Next \$200 Million 0.450%  
 When assets exceed \$250 Million\* 0.425% on all assets  
 Minimum Account Size: \$50 Million

**Global Real Estate Equity**

First \$50 Million 0.600%  
 Next \$50 Million 0.550%  
 When assets exceed \$100 Million\* 0.550% on all assets  
 When assets exceed \$200 Million\* 0.500% on all assets  
 Minimum Account Size: \$50 Million

**Global Technology Equity**

First \$50 Million 0.700%  
 Next \$50 Million 0.675%  
 When assets exceed \$100 Million\* 0.650% on all assets  
 When assets exceed \$200 Million\* 0.625% on all assets  
 Minimum Account Size: \$50 Million

**Global Real Assets Equity**

First \$100 Million 0.650%  
 Next \$100 Million 0.625%  
 When assets exceed \$200 Million\* 0.600% on all assets  
 Minimum Account Size: \$50 Million

**ACTIVE U.S. EQUITY INVESTMENT MANAGEMENT**

**U.S. Large-Cap Growth Equity, U.S. Growth Stock, U.S. Large-Cap Core Equity, U.S. Large-Cap Core Growth Equity, U.S. Large-Cap Value Equity, U.S. Large-Cap Equity Income, and U.S. Value Equity**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 When assets exceed \$100 Million\* 0.400% on all assets  
 When assets exceed \$200 Million\* 0.350% on all assets  
 Minimum Account Size: \$50 Million

**U.S. Multi-Cap Growth Equity**

First \$50 Million 0.550%  
 Next \$50 Million 0.500%  
 When assets exceed \$100 Million\* 0.450% on all assets  
 When assets exceed \$200 Million\* 0.425% on all assets  
 Minimum Account Size: \$50 Million

**U.S. Capital Appreciation**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 When assets exceed \$100 Million\* 0.400% on all assets  
 When assets exceed \$200 Million\* 0.350% on all assets  
 Minimum Account Size: \$50 Million

**U.S. Mid-Cap Growth Equity and U.S. Mid-Cap Value Equity**

First \$20 Million	0.600%
Next \$30 Million	0.500%
When assets exceed \$50 Million*	0.500% on all assets
Minimum Account Size: \$50 Million	

**U.S. Small-Cap Growth Equity, U.S. Small-Cap Core Equity, U.S. Small-Cap Value Equity, and U.S. Smaller Companies Equity**

First \$20 Million	0.750%
Above \$20 Million	0.600%
Minimum Account Size: \$50 Million	

**QUANTITATIVE MANAGEMENT (QM) EQUITY STRATEGIES**

**QM U.S. Small-Cap Growth Equity**

First \$250 Million	0.550%
Above \$250 Million	0.500%
Minimum Account Size: \$50 Million	

**QM U.S. Value Equity**

First \$50 Million	0.400%
Next \$50 Million	0.350%
When assets exceed \$100 Million*	0.300% on all assets
When assets exceed \$200 Million*	0.250% on all assets
Minimum Account Size: \$50 Million	

**QM Global Equity**

First \$50 Million	0.500%
Next \$50 Million	0.450%
When assets exceed \$100 Million*	0.400% on all assets
When assets exceed \$200 Million*	0.350% on all assets
Minimum Account Size: \$50 Million	

**QM U.S. Small & Mid-Cap Core Equity**

First \$250 Million	0.550%
Above \$250 Million	0.500%
Minimum Account Size: \$50 Million	

**U.S. STRUCTURED RESEARCH EQUITY STRATEGIES**

**U.S. Structured Research Equity**

First \$50 Million	0.350%
Next \$50 Million	0.300%
When assets exceed \$100 Million*	0.300% on all assets
When assets exceed \$200 Million*	0.250% on all assets
Minimum Account Size: \$50 Million	

**ACTIVE GLOBAL AND INTERNATIONAL FIXED INCOME MANAGEMENT**

**International Bond**

First \$50 Million	0.375%
Next \$50 Million	0.325%
When assets exceed \$100 Million*	0.275% on all assets
When assets exceed \$250 Million*	0.225% on all assets
Minimum Account Size: \$50 Million	

**Global Aggregate Bond**

First \$50 Million	0.300%
Next \$50 Million	0.250%
When assets exceed \$100 Million*	0.200% on all assets
When assets exceed \$250 Million*	0.150% on all assets
Minimum Account Size: \$50 Million	

**Dynamic Global Bond (AUD Hedged)**

First \$50 Million	0.325%
Next \$50 Million	0.275%
When assets exceed \$100 Million	0.225% on all assets
When assets exceed \$250 Million	0.175% on all assets
Minimum Account Size: \$100 Million	

**Global Government Bond**

First \$50 Million	0.250%
Next \$50 Million	0.200%
When assets exceed \$100 Million*	0.150% on all assets
When assets exceed \$250 Million*	0.125% on all assets
Minimum Account Size: \$50 Million	

**Global Investment Grade Corporate Bond**

First \$50 Million 0.300%  
 Next \$50 Million 0.250%  
 When assets exceed \$100 Million\* 0.225% on all assets  
 When assets exceed \$250 Million\* 0.200% on all assets  
 Minimum Account Size: \$50 Million

**Dynamic Global Bond**

First \$50 Million 0.375%  
 Next \$50 Million 0.325%  
 When assets exceed \$100 Million\* 0.300%  
 When assets exceed \$250 Million\* 0.250%  
 Minimum Account Size: \$100 Million

**Global Multi-Sector Bond**

First \$50 Million 0.375%  
 Next \$50 Million 0.325%  
 When assets exceed \$100 Million\* 0.300% on all assets  
 When assets exceed \$250 Million\* 0.275% on all assets  
 Minimum Account Size: \$100 Million

**Global High Income Bond**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 Next \$150 Million 0.400%  
 Above \$250 Million 0.375%  
 Minimum Account Size: \$100 Million

**Emerging Markets Bond**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 When assets exceed \$100 Million\* 0.400% on all assets  
 When assets exceed \$250 Million\* 0.350% on all assets  
 Minimum Account Size: \$50 Million

**Emerging Markets Local Currency Bond**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 When assets exceed \$100 Million\* 0.375% on all assets  
 When assets exceed \$250 Million\* 0.325% on all assets  
 Minimum Account Size: \$50 Million

**Emerging Markets Corporate Bond**

First \$50 Million 0.550%  
 Next \$50 Million 0.500%  
 When assets exceed \$100 Million\* 0.450% on all assets  
 When assets exceed \$250 Million\* 0.400% on all assets  
 Minimum Account Size: \$50 Million

**Emerging Markets Investment Grade Corporate Bond**

First \$50 Million 0.450%  
 Next \$50 Million 0.400%  
 When assets exceed \$100 Million\* 0.350% on all assets  
 When assets exceed \$250 Million\* 0.300% on all assets  
 Minimum Account Size: \$50 Million

**Emerging Markets High Yield Corporate Bond**

First \$50 Million 0.600%  
 Next \$50 Million 0.550%  
 When assets exceed \$100 Million\* 0.500% on all assets  
 When assets exceed \$250 Million\* 0.450% on all assets  
 Minimum Account Size: \$50 Million

**Euro Corporate Bond**

First \$50 Million 0.300%  
 Next \$50 Million 0.250%  
 When assets exceed \$100 Million\* 0.225% on all assets  
 When assets exceed \$250 Million\* 0.200% on all assets  
 Minimum Account Size: \$50 Million

**Euro Aggregate Bond**

First \$50 Million 0.275%  
 Next \$50 Million 0.225%  
 When assets exceed \$100 Million\* 0.200% on all assets  
 When assets exceed \$250 Million\* 0.150% on all assets  
 Minimum Account Size: \$50 Million

**Europe High Yield Bond**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 When assets exceed \$100 Million\* 0.400% on all assets  
 When assets exceed \$250 Million\* 0.350% on all assets  
 Minimum Account Size: \$100 Million

## **ACTIVE FIXED INCOME MANAGEMENT**

### **U.S. Taxable Cash Management**

First \$50 Million 0.150%  
 Next \$50 Million 0.125%  
 When assets exceed \$100 Million\* 0.125% on all assets  
 When assets exceed \$250 Million\* 0.100% on all assets  
 Minimum Account Size: \$100 Million

### **U.S. Ultra Short-Term Bond**

First \$50 Million 0.200%  
 Next \$50 Million 0.150%  
 When assets exceed \$100 Million\* 0.150% on all assets  
 When assets exceed \$250 Million\* 0.100% on all assets  
 Minimum Account Size: \$100 Million

### **U.S. Inflation Protected Bond, U.S. Treasury Intermediate-Term Bond, and U.S. Treasury Long-Term Bond**

First \$50 Million 0.200%  
 Next \$50 Million 0.150%  
 When assets exceed \$100 Million\* 0.150% on all assets  
 When assets exceed \$250 Million\* 0.100% on all assets  
 Minimum Account Size: \$50 Million

### **U.S. Investment Grade Core Bond**

First \$50 Million 0.250%  
 Next \$50 Million 0.200%  
 When assets exceed \$100 Million\* 0.175% on all assets  
 When assets exceed \$250 Million\* 0.125% on all assets  
 Minimum Account Size: \$50 Million

### **U.S. Short-Term Bond**

First \$50 Million 0.225%  
 Next \$50 Million 0.175%  
 When assets exceed \$100 Million\* 0.150% on all assets  
 When assets exceed \$250 Million\* 0.125% on all assets  
 Minimum Account Size: \$50 Million

### **U.S. Core Bond**

First \$50 Million 0.275%  
 Next \$50 Million 0.225%  
 When assets exceed \$100 Million\* 0.200% on all assets  
 When assets exceed \$250 Million\* 0.150% on all assets  
 Minimum Account Size: \$50 Million

### **U.S. Core Plus Bond**

First \$50 Million 0.300%  
 Next \$50 Million 0.250%  
 When assets exceed \$100 Million\* 0.225% on all assets  
 When assets exceed \$250 Million\* 0.175% on all assets  
 Minimum Account Size: \$50 Million

### **U.S. Investment Grade Corporate Bond**

First \$50 Million 0.300%  
 Next \$50 Million 0.250%  
 When assets exceed \$100 Million\* 0.225% on all assets  
 When assets exceed \$250 Million\* 0.200% on all assets  
 Minimum Account Size: \$50 Million

### **High Yield Bond**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 Next \$150 Million 0.400%  
 Above \$250 Million 0.375%  
 Minimum Account Size: \$100 Million

### **Floating Rate Bank Loan**

First \$50 Million 0.500%  
 Next \$50 Million 0.450%  
 Next \$150 Million 0.400%  
 Above \$250 Million 0.375%  
 Minimum Account Size: \$100 Million

### **Credit Opportunities Bond**

First \$50 Million 0.550%  
 Next \$50 Million 0.500%  
 Next \$150 Million 0.450%  
 Above \$250 Million 0.425%  
 Minimum Account Size: \$100 Million

## **U.S. FIXED INCOME INDEX MANAGEMENT**

### **U.S. Enhanced Aggregate Bond Index**

First \$50 Million 0.200%  
 Next \$50 Million 0.120%  
 Next \$150 Million 0.080%  
 Above \$250 Million 0.060%  
 Minimum Account Size: \$50 Million



**U.S. Aggregate Bond Index**

First \$50 Million	0.080%
Next \$50 Million	0.070%
Next \$150 Million	0.050%
Above \$250 Million	0.040%
Minimum Account Size: \$50 Million	

**DISTRIBUTION MANAGEMENT SERVICE**

**Standard Services**

A one-time fee on annual contributions (or proceeds of sale) is charged as follows:

First \$20 Million	0.750%
Next \$80 Million	0.600%

When annual contributions (or proceeds of sale) exceed \$100 Million, the fee is as follows:

First \$250 Million	0.600%
Next \$250 Million	0.550%
Above \$500 Million	0.500%

**Enhanced Liquidation Services**

A one-time fee on annual contributions (or proceeds of sale) is charged as follows:

First \$100 Million	0.500%
Next \$100 Million	0.300%

When annual contributions (or proceeds of sale) exceed \$200 Million, the fee is as follows:

First \$500 Million	0.300%
Above \$500 Million	0.200%

**ACTIVE GLOBAL AND INTERNATIONAL EQUITY SUBADVISORY**

**Global Focused Growth Equity, Global Growth Equity, and Global Value Equity**

First \$50 Million	0.600%
Next \$50 Million	0.550%
When assets exceed \$100 Million*	0.500% on all assets
When assets exceed \$200 Million*	0.450% on all assets

**International Core Equity and International Value Equity**

First \$50 Million	0.600%
Next \$50 Million	0.550%
When assets exceed \$100 Million*	0.500% on all assets
When assets exceed \$200 Million*	0.425% on all assets

**International Growth Equity and International Concentrated Equity**

First \$50 Million	0.625%
Next \$50 Million	0.575%
When assets exceed \$100 Million*	0.525% on all assets
When assets exceed \$200 Million*	0.450% on all assets

**International Small-Cap Equity**

First \$50 Million	0.950%
Next \$50 Million	0.900%
When assets exceed \$100 Million*	0.900% on all assets
When assets exceed \$200 Million*	0.850% on all assets

**Emerging Markets Equity, Emerging Europe Equity, Latin America Equity, and Emerging Markets Value Equity**

First \$50 Million	0.850%
Next \$50 Million	0.750%
When assets exceed \$100 Million*	0.750% on all assets
When assets exceed \$200 Million*	0.650% on all assets

**Asia ex-Japan Equity and Asia Opportunities Equity**

First \$50 Million	0.850%
Next \$50 Million	0.750%
When assets exceed \$100 Million*	0.625% on all assets
When assets exceed \$200 Million*	0.500% on all assets

**Middle East & Africa Equity**

First \$50 Million	0.850%
Next \$200 Million	0.750%
Above \$250 Million	0.700%

**Frontier Markets Equity**

First \$50 Million	0.950%
Next \$200 Million	0.850%
Above \$250 Million	0.800%
Minimum Account Size: \$100 Million	

**ACTIVE EQUITY SECTOR  
SUBADVISORY**

**Health Sciences Equity, Media and  
Telecommunications Equity, Science and  
Technology Equity, and  
Financial Services Equity**

All assets 0.600%

**Global Natural Resources Equity**

All assets 0.550%

**U.S. Real Estate Equity**

First \$50 Million 0.550%  
Next \$200 Million 0.450%  
When assets exceed \$250 Million\* 0.425% on all assets

**Global Real Estate Equity**

First \$50 Million 0.600%  
Next \$50 Million 0.550%  
When assets exceed \$100 Million\* 0.550% on all assets  
When assets exceed \$200 Million\* 0.500% on all assets

**Global Technology Equity**

First \$50 Million 0.700%  
Next \$50 Million 0.675%  
When assets exceed \$100 Million\* 0.650% on all assets  
When assets exceed \$200 Million\* 0.625% on all assets

**Global Real Assets Equity**

First \$100 Million 0.650%  
Next \$100 Million 0.625%  
When assets exceed \$200 Million\* 0.600% on all assets

**ACTIVE U.S. EQUITY SUBADVISORY**

**U.S. Large-Cap Growth Equity, U.S Growth Stock,  
and U.S. Large-Cap Core Growth Equity**

First \$50 Million 0.500%  
Next \$50 Million 0.400%  
When assets exceed \$100 Million\* 0.400% on all assets  
When assets exceed \$250 Million 0.375% on all assets  
above \$250 Million

**U.S. Large-Cap Value Equity and U.S. Large-Cap  
Equity Income**

First \$50 Million 0.500%  
Next \$50 Million 0.450%  
When assets exceed \$100 Million\* 0.400% on all assets  
When assets exceed \$200 Million\* 0.350% on all assets

**U.S. Multi-Cap Growth Equity**

First \$50 Million 0.550%  
Next \$50 Million 0.500%  
When assets exceed \$100 Million\* 0.450% on all assets  
When assets exceed \$200 Million\* 0.425% on all assets

**U.S. Capital Appreciation**

First \$250 Million 0.500%  
Above \$250 Million 0.400%

**U.S. Mid-Cap Growth Equity and U.S. Mid-Cap  
Value Equity**

First \$50 Million 0.600%  
Above \$50 Million 0.550%

**U.S. Small-Cap Growth Equity, U.S. Small-Cap  
Core Equity, and U.S. Small-Cap Value Equity**

First \$50 Million 0.750%  
Above \$50 Million 0.650%

**QUANTITATIVE MANAGEMENT (QM)  
EQUITY STRATEGIES**

**QM U.S. Small-Cap Growth Equity**

First \$250 Million 0.550%  
Above \$250 Million 0.500%

**U.S. STRUCTURED ACTIVE  
SUBADVISORY**

**U.S. Structured Active Mid-Cap Growth Equity**

First \$250 Million 0.500%  
Above \$250 Million 0.450%

**U.S. STRUCTURED RESEARCH  
EQUITY SUBADVISORY**

**U.S. Structured Research Equity**

First \$50 Million	0.350%
Next \$50 Million	0.300%
When assets exceed \$100 Million*	0.300% on all assets
When assets exceed \$200 Million*	0.250% on all assets

**ACTIVE GLOBAL AND  
INTERNATIONAL FIXED INCOME  
SUBADVISORY**

**International Bond**

First \$50 Million	0.375%
Next \$50 Million	0.325%
When assets exceed \$100 Million*	0.275% on all assets
When assets exceed \$250 Million*	0.225% on all assets

**Global Aggregate Bond**

First \$50 Million	0.300%
Next \$50 Million	0.250%
When assets exceed \$100 Million*	0.200% on all assets
When assets exceed \$250 Million*	0.150% on all assets

**Global Investment Grade Corporate Bond**

First \$50 Million	0.300%
Next \$50 Million	0.250%
When assets exceed \$100 Million*	0.225% on all assets
When assets exceed \$250 Million*	0.200% on all assets

**Dynamic Global Bond**

First \$50 Million	0.375%
Next \$50 Million	0.325%
When assets exceed \$100 Million*	0.300% on all assets
When assets exceed \$250 Million*	0.250% on all assets

**Global Multi-Sector Bond**

First \$50 Million	0.375%
Next \$50 Million	0.325%
When assets exceed \$100 Million*	0.300% on all assets
When assets exceed \$250 Million*	0.275% on all assets

**Global High Income Bond**

First \$50 Million	0.500%
Next \$50 Million	0.450%
Next \$150 Million	0.400%
Above \$250 Million	0.375%

**Emerging Markets Bond**

First \$50 Million	0.500%
Next \$50 Million	0.450%
When assets exceed \$100 Million*	0.400% on all assets
When assets exceed \$250 Million*	0.350% on all assets

**Emerging Markets Local Currency Bond**

First \$50 Million	0.500%
Next \$50 Million	0.450%
When assets exceed \$100 Million*	0.375% on all assets
When assets exceed \$250 Million*	0.325% on all assets

**Emerging Markets Corporate Bond**

First \$50 Million	0.550%
Next \$50 Million	0.500%
When assets exceed \$100 Million*	0.450% on all assets
When assets exceed \$250 Million*	0.400% on all assets

**Emerging Markets Investment Grade Corporate  
Bond**

First \$50 Million	0.450%
Next \$50 Million	0.400%
When assets exceed \$100 Million*	0.350% on all assets
When assets exceed \$250 Million*	0.300% on all assets

**Emerging Markets High Yield Corporate Bond**

First \$50 Million	0.600%
Next \$50 Million	0.550%
When assets exceed \$100 Million*	0.500% on all assets
When assets exceed \$250 Million*	0.450% on all assets

**Euro Corporate Bond**

First \$50 Million	0.300%
Next \$50 Million	0.250%
When assets exceed \$100 Million*	0.225% on all assets
When assets exceed \$250 Million*	0.200% on all assets

**Euro Aggregate Bond**

First \$50 Million	0.275%
Next \$50 Million	0.225%
When assets exceed \$100 Million*	0.200% on all assets
When assets exceed \$250 Million*	0.150% on all assets

**ACTIVE FIXED INCOME**  
**SUBADVISORY**

**U.S. Investment Grade Core Bond**

First \$50 Million	0.250%
Next \$50 Million	0.200%
When assets exceed \$100 Million*	0.175% on all assets
When assets exceed \$250 Million*	0.125% on all assets

**U.S. Short-Term Bond**

First \$50 Million	0.225%
Next \$50 Million	0.175%
When assets exceed \$100 Million*	0.150% on all assets
When assets exceed \$250 Million*	0.125% on all assets

**U.S. Core Plus Bond**

First \$50 Million	0.300%
Next \$50 Million	0.250%
When assets exceed \$100 Million*	0.225% on all assets
When assets exceed \$250 Million*	0.175% on all assets

**U.S. Core Bond**

First \$50 Million	0.275%
Next \$50 Million	0.225%
When assets exceed \$100 Million*	0.200% on all assets
When assets exceed \$250 Million*	0.150% on all assets

**U.S. Investment Grade Corporate Bond**

First \$50 Million	0.300%
Next \$50 Million	0.250%
When assets exceed \$100 Million*	0.225% on all assets
When assets exceed \$250 Million*	0.200% on all assets

**U.S. Inflation Protected Bond**

First \$50 Million	0.200%
Next \$50 Million	0.150%
When assets exceed \$100 Million*	0.150% on all assets
When assets exceed \$250 Million*	0.100% on all assets

**High Yield Bond**

First \$50 Million	0.500%
Next \$50 Million	0.450%
Next \$150 Million	0.400%
Above \$250 Million	0.375%

**Floating Rate Bank Loan Strategy**

First \$50 Million	0.500%
Next \$50 Million	0.450%
Next \$150 Million	0.400%
Above \$250 Million	0.375%

**Credit Opportunities Bond**

First \$50 Million	0.550%
Next \$50 Million	0.500%
Next \$150 Million	0.450%
Above \$250 Million	0.425%