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T. Rowe Price Launches Third Emerging Markets Bond Fund for Income-Seeking Investors

New Emerging Markets Bond Fund Focuses on Corporate Bonds and Gives Investors Direct Access to One of the Fastest-Growing Areas of the Bond Market

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News

- T. Rowe Price (NASDAQ-GS: TROW) has launched the [Emerging Markets Corporate Bond Fund](#) (TRECX), which complements its [suite of emerging markets bond funds](#), including the [Emerging Markets Bond Fund](#) (PREMX) and the [Emerging Markets Local Currency Bond Fund](#) (PRELX). The existing two funds were launched in 1994 and 2011, respectively.
- T. Rowe Price believes that as emerging markets mature, this secular trend will offer significant investment opportunities and will become an increasingly important portfolio component that should be customized based on long-term investors' goals and risk tolerance.
- The size of the emerging markets corporate bond market now rivals the U.S. high yield market and currently is growing at a double-digit rate annually. It already is significantly larger than the emerging market sovereign debt market issued in U.S. dollars.
- Emerging markets corporate bonds offer more direct exposure to the economic growth of emerging markets than sovereign bonds issued by these countries. They also give investors access to the growth of emerging markets consumers with less volatility than emerging markets stocks. The expanding middle class in emerging markets has fueled a consumer base that now outpends U.S. consumers in total.
- Offering investors access to the distinct subsets of emerging markets debt in three separate funds provides the same diversification opportunities investors often have with their U.S. bond investments. The varying degrees of risk in the different types of emerging market bonds suggest that investors should consider customizing their allocations.

Fund Details

- Individual investors can access the strategy through a no-load mutual fund or [Advisor Class shares](#) (PACEX) that are available through financial advisors.
- The Emerging Markets Corporate Bond Fund currently has:
 - Diversification across over 30 countries in Asia, Latin America, Europe, the Middle East, and Africa.
 - Approximately 50% of its assets in investment-grade bonds, and it can purchase bonds of any credit quality.
 - An approximate duration of five years.
- The fund will invest primarily in bonds issued in U.S. dollars, but it may also hold bonds issued in emerging markets currencies and other non-U.S. currencies.
- Mike Conelius, the second longest tenured emerging markets bond fund manager with 23 years of experience, will manage the fund. Mr. Conelius has managed the Emerging Markets Bond Fund since its inception.
- Mr. Conelius has also managed an emerging markets corporate bond strategy for international institutional investors via the T. Rowe Price Funds SICAV - Emerging Markets Corporate Bond Fund since its inception in May 2011. He explains the [opportunity in emerging market corporate bonds](#).
- T. Rowe Price managed \$13.3 billion in emerging markets bond strategies as of March 31, 2012.
- The minimum initial investment in the Emerging Markets Corporate Bond Fund and the Emerging Markets Corporate Bond Fund—Advisor Class is \$2,500 or \$1,000 for retirement plans or gifts or transfers to minors (UGMA/UTMA) accounts
- The net expense ratio is estimated to be 1.15% for Investor Class shares and 1.25% for Advisor Class shares.
- This fund involves a high-risk approach to income from foreign bonds, and its share price could fluctuate significantly. The fund is subject to the risks unique to international investing, such as liquidity risks, as well as the credit and interest rate risks normally associated with investing in bonds. Investors should note that if interest rates rise significantly from current levels, bond fund total returns are likely to decline. Diversification cannot assure a profit or protect against loss in a declining market.

[Download a prospectus](#) or obtain one by calling 1-800-541-8803. The prospectus includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

T. Rowe Price Investment Services, Inc., distributor, T. Rowe Price mutual funds.

Quotes

Mike Conelius, CFA, Portfolio Manager

"Given the enormous investment opportunity in emerging markets debt, we think most U.S. investors are underexposed to the sector. But that will likely change in the coming years as emerging markets continue to evolve and constitute a larger slice of the investable bond universe."

"The Emerging Markets Corporate Bond Fund focuses on a new wave of global business leaders rising out of emerging markets countries. Many of these companies have strong balance sheets and are likely to be upgraded in the coming years, creating the potential for capital appreciation. The asset class also offers an attractive yield advantage over emerging markets sovereign debt and developed markets corporate debt with similar credit quality characteristics."

About T. Rowe Price

Founded in 1937, Baltimore-based T. Rowe Price (troweprice.com) is a global investment management organization with \$554.8 billion in assets under management as of March 31, 2012. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The company also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research.

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