



30<sup>th</sup> December 2022

**Re.: Important Notice: T. Rowe Price Funds SICAV – Changes affecting several funds**

Dear Shareholder,

We are writing to inform you of changes, made to the prospectus of the T. Rowe Price Funds SICAV (the “Company”) in the December 2022 update

1. The following fund will be reclassified from Article 6 to Article 8 under the Sustainable Finance Disclosure Regulation (SFDR) with effect from 1<sup>st</sup> February 2023:
  - US Smaller Companies Equity Fund

With effect from 1<sup>st</sup> February 2023, this will mean that the abovementioned fund will be changed as follows:

- Although the fund will not have sustainable investment as an objective, the promotion of environmental and/or social characteristics will be achieved through the fund’s commitment to maintain at least 10% of the value of its portfolio invested in Sustainable Investments (as defined in the Sustainable Finance Disclosure Regulation).
- The promotion of environmental and social characteristics will be achieved through the investment manager’s avoidance of sectors or companies, whose activities may be considered harmful to the environment and/or society through the application of its proprietary responsible screen (the T. Rowe Price Responsible Exclusion List). The relevance to the fund of each excluded sector and/or company included in the T. Rowe Price Responsible Exclusion List may vary due to the nature of the fund’s investment strategy. For further details see the T. Rowe Price Responsible Exclusion List section in the prospectus.
- The “do no significant harm” principle under the EU taxonomy does not apply to investments that are not Taxonomy-aligned. However, in accordance with the SFDR, any other Sustainable Investments must also not significantly harm any environmental or social objectives.
- Any use of derivatives will aim to be consistent with the fund’s objectives and the environmental and social characteristics described within the ‘Objective and Investment Policy’ of the fund.
- Sustainability indicators will be used to monitor and assess the extent to which a fund attains the environmental and social characteristics that it promotes.
- The fund will be categorised as Article 8 under Sustainable Finance Disclosure Regulation (SFDR).
- The benchmark of the fund will be a broad market index and, as such, not aligned with the environmental and social characteristics of the fund.

2. Effective 1<sup>st</sup> February 2023, the Emerging Markets Bond Fund will be permitted to use total return swaps.
3. Effective 1<sup>st</sup> February 2023, the limit for distressed and/or defaulted bonds has been increased to 10% in the portfolio securities section for the following funds:
  - Global Allocation Extended Fund
  - Global Allocation FundAs a result, distressed and/or defaulted bonds has been added to the Main Risks section of the respective fund pages.
4. Effective 1<sup>st</sup> February 2023, the following funds may invest in distressed and/or defaulted debt securities up to a limit of 10% on an ancillary basis:
  - Dynamic Global Investment Grade Bond Fund
  - US Aggregate Bond Fund
  - US Investment Grade Corporate Bond FundAs a result, distressed and/or defaulted debt securities has been added to the Main Risks section of the respective fund pages.
5. Effective 1<sup>st</sup> February 2023, the limit for equity and equity related securities has been increased to 10% in the ancillary assets section for the following funds:
  - Diversified Income Bond Fund
  - Global High Income Bond Fund
  - Global High Yield Bond Fund
  - Global Impact Credit Fund
6. Effective 1<sup>st</sup> February 2023, the limit for contingent convertible bonds has been increased to 10% in the portfolio securities section for the following fund:
  - Euro Corporate Bond FundAs a result, contingent convertible bonds have been added to the Main Risks section of the respective fund pages.
7. Effective 1<sup>st</sup> February 2023, the definition of **Business day** has been harmonised and clarified across all funds as follows:

“**Business day** Orders to buy, switch and redeem shares are ordinarily processed any day that is a full bank business day in Luxembourg except on days when markets, in which a substantial amount of the portfolio is traded, are closed or the day before. Please consult the following link, <https://www.troweprice.com/financial-intermediary/lu/en/funds.html>, for the dealing calendar and any applicable exceptions.”

In line with the above change and effective 1<sup>st</sup> February 2023, the Dealing calendar will include the following holidays for the below funds:
  - Japan to the Japanese Equity Fund
  - Saudi Arabia to the Middle East & Africa Equity Fund
  - China to the Asian ex-Japan Equity Fund

If you wish to transfer your investment to another fund or redeem your holding, you may do so at any time, as per the conditions set in the prospectus, free of any charges.

Thank you for the continued trust and confidence that you have placed in T. Rowe Price. If you have any queries, please contact your relationship manager or servicing representative.