T. ROWE PRICE ASSOCIATES, INC.
(Price Associates)

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PART 2A OF FORM ADV: FIRM BROCHURE
AUGUST 1, 2019

This brochure provides information about the qualifications and business practices of Price Associates. If you have any questions about the contents of this brochure, please contact us at 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**) or by any state securities authority.

Additional information about Price Associates is also available on the SEC's website at www.adviserinfo.sec.gov. (Price Associates 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 28, 2019.

This brochure is amended as of the date hereof to further update Item 12 to reflect changes to how the Price Advisers pay for research. This brochure is also updated for various non-material changes to provide clarification and additional information.

Item 3 – Table of Contents

Item 4 – Advisory Business

T. Rowe Price Associates, Inc. (**Price Associates**) is a Maryland corporation founded in 1937. It is an investment adviser registered under the Investment Advisers Act of 1940 (**Advisers Act**) and a wholly owned subsidiary of T. Rowe Price Group, Inc. (**Price Group**), which was formed in 2000 as the publicly traded parent holding company of Price Associates and its affiliated entities (collectively, **T. Rowe Price**). Price Associates and its affiliated investment advisers: T. Rowe Price International Ltd (**Price International Ltd**), T. Rowe Price Hong Kong Limited (**Price Hong Kong**), T. Rowe Price Singapore Private Ltd. (**Price Singapore**), T. Rowe Price Australia Limited (**Price Australia**), T. Rowe Price Japan, Inc. (**Price Japan**), 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 each Price Adviser for additional disclosure about the Price Adviser.) For purposes of this brochure, "we," "us," and "our" mean Price Associates.

Price Associates provides investment management services for individual and institutional investors, sponsors investment companies and as needed, delegates investment management to one or more of its affiliated investment advisers, Price International Ltd, Price Hong Kong, Price Singapore, Price Australia or Price Japan. Price Associates and its affiliated entities are committed to meeting the needs of institutional and individual investors worldwide. Price Associates 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 Associates also provides discretionary and non-discretionary investment advice to unaffiliated investment advisers regarding the creation and maintenance of model portfolio programs. Price Associates 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, municipal, and sector-specific fixed income mandates.

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

Managed Account Programs

Price Associates offers discretionary investment advice to separately managed account or "wrap fee" programs and platforms sponsored by investment advisers, broker-dealers and other financial service firms (**Program Sponsors**) either directly to the Program Sponsor (**Single Contract SMA)** or the participants (**Dual Contract SMA)** depending on the program (collectively referred to as **SMA Programs**). Price Associates also provides discretionary and non-discretionary investment advice to Program Sponsors and/or overlay managers through model investment portfolios (**Discretionary Model Program** and **Non-Discretionary Model Program** respectively, and collectively referred to as the **Model Program**). Price Associates' SMA Program and Model Program are collectively referred to as the (**Managed Account Programs**).

In the Non-Discretionary Model Program, Price Associates does not consider itself to have an advisory relationship with clients of the Program Sponsor or overlay manager. If the Form ADV Part 2A is delivered to Program Sponsor's model-based clients with whom Price Associates does not have an advisory relationship, or where it is not legally required to be delivered, it is provided for informational purposes only.

Program Sponsors are responsible for reviewing their clients' financial circumstances and investment objectives and determining the suitability of Price Associates' strategy and the Managed Account Program for their clients (**participants**). Generally, Program Sponsors are primarily responsible for client contact. Subject to applicable law and fiduciary obligations, Price Associates will make reasonably available to Program Sponsors and their clients certain staff knowledgeable about the services being provided by Price Associates for discussions at the strategy level. Depending on the particular strategy, Price Associates invests in a variety of securities and other investments, and employs different investment techniques. Price Associates may use professional services of other third parties, including its affiliates, in servicing the Managed Account Programs.

In a Single Contract SMA program, Price Associates enters into an investment sub-advisory agreement with a Program Sponsor under which we have investment discretion to manage participant assets in an approved strategy. In the Dual Contract SMA program, Price Associates enters into an investment advisory agreement directly with the participant. Depending on the wrap fee program, services typically include manager selection, custodial services, periodic monitoring of investment managers, performance reporting and trade execution (often without a transaction-specific commission or charge), provided by the Program Sponsor, and investment advisory services, provided by an investment manager, for a bundled fee paid to the Program Sponsor. Depending upon the level of the wrap fee charged by a Program Sponsor, the amount of portfolio activity in a participant's account, the value of the custodial and other services that are provided under a wrap fee program and other factors, a participant should consider that the cost for a wrap fee program account may be more or less than if a participant were to purchase the investment advisory services and the investment products separately.

In most wrap fee programs, the Program Sponsor is responsible for ascertaining the financial circumstances, investment objectives, and investment restrictions applicable to each participant through information provided by the participant. Price Associates is entitled to rely on such information provided by Program Sponsor. The participant may select Price Associates from among the investment advisers that the Program Sponsor presents to the participant. Participants are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager for a particular strategy and participating in a Managed Account Program. In the course of providing services to Managed Account Program accounts advised by a financial advisor, Price Associates generally relies on information or directions communicated by the financial advisor acting with apparent authority on behalf of its client. Price Associates reserves the right, in its sole discretion, to reject for any reason any SMA Program participant referred to it.

In the Model Program, Price Associates provides model portfolio advice through an agreement with Program Sponsors and/or an overlay manager. Price Associates monitors and updates the model portfolios on an ongoing basis and will deliver such updates to the Program Sponsor or overlay manager. Price Associates has sole discretion for determining the appropriateness, diversification or suitability of securities selected for the model portfolios. Program Sponsors or an overlay manager will provide participants the services described in the Program Sponsor's or overlay manager's agreement with such participants, including selection of the investment strategies based on information provided by the participant. Price Associates does not provide customized investment advice or recommendations to Model Program participants. No model portfolio is personalized or in any way tailored by Price Associates to reflect the personal financial circumstances or investment objectives of any participant. Price Associates does not recommend or select money market or other cash-equivalent sweep vehicles for purposes of Program Sponsor's implementation of the Model Program's cash allocations with respect to Model Program participant accounts. In the Non-Discretionary Model Program, the Program Sponsor retains investment and brokerage discretion and is responsible for investment decisions and performing many other services and functions typically handled by Price Associates in a traditional discretionary separate account relationship. In the Discretionary Model Program, Price Associates forwards investment advice to the overlay manager designated by the Program Sponsor, who agrees to implement the advice in client accounts taking into account any client imposed restrictions accepted by the overlay manager. Price Associates does not have brokerage discretion in the Discretionary Model Program and thus has no authority to place orders for the execution of transactions. Within the Model Program, Price Associates offers a series of risk based model portfolios (**Risk Based Portfolios**) to Program Sponsors according to a proprietary model strategic asset allocation strategy developed by Price Associates. The Risk Based Portfolios offer model asset allocation portfolios comprised solely of TRP Mutual Funds that have different investment objectives and use different strategic investment strategies. Each Risk Based Portfolio provides for specific levels of investment across different asset classes, and Price Associates may tactically over or under-weight the asset classes within the Risk Based Portfolios. The amount allocated to an asset class or type of investment varies by each Risk Based Portfolio, and some Risk Based Portfolios may have little or no allocation to one or more asset classes or types of investment strategies available for use in the Risk Based Portfolios. In addition, it is anticipated that Price Associates will typically update the asset allocation of the Risk Based Portfolios several times per year. However, Price Associates may leave the Risk Based Portfolios unchanged for as long as Price Associates deems appropriate.

Price Associates is not deemed to be a "sponsor" or a "manager" as those terms are defined in

Investment Company Act Rule 3a-4 with respect to the services it provides to Managed Account Programs. Certain separately managed account clients of Price Associates may invest in investment strategies used with Managed Account Programs that are not associated with any Program Sponsor.

Private Asset Management

Price Associates' Private Asset Management (**PAM**) Group provides balanced, equity, and fixed income investment management services, as well as hybrid portfolios of such strategies, to meet the needs of high-net worth individuals, trusts, endowments, foundations, institutions, retirement plans and IRAs, and other entities.

The PAM Group currently offers Standard Services and Price Funds Allocation Services. For Standard Services, the PAM Group actively manages client portfolios through the investment of securities, cash and the TRP Mutual Funds. For Price Funds Allocation Services, the PAM Group actively manages client portfolios through investment predominantly in the TRP Mutual Funds. Although certain Price Funds Allocation Services accounts may be funded with a mix of cash, securities, and unaffiliated mutual funds, the intent is for accounts to hold only the TRP Mutual Funds over time.

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, Price Singapore, Price Japan and/or Price Australia may serve as subadviser (**TRP Mutual Funds**);
(ii) non-U.S. collective investment funds to which Price International Ltd, Price Associates, Price Hong Kong, Price Singapore, Price Japan and/or Price Australia may serve as adviser or subadviser;
(iii) common trust funds to which Price Associates, Price International Ltd, Price Hong Kong, Price Singapore, Price Japan and/or Price Australia 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, Price Singapore, Price Japan and/or Price Australia may serve as subadviser.

Price Associates sponsors and serves as investment adviser to registered investment companies, and acts as subadviser for some non-U.S. collective investment funds sponsored by Price International Ltd or Price Japan and the Canadian domiciled pooled vehicles sponsored by Price Canada. Information concerning each such fund, including details of the advisory fee, is disclosed in each fund's current disclosure documents (e.g., prospectus).

Price Associates serves as investment adviser 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 Associates serves as investment adviser 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 Associates serves 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 Associates 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. Price Associates uses its 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 Price Associates determines 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. Price Associates retains 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 Associates 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 Associates 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.

Stable Asset Management

Price Associate's Stable Asset Management Group manages pooled and separate account investment portfolios that seek stable investment returns through the use of guaranteed investment contracts (**GICs**), bank investment contracts (**BICs**), insurance company separate account contracts (**SACs**), and synthetic GICs issued by insurance companies, banks, and other financial institutions, as well as short-term fixed income securities.

Additional Non-Discretionary Advisory Services

Price Associates may, on a non-discretionary basis, review and provide guidance to certain investment advisers, banks, insurance companies, and broker/dealers (each an **Intermediary**) related to the Intermediary's pre-existing asset-allocation model or the development of a new asset-allocation model (**Asset Allocation Services**). Asset Allocation Services are provided by Price Associates without an additional advisory fee and generally are not provided pursuant to an agreement. Asset Allocation Services are not intended to meet the objectives of any of the Intermediary's specific underlying clients. The Intermediary has ultimate discretion in recommending to underlying clients any asset-allocation model and the funds, portfolios, and securities that are used to implement the model. The guidance provided to an Intermediary solely represents guidance as of the point in time in which a consultation is provided.

Price Associates and/or its affiliates, receive revenue from Price Associates' investment products and services. The Asset Allocation Services will likely be constructed of, contain, or utilize the TRP Mutual Funds. Price Associates may suggest that an Intermediary utilize one or more TRP Mutual Funds in the Asset Allocation Services. In situations where multiple mutual fund families offer a fund that is similar to a TRP Mutual Fund, Price Associates may exercise a preference for including the TRP Mutual Funds in the Asset Allocation Services. Price Associates receives a management fee for advising the TRP Mutual Funds, and additional investments into a TRP Mutual Fund may increase the amount of Price Associates' management fee. Price Associates, therefore, has an incentive and a potential conflict of interest in the inclusion of, and preference for, the TRP Mutual Funds in the Asset Allocation Services.

Assets Under Management

As of December 31, 2018, Price Associates managed approximately $925.7 Billion on a discretionary basis for its advisory 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 Associates managed approximately $564.3 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 Associates as authorized in the client's investment management agreement.) Such assets are also reported in the advisory affiliate's Part

2A of Form ADV. Model Programs are not included in non-discretionary assets under management.

Indirect Investment Services

Litigation. As an investment manager, we may be asked to decide whether to file proof of claims for 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 has claims that it should consider pursuing. As a general matter, Price Associates cannot, without client written authorization, exercise any rights a client may have in participating in, commencing or defending claims. Price Associates will not engage in litigation on a client's behalf.

Securities Lending. Price Associates generally does 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 Price Associates for aspects of trade support (including collateral management), security reference, security valuation, corporate actions, fund accounting, portfolio accounting, reconciliation, and financial reporting. Price Associates 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. Price Associates retains full responsibility for all services outsourced under this arrangement.

Other Services

Training. As part of strategic, client partnership programs, Price Associates 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. Price Associates provides, at its own expense, 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, Price Associates' 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 Associates 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 Associates 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 Associates generally bills clients in arrears based on quarter-end portfolio valuations and may at the request of the client make alternate billing arrangements. Fees are calculated using either the Price Advisers 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 by either party giving notice to the other consistent with the terms set forth in the client's agreement with Price Associates. 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 Advisers 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 Associates 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 Associates is permitted to select. Clients generally also pay fees to the sponsor/adviser of such STIF. Price Associates 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 Price Associates 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 the client the opportunity to review and object to such fees. In addition, certain clients (for example, clients serviced by our PAM Group) may direct Price Associates to deduct advisory fees from a money market fund for which we provide advisory services. In such instances, a copy of the statement for advisory services is forwarded to clients prior to the withdrawal of advisory fees to allow for client review and acceptance or rejection of such fees.

Non-Advisory Fees and Expenses. Price Associates may include one or more of the Price Funds in client portfolios, as authorized in client guidelines; or may recommend Price Funds in discussions with certain broker/dealers, investment advisors, banks and insurance companies regarding potential asset allocation models. Except as noted below, Price Associates 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 or Declaration of Trust, copies of which are provided to clients, and formally acknowledged by clients in their agreements prior to investment. Price Associates generally excludes the value of Price Fund shares held in a client account when the advisory fee is computed. However, certain fixed income Price Funds do not charge an advisory fee at the fund level and they are included in the portfolio's market value for billing purposes. Investments in the TRP Mutual Funds for clients of the PAM Group who invest in the Price Funds Allocation Services will be included in the portfolio's market value for billing purposes, although the client's agreement will provide for certain offsets.

Neither representatives of Price Associates 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 or the Trust Company 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.

Clients of Price Associates' PAM Group may instruct Price Associates in writing to appoint the

Bank of New York Mellon as custodian. This service is independent of other services provided to Price Associates by the Bank of New York Mellon directly or indirectly through other client relationships or through service agreements Price Associates may have with the Bank of New York directly as described more specifically in *Item 4 – Advisory Business*. Clients that utilize this service are relieved of paying separate custody fees because Price Associates pays these fees. Certain clients of Price Associates' PAM Group have elected to establish brokerage accounts with Price Associates' affiliated broker-dealer, T. Rowe Price Investment Services, Inc. (**Investment Services**), further described in *Item 10 – Other Financial Industry Activities and Affiliations*. These clients either place orders for the execution of transactions directly with Investment Services or have specifically instructed Price Associates to do so. All transactions initiated through Investment Services are executed and cleared by Pershing, LLC, a subsidiary of the Bank of New York Mellon, member NYSE/FINRA/SIPC (**Pershing**).

Investment Services and Pershing have entered into a clearing agreement, pursuant to which securities of all brokerage customers of Investment Services, including a number of advisory clients of the PAM Group, are held by Pershing. Such clients pay brokerage commissions to Investment Services for portfolio transactions in addition to the investment advisory fees clients pay to Price Associates.

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

Managed Account Programs. Participants considering a wrap fee program to which Price Associates provides investment advice, should carefully review the Program Sponsor's disclosures regarding the services, minimum account size, wrap fees it charges to participants, other fees or expenses participants might incur, and the business arrangement between the Program Sponsor and Price Associates found in the Program Sponsor's Form ADV Part 2A, wrap fee brochure, or participant investment management agreement. In a wrap fee program, the wrap fee charged by the Program Sponsor typically covers commissions and certain transaction costs on trades executed through the Program Sponsor (or its affiliates), but not transactions effected through other broker-dealers. For trading of fixed income SMA Program accounts, Price Associates will place all or substantially all fixed income trades with broker-dealers other than the Program Sponsors or their broker-dealer affiliates (sometimes referred to as "trading away"), because of restrictions imposed by the Program Sponsor designed to comply with applicable law or other reasons. In such cases, participants should expect to incur transaction costs that are in addition to the Managed Account Program or wrap fee. These costs, which are in the form of markups, markdowns, or dealer spreads that are embedded in the net purchase or sale price of the security, are difficult to quantify because they are not required to be separately disclosed by the executing broker-dealer.

Price Associates receives a portion of the program fee from the Program Sponsor for investment advisory services provided to Managed Account Program accounts. Price Associates does not charge a separate advisory fee for the investment management services provided to accounts of the Risk Based Portfolios but will be compensated solely through the management fees earned in connection with the underlying TRP Mutual Funds held in a participant's Risk Based Portfolio account. The participant will pay the expenses of the underlying TRP Mutual Funds in their Risk Based Portfolio account, which are the same expenses that all fund shareholders in like share classes pay. Each Program Sponsor determines its own payment methods. Typically Program

Sponsors collect the total wrap fee and remit to Price Associates its corresponding fee. In Dual Contract SMA programs, Price Associates' fee is typically paid directly by the participant but may be collected by the Program Sponsor in which case, the Program Sponsor will remit Price Associates its corresponding fee separately. To the extent Price Associates' agreement with the Program Sponsor provides that our fees are to be paid in advance, we will refund any prepaid, but unearned fees to the Program Sponsor upon termination of the service. The Program Sponsor is then responsible for refunding fees, as applicable, to the participant upon termination of the service. The refunded amount will be determined on a pro rata basis if the service is terminated within the payment period. Minimum balance, initial deposit, termination and withdrawal provisions vary by Program Sponsor and Managed Account Program. Price Associates may invest in pooled investment vehicles. When Price Associates invests participant assets in such securities, unless otherwise agreed and where permitted by law, the participant will bear its proportionate share of fees and expenses as an investor in the vehicle in addition to Price Associates' investment advisory fees.

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 actions 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, short sell, 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 or securities of the same issuer but differing parts of an issuer's capital structure, either long or short. 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 or a different security of the same issuer 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 have exposure to 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 for any particular measurement period 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 Associates' global client base includes banks and/or thrift institutions, corporations or other business entities, governmental entities, high-net worth individuals, 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 Associates provides, upon request, certain additional information regarding the analytical process employed for a 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.

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.

For the Stable Asset Management Group, Price Associates focuses its analytical process on three areas of research: the industry, the contracts issued, and the creditworthiness of each individual issuer. We analyze the asset quality, liquidity, stability, and claims-paying ability of available issuers in an effort to minimize risk although such risk mitigating efforts do not imply an industry, a contract or an issuer is low risk or risk free.

Risk of Loss. Below is a summary of the primary risks related to the significant investment strategies and methods of analysis used by Price Associates. 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 Associates.

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.

Bank debt risk. 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.

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.

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.

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.

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 Associates 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 Associates to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, Price Associates 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 Associates 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.

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.

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.

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.

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 investments.

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.

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.

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.

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.

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.

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.

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.

Risk of cash reserves investing. It is possible to lose money by investing in a custodian's STIF or a money market mutual fund or common trust 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.

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.

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.

Risks related to stable value strategies. In addition to the risks associated with fixed income portfolios, stable value accounts are subject to risks related to investment contracts which can result in loss of principal and/or interest. Certain conditions can limit a plan's ability to transact at book or contract value with the issuers of its investment contracts. Examples of such conditions are events outside the normal operation of the plan which cause withdrawals from an investment contract such as certain plan amendments and corporate events. Investment contracts are generally non-transferable and there is no guarantee that a plan's stable value fund will always be able to have investment contracts in place with respect to the fund's fixed income portfolios.

Certain stable value portfolios may invest in insurance company separate account contracts (**SACs**). The insurance company issuing the SAC owns the underlying assets as opposed to the client; however, the assets are segregated from the insurance company's general account. The insurance company may retain Price Associates as the investment manager of the underlying assets. During any period that Price Associates serves as investment manager of a client portfolio holding a SAC, in order to achieve a fee-neutral arrangement, it will waive its right to receive advisory fees from the insurance company on the SAC's underlying assets or credit these fees back to such client. The insurance company has the right to terminate Price Associates as the investment manager of the SAC's underlying assets.

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 a futures contract**s** or swap agreement**s**. 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 fails 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.

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 Associates 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 Price Associates' management persons are registered, or have an application pending to register, as registered representatives of Investment Services.

Investment Advisers. Price Associates 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 Associates with respect to such delegation. For certain transactions, Price Associates 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 International Ltd is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price Associates. Price International Ltd is also authorized and regulated by the U.K. Financial Conduct Authority (**FCA**) and various European Union financial services regulators. Price International Ltd provides investment management services to institutional investors and commingled products 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 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 to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.
>
> Price Singapore is an investment adviser registered under the Advisers Act 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 to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.
>
> Price Japan is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price International Ltd. Price Japan is a Japan private company authorised by the Japan Financial Services Authority (**FSA**). Price Japan provides investment management services to institutional investors and commingled products; it also sponsors and manages Japanese investment trust funds. Price Japan may delegate investment management to one of its affiliated investment advisers when appropriate.
>
> Price Australia is an investment adviser registered under the Advisers Act and a wholly owned subsidiary of Price International Ltd. Price Australia is an Australian public company limited by shares and holds an Australian Financial Services Licence issued by

the Australian Securities & Investments Commission (**ASIC**). Price Australia provides investment management services to institutional investors and commingled products and may delegate investment management to one of its affiliated investment advisers when appropriate.

Other investment advisers affiliated with Price Associates 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 to one of its affiliated investment advisers when appropriate.

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, Price Singapore, Price Japan or Price Australia.

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.

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 Associates sponsors and serves as investment adviser to investment companies registered under the Investment Company Act of 1940. Price Associates may include one or more of the TRP Mutual Funds in client portfolios, as authorized in client guidelines; or may recommend Price Funds in discussions with certain broker/dealers, investment advisors, banks and insurance companies regarding potential asset allocation models. 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 Associates 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 Associates 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 Associates 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 also serves as distributor for certain Section 529 College Savings Plans and may serve as private placement agent for certain private funds for which the Price Advisers serve as investment manager. Clients of Price Associates' affiliate TRP Advisory Services establish brokerage accounts with Investment Services and TRP Advisory Services utilizes Investment Services (as the introducing broker-dealer) for account transactions.

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 generally does not effect securities transactions for clients of Price Associates, except for certain clients receiving services from our PAM Group. These clients either place orders for the execution of their portfolio transactions directly with Investment Services, or they have specifically instructed Price Associates to do so. All transactions initiated through Investment Services are executed and cleared by Pershing. Investment Services and Pershing have entered into a clearing agreement, pursuant to which securities of all brokerage customers of Investment Services, including a number of advisory clients of Price Associates, are held by Pershing. Price Associates has disclosed and all advisory clients who have directed Investment Services to execute their portfolio transactions have acknowledged the relationship between Price Associates and Investment Services and that the brokerage commissions paid to Investment Services in connection with portfolio transactions are in addition to the investment advisory fees paid to Price Associates.

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 serves as directed trustee and/or custodian for certain qualified employee benefit plans, including prototype IRA, Education Savings Accounts, Roth IRA, Keogh, 401(k), 403(b) and other retirement plans. The Trust Company sponsors common trust funds (also known as collective investment funds) for investment in securities of global issuers. Price Associates 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.

In addition, the Trust Company has established common trust funds that have various investment strategies relating to domestic and foreign money market, fixed income, and equity securities, and a combination of equity, fixed income, and money market securities in its asset allocation strategies. Each common trust fund is intended to qualify as a tax-exempt trust under the U.S. Internal Revenue Code (i.e., the U.S. tax code), as a collective investment fund under U.S. federal banking and securities laws, and as a common trust fund under Maryland state banking law. Participation is generally limited to qualified retirement plans, certain governmental retirement plans, and certain U.S. church plans. Investment in the common trust funds is effected pursuant to an agreement between the participating plan and the Trust Company. However, one or more of the common trust funds may be included in an advisory client's account. To the extent a client's account includes a common trust fund, the assets are assessed a management fee by either Price Associates or by the Trust Company. In no event is an advisory client assessed fees by both Price Associates and the Trust Company regarding separate account assets invested in the common trust funds.

Price Associates generally has the ability to vary exposure to one or more common trust funds in clients' accounts. However, clients typically approve each common trust fund up to a stated maximum percentage of the account's market value. All fees and expenses paid to the Trust Company in connection with investment in a common trust fund are described in writing to each client prior to investment.

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. Retirement Plan Services, a wholly owned subsidiary of Price Associates, is registered as a transfer agent under Section 17A of the Securities Exchange Act of 1934. It provides recordkeeping, subtransfer agent, and administrative services to administrators of qualified retirement plans, certain governmental retirement plans, and other retirement plans.

TRPH Corporation, a subsidiary of Price Associates, owns 4.9% of Luminex Trading & Analytics (**Luminex**), a registered broker-dealer. 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's 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.

Gifts 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.

State lobbying laws require disclosure as to the identities, activities and expenditures of individuals attempting to influence the governmental decision making process regarding the appointment of investment managers. Price Associates will register with various jurisdictions where we believe our activities fall under such requirements.

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. However, on occasion, certain clients of Price Associates' PAM Group may instruct Price Associates to hold these securities in their accounts. In such cases, clients are advised that Price Associates will provide no advice regarding the securities and will not sell the securities unless instructed to do so by the client. Shares of Price Group are excluded from the client's account for billing purposes.

Investment by T. Rowe Price and Its Personnel. 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 or 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.

From time to time, T. Rowe Price and/or its personnel may hold an interest in unaffiliated funds or limited partnerships that is a selling stockholder in a public offering of securities which may be purchased by the Price Advisers for their clients. Any purchases by the Price Advisers in such public offering are permitted subject to policies and procedures in place to ensure that all clients are treated fairly.

Valuation of Private Securities. Price Associates has 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. Price Associates 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 Associates may manage assets for or invest client assets in the securities of companies that have appointed Price Associates or an affiliate to serve as investment adviser, trustee, or recordkeeper or which act as service providers or vendors to Price Associates 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 Associates 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 Associates 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 Associates 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.

As discussed in *Item 10 – Other Financial Industry Activities and Affiliations*, certain PAM Group clients have directed Price Associates to place trades through its affiliated broker-dealer, Investment Services. Since all securities transactions initiated through Investment Services are executed by Pershing, it is unlikely that any securities of Price Associates' clients would be sold to or purchased from a brokerage customer of Investment Services.

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 Associates 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 Associates 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 Associates monitors brokers' venue selection over time to evaluate trends and quality of execution.

In purchasing and selling equity securities for its clients, Price Associates seeks to obtain best execution at favorable prices through broker-dealers, and in the case of agency transactions, at competitive commission rates. However, Price Associates believes that the most appropriate commission on a trade is not always the lowest available commission. In addition to prices and commissions, Price Associates 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 Associates 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 Associates 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 Associates 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 Associates 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 select 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 Associates 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.

Stable Value Investment Contracts. Price Associates purchases investment contracts for its clients directly from the issuer, and generally does not use the services of a broker-dealer, except for the purchase of fixed income securities underlying SACs and synthetic GICs. Please see *Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss* for information regarding the analytical process employed in selecting insurance carriers and banks included on our approved list of contract issuers.

Best Execution. The Price Advisers seek best execution on all trades consistent with fiduciary and regulatory requirements. 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 the Price Advisers' compliance with the execution policy. The execution policy requires the 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.

Research Benefits. T. Rowe Price believes that original in-house research is the primary driver of value-added active management. Although research created or developed by a broker-dealer or its affiliate and research created or developed by an independent third party is an important component of T. Rowe Price's investment approach, the Price Advisers rely primarily upon their own research and subject any external research to internal analysis before incorporating it into the investment process.

The Price Advisers may use equity brokerage commissions in connection with client securities transactions consistent with Section 28(e) of the Securities Exchange Act of 1934 (**Section 28(e)**) and other relevant regulatory guidance to acquire brokerage and research services from a broker-dealer. Section 28(e) permits an investment adviser to cause an account to pay a higher commission to a broker-dealer that provides brokerage and research services than the commission another broker-dealer would charge, provided the adviser determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided. An adviser may make this good faith determination based upon either the particular transaction involved or the overall responsibilities of the adviser with respect to the accounts over which it exercises investment discretion. When we use client brokerage commissions to obtain research services, we receive a benefit because we do not have to produce or pay for the research services out of the Price Advisers' resources.

Beginning January 2020, T. Rowe Price will bear the cost of research services for all client accounts we advise. Client accounts will only pay execution commissions in connection with equity securities transactions. For certain proprietary pooled investment vehicles including our registered investment companies, we will continue to use equity brokerage commissions from client transactions through commission sharing arrangements (consistent with Section 28(e)) to compensate certain U.S. broker-dealers for research services. However, we will voluntarily reimburse such pooled investment vehicles for any amount collected into the commission sharing arrangements.

Prior to January 2020, each of the Price Advisers takes a different approach to paying for research services in consideration of the regulatory regime, local market practice and operational practicability applicable to each Price Adviser. Currently, Price Australia, Price Hong Kong, Price International Ltd, Price Japan and Price Singapore do not use client commissions to pay for research, and any research services acquired by these advisers are paid for in cash by the relevant adviser.

Whenever commissions are pooled and used to pay for research, conflicts of interest arise due to the potential that one client's commissions could be subsidizing research that benefits another client. However, because research services often benefit several clients simultaneously or to differing degrees, it is impracticable to directly quantify the benefit of research on a client-by-client basis. For this reason, we do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. We attempt to mitigate these potential conflicts of interests through oversight of the use of commissions to pay for research by the Research Governance Oversight Committee.

The Price Advisers acquire proprietary research from broker-dealers who also provide trade execution, clearing, settlement and/or other services. 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. The Price Advisers may use a limited number of expert networks.

T. Rowe Price 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 Associates has a policy of not pre-committing a specific amount of business to any broker-dealer over any specific period. Price Associates 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 Associates 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 Associates may have brokerage relationships with broker-dealers who are, or are an affiliate of, clients that have appointed Price Associates 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 Associates may execute transactions for clients with Luminex, an alternative trading system of which Price Associates' subsidiary, TRPH, owns 4.9%.

Broker-Dealer Recommendations. Price Associates does not recommend, request or require clients to direct Price Associates to execute transactions through any specified broker-dealer. However, Price Associates does make certain PAM Group clients aware of the brokerage services offered by its affiliated broker-dealer, Investment Services (as described in *Item 10 – Other Financial Industry Activities and Affiliations*). These clients either place orders for the execution of their portfolio transactions directly with Investment Services, or they have specifically instructed Price Associates to do so. Price Associates advises clients of the affiliated relationship and discloses that commissions will be paid to Investment Services in addition to the advisory fees paid to Price Associates. In addition, Price Associates advises clients of the possible disadvantages of directed brokerage as described below.

Client Directed Brokerage. In limited circumstances as further discussed below, Price Associates 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 Associates 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 Associates "steps-out" trades pursuant to client direction, such trades transact at execution only rates and do not participate in the CSA program. 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 Associates' 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 the Price Advisers trade equity securities either through CSAs or at execution only rates, the Price Advisers are not able to engage in commission recapture programs. Currently, the Price Advisers do not recapture commissions, underwriting discounts, or selling-group concessions for fixed income securities acquired in underwritten offerings. The Price Advisers may, however, designate a portion of the underwriting spread to broker-dealers that participate in the offering.

Certain clients restrict Price Associates from utilizing certain broker-dealers by providing Price Associates with a list identifying such restricted entities, as in the case where the use of such broker-dealers may be prohibited under the Employee Retirement Income Security Act of 1974 (**ERISA**). Any such restrictions may limit our ability to achieve best execution of client transactions. Price Associates relies on information provided by clients in discharging its investment management responsibilities and will assume such information is current, complete and accurate until instructed otherwise by the client. In the event ERISA clients do not provide Price Associates with broker restrictions, Price Associates will select broker-dealers consistent with their best execution obligations.

Block Trading/Aggregated Orders/Order Sequencing. Since certain clients have similar investment objectives and programs, Price Associates may make investment decisions that result in the simultaneous purchase, short sale, 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 generally is a collaborative process between trading and portfolio management staff. Price Associates' 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 Associates may include orders on behalf of Price Funds and the not-for-profit entities T. Rowe Price Foundation, Inc., the T. Rowe Price Program for Charitable Giving, Inc., employee stock for certain Retirement Plan Services relationships and T. Rowe Price proprietary investments 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 Associates 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. Not all situations allow for the aggregation of orders, however, when an order can be aggregated, 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 Associates 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 Associates 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.

The Price Advisers have developed written trade sequencing and execution guidelines that it believes are reasonably designed to provide the fair and equitable allocation of 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 security or securities of the same issuer from differing parts of an issuer's capital structure; and (ii) mitigate conflicts when shorting a security or securities of the same issuer from differing parts of an issuer's capital structure 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 security or securities of the same issuer from differing parts of an issuer's capital structure; 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 a long or short transaction may have an adverse impact on the market price of the security being traded or securities of the same issuer from differing parts of an issuer's capital structure.

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, Price Associates 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.

For separately managed accounts, including SMA Program accounts, investing in certain municipal bond investment strategies offered, Price Associates utilizes a third party portfolio management system to seek to determine the optimal allocation of available securities to such accounts. The allocation is based on the strategy attributes established by the portfolio manager and seeks to bring the municipal bond investment strategy separately managed and SMA Program accounts' positioning in closer alignment with the defined strategy targets. The strategy is an aggregate of all accounts within a specific municipal bond investment strategy (i.e., U.S. Municipal Intermediate Term Bond SMA). Allocation criteria are applied at the strategy level. When an order is fully filled, available securities will be allocated to the municipal bond investment strategy and the underlying municipal bond investment strategy separately managed and SMA Program accounts in accordance with the final modeled amount in the order. Where an order is partially filled, the municipal bond strategy will participate on a pro-rata basis with other institutional accounts in accordance with written trade allocation guidelines. Allocations will then be made to the underlying municipal bond investment strategy separately managed and SMA Program accounts within a strategy, giving allocation priority to those accounts with the greatest deviation from the strategy model attributes. The attributes include but are not limited to cash positioning, duration and maturity. This may result in accounts from the original order not receiving an allocation or only receiving a partial fill.

Philadelphia Portfolio Management Team and Trading Desk

Price Associates maintains a separate fixed income portfolio management team in the Philadelphia region ("Philadelphia Team") which conducts its own research, idea generation and trade execution with its own portfolio managers, analysts, and trader. This separate portfolio management team will make investments in one or more of the same or similar markets as Price Associates' other portfolio management teams and may directly compete with such teams for the same or similar investment opportunities. The Philadelphia Team will not have access to the Price Advisers' global research platform. In many instances, consistent with applicable law, the broker-dealer selling securities to the portfolios managed by the Philadelphia Team are expected to determine the allocation independent of allocations made by the same broker-dealer to portfolios managed by Price Associates' other portfolio management teams which is expected to increase overall allocations to Price Associates although there can be no guarantee. Although transactions in the same security may take place in portfolios managed by this Philadelphia Team and one or more other Price Associates portfolio management teams, where feasible and practical, through access controls and other means, certain restrictions have been put in place to keep the Philadelphia Team and the other portfolio management teams from viewing each other's orders and holdings. While the portfolio management activities of the Philadelphia Team are separate, team members are subject to Price Associates' policies and procedures as well as the Code. Additionally, a brokerage committee, similar to but separate from the GTC, will oversee Philadelphia Team transactions.

Portfolios managed by the Philadelphia Team will be eligible to cross or aggregate orders with other portfolios managed by the Philadelphia Team but will not be eligible to cross or aggregate orders with portfolios managed by Price Associates' other portfolio management teams. The Philadelphia Team may trade in the same securities before, at the same time, in close time proximity to, or after Price Associates' other portfolio management teams and performance is expected to differ. Similarly, Price Associates' other portfolio management teams may trade in the same securities at different times with different performance then the Philadelphia Team. These conflicts may be exacerbated to the extent the Philadelphia Team and/or Price Associates' other portfolio management teams manage thinly traded or scarce assets. Additionally, the Philadelphia Team may take opposite positions to similarly managed Price Associates portfolios and vice versa.

Maintaining separate management and trade execution within separate portfolio management teams of Price Associates poses other conflicts of interest and may sacrifice possible benefits to execution, pricing and research capabilities including those related to scale and efficiencies of combined and coordinated operations. In addition, this structure may pose risks inherent in non-simultaneous trades including adverse effect on the price of a security that could result from placing a number of separate successive or competing client orders and transactions being effected for an account near or at the end of the firm's total trades in which case such trade order will bear the market price impact, if any, of those trades executed earlier, and, as a result may receive a less favorable net price for the trade.

Managed Account Programs

Model Program. In the Non-Discretionary Model Program, the Program Sponsor will have sole authority and responsibility for the selection of broker-dealers and the execution of transactions for its participant accounts. Price Associates is not responsible for placing orders for the execution of transactions involving assets of the Program Sponsor's participant accounts or for giving instructions to the Program Sponsor with respect thereto.

In the Discretionary Model Program, the overlay manager has sole responsibility for the arranging of the execution of trades in the participant accounts. Price Associates is responsible for delivering a model portfolio to the overlay manager which the overlay manager will implement. Price Associates is not responsible for placing orders for the execution of transactions involving assets of participant accounts.

The recommendations implicit in the model portfolio advice provided to the Program Sponsor or overlay manager may reflect recommendations being made by Price Associates contemporaneously to, or investment advisory decisions made contemporaneously for, other clients of Price Associates. Price Associates may have already commenced trading before the Program Sponsor or overlay manager has received or had the opportunity to evaluate or act on Price Associates' model portfolio advice and transactions ultimately placed by the Program Sponsor or the overlay manager for its participants may be subject to price movements, particularly with large orders relative to the given security's trading volume, that may result in the participants receiving prices that are less favorable than the prices obtained by Price Associates' other clients. Further, while Price Associates takes reasonable steps to minimize the market impact caused by transactions for accounts over which Price Associates has investment or trading authority, because Price Associates does not control the Program Sponsor or overlay manager's execution of transactions for participants, Price Associates cannot control the market impact of such transactions to the same extent that it would for accounts over which Price Associates has trading authority.

SMA Programs. Price Associates' brokerage discretion as to which broker-dealers are to be used in effecting transactions is generally limited with regard to equity SMA Program accounts. The Program Sponsor generally directs Price Associates to use a particular broker-dealer (**Designated Broker**), or otherwise limits Price Associate's brokerage discretion. Program participants should be aware that this direction or limitation could prohibit Price Associates from obtaining volume discounts on aggregated orders, or in selecting broker-dealers on the basis of best price and execution. While it is likely that most, if not all, equity transactions for participants will be effected through the Program Sponsor or Designated Broker, it is possible that the Program Sponsor or Designated Broker provides less advantageous execution of transactions than if Price Associates selected another broker-dealer to execute the transactions. When Price Associates has discretion to select broker-dealers, Price Associates typically directs equity trades to the Program Sponsor or its Designated Broker to avoid incurring additional brokerage costs or other transaction costs for participants (mark-ups, mark-downs, or dealer spreads) since trade execution costs are usually included as part of the wrap program fee. However, Price Associates may choose to trade with a broker-dealer other than the Program Sponsor or Designated Broker (i.e., "trade away") where Price Associates believes doing so is consistent with its duty to seek best execution, in which case the participant account will be charged brokerage commissions and fees in addition to the wrap program fee. In selecting broker-dealers, Price Associates generally considers the factors discussed above in the section titled "Equity Securities." For additional information regarding trading away in a wrap fee program, a client should contact its financial advisor or Program Sponsor. In addition, information on trading away of fixed income securities in SMA Program accounts is discussed below. We expect the Program Sponsor and any other broker-dealer to which we direct trades to satisfy its best execution obligation. Trades directed by participants, or attributable to participant inflows or outflows, may be submitted for execution separate from trades associated with the management of the investment strategy of a specific SMA Program.

Please see additional information regarding trading away expenses in *Item 5*.

If the Program Sponsor or Designated Broker is not on Price Associates' approved list of brokers, the participant could potentially be subject to additional counterparty credit and settlement risk. Accordingly, directed brokerage transactions with the Program Sponsor or Designated Broker can result in less favorable execution on some transactions than would be the case if Price Associates were free to choose the broker-dealer, potentially resulting in increased costs to the participant.

For SMA Program accounts, Price Associates generally determines the timing and manner of disposition of legacy securities used to fund new SMA Program accounts, or contributed to existing SMA Program accounts, that are incompatible with Price Associates' long-term investment view or otherwise conflict with applicable guidelines. Price Associates, may sell all or a portion of such securities promptly or more gradually and/or opportunistically over time which may affect SMA Program account performance. Price Associates will not accept shares of their publicly traded parent company, Price Group, in legacy securities used to fund new SMA Program accounts or contributed to existing SMA Program accounts. If a new SMA Program account includes legacy Price Group shares, Price Associates effects a sale of such shares during the client onboarding process. In periods of market volatility, Price Associates may be unable to invest new money contributed to an account, or proceeds from the sale of securities, as quickly as it might have been able to do under normal market conditions. Similarly, Price Associates may be unable to sell securities to raise cash, or to accommodate a terminating participant's request to sell securities, as quickly, or at favorable prices, as it might have been able to do under normal market conditions. Depending on market movements, such delays could have an adverse impact on SMA Program accounts. In such periods of market volatility, Price Associates, when deemed advisable, also may deviate from its normal trading practices with respect to sequencing and allocation of transactions.

SMA Program accounts are not permitted to engage in cross trades. Price Associates is authorized to follow participant instructions (e.g., liquidation requests, strategy changes) regarding participant's SMA Program accounts, whether participant provides them directly to Price Associates or to the Program Sponsor. Price Associates will take action with respect to the underlying securities and other assets in participant SMA Program account(s) only according to instructions from participant or participant's agent. Price Associates may reject any instructions given by participant or participant's agent if, in Price Associate's judgment, implementing those instructions would: (i) violate any applicable federal or state law; (ii) any applicable rule or regulation of any regulatory agency or self-regulatory body; or (iii) be inconsistent with any internal policy maintained by Price Associates, as amended from time to time, relating to effecting transactions with or for participants. Price Associates will promptly notify participant or participant's duly authorized agent, as applicable, of any decision to reject instructions from participant or participant's agent.

Rotation of Equity Managed Accounts. To ensure fair and equitable treatment of clients, Price Associates considers the sequence in which equity SMA Program account trades and model portfolio advice are delivered to the market and has created a process that seeks to achieve overall fair and equitable treatment of all participants over time. It is the policy of Price Associates that trade orders for the purchase or sale of equity securities and model portfolio advice are communicated on a rotation basis and that no client, or group of clients, is routinely advantaged or disadvantaged over any other.

The rotation involves an algorithm to generate random lists of Program Sponsors. Price Associates will deliver the trade instructions and model portfolio advice to a third party service provider who, in turn, will distribute the trade instructions and/or model advice to the first Program Sponsor listed in the random rotation list and then the next entry until all Program Sponsors have received the appropriate instructions or advice.

While these procedures seek to treat Program Sponsors in a fair and equitable manner over time, on any given order, some equity SMA Program accounts may trade before other equity SMA Program accounts and some equity SMA Program accounts may receive more favorable pricing than other equity SMA Program accounts for the same security. It is conceivable that a Program Sponsor could go in the same place in or the order (e.g., first or last) in multiple consecutive rotations; however, the algorithm seeks to ensure that no client, or group of clients, is routinely advantaged or disadvantaged over any other on a long-term basis.

In instances where investment decisions result in transactions that will occur in both the Managed Account Program and Price Associates' other discretionary accounts, investment decisions will be released concurrently to both the Price Associate's trading desk and the Managed Account Program third party service provider. However, trade notification is not concurrent. Managed Account Program participants may trade the same securities before, at the same time, in close time proximity to, or after Price Associates' other discretionary portfolios; however, the trading activity of Price Associates' other discretionary accounts will be independent of the Managed Account Program rotation process. Therefore, the timing or terms of investment by Managed Account Program accounts will differ from, and performance can be lower than, investments and performance of other Prices Associates' clients, including those which provide greater fees or other compensation (including performance based fees) to Price Associates or are accounts in which Price Associates has a proprietary interest.

As discussed above, Price Associates may seek to aggregate trades among Program Sponsors that allow "trading away" or "step out" trades to be executed, and in these instances affected Program Sponsors may be removed from the Managed Account Program rotation and their trades aggregated with trades that Price Associates is effecting on behalf of other discretionary accounts.

Trading of Fixed Income SMA Program Accounts. In addition to the dealer selection criteria listed above, Price Associates considers additional factors when seeking best execution for fixed income SMA Program accounts, including but not limited to the following: the ability of a broker-dealer to execute difficult transactions in the municipal bond and other fixed income markets, and the willingness and ability of the broker-dealer to make a market in municipal bond and other fixed income securities. Price Associates believes that, based on our experience, best execution is typically provided by third party broker-dealers that make markets in municipal bond and other fixed income securities. Although Program Sponsors or their Designated Brokers may make markets in municipal bond or other fixed income securities, they may be subject to or impose restrictions on trading as principal for SMA Program accounts. In addition, by trading away from the Program Sponsors, Price Associates is often able to batch trades of Managed Account participants from various SMA Programs along with other non-SMA Program participants which can result in lower markups, markdowns, and dealer spreads. Other considerations for using third party dealers can include less price dispersion, access to inventory, speed of execution, and the ability to allocate investment and trading opportunities across all Managed Account participant accounts included in a batch trade on a fair and equitable basis. As a result, for municipal bond and other fixed income SMA Program accounts, Price Associates will execute all or substantially all transactions through broker-dealers other than the Program Sponsors or their Designated Brokers. When Price Associates places trades with third-party broker-dealers, participants should expect to incur markups, markdowns, and dealer spreads, which are generally included in the net price of the security and are in addition to the SMA Program or wrap fees paid by the participant. However, some Program Sponsors might require that Price Associates execute trades that reflects individual activity in a participant's account (e.g., initial investment positioning, rebalancing due to additions or withdrawals of cash or securities, account liquidations, or other account-specific transactions such as participant-directed tax transactions) with the Program Sponsor or Designated

Broker. These trades are limited in nature, and participants should expect that all or substantially all of the transactions in most participant municipal bond and other fixed income SMA Program accounts will be traded away from the Program Sponsor.

The additional fees incurred by SMA Program participants when Price Associates executes trades away from the Program Sponsor are discussed in more detail in Item 5 of this brochure. Please see above for additional information regarding the trade allocation process for municipal bond investment strategy SMA Program 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. From time to time and under limited circumstances, a portfolio manager may instruct an associate portfolio manager or an investment analyst to make an investment decision with limited capacity (e.g., in a portfolio manager's short absence).

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.

Managed Account Program guidelines and target portfolios are reviewed on an ongoing basis by Price Associates or its third party service provider. Reviews are conducted to determine if an account's holdings are consistent with the selected investment strategy and restrictions imposed by a participant.

We provide each Stable Asset Management Group client with a monthly book value account statement, reporting all account-level and investment contract-level purchases, withdrawals, installment payments, income, and maturities. The statement consolidates all assets in the account and lists the month-end value of each investment contract and the aggregate market value of any cash reserves or marketable securities held outside of an investment contract. Investment contracts are valued as reported by the contract issuer. (The interest crediting rate of a SAC or synthetic GIC, as reported by the contract issuer, is calculated by the issuer using book value and market value information, yield, and duration.) When the client directs the use of external fixed income managers for a portion of account assets, we rely on reporting from them.

Given the dynamic nature of financial markets and the consistent flow of available information, Price Associates' 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 Associates 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 Associates 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. Managed Account participants generally receive reports from the Program Sponsor in accordance with the agreement between participants and the Program Sponsor.

Price Associates provides certain client information to unaffiliated third parties where such information is requested by a regulatory authority or is otherwise required by law. Price Associates in certain instances provides trade data and/or other client information to third party service providers in order to facilitate compliance with such regulatory requirements. In accordance with its vendor management policies, standards and processes, Price Associates performs initial and ongoing due diligence of all third-party service providers.

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). For trade errors that occur in equity SMA Program accounts, Price Associates generally does not have the ability to control the ultimate resolution of the trade error. In these instances, the trade error and resolution thereof will be governed by the Program Sponsor's policies and procedures or directions.

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. In the event an error is corrected through a Price Adviser's error account (and the error was caused by the action or inaction of the Price Adviser), the Price Adviser would incur any related losses as well as may keep any gains.

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 Associates' clients use consultants to evaluate and recommend investment advisers and their services, including Price Associates and its related entities. (Price Associates is not affiliated with any consultant.) These consultant firms represent multiple clients and prospects and, therefore, have frequent interactions with Price Associates and related entities. In addition, Price Associates 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 Associates 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 Associates. Price Associates may pay third-party platforms to make certain Model Portfolios available on their platforms.

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 Code. Any third-party solicitation arrangements regarding Price Associates' services will comply with all federal and state regulatory requirements.

Price Associates 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 Associates or its affiliates.

Item 15 – Custody

Price Associates 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 Associates 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 is subject to an annual surprise examination by an independent public accountant as further detailed below.

Price Associates has or may be deemed to have custody of certain clients' assets under certain circumstances. The accounts for which Price Associates 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 Associates 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 includes, among other things, confirming Price Associates 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 Associates 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 Associates' client accounts, clients must select and appoint their own custodian, whose services and fees will be separate from Price Associates' management fee. Clients are responsible for independently arranging for all custodial services, including negotiating custody agreements and fees and opening custodial accounts. As noted in *Item 5 – Fees and Compensation*, certain clients of Price Associates' PAM Group may instruct Price Associates in writing to appoint the Bank of New York Mellon as custodian. Clients that utilize this service leverage an existing master agreement between Price Associates and the Bank of New York Mellon and are relieved of paying separate custody fees because Price Associates pays these fees.

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 Associates. In these circumstances, Price Associates' authority is limited to the authority set forth in the client's written investment management agreement with

Price Associates 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 Associates 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 Associates may delegate certain management responsibilities to one or more its advisory affiliates as it believes reasonably necessary.

While Price Associates primarily provides discretionary investment management services, certain services are 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 Associates 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 Associates' 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 Associates generally has the discretion to select broker-dealers and to determine commissions to be paid as described; however, certain clients may request that Price Associates direct brokerage for a portion of their accounts as discussed in *Item 12 – Brokerage Practices*.

Clients subject to ERISA may also impose restrictions whereby Price Associates is prohibited from purchasing securities of an issuer affiliated with the client or transacting with an affiliate or other parties related to the client by providing Price Associates with a list identifying such restricted securities by cusips, tickers, or other specific identifiers. Certain clients who have authorized Price Associates to execute transactions for their accounts without prior approval may prohibit the purchase of specific securities or industry groups via a restricted list identifying such restricted securities by cusips, tickers, or other specific identifiers. Price Associates will rely on information provided by clients in discharging its investment management responsibilities and will not be responsible in the event clients either do not provide a list or provide inaccurate or outdated information. Clients may also 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.

Clients are responsible for the management of Client's tax affairs, including, without limitation, the payment of all taxes due and the making of all claims in relation thereto. Clients are encouraged to consult their own financial, tax and legal advisors regarding any investment decision regarding Price Advisers' investment advisory services. Clients sensitive to Unrelated Business Taxable Income (**UBTI**) may impose guideline restrictions on the purchase of securities having the potential to generate UBTI, specifically real estate investment trusts and certain partnerships. These accounts are monitored on a regular basis by appropriate personnel for compliance with client negotiated guidelines.

In order to fully implement certain investment mandates, Price Associates 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 Associates 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 Associates' 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 Associates is 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 Associates' 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 Associates 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 Price Associates' 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 Price Associates' ability to manage an account in line with the overall strategy.

Price Associates 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 Associates' management.

From time to time Price Associates' 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 Associates 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 Associates 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.

Managed Account Programs. In the Non-Discretionary Model Program, Price Associates will not act as a fiduciary to any of the Program Sponsor's participants, investment adviser to any of the Program Sponsor's participants for purposes of the Advisers Act, or a "fiduciary" or "investment manager" to any of the Program Sponsor's participants, as those terms are used in Section 4975 of the Internal Revenue Code of 1986 and ERISA. The Program Sponsor will interpose its own judgment when considering the model portfolio advice and other recommendations of Price Associates, and will make decisions consistent with the Program Sponsor's participant obligations.

For SMA Program accounts and Discretionary Model Program accounts, Price Associates is appointed to act as an investment adviser through a process generally documented and administered by the Program Sponsor. Participants, generally with assistance from the Program Sponsor, may select Price Associates to provide investment advisory services. In the Discretionary Model Program, Price Associates enters into an agreement with the Program Sponsor or overlay manager that obligates the Program Sponsor or overlay manager to implement, or cause its designee to implement, Price Associates' investment decisions for participant accounts, subject to any client-imposed restrictions or other client directions accepted by the overlay manager.

Price Associates' discretionary authority over SMA Program accounts is generally subject to directions, guidelines and limitations imposed by the Program Sponsor or participants. Price Associates will endeavor to follow reasonable directions, investment guidelines and limitations. Although Price Associates seeks to provide individualized investment advice to its discretionary account clients, Price Associates will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with Price Associates' investment approach (including restrictions affecting more than a stated percentage of the account), and reserves the right to decline to accept, or terminate, participant accounts with such restrictions. As a result of these directions, guidelines and limitations, performance of SMA Program accounts, including those within the same investment objective, is likely to differ and participants should not expect that the performance of their SMA Program account will be identical to any other SMA Program account. In its sole discretion, Price Associates may refrain from recommending securities or other property in certain circumstances due to: (i) regulatory requirements; (ii) Price Associates' internal policies and procedures; (iii) actual or potential conflicts of interest or the appearance of such conflicts; or (iv) any other reason in Price Associates' sole discretion. Price Associates and its related persons do not have an obligation to recommend for purchase or sale in a Managed Account Program any security or other investment that Price Associates or a related persons may purchase or sell (or recommend for purchase or sale) for the account of any other client, or for its or their own accounts. Equity IPO transactions are generally not available for SMA Program accounts.

Item 17 – Voting Client Securities

Advisory clients generally authorize Price Associates to vote proxies for their accounts excluding proxies related to shares of Price Funds. Price Associates 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 Associates 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 Associates' 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 Associates casts its vote. With respect to personal conflicts of interest, the Code 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 Associates 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 Associates 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. Additionally, the procedures of certain Program Sponsors of Managed Account Programs limit Price Associates' ability to accommodate split voting across investment strategies for that Program Sponsor. Such instances are generally resolved by voting all shares attributable to that sponsor in the same manner as the majority of shares being voted by Price Associates.

Price Associates 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 Associates 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 Associates 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 Associates 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 Associates 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 Associates 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 Associates does not offer to file proof of claim forms for class action suits for advisory clients. However, certain clients may request that Price Associates file proof of claim forms for class action suits that affect the client's account and such clients have provided Price Associates with the authority to do so in their investment management agreements. Price Associates, 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 do so.

Item 18 – Financial Information

Price Associates generally bills clients quarterly in arrears. Price Associates does not require or solicit pre-payment of fees more than six months in advance.

Price Associates 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 Associates) is available upon request.

Price Associates is registered as an investment adviser with the SEC. Price Associates 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 U.S. EQUITY INVESTMENT MANAGEMENT

U.S. Large-Cap Growth Equity, U.S. Growth Stock, U.S. Large-Cap Core Growth Equity, U.S. Dividend Growth Equity, and U.S. Growth & Income 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. Large-Cap Core Equity

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

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

First $50 Million	0.475%
Next $50 Million	0.425%
When assets exceed $100 Million*	0.375% on all assets
When assets exceed $200 Million*	0.325% 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. TAX-EFFICIENT EQUITY STRATEGIES

U.S. Tax-Efficient Large-Cap Growth Equity and U.S. Tax-Efficient Large-Cap 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. Tax-Efficient Smaller Company Growth 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. Tax-Efficient Index Plus Equity

First $50 Million	0.300%
Next $50 Million	0.250%
Above $100 Million	0.200%

Minimum Account Size: $50 Million

U.S. STRUCTURED RESEARCH EQUITY STRATEGY

U.S. Structured Research Equity

First $50 Million	0.315%
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 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 Disciplined 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

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

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 Markets Equity and Emerging Markets Discovery 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

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

Asia ex-Japan Equity and Asia Opportunities Equity

First $50 Million	0.700%
Next $50 Million	0.650%
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%
When assets exceed $50 Million*	0.400% on all assets
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, Communications & Technology 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 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	0.175%
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. 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

U.S. Long Duration Credit 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

U.S. Long Duration Government/Corporate Bond

First $50 Million	0.275%
Next $50 Million	0.225%
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. Long Duration Government 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. Mortgage Backed Securities

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: $100 Million

High Yield Bond and U.S. 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. Enhanced Aggregate Bond

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. FIXED INCOME INDEX MANAGEMENT

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

U.S. MUNICIPAL FIXED INCOME MANAGEMENT

U.S. Municipal Short/Intermediate-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. Municipal Intermediate-Term Bond* and U.S. Municipal Long-Term 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*	0.150% on all assets

Minimum Account Size: $50 Million

U.S. Municipal High Yield Bond and U.S. Municipal Intermediate High Yield Bond

First $50 Million	0.350%
Next $50 Million	0.300%
When assets exceed $100 Million*	0.275% on all assets
When assets exceed $250 Million*	0.250% on all assets

Minimum Account Size: $50 Million

*Separately managed account clients investing in the U.S. Municipal Short-Intermediate Term Bond SMA and the U.S. Municipal Intermediate Term Bond SMA strategies are charged an advisory fee of 0.250% on all assets, respectively.

STABLE ASSET MANAGEMENT

Stable Value Core

First $50 Million	0.225%
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

Stable Value 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

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

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% on all assets
When assets exceed $250 Million*	0.250% on all assets

Minimum Account Size: $100 Million

Global Multi-Sector Bond

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

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%

MANAGED ACCOUNT PROGRAMS

SINGLE CONTRACT SMA

U.S. Blue Chip Growth Equity SMA, U.S. Growth Stock SMA, U.S. Value Equity SMA, U.S. Large-Cap Equity Income SMA, and U.S. Large-Cap Core Equity SMA

All Assets 0.450%
Minimum Account Size: $100,000

International Core Equity SMA

All Assets 0.500%
Minimum Account Size: $100,000

U.S. Municipal Short-Intermediate Term Bond SMA and U.S. Municipal Intermediate Term Bond SMA

All Assets 0.250%
Minimum Account Size: $250,000

DUAL CONTRACT SMA

U.S. Blue Chip Growth Equity SMA, U.S. Growth Stock SMA, U.S. Value Equity SMA, U.S. Large-Cap Equity Income SMA, and U.S. Large-Cap Core Equity SMA

All Assets 0.500%
Minimum Account Size: $1 Million

U.S. Municipal Short-Intermediate Term Bond SMA and U.S. Municipal Intermediate Term Bond SMA

All Assets 0.300%
Minimum Account Size: $1 Million

MODEL PROGRAM

U.S. Blue Chip Growth Equity SMA, U.S. Growth Stock SMA, U.S. Value Equity SMA, U.S. Large-Cap Equity Income SMA, U.S. Large-Cap Core Equity SMA, U.S. Dividend Growth Equity SMA

All Assets 0.300%

International Core Equity SMA

All Assets 0.350%

U.S. Risk Managed Dynamic Allocation SMA

All Assets 0.550%

Target Allocation Active Series (Risk-Based Portfolios)

Price Associates does not charge a separate advisory fee for the investment management services provided to accounts of the Risk Based Portfolios but will be compensated solely through the management fees earned in connection with the underlying TRP Mutual Funds held in a participant's Risk Based Portfolio. Additional information regarding the advisory fees charged by each TRP Mutual Fund will be provided in the prospectus for each fund.

PRIVATE ASSET MANAGEMENT

Standard Services

First $3 Million	1.000%
Next $2 Million	0.750%
Above $5 Million	0.500%

Minimum Account Size: $3 Million

Price Funds Allocation Services

First $5 Million	0.500%+
Above $5 Million	0.350%+

Minimum Account Size: $3 Million

+ The above advisory fees are charged in addition to the advisory fees paid indirectly to Price Associates through investment in the TRP Mutual Funds as reflected in each fund's net asset value, although the client's agreement will provide for certain offsets. Additional information regarding the advisory fees charged by each TRP Mutual Fund authorized for an account will be provided in the client's agreement (as well as in the prospectus for each fund).

ACTIVE U.S. EQUITY SUBADVISORY

U.S. Large-Cap Growth Equity, U.S. Growth Stock, U.S. Large-Cap Core Growth Equity, U.S. Dividend Growth Equity, and U.S. Growth & Income Equity

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

U.S. Large-Cap Core Equity

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

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

First $50 Million	0.475%
Next $50 Million	0.425%
When assets exceed $100 Million*	0.375% on all assets
When assets exceed $200 Million*	0.325% 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 SUBADVISORY

QM U.S. Small-Cap Growth Equity

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

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

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

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

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

U.S. STRUCTURED ACTIVE EQUITY SUBADVISORY

U.S. Structured Active Mid-Cap Growth Equity

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

U.S. TAX-EFFICIENT EQUITY SUBADVISORY

U.S. Tax-Efficient Large-Cap Growth Equity

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

U.S. STRUCTURED RESEARCH EQUITY SUBADVISORY

U.S. Structured Research Equity

First $50 Million	0.315%
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 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 Disciplined 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 and Emerging Markets Discovery 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

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

Asia ex-Japan Equity and Asia Opportunities Equity

First $50 Million	0.700%
Next $50 Million	0.650%
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%

ACTIVE EQUITY SECTOR SUBADVISORY

Health Sciences Equity, Communications & Technology 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 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. Long Duration Government 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

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

High Yield Bond and U.S. 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

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%

U.S. MUNICIPAL FIXED INCOME SUBADVISORY

U.S. Municipal High Yield Bond and U.S. Municipal Intermediate High Yield Bond

First $50 Million	0.350%
Next $50 Million	0.300%
When assets exceed $100 Million*	0.275% on all assets
When assets exceed $250 Million*	0.250% on all assets

U.S. Municipal Short/Intermediate-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. Municipal Intermediate-Term Bond and U.S. Municipal Long-Term 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*	0.150% 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*	0.275% on all assets
When assets exceed $250 Million*	0.225% 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

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
410-345-2000
troweprice.com

Part 2B of Form ADV: Brochure Supplement

December 31, 2017

This Brochure Supplement provides information about Larry J. Puglia that supplements T. Rowe Price Associates, Inc.'s Part 2A of Form ADV: Firm Brochure. You should have received a copy of that Firm Brochure; however, please contact us at TRP_ADV_Inquiries@troweprice.com if you did not receive T. Rowe Price Associates, Inc.'s Firm Brochure or if you have any questions about the contents of this Brochure Supplement.

Educational Background and Business Experience

Larry J. Puglia, born in 1960, is Portfolio Manager and a Vice President for T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc.

Prior Roles at T. Rowe Price

Portfolio Manager	1997 to present
Analyst	1990 to 1995

Education	Degree Obtained
University of Notre Dame	B.B.A. in Accounting
Darden Graduate School of Business Administration at the University of Virginia	M.B.A. in Finance

Professional Designations

Chartered Financial Analyst[1]

Disciplinary Information

The above referenced person has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of a portfolio manager.

Other Business Activities

As an employee of T. Rowe Price, the above referenced person is required to comply with the T. Rowe Price Code of Ethics and Conduct (Code) applicable to all T. Rowe Price affiliates. The Code outlines appropriate standards of conduct for employees and certain other individuals associated with T. Rowe Price. The Code prohibits outside business activities that place employees' interests in conflict with those of T. Rowe Price or its clients. Certain portfolio managers may be registered, or have an application pending to register, as registered representatives of T. Rowe Price's affiliated broker-dealer, T. Rowe Price Investment Services, Inc.

[1] Denotes earning the Chartered Financial Analyst® designation, or CFA charter. To earn the CFA charter an applicant must have four years of qualified investment work experience and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. CFA Program candidates report dedicating in excess of 300 hours to completing the CFA Program. Completing the entire CFA Program is a significant challenge that takes most candidates between two and five years. Source: "The CFA Program" cfainstitute.org http://www.cfainstitute.org/cfaprogram/Pages/index.aspx

Additional Compensation

Compensation is viewed with a long-term time horizon; meaning the more consistent a manager's performance over time, the higher the compensation opportunity. The above referenced person is compensated based on a base salary, a cash bonus, and an equity incentive that may be provided in the form of a stock option grant. Compensation is variable and is determined based on several factors, including investment performance (over 1, 3, 5 and 10 year periods) which is the most important factor.

All permanent employees of T. Rowe Price are eligible to participate in a retirement plan sponsored by T. Rowe Price Group, Inc. (Price Group) that features a limited corporate matching contribution. In addition, all permanent employees are eligible to purchase Price Group common stock through an employee stock purchase plan that also features a limited corporate matching contribution. Eligibility for and participation in these plans is on the same basis as for all employees. Finally, vice presidents of Price Group, including all portfolio managers, generally receive supplemental medical/hospital reimbursement benefits and some may receive additional executive benefits.

Supervision

All personnel providing advisory services are appropriately skilled and qualified for the positions held at T. Rowe Price. The firm has multiple controls in place designed to prevent inappropriate risk-taking by portfolio managers, including a decentralized compliance structure (a significant part of which is an automated compliance system), oversight through various steering and risk monitoring committees, periodic internal and external audits, and a wide range of policies and procedures designed to assure that advice is consistent with our clients' agreed upon investment objectives and guidelines and the firm's fiduciary obligations.

Our portfolio managers exercise discretion over their portfolios and have autonomy over stock selection, sector allocation, cash allocation, and trading, consistent with the client's investment objectives and guidelines. However, as described above, discretionary activities of our portfolio managers are subject to ongoing oversight.

Below is the name and contact information for your portfolio manager's supervisor.

Supervisor: Eric L. Veiel, Vice President of T. Rowe Price Group, Inc. and T. Rowe Price Associates, Inc. 410-345-2424.

T. ROWE PRICE ASSOCIATES, INC. AND ITS INVESTMENT ADVISER AFFILIATES

PROXY VOTING POLICIES AND PROCEDURES

RESPONSIBILITY TO VOTE PROXIES

T. Rowe Price Associates, Inc., and its affiliated investment advisers (collectively, **"T. Rowe Price"**) recognize and adhere to the principle that one of the privileges of owning stock in a company is the right to vote in the election of the company's directors and on matters affecting certain important aspects of the company's structure and operations that are submitted to shareholder vote. The U.S.-registered investment companies which T. Rowe Price sponsors and serves as investment adviser (the **"Price Funds"**) as well as other investment advisory clients have delegated to T. Rowe Price certain proxy voting powers. As an investment adviser, T. Rowe Price has a fiduciary responsibility to such clients when exercising its voting authority with respect to securities held in their portfolios. T. Rowe Price reserves the right to decline to vote proxies in accordance with client-specific voting guidelines.

T. Rowe Price has adopted these Proxy Voting Policies and Procedures ("**Policies and Procedures"**) for the purpose of establishing formal policies and procedures for performing and documenting its fiduciary duty with regard to the voting of client proxies. This document is updated annually.

Fiduciary Considerations. It is the policy of T. Rowe Price that decisions with respect to proxy issues will be made in light of the anticipated impact of the issue on the desirability of investing in the portfolio company from the viewpoint of the particular client or Price Fund. Proxies are voted solely in the interests of the client, Price Fund shareholders or, where employee benefit plan assets are involved, in the interests of plan participants and beneficiaries. Our intent has always been to vote proxies, where possible to do so, in a manner consistent with our fiduciary obligations and responsibilities. Practicalities and costs involved with international investing may make it impossible at times, and at other times disadvantageous, to vote proxies in every instance.

Other Considerations. One of the primary factors T. Rowe Price considers when determining the desirability of investing in a particular company is the quality and depth of its management. We recognize that a company's management is entrusted with the day-to-day operations of the company, as well as its long-term direction and strategic planning, subject to the oversight of the company's board of directors. Accordingly, our proxy voting guidelines are not intended to substitute our judgment for management's with respect to the company's day-to-day operations. Rather, our proxy voting guidelines are designed to promote accountability of a company's management and board of directors to its shareholders; to align the interests of management with those of shareholders; and to encourage companies to adopt best practices in terms of their corporate governance and disclosure. In addition to our proxy voting guidelines, we rely on a company's public filings, its board recommendations, its track record, country-specific best practices codes, our research providers and – most importantly – our investment professionals' views in making voting decisions.

ADMINISTRATION OF POLICIES AND PROCEDURES

Proxy Committee. T. Rowe Price's Proxy Committee ("**Proxy Committee"**) is responsible for establishing positions with respect to corporate governance and other proxy issues. Certain delegated members of the Proxy Committee also review questions and respond to inquiries from clients and mutual fund shareholders pertaining to proxy issues. While the Proxy Committee sets voting guidelines and serves as a resource for T. Rowe Price portfolio management, it does not have proxy voting authority for any Price Fund or client. Rather, this responsibility is held by the Chairperson of the Price Fund's Investment Advisory Committee or client's portfolio manager.

Proxy Services Group. The Proxy Services Group is responsible for administering the proxy voting process as set forth in the Policies and Procedures.

Head of Corporate Governance. Our Head of Corporate Governance is responsible for reviewing the proxy agendas for all upcoming meetings and making company-specific recommendations to our global industry analysts and portfolio managers with regard to the voting decisions in their portfolios.

HOW PROXIES ARE REVIEWED, PROCESSED AND VOTED

In order to facilitate the proxy voting process, T. Rowe Price has retained Institutional Shareholder Services (**"ISS"**) as an expert in the proxy voting and corporate governance area. ISS specializes in providing a variety of fiduciary-level proxy advisory and voting services. These services include custom vote recommendations, research, vote execution, and reporting. In order to reflect T. Rowe Price's issue-by-issue voting guidelines as approved each year by the Proxy Committee, ISS maintains and implements a custom voting policy for the Price Funds and other client accounts.

Meeting Notification

T. Rowe Price utilizes ISS' voting agent services to notify us of upcoming shareholder meetings for portfolio companies held in client accounts and to transmit votes to the various custodian banks of our clients. ISS tracks and reconciles T. Rowe Price holdings against incoming proxy ballots. If ballots do not arrive on time, ISS procures them from the appropriate custodian or proxy distribution agent. Meeting and record date information is updated daily and transmitted to T. Rowe Price through ProxyExchange, an ISS application.

Vote Determination

Each day, ISS delivers into T. Rowe Price's customized ProxyExchange environment a comprehensive summary of upcoming meetings, proxy proposals, publications discussing key proxy voting issues, and custom vote recommendations to assist us with proxy research and processing. The final authority and responsibility for proxy voting decisions remains with T. Rowe Price. Decisions with respect to proxy matters are made primarily in light of the anticipated impact of the issue on the desirability of investing in the company from the perspective of our clients.

Portfolio managers may execute their responsibility to vote proxies in different ways. Some have decided to vote their proxies generally in line with the guidelines as set by the Proxy Committee. Others review vote recommendations and approve them before the votes are cast. In all cases, portfolio managers receive current reports summarizing all proxy votes in their client accounts. Portfolio managers who vote their proxies inconsistent with T. Rowe Price guidelines are required to document the rationale for their votes. The Proxy Services Group is responsible for maintaining this documentation and assuring that it adequately reflects the basis for any vote which is contrary to our proxy voting guidelines.

T. Rowe Price Voting Policies

Specific proxy voting guidelines have been adopted by the Proxy Committee for all regularly occurring categories of management and shareholder proposals. A detailed set of proxy voting guidelines is available on the T. Rowe Price website, www.troweprice.com. The following is a summary of our guidelines on the most significant proxy voting topics:

Election of Directors – For U.S. companies, T. Rowe Price generally supports slates with a majority of independent directors. However, T. Rowe Price may vote against outside directors who do not meet our criteria relating to their independence, particularly when they serve on key board committees, such as compensation and nominating committees, for which we believe that all directors should be independent. Outside of the U.S., we expect companies to adhere to the minimum independence standard established by regional corporate governance codes. At a minimum, however, we believe boards in all regions should include a blend of executive and non-executive members, and we are likely to vote against senior executives at companies with insufficient representation by independent directors. We also vote against directors who are unable to dedicate sufficient time to their board duties due to their commitments to other boards. We may vote against certain directors who have served on company boards where we believe there has been a gross failure in governance or oversight. In certain markets, a lack of diversity on the board may cause us to oppose the members of the board's Nominating Committee. Additionally, we may vote against compensation committee members who approve excessive executive compensation or severance arrangements. We support efforts to elect all board members annually because boards with staggered terms lessen directors' accountability to shareholders and act as deterrents to takeover proposals. To strengthen boards' accountability, T. Rowe Price supports proposals calling for a majority vote threshold for the election of directors and we may withhold votes from an entire board if they fail to implement shareholder proposals that receive majority support.

Anti-Takeover, Capital Structure and Corporate Governance Issues – T. Rowe Price generally opposes anti-takeover measures since they adversely impact shareholder rights and limit the ability of shareholders to act on potential value-enhancing transactions. Such anti-takeover mechanisms include classified boards, supermajority voting requirements, dual share classes, and poison pills. When voting on capital structure proposals, T. Rowe Price will consider the dilutive impact to shareholders and the effect on shareholder rights.

Executive Compensation Issues – T. Rowe Price's goal is to assure that a company's equity-based compensation plan is aligned with shareholders' long-term interests. We evaluate plans on a case-by-case basis, using a number of factors, including dilution to shareholders, problematic plan features, burn rate, and the equity compensation mix. Plans that are constructed to effectively and fairly align executives' and shareholders' incentives generally earn our approval. Conversely, we oppose compensation packages that provide what we view as excessive awards to few senior executives or contain the potential for excessive dilution relative to the company's peers. We also may oppose equity plans at any company where we deem the overall compensation practices to be problematic. We generally oppose efforts to reprice options in the event of a decline in value of the underlying stock unless such plans appropriately balance shareholder and employee interests. For companies with particularly egregious pay practices such as excessive severance packages, executives with outsized pledged/hedged stock positions, executive perks, and bonuses that are not adequately linked to performance, we may vote against compensation committee members. We analyze management proposals requesting ratification of a company's executive compensation practices (**"Say-on-Pay"** proposals) on a case-by-case basis, using a screen that assesses the long-term linkage between executive compensation and company performance as well as the presence of objectionable structural features in compensation plans. With respect to the frequency in which companies should seek advisory votes on compensation, in most cases we believe shareholders should be offered the opportunity to vote annually. Finally, we may oppose compensation committee members or even the entire board if we have cast votes against a company's "Say-on-Pay" vote in consecutive years.

Mergers and Acquisitions – T. Rowe Price considers takeover offers, mergers, and other extraordinary corporate transactions on a case-by-case basis to determine if they are beneficial to shareholders' current and future earnings stream and to ensure that our Price Funds and clients are receiving fair consideration for their securities. We oppose a high proportion of proposals for the ratification of executive severance packages (**"Say on Golden Parachute"** proposals) in conjunction with merger transactions if we conclude these arrangements reduce the alignment of executives' incentives with shareholders' interests.

Corporate Social Responsibility Issues – Vote recommendations for corporate responsibility issues are generated by the Head of Corporate Governance in consultation with the T. Rowe Price Responsible Investment team. T. Rowe Price generally votes with a company's management on social, environmental, and corporate responsibility proposals unless the issue has substantial investment implications for the company's business or operations which have not been adequately addressed by management. T. Rowe Price supports well-targeted shareholder proposals on environmental and other public policy issues that are particularly relevant to a company's businesses.

Global Portfolio Companies – ISS applies a two-tier approach to determining and applying global proxy voting policies. The first tier establishes baseline policy guidelines for the most fundamental issues, which span the corporate governance spectrum without regard to a company's domicile. The second tier takes into account various idiosyncrasies of different countries, making allowances for standard market practices, as long as they do not violate the fundamental goals of good corporate governance. The goal is to enhance shareholder value through effective use of the shareholder franchise, recognizing that application of policies developed for U.S. corporate governance issues are not appropriate for all markets. The Proxy Committee has reviewed ISS' general global policies and has developed custom international proxy voting guidelines based on those recommendations, regional codes of corporate governance, and our own views as investors in these markets.

Fixed Income and Passively Managed Strategies – Proxy voting for our fixed income and indexed portfolios is administered by the Proxy Services Group using T. Rowe Price's guidelines as set by the Proxy Committee. Indexed strategies generally vote in line with the T. Rowe Price guidelines. Fixed income strategies generally follow the proxy vote determinations on security holdings held by our equity accounts unless the matter is specific to a particular fixed income security such as consents, restructurings, or reorganization proposals.

Shareblocking – Shareblocking is the practice in certain foreign countries of "freezing" shares for trading purposes in order to vote proxies relating to those shares. In markets where shareblocking applies, the custodian or sub-custodian automatically freezes shares prior to a shareholder meeting once a proxy has been voted. T. Rowe Price's policy is generally to refrain from voting shares in shareblocking countries unless the matter has compelling economic consequences that outweigh the loss of liquidity in the blocked shares.

Securities on Loan – The Price Funds and our institutional clients may participate in securities lending programs to generate income. Generally, the voting rights pass with the securities on loan; however, lending agreements give the lender the right to terminate the loan and pull back the loaned shares provided sufficient notice is given to the custodian bank in advance of the applicable deadline. T. Rowe Price's policy is generally not to vote securities on loan unless we determine there is a material voting event that could affect the value of the loaned securities. In this event, we have the discretion to pull back the loaned securities in order to cast a vote at an upcoming shareholder meeting. A monthly monitoring process is in place to review securities on loan and how they may affect proxy voting.

Monitoring and Resolving Conflicts of Interest

The Proxy Committee is also responsible for monitoring and resolving potential material conflicts between the interests of T. Rowe Price 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 fund shareholders. 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 T. Rowe Price's voting guidelines are predetermined by the Proxy Committee, application of the guidelines by fund portfolio managers to vote fund proxies should in most instances adequately address any potential conflicts of interest. However, consistent with the terms of the 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 proxy voting 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. Issues raising potential conflicts of interest are referred to designated members of the Proxy Committee for immediate resolution prior to the time T. Rowe Price casts its vote.

With respect to personal conflicts of interest, T. Rowe Price's Code of Ethics and Conduct requires all employees 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 particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy.

Specific Conflict of Interest Situations - Voting of T. Rowe Price Group, Inc. common stock (sym: TROW) by certain T. Rowe Price Index Funds will be done in all instances in accordance with T. Rowe Price policy, and votes inconsistent with policy will not be permitted. In the event that there is no previously established guideline for a specific voting issue appearing on the T. Rowe Price Group proxy, the Price Funds will abstain on that voting item. In addition, T. Rowe Price has voting authority for proxies of the holdings of certain Price Funds that invest in other Price Funds. In cases where the underlying fund of an investing Price Fund, including a fund-of-funds, holds a proxy vote, T. Rowe Price will mirror vote the fund shares held by the upper-tier fund in the same proportion as the votes cast by the shareholders of the underlying funds (other than the T. Rowe Price Reserve Investment Funds).

Limitations on Voting Proxies of Banks

T. Rowe Price has obtained relief from the U.S. Federal Reserve Board (the **"FRB Relief"**) which permits, subject to a number of conditions, T. Rowe Price to acquire in the aggregate on behalf of its clients, 10% or more of the total voting stock of a bank, bank holding company, savings and loan holding company or savings association (each a **"Bank"**), not to exceed a 15% aggregate beneficial ownership maximum in such Bank. One such condition affects the manner in which T. Rowe Price will vote its clients' shares of a Bank in excess of 10% of the Bank's total voting stock (**"Excess Shares"**). The FRB Relief requires that T. Rowe Price use its best efforts to vote the Excess Shares in the same proportion as all other shares voted, a practice generally referred to as "mirror voting," or in the event that such efforts to mirror vote are unsuccessful, Excess Shares will not be voted. With respect to a shareholder vote for a Bank of which T. Rowe Price has aggregate beneficial ownership of greater than 10% on behalf of its clients, T. Rowe Price will determine which of its clients' shares are Excess Shares on a pro rata basis across all of its clients' portfolios for which T. Rowe Price has the power to vote proxies.

REPORTING, RECORD RETENTION AND OVERSIGHT

The Proxy Committee, and certain personnel under the direction of the Proxy Committee, perform the following oversight and assurance functions, among others, over T. Rowe Price's proxy voting: (1) periodically samples proxy votes to ensure that they were cast in compliance with T. Rowe Price's proxy voting guidelines; (2) reviews, no less frequently than annually, the adequacy of the 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 in the best interests of our clients; (3) performs due diligence on whether a retained proxy advisory firm 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 any retained proxy advisory firms and their procedures regarding their 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 would be appropriate in considering the nature and quality of the services provided by the proxy advisory firm.

T. Rowe Price will furnish Vote Summary Reports, upon request, to its institutional clients that have delegated proxy voting authority. The report specifies the portfolio companies, meeting dates, proxy proposals, and votes which have been cast for the client during the period and the position taken with respect to each issue. Reports normally cover quarterly or annual periods and are provided to such clients upon request.

T. Rowe Price retains proxy solicitation materials, memoranda regarding votes cast in opposition to the position of a company's management, and documentation on shares voted differently. In addition, any document which is material to a proxy voting decision such as the T. Rowe Price proxy voting guidelines, Proxy Committee meeting materials, and other internal research relating to voting decisions are maintained in accordance with applicable requirements.

Privacy Policy*

In the course of doing business with T. Rowe Price, you share personal and financial information with us. We treat this information as confidential and recognize the importance of protecting access to it.

You may provide information when communicating or transacting with us in writing, electronically, or by phone. For instance, information may come from applications, requests for forms or literature, and your transactions and account positions with us. On occasion, such information may come from consumer reporting agencies and those providing services to us.

We do not sell information about current or former customers to any third parties, and we do not disclose it to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law. We may share information within the T. Rowe Price family of companies in the course of providing or offering products and services to best meet your investing needs. We may also share that information with companies that perform administrative or marketing services for T. Rowe Price, with a research firm we have hired, or with a business partner, such as a bank or insurance company, with whom we are developing or offering investment products. When we enter into such a relationship, our contracts restrict the companies' use of our customer information, prohibiting them from sharing or using it for any purposes other than those for which they were hired.

We maintain physical, electronic, and procedural safeguards to protect your personal information. Within T. Rowe Price, access to such information is limited to those who need it to perform their jobs, such as servicing your accounts, resolving problems, or informing you of new products or services. Our Code of Ethics, which applies to all employees, restricts the use of customer information and requires that it be held in strict confidence.

*The General Privacy Policy applies to the following T. Rowe Price family of companies: T. Rowe Price Associates, Inc.; T. Rowe Price Advisory Services, Inc.; T. Rowe Price Investment Services, Inc.; T. Rowe Price Trust Company; and the T. Rowe Price Funds.