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## T. Rowe Price Launches Two New Mutual Funds

**International Concentrated Equity Fund looks for high-conviction international stocks while Intermediate Tax-Free High Yield Fund looks to provide a high level of tax-free income**

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### News

T. Rowe Price (NASDAQ-GS: TROW) has introduced two new mutual funds—one that invests in international stocks and one that invests in noninvestment-grade municipal bonds.

The [International Concentrated Equity Fund](#) is available in an Investor Class share (PRCNX) and an Advisor Class share (PRNCX). Each fund share class will build on the established investment process of its similarly named institutional strategy, the Institutional Concentrated [International Equity Fund](#) (RPICX).

Additionally, the new [Intermediate Tax-Free High Yield Fund](#), which is available in an Investor Class share (PRIHX) and Advisor Class share (PRAHX), will complement the similarly named, longer-maturity Tax-Free High Yield Fund (PRFHX).

### Fund Details—International Concentrated Equity Fund

- Federico Santilli, who has managed the T. Rowe Price Institutional Concentrated International Equity Fund since its inception in mid-2010, will manage the new fund.
- The fund will be relatively concentrated, consisting of the investment team's highest-conviction ideas for generating capital appreciation.
- The fund's focus is on companies that have solid positions in attractive industries, have an ability to generate visible and durable free cash flow, and can create shareholder value over time.
- Stock selection will dictate portfolio construction. Consequently, the fund may have significant overweights and underweights compared with the benchmark with respect to region, country, and sector allocations.
- The net expense ratio is capped at 0.90% for the Investor Class shares and 1.00% for the Advisor Class shares until February 28, 2017.
- The minimum initial investment in the International Concentrated Equity Fund is \$2,500, or \$1,000 for retirement accounts or gifts or transfers to minors (UGMA/UTMA) accounts. The Institutional Concentrated International Equity Fund generally requires a \$1 million minimum initial investment.
- Share prices are subject to the risks associated with unfavorable currency exchange rates and political or economic uncertainty abroad. Further, the fund is "non-diversified," meaning it may invest a greater portion of its assets in a single company than in a diversified fund.

### Fund Details—Intermediate Tax-Free High Yield Fund

- James Murphy, who has managed the T. Rowe Price Tax-Free High Yield Fund since 2002, will also manage the new fund.
- The Intermediate Tax-Free High Yield Fund's principal investment strategy is to generate a high level of income that is exempt from federal taxes.
- Similar to the Tax-Free High Yield Fund, the new fund will be largely composed of a diversified array of revenue bonds that span both the lower and below investment-grade municipal bond universe.
- Both funds are expected to have similar credit quality profiles—approximately 65% investment-grade (with a focus on A and BBB rated securities) and 35% below investment-grade securities.
- In contrast to the Tax-Free High Yield Fund, the new fund will feature an intermediate-duration profile. The new fund's target is a weighted average maturity not to exceed 10 years.
- The fund's net expense ratio is capped at 0.75% for the Investor Class shares and 0.85% for Advisor Class shares until June 30, 2017.
- The minimum initial investment in the Intermediate Tax-Free High Yield Fund is \$2,500, or \$1,000 for retirement accounts or gifts or transfers to minors (UGMA/UTMA) accounts.

- Investors should note that if interest rates rise significantly from current levels bond fund total returns will decline and may even turn negative in the short term. In addition to their sensitivity to interest rates, high yield bonds carry a significant level of credit risk. Some income may be subject to state and local taxes and the federal alternative minimum tax. Diversification cannot assure a profit or protect against loss in a declining market.

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

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

#### **Quotes**

##### **Federico Santilli, portfolio manager of the International Concentrated Equity Fund**

"Our investment approach is style-agnostic, which allows us to invest wherever we find the most attractive opportunities in the market. Our role, through rigorous fundamental research and a disciplined process, is to identify superior investment opportunities and exploit pricing anomalies."

##### **James Murphy, portfolio manager of the Intermediate Tax-Free High Yield Fund**

"Our steady emphasis on picking sound credits for the long term enables our team to take advantage of market disruptions as they appear—opportunistically. And, while we continue to believe that higher interest rates and healthier economic growth will ultimately come, these conditions should favor patient, research-conscious investors."

#### **About T. Rowe Price**

Founded in 1937, Baltimore-based T. Rowe Price ([troweprice.com](http://troweprice.com)) is a global investment management organization with \$738.4 billion in assets under management as of June 30, 2014. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The company also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit [troweprice.com](http://troweprice.com), Twitter ([twitter.com/troweprice](https://twitter.com/troweprice)), YouTube ([youtube.com/trowepricegroup](https://youtube.com/trowepricegroup)), LinkedIn ([linkedin.com/company/t.-rowe-price](https://linkedin.com/company/t.-rowe-price)), or Facebook ([fb.com/troweprice](https://fb.com/troweprice)).

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