

**T. Rowe Price**  
**Special Shareholder Meeting of T. Rowe Price Funds, July 24<sup>th</sup>, 2023**  
**Transcript**

***David Oestreicher:***

Good morning, and welcome to the T. Rowe Price Joint Special Shareholder Meeting for the T. Rowe Price Funds. This meeting is being convened for all of the T. Rowe Price Funds.

We are going to call the meeting to order. I am David Oestreicher, an interested director of the T. Rowe Price Funds and General Counsel at T. Rowe Price, and I will be presiding over the meeting. This meeting is being held in a virtual webcast format and is being recorded and transcribed. All shareholder attendees are muted, and any questions or comments may be submitted only in writing by using your internet browser to access the *GoToWebinar* link that was provided to you in an email from AST Fund Solutions with your meeting registration confirmation email.

We will reserve time later in the meeting to answer shareholder-submitted questions as time permits; however, we do reserve the right to exclude questions that are not pertinent to the meeting or that otherwise are inappropriate. If substantially similar questions are received, we'll group such questions together and provide a single response to avoid repetition.

The order of business for the Funds for which a quorum has been established will be as follows: we will discuss and report on the votes for the election of directors that is the subject of this meeting; and then, we will open the meeting for questions.

So, let's begin. Applicable legal requirements under the Investment Company Act of 1940 and state law require registered funds to obtain shareholder approval with respect to certain significant events that require shareholder approval, such as elections of directors. By only holding these fund shareholder meetings when required, we can maintain lower fund expenses by avoiding the costs of soliciting votes from shareholders on an annual basis. A proposal relating to the election of directors to the Boards of the Funds is being considered at today's meeting.

Fran Pollack-Matz, Secretary to the T. Rowe Price Funds, has received certification that due notice of this meeting was sent beginning on May 20, 2023, to all shareholders of record for each of the Funds at the close of business on April 27, 2023. She also has advised me that a quorum has been obtained for each of the Funds.

I would now like to appoint as inspectors of the election Fran Pollack-Matz and Shannon Hofher Rauser.

We'll proceed now to the proposals before us. Under the Investment Company Act of 1940, a certain percentage of each Fund's Board must be elected by shareholders. Due to the retirement of several directors over the past few years and vacancies having been filled by action of the Boards, it has become necessary for all the T. Rowe Funds to hold a shareholder meeting in order to add any new directors or replace current directors.

The director-nominees standing for election are as follows: Melody Bianchetto, Mark J. Parrell, and Kellye L. Walker, each as an independent director-nominee, and Eric L. Veiel as an interested director-nominee.

The directors who were previously elected by shareholders and are therefore not standing for reelection but will continue to serve as directors are: Teresa Bryce Bazemore, Bruce W. Duncan, Robert J. Gerrard, Jr., and Paul F. McBride, each an independent director, and me, David Oestreicher, as an interested director.

The director-nominees, if elected, will serve on all Boards of all T. Rowe Price Funds.

We'll now take questions and comments related to the proxy proposal. There will be time at the end of the meeting for general questions and comments. If you would like to submit a question or comment related to the proxy proposal, please navigate in your browser to the section entitled "Questions," and type your question into the space provided, and click "send."

Any shareholder who hasn't yet voted or wishes to change their vote may do so by following the instructions and control number that have been provided on the proxy voting card.

I see that there is a question that some shareholders may have had difficulty with voting their proxies. For that we certainly apologize, and we will certainly take any feedback that any shareholder has with regards to the voting process on a going-forward basis.

With that being the only question or comment – I should say, and in terms of any comments, we will reach out. We have a particular shareholder’s name and will reach out and get some feedback. So, with that, I will ask the inspectors of election to report on the votes cast by the shareholders for the proposed nominees.

***Shannon Hofher Rauser:***

A quorum of the shares entitled to be voted for each T. Rowe Price Fund has been reached, and requirements for election by shareholders have been met for each director-nominee. Since shareholders of all T. Rowe Price Funds have now elected each director-nominee, each director-nominee will become a director effectively immediately.

***David Oestreicher:***

Excellent! Well, congratulations to all the directors, and thank you to our shareholders for doing that. I declare all the director-nominees duly elected for each of the Price Funds, and the fact that there is now no further official business to come before this meeting, the formal portion of the meeting is now adjourned, and we will proceed with the informal portion.

So, the floor is now open for general questions and comments. Again, if you’d like to submit a question you can continue to do so via the browser section entitled “Questions” and typing in your question and hitting “send.” And at this time, I would like to ask Eric Veiel, our newly-elected director – and I might add Head of Global Equity and CIO – to give a brief market update before we conclude the meeting.

***Eric Veiel:***

Thank you, David. The second quarter of 2023 saw a continuation of the market environment that began the year. Treasury yields rose with the U.S. 10-year ending the quarter at 3.83%, up 37 basis points. U.S. 2-year treasuries also rose 81 basis points to end the quarter at 4.87%. This drove a nearly negative 1% return for the Bloomberg U.S. Aggregate Bond Index. Despite the rising rate environment, positive growth signals helped credit sensitive bonds outperform as spreads tightened. The Credit Suisse High Yield Index managed a modest positive return in the quarter.

Returns were more robust in the equity market, especially in the United States, where the S&P 500 was up 8.7% in the quarter and is now up nearly 17% for the year. Growth stocks continue to lead the market higher: the Russell 1000 Growth was up 12.8% for the quarter compared to 4.1% for the Russell 1000 Value Index. Large caps outperformed small caps, as the Russell 1000 was up 8.6% versus 5.2% for the Russell 2000.

International markets were up close to 3%, with developed markets performing better than emerging markets: Japan leading the way amongst the developed markets up nearly 6.5% in the quarter. Within the emerging market complex, Latin America was an outlier on the positive side – up over 14% – while China was the significant lagger.

The markets remain very narrow, especially in the United States. The top seven stocks in the S&P 500 are up 60% year to date, that’s “six-zero.” The other 493 stocks comprising the S&P 500 are up 7%. The S&P Mid-Cap Index is up 8.8% and the Small-Cap Index is up 6%; said another way, 84% of the S&P 500 return was driven by the ten largest stocks.

There are several primary reasons behind the market’s strength this quarter:

- First, increasing confidence that the U.S. will avoid recession as inflation expectations have come down and the market expecting that the Fed will have more room to avoid further monetary tightening beyond the already well-telegraphed meeting later this week,
- Two, excess cash beginning to slowly make its way back into the market, as the proverbial fear of missing out starts to take hold,
- And three, fundamental excitement around the potential for artificial intelligence to reshape businesses, drive cost savings, and in some cases drive new revenue opportunities. In particular, this last point has driven the narrowness of the market that I referenced earlier, as the largest technology companies appear to be the best positioned to benefit from their A.I. investments.

We are carefully weighing the benefits of these positive trends with the growing valuation excesses that are creeping back into the market after 2022 selloff. Those seven stocks that I referenced earlier are trading at nearly 32-times forward earnings versus 16-times for the other 493 stocks.

***David Oestreicher:***

Thanks Eric. Seeing that there are no further questions, I will now call the meeting to a close, and I thank everybody for attending, and have a good day.