T.ROWE PRICE FUNDS OEIC
Open-Ended Investment Company Incorporated
with Limited Liability
Registered office: 60 Queen Victoria Street
London EC4N 4TZ

January 22, 2018

**Updated T. Rowe Price Funds OEIC (the "Fund") prospectus and changes to certain share class designations of the Dynamic Global Bond Fund**

Dear Shareholder,

We are writing to inform you of an update that appears in the prospectus of the Fund dated 1 January 2018.

In the prospectus, the section 'Investing In The Funds' has been updated to reflect recent changes in UK tax rules. Please find below an explanation of the impact these changes have had on the Fund.

In the case of a UK Open Ended Investment Company ("OEIC") equity fund, distributions from the fund are taxed as dividends for UK tax purposes but are not subject to UK withholding taxes. Up to 5 April 2016, a notional dividend tax credit of 10% was applied to dividend distributions from an equity fund, but there was no UK withholding tax requirement on the OEIC itself. As from 6 April 2016, no such notional dividend tax credit has been available to investors in an OEIC. In both cases, and whether prior to April 2016 or afterwards, dividend distributions from an equity fund have not been subject to UK withholding tax and, therefore, from a tax perspective, there has been no difference between net and gross share classes in an equity fund. Distributions from an equity fund were always effectively paid on a gross basis and reported as taxable to shareholders.

In the case of an OEIC bond fund (a fund with over 60% of its investments in interest-bearing securities), distributions from the fund are taxed as interest for UK tax purposes. Distributions paid until 5 April 2017 were subject to UK withholding tax; unless paid to investors that were entitled to receive gross distributions without withholding tax. Therefore, OEICs ran gross and net share classes for bond funds so that eligible investors could participate in the gross share classes, while other investors could invest via the net share classes (importantly, no such distinction was required in the case of equity funds). Because the withholding tax requirement on distributions from a bond fund was abolished as from 6 April 2017, there is no reason to maintain a distinction of gross or net share class because even the former "net" share classes of bond funds now pay gross distributions.

The resulting position is that there is no UK withholding tax requirement on distributions from an OEIC, whether it is an equity fund or a bond fund. Thus, regardless of whether an investor had invested in the Fund in a net share class or a gross share class, the taxability of distributions paid with respect to the share class would be the same.

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As a consequence of these changes, it was decided to remove the ‘g’ suffix from the designation of any share classes to which it had applied, as all share classes in the Fund are now paid gross. The share class designations for certain classes of the Dynamic Global Bond Fund will change with effect from 28 February 2018 as follows:

| ISIN | Current Share Class Name | Share Class Name as of 28/02/2018 |
|---|---|---|
| GB00BD0NLR34 | Dynamic Global Bond Fund Cg Acc | Dynamic Global Bond Fund C Acc |
| GB00BYZMYG27 | Dynamic Global Bond Fund Cg Acc 9 | Dynamic Global Bond Fund C Acc 9 |
| GB00BDFFTW55 | Dynamic Global Bond Fund Cg Acc 10 | Dynamic Global Bond Fund C Acc 10 |
| GB00BYXQMC80 | Dynamic Global Bond Fund Cg Inc 10 | Dynamic Global Bond Fund C Inc 10 |

Please note that this notice has been sent to you for informational purposes only and no action on your part is required.

Yours faithfully,

Ian Hoddy