T.Rowe Price®
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Sent by e-mail

October 21, 2022

Sarah Champion MP
Chair, International Development Committee
House of Commons
London
SW1A 0AA

Dear Sarah,

DEBT RELIEF IN LOW INCOME COUNTRIES

Thank you for inviting T. Rowe Price to respond to the International Development Committee's inquiry on debt relief in low income countries.

About T. Rowe Price
T. Rowe Price is a global investment adviser serving a broad array of clients, from individual savers to large institutions and funds, and has assets under management (AUM) of $1.23 trillion, as of September 30, 2022. In the UK, T. Rowe Price operates through our investment advisor, T. Rowe Price International Ltd and our UCITS management company, T. Rowe Price UK Ltd.

Sovereign Debt Portfolio
T. Rowe Price has reviewed its sovereign debt portfolio globally and we do not believe that we are able to add meaningfully to your inquiry. We have over twelve emerging market fixed income and equity strategies, only one of which has an exposure relevant to the inquiry. We do not have any exposure to sovereign debt issued by Chad or Ethiopia and hold a negligible amount of Zambian issued sovereign debt in one strategy. That holding amounts to less than 0.5% of Zambia's investible debt.

Yours sincerely,

L. Campbell

Louise Campbell
Managing Legal Counsel

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International Development Committee

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From Sarah Champion MP, Chair

Louise Campbell
Managing Legal Counsel
Legislative and Regulatory Affairs T
Rowe Price International Ltd

26 September 2022

Debt relief in low-income countries

Dear Ms Campbell,

I am writing to you as part of the International Development Committee's inquiry into debt relief in low-income countries. The inquiry is examining the impact of high levels of debt on development and the tools and strategies the UK Government should use to reduce the debt burden.

As a company which provides investment management services for clients, including the management of the sovereign debt of low- and/or middle-income countries, the Committee would be grateful for your insight. In this correspondence, when referring to the assets you manage and your company, the Committee is referring to all the assets managed or owned globally by any member of your group, your subsidiaries, and your associated companies.

T Row Price's management of sovereign debt

1) Of the countries eligible for the G20 Common Framework, how much debt do you manage per country in terms of its face value?
2) Please provide details on when these debts were purchased, and at what prices.
3) What was your assessment of the risk of defaults when these debts were bought?
4) Have you, on behalf of your clients, bought any of Chad, Ethiopia, or Zambia's debt since they requested a suspension of debt payments to private lenders under the G20 Debt Service Suspension Initiative (DSSI) or Common Framework?
5) If paid in full, how much profit will be made from holdings of Chad, Ethiopia, or Zambia's debt per country?

T Rowe Price's participation in debt relief schemes

6) How did you respond to requests for a suspension of debt payments to private lenders through the DSSI and/or the Common Framework?

T Rowe Price's view on debt relief schemes

7) What is your company's approach to your fiduciary responsibility to your clients and shareholders in relation to countries with a high risk of debt distress whose debt you manage?

8) What is your company's view on legal rules for guiding sovereign debt restructurings and ensuring that all creditors participate equally on a level playing field?

Please respond to this letter by 17 October. While we intend to place your response and responses from other sovereign debt holders in the public domain, you may indicate if you wish that certain answers remain in the Committee's confidence and not be put into the public domain.

Yours sincerely,

Sarah Champion MP

Chair of the Committee