

JUNE 30, 2009

GLOBAL
REAL ESTATE
FUND

Semiannual Report



T. ROWE PRICE[®]

HIGHLIGHTS

- Diversification in global real estate securities benefited shareholders as strength in some regions overcame weakness in others.
- Your fund delivered positive results for the six months ended June 30, 2009, but slightly lagged its key benchmarks primarily because of an underweight in the powerful Chinese market.
- We participated in various rights offerings, which contributed to some of our major purchases during the period. The portfolio remains diversified across a broad cross section of companies, industries, and regions.
- We are optimistic that combined efforts to achieve a global economic recovery will result in multiple avenues of success for global real estate investors.

The views and opinions in this report were current as of June 30, 2009. They are not guarantees of performance or investment results and should not be taken as investment advice. Investment decisions reflect a variety of factors, and the managers reserve the right to change their views about individual stocks, sectors, and the markets at any time. As a result, the views expressed should not be relied upon as a forecast of the fund's future investment intent. The report is certified under the Sarbanes-Oxley Act, which requires mutual funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

REPORTS ON THE WEB

Sign up for our E-mail Program, and you can begin to receive updated fund reports and prospectuses online rather than through the mail. Log in to your account at troweprice.com for more information.

Fellow Shareholders

The virtues of diversification were highlighted again during the first six months of 2009 as select regions across the globe powered ahead with sufficient force to overcome weaker areas and culminate in a positive

total return for global real estate investors. Strength in Asia was notable, particularly China-related investments. Our fund was invested in China, but the stunning strength of that market, combined with a modest underweight position there, resulted in the fund trailing the benchmarks. Overall, excellent performance in Asian markets, including China, Hong Kong, and Singapore, overcame weakness elsewhere, including the U.S. and the U.K., providing shareholders with a positive total return during the period.

PERFORMANCE COMPARISON

Six-Month Period Ended 6/30/09	Total Return
Global Real Estate Fund	4.01%
Global Real Estate Fund–Advisor Class	3.92
FTSE EPRA/NAREIT Developed Real Estate Index	5.88
Lipper Global Real Estate Funds Index	5.92

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our Web site (troweprice.com) or contact a T. Rowe Price representative at 1-800-225-5132. The performance information shown does not reflect the deduction of a 2% redemption fee on shares held for 90 days or less. If it did, the performance would be lower.

Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares.

EXPENSE RATIO

Global Real Estate Fund	4.73%
Global Real Estate Fund–Advisor Class	5.00

The expense ratio shown is as of the fund’s fiscal year ended 12/31/08. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, does not include fee or expense waivers.

During the six months ended June 30, 2009, the fund posted a gain of 4.01% compared with 5.88% for the FTSE EPRA/NAREIT Developed Real Estate Index and 5.92% for the Lipper Global Real Estate Funds Index. (The return for the Advisor

Class was slightly lower, reflecting its different fee structure.) Please note that the name of the first index mentioned has changed since our last report. It was previously called the FTSE EPRA/NAREIT Global Real Estate Index.

A WORD ABOUT YOUR SHAREHOLDER REPORT

At T. Rowe Price, we believe that information is essential to understanding your investments in this fast-moving and volatile market environment. In this shareholder report's "Manager's Letter," your fund's portfolio manager writes a candid assessment of recent market events and fund performance, offers important insights into how the fund is managed, and provides a perspective for the next few months. We encourage you to read this report carefully.

Did you know you could receive your shareholder report sooner? The online version is usually available at least two weeks before you receive it by mail. If you're looking for easy access to the latest shareholder reports, account statements, transaction confirmations, tax forms, mutual fund prospectuses, and more, consider paperless e-delivery options from T. Rowe Price.

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DIVIDEND DISTRIBUTION

On June 25, 2009, your fund's Board of Directors declared a second-quarter income dividend of \$0.08 per share (the same for the Advisor Class), payable to shareholders of record on that day. The dividend was paid on June 29, 2009. You should have received a check or statement reflecting this dividend. The most recent dividend distribution brings total dividends paid in 2009 to \$0.19 per share for both the fund and the Advisor Class shares.

MARKET ENVIRONMENT AND STRATEGY

Global economies remained weak during the first six months of 2009, but the term "green shoots" became increasingly popular during the period as pundits pointed to signs of a nascent economic recovery. As optimism began building for a potential global rebound, so too did momentum for stock prices, including real estate securities. However, some regions rebounded more strongly than others and some regions plummeted further, so total returns during the period were markedly varied and displayed some of the benefits of diversification. Specifically, strength in Asia was of particular note, with China-related names advancing in stellar fashion.

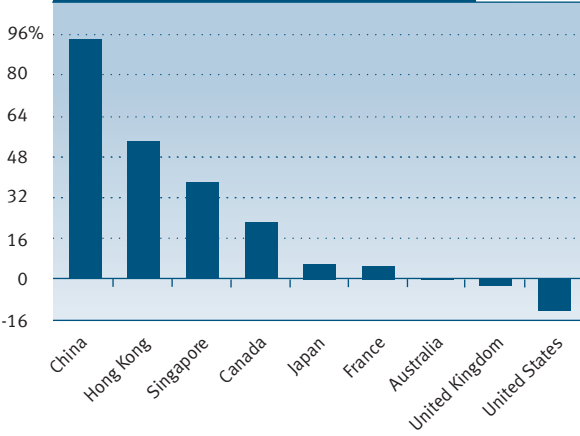
The Chinese economy is viewed by many as having the best chance to lead the way to a global recovery. China's economy has been strong historically, and recent GDP readings indicate this to be the case. The Hong Kong Stock Exchange offers foreign investors one of the most accessible venues for investments in mainland China. Some Hong Kong listings are effective "pure plays" on mainland China, while others emphasize Hong Kong or both. We own some of each, but the preponderance of pure-play mainland real estate tends to deal with residential developments for sale, which is not our preferred business model. It was, however, the subsector with the strongest performance during the period.

We sought to focus our investments on the long-term ownership of commercial real estate properties with the potential for recurring leasing revenue streams. This focus has conversely limited our exposure to for-sale, residential developers (such as homebuilders), which seek to achieve a series of gains on sale year after year. We'd prefer to find quality assets with "location, location, location" characteristics and hold on to them for the long term, rather than sell them for short-term gains. Fortunately, we find that the greatest value in global listed real estate securities entails an emphasis on long-term ownership. That said, a slice of the market is focused on residential, for-sale properties, and several companies in that small slice advanced more than 100% during the period. While strong ongoing gains are possible, they are unlikely to maintain such a torrid pace, in our opinion. The Chinese government has moved in the past to dampen rapid price escalation in this area and may choose to do so again. While we had some representation here, even our small underweight position proved to be detrimental with returns of this magnitude.

Strength in Asia was not confined to mainland China; other regions, including Hong Kong and Singapore, advanced strongly. Japan also posted strong gains, although not as robust. Japan is suffering in the global recession with its net export economy. Uncertainty in government leadership is also weighing on the market. The yen was one of the few major currencies to weaken against the dollar during the period, dampening dollar-denominated returns—although continued yen weakness could actually aid the competitiveness of that export economy.

Despite the strong second-quarter rally, total returns in Australia were negative. U.S. dollar-denominated returns were actually aided during the period by the strengthening Australian dollar. Overall, we are optimistic about the prospects of a recovery in Australia, which should

MAJOR COUNTRIES PERFORMANCE



FTSE EPRA/NAREIT Developed Real Estate Index returns for six-month period ended 6/30/09.

Source: Wilshire Atlas, MSCI countries.

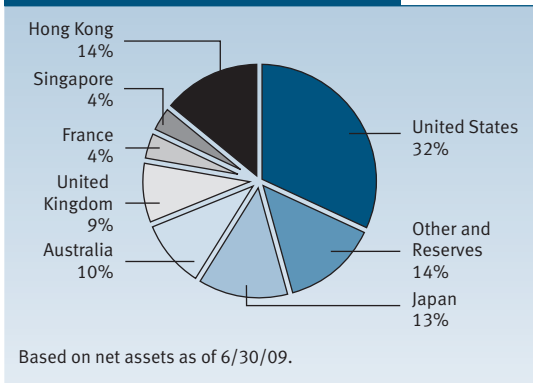
budgets. A resurgence in China's economy may also spur a recovery in Australia via greater demand for Australian natural resources.

Real estate securities in the U.S. rallied strongly in the second quarter, surpassing broader market indexes such as the S&P 500 Index.

However, unlike the S&P 500, which posted a positive total return during the first six months, U.S. real estate investment trusts (REITs)

did not fully overcome first-quarter deficits and were in negative territory for the half year. That said, the rally in REITs was a welcome change from the recent series of losses. Not only were investors encouraged by the prospects of an improving economy, but they also reacted positively to capital-raising activities conducted by many REITs during the

GEOGRAPHIC DIVERSIFICATION



Based on net assets as of 6/30/09.

quarter. Specifically, billions of dollars in equity were raised in a series of follow-on offerings during the period. While the additional shares proved dilutive to earnings, investors were nonetheless enthusiastic

about the further deleveraging of REIT balance sheets. Indeed, prior to these offerings, REITs seemed to be in something of a confidence death spiral as investors fretted that looming near-term debt maturities could not be satisfied, leading to default. This deleveraging is probably not yet over, nor is the danger posed by other debt maturities, but near-term financing risks were reduced, some breathing room was achieved, and REITs offered proof that access to capital was feasible, albeit at a price.

While the REITs engaged in deleveraging activities, the credit markets improved as borrowing costs—although still high—fell from seemingly absurd levels. Still, interest rates remained relatively high despite their decline, and a general liquidity crunch persisted, resulting in a paralyzed property transaction market, with few properties trading hands in historical terms.

Property stocks in the U.K. were also weaker, with negative returns in the first half despite significant strength in the British pound. Economic metrics remained soft, similar to those in the U.S. Like their U.S. counterparts, U.K. property companies engaged in deleveraging activities, but the mechanism of choice there was through rights offerings, a practice not uncommon in Great Britain. The rights offerings tended to be dilutive, but they were targeted at existing shareholders to allow them to maintain their percentage ownership stakes if they desired. Participation in these rights offerings caused us to tactically manage our own positions, which we will describe in more detail next.

PORTFOLIO REVIEW

Great Portland Estates and **Hammerson** are two U.K. firms that executed rights offerings during the first half of 2009. Great Portland Estates, you may recall, focuses largely on opportunities in London's West End, and the company performed well during these challenging times. We fully subscribed to the rights offerings of both firms, which contributed to our largest purchases during the period. The success of those offerings, and the resulting position sizes created from the additional investments, factored in our decision to trim some shares during the period. **British Land** also engaged in a rights offering, but we chose to eliminate our shares as we took a more cautious view of the company. While the résumé of the new chief executive officer is impressive, he does not come to the company with a traditional real estate background, and we prefer to wait while we observe the company's evolving direction. (Please refer to our portfolio of investments

INDUSTRY DIVERSIFICATION

	Percent of Net Assets	
	12/31/08	6/30/09
Diversified	32.8%	31.8%
Office	16.4	18.5
Regional Mall	15.9	17.8
Shopping Center	14.2	13.5
Apartment Residential	6.6	6.4
Hotels/Lodging	3.6	3.2
Industrial	3.8	2.5
Self Storage	2.1	1.8
Health Care	0.0	0.6
Other Real Estate	0.4	0.6
Other and Reserves	4.2	3.3
Total	100.0%	100.0%

for a complete listing of holdings and the amount each represents in the portfolio.)

Capitamall Trust, of Singapore, also conducted a rights offering during the period. We subscribed to our rights there as well, but we also tactically trimmed our shares to manage our overall position size. **Simon Property Group**, the largest owner of regional malls in the U.S., raised equity in an overnight transaction in late March. Less than one month later, those

shares had appreciated more than 40%, and we took the opportunity to harvest some profits. We eliminated shares of **First Capital Realty** during the first quarter of the year. We are extremely interested in the company's Canadian grocery-anchored shopping centers, but we were disappointed when management made an unsolicited offer for an unrelated office company, **Allied Properties Real Estate**. While there may be merit in First Capital Realty's desire to redevelop some of the prime office space into retail space, we remain unconvinced that attempting to merge the entire Allied Properties portfolio is the best approach to achieving that goal.

Among our largest purchases were shares of **NTT Urban Development** of Japan. Prior to its public listing, NTT Urban Development was formed as a subsidiary of NTT Group (affiliated with Nippon Telegraph & Telephone). Over time, NTT Urban Development has evolved as a company capable of achieving significant development and redevelopment projects across Japan.

OUTLOOK

We believe the major factors weighing on the commercial real estate sector are largely intertwined: the health of global economies, the job markets, and the credit markets. Foremost, commercial real estate is generally suffering from a lack of user demand related to global economic weakness and lack of job creation. Absorption of property space has long been tied to employment levels, which currently remain anemic. Major governments have enacted stimulus packages in an attempt to jump-start recoveries with varying degrees of success.

Recent strength in Asian markets, propelled by forward-looking investors, gives us reason for optimism. Perhaps we are already past the worst of the global recession, but we will only know in hindsight if this is so. While property markets are local, it seems as though key economies are very much global. With so many countries working in so many ways toward global economic recovery, we are optimistic that multiple avenues for success will eventually emerge. We see this as another benefit of a worldwide marketplace, and we will continue in our efforts to find compelling risk-adjusted opportunities in real estate across the globe.

Respectfully submitted,



David M. Lee

President of the fund and chairman of its Investment Advisory Committee

July 24, 2009

The committee chairman has day-to-day responsibility for managing the portfolio and works with committee members in developing and executing the fund's investment program.

RISKS OF INVESTING

The fund's share price can fall because of weakness in the stock market, a particular industry, or specific holdings. Stock markets can decline for many reasons, including adverse political or economic developments, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, the investment manager's assessment of companies held in a fund may prove incorrect, resulting in losses or poor performance even in rising markets.

Funds that invest only in specific industries will experience greater volatility than funds investing in a broad range of industries. Due to its concentration in the real estate industry, the fund's share price could be more volatile than that of a fund with a broader investment mandate. Trends perceived to be unfavorable to real estate, such as changes in the tax laws or rising interest rates, could cause a decline in share prices.

Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. Funds investing in a single country or in a limited geographic region tend to be riskier than more diversified funds. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; and higher transaction costs of non-U.S. markets. Non-U.S. investments are also subject to currency risk, or a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency.

GLOSSARY

Beta: A measure of the market risk of a portfolio, showing how responsive the fund is to a given market index. By definition, the beta of the benchmark index is 1.00. A fund with a 1.10 beta is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments.

Capitalization rate: A ratio, shown as a percentage rate, that estimates the present value of an income-producing asset. Riskier investments have higher capitalization rates and lower present values.

FTSE EPRA/NAREIT Developed Real Estate Index: A total-return index composed of the most actively traded real estate investment trusts and REIT-type structures, designed to be a measure of global real estate equity performance.

Libor: The London Interbank Offered Rate, which is a benchmark for short-term taxable rates.

Lipper indexes: Fund benchmarks that consist of a small number of the largest mutual funds in a particular category as tracked by Lipper Inc.

Price/earnings (P/E) ratio (or multiple): A valuation measure calculated by dividing the price of a stock by its current or projected earnings per share. This ratio gives investors an idea of how much they are paying for current or future earnings power.

Real estate investment trusts (REITs): Publicly traded companies that own, develop, and operate apartment complexes, hotels, office buildings, and other commercial properties.

PORTFOLIO HIGHLIGHTS

TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 6/30/09
Mitsubishi Estate	5.4%
Hang Lung Properties	5.0
Mitsui Fudosan	4.8
Westfield Group	4.8
Simon Property Group	4.7
Unibail-Rodamco SE	4.4
Sun Hung Kai Properties	4.3
Hongkong Land Holdings	2.6
Great Portland Estates	2.6
AvalonBay Communities	2.5
Taubman Centers	2.5
Stockland	2.2
Regency Centers	2.1
Boston Properties	2.1
The Link	2.0
Shaftesbury	2.0
China Overseas Land & Investment	1.9
Equity Residential	1.9
Hufvudstaden	1.9
Public Storage	1.8
CFS Retail Property Trust	1.8
Aeon Mall	1.8
Citycon	1.8
Vornado Realty Trust	1.8
Federal Realty Investment Trust	1.8
Total	70.5%

Note: Table excludes investments in the T. Rowe Price Reserve Investment Fund.

PORTFOLIO HIGHLIGHTS

MAJOR PORTFOLIO CHANGES

Listed in descending order of size

Six-Month Period Ended 6/30/09

Largest Purchases

Great Portland Estates
 Hammerson
 NTT Urban Development*
 PSP Swiss Property
 Simon Property Group
 Capitamall Trust
 Citycon
 Shaftesbury
 Westfield Group
 Taubman Centers

Largest Sales

British Land**
 First Capital Realty**
 Hysan Development**
 Capitamall Trust
 Great Portland Estates
 Hammerson
 ProLogis**
 Simon Property Group
 Stockland
 Hang Lung Properties

*Position added.

**Position eliminated.

Performance and Expenses

FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Please note that the fund has two share classes: The original share class (“investor class”) charges no distribution and service (12b-1) fee, and the Advisor Class shares are offered only through unaffiliated brokers and other financial intermediaries and charge a 0.25% 12b-1 fee. Each share class is presented separately in the table.

Actual Expenses

The first line of the following table (“Actual”) provides information about actual account values and expenses based on the fund’s actual returns. You may use the information in this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information on the second line of the table (“Hypothetical”) is based on hypothetical account values and expenses derived from the fund’s actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund’s actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Note: T. Rowe Price charges an annual small-account maintenance fee of \$10, generally for accounts with less than \$2,000 (\$500 for UGMA/UTMA). The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$25,000 or more, accounts employing automatic investing, and IRAs and other retirement plan accounts that utilize a prototype plan sponsored by T. Rowe Price (although a separate custodial or administrative fee may apply to such accounts). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

FUND EXPENSE EXAMPLE (CONTINUED)

T. ROWE PRICE GLOBAL REAL ESTATE FUND			
	Beginning Account Value 1/1/09	Ending Account Value 6/30/09	Expenses Paid During Period* 1/1/09 to 6/30/09
Investor Class			
Actual	\$1,000.00	\$1,040.10	\$5.31
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.59	5.26
Advisor Class			
Actual	1,000.00	1,039.20	5.81
Hypothetical (assumes 5% return before expenses)	1,000.00	1,019.09	5.76
*Expenses are equal to the fund's annualized expense ratio for the six-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181) divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Investor Class was 1.05%, and the Advisor Class was 1.15%.			

T. ROWE PRICE GLOBAL REAL ESTATE FUND

Unaudited

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Investor Class

	6 Months Ended 6/30/09 [†]	10/27/08 Through 12/31/08 [†]
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NET ASSET VALUE

Beginning of period	\$ 10.54	\$ 10.00
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Investment activities

Net investment income	0.19 ⁽¹⁾	0.07 ⁽¹⁾
Net realized and unrealized gain	0.20	0.73
Total from investment activities	0.39	0.80

Distributions

Net investment income	(0.19)	(0.05)
Net realized gain	–	(0.19)
Tax return of capital	–	(0.02)
Total distributions	(0.19)	(0.26)

NET ASSET VALUE

End of period	\$ 10.74	\$ 10.54
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Ratios/Supplemental Data

Total return ⁽²⁾	4.01% ⁽¹⁾	7.99% ⁽¹⁾
Ratio of total expenses to average net assets	1.05% ⁽¹⁾⁽³⁾	1.05% ⁽¹⁾⁽³⁾
Ratio of net investment income to average net assets	3.97% ⁽¹⁾⁽³⁾	3.70% ⁽¹⁾⁽³⁾
Portfolio turnover rate	10.5%	0.3%
Net assets, end of period (in thousands)	\$ 10,128	\$ 8,311

[†] Per share amounts calculated using average shares outstanding method.

⁽¹⁾ Excludes expenses in excess of a 1.05% contractual expense limitation in effect through 4/30/11.

⁽²⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions and payment of no redemption or account fees.

⁽³⁾ Annualized

The accompanying notes are an integral part of these financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

Advisor Class

6 Months	10/27/08
Ended	Through
6/30/09 [‡]	12/31/08 [‡]

NET ASSET VALUE

Beginning of period	\$ 10.53	\$ 10.00
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Investment activities

Net investment income	0.18 ⁽¹⁾	0.06 ⁽¹⁾
Net realized and unrealized gain	0.20	0.73
Total from investment activities	0.38	0.79

Distributions

Net investment income	(0.19)	(0.05)
Net realized gain	–	(0.19)
Tax return of capital	–	(0.02)
Total distributions	(0.19)	(0.26)

NET ASSET VALUE

End of period	<u>\$ 10.72</u>	<u>\$ 10.53</u>
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Ratios/Supplemental Data

Total return ⁽²⁾	3.92% ⁽¹⁾	7.89% ⁽¹⁾
Ratio of total expenses to average net assets	1.15% ⁽¹⁾⁽³⁾	1.15% ⁽¹⁾⁽³⁾
Ratio of net investment income to average net assets	3.84% ⁽¹⁾⁽³⁾	3.51% ⁽¹⁾⁽³⁾
Portfolio turnover rate	10.5%	0.3%
Net assets, end of period (in thousands)	\$ 268	\$ 263

[‡] Per share amounts calculated using average shares outstanding method.

⁽¹⁾ Excludes expenses in excess of a 1.15% contractual expense limitation in effect through 4/30/11.

⁽²⁾ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions and payment of no redemption or account fees.

⁽³⁾ Annualized

PORTFOLIO OF INVESTMENTS ‡	Shares	Value
(Cost and value in \$000s)		
AUSTRALIA 10.0%		
Common Stocks 10.0%		
CFS Retail Property, Equity Units	143,390	189
Commonwealth Property Office, Equity Units	192,000	128
Stockland	87,663	225
Westfield Group	54,415	496
Total Australia (Cost \$964)		1,038
CANADA 1.6%		
Common Stocks 1.6%		
Allied Properties, REIT (1)	1,900	24
Brookfield Properties (USD)	8,700	69
RioCan Real Estate Investment Trust, REIT	5,600	74
Total Canada (Cost \$159)		167
CHINA 2.7%		
Common Stocks 2.7%		
China Overseas Land & Investment (HKD)	87,440	201
Soho China (HKD)	136,000	83
Total China (Cost \$171)		284
FINLAND 1.8%		
Common Stocks 1.8%		
Citycon	72,016	188
Total Finland (Cost \$144)		188
FRANCE 4.4%		
Common Stocks 4.4%		
Unibail-Rodamco	3,071	459
Total France (Cost \$409)		459

T. ROWE PRICE GLOBAL REAL ESTATE FUND

	Shares	Value
(Cost and value in \$000s)		
HONG KONG 13.5%		
Common Stocks 13.5%		
Hang Lung Properties	159,000	516
Kerry Properties	15,500	69
The Link, REIT	98,000	209
Shangri-La Asia	24,000	36
Sun Hung Kai Properties	36,000	449
Wharf Holdings	30,000	127
Total Hong Kong (Cost \$907)		1,406
JAPAN 13.2%		
Common Stocks 13.2%		
Aeon Mall	10,000	189
Mitsubishi Estate	34,000	563
Mitsui Fudosan	29,000	502
NTT Urban Development	121	117
Total Japan (Cost \$1,352)		1,371
NETHERLANDS 1.3%		
Common Stocks 1.3%		
Corio	2,779	135
Total Netherlands (Cost \$122)		135
SINGAPORE 4.4%		
Common Stocks 4.4%		
Ascendas Real Estate Investment Trust	48,000	53
Capitamall Trust, REIT	131,000	126
Hongkong Land Holdings (USD)	78,000	275
Total Singapore (Cost \$333)		454

T. ROWE PRICE GLOBAL REAL ESTATE FUND

	Shares	Value
(Cost and value in \$000s)		
SWEDEN 1.9%		
Common Stocks 1.9%		
Hufvudstaden, A Shares	31,064	193
Total Sweden (Cost \$179)		193
SWITZERLAND 1.7%		
Common Stocks 1.7%		
PSP Swiss Property	3,722	178
Total Switzerland (Cost \$168)		178
UNITED KINGDOM 8.7%		
Common Stocks 8.7%		
Brixton	62,516	42
Derwent London	6,205	96
Great Portland Estates	75,136	273
Hammerson	30,885	156
Liberty International	19,959	131
Shaftesbury	41,920	208
Total United Kingdom (Cost \$827)		906
UNITED STATES 31.6%		
Common Stocks 31.6%		
Alexandria Real Estate, REIT	1,650	59
AMB Property, REIT	9,000	169
AvalonBay Communities, REIT	4,666	261
Boston Properties, REIT	4,500	215
Douglas Emmett, REIT	18,900	170
Equity Residential, REIT	9,000	200
Federal Realty Investment Trust, REIT	3,600	185
Healthcare Realty Trust, REIT	3,900	66
Host Hotels & Resorts, REIT	7,500	63

T. ROWE PRICE GLOBAL REAL ESTATE FUND

	Shares	Value
(Cost and value in \$000s)		
Kimco Realty, REIT	15,300	154
Marriott, Class A	2,308	51
Orient-Express, Class A	12,200	104
Plum Creek Timber, REIT	2,200	66
Public Storage, REIT	2,900	190
Regency Centers, REIT	6,200	216
Saul Centers, REIT	1,700	50
Simon Property Group, REIT	9,592	494
SL Green Realty, REIT	5,500	126
Taubman Centers, REIT	9,600	258
Vornado Realty Trust, REIT	4,151	187
Total United States (Cost \$3,335)		3,284

SHORT-TERM INVESTMENTS 2.1%

Money Market Funds 2.1%

T. Rowe Price Reserve Investment Fund, 0.41% (2)(3)	223,000	223
Total Short-Term Investments (Cost \$223)		223

Total Investments in Securities

98.9% of Net Assets (Cost \$9,293) **\$ 10,286**

‡ Denominated in the currency of the country of incorporation unless otherwise noted.

(1) Non-income producing

(2) Seven-day yield

(3) Affiliated Companies

HKD Hong Kong Dollar

REIT Real Estate Investment Trust

USD U.S. Dollar

Affiliated Companies

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control.

Affiliate	Purchase Cost	Sales Cost	Investment Income	Value	
				6/30/09	12/31/08
T. Rowe Price Reserve Investment Fund, 0.41%	▫	▫	\$ 1	\$ 223	\$ 130
Totals			\$ 1	\$ 223	\$ 130

▫ Purchase and sale information not shown for cash management funds.

Amounts reflected on the accompanying financial statements include the following amounts related to affiliated companies:

Investment in securities, at cost	\$ 223
Dividend income	1
Interest income	-
Investment income	\$ 1
Realized gain (loss) on securities	\$ -
Capital gain distributions from mutual funds	\$ -

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ASSETS AND LIABILITIES

(\$000s, except shares and per share amounts)

Assets

Investments in securities, at value (cost \$9,293)	\$ 10,286
Dividends and interest receivable	42
Due from affiliates	24
Cash	24
Receivable for shares sold	1
Other assets	59
Total assets	<u>10,436</u>

Liabilities

Due to affiliates	18
Payable for shares redeemed	3
Other liabilities	19
Total liabilities	<u>40</u>

NET ASSETS **\$ 10,396****Net Assets Consist of:**

Undistributed net investment income	\$ 2
Accumulated undistributed net realized loss	(223)
Net unrealized gain	993
Paid-in capital applicable to 968,227 shares of \$0.0001 par value capital stock outstanding; 1,000,000,000 shares authorized	9,624

NET ASSETS **\$ 10,396****NET ASSET VALUE PER SHARE****Investor Class****(\$10,127,665 / 943,227 shares outstanding)** **\$ 10.74****Advisor Class****(\$267,981 / 25,000 shares outstanding)** **\$ 10.72**

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE GLOBAL REAL ESTATE FUND

Unaudited

STATEMENT OF OPERATIONS

(\$000s)

	6 Months Ended 6/30/09
Investment Income (Loss)	
Dividend income (net of foreign taxes of \$18)	\$ 207
Expenses	
Investment management	29
Shareholder servicing	
Investor Class	7
Prospectus and shareholder reports	
Investor Class	\$ 8
Advisor Class	1
Custody and accounting	125
Registration	54
Legal and audit	21
Directors	2
Miscellaneous	3
Reductions of fees and expenses	
Investment management fees waived	(29)
Expenses reimbursed by manager	(178)
Total expenses	43
Net investment income	164
Realized and Unrealized Gain (Loss)	
Net realized loss on securities	(85)
Change in net unrealized gain on securities	425
Net realized and unrealized gain	340
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 504

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE GLOBAL REAL ESTATE FUND

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	6 Months Ended 6/30/09	10/27/08 Through 12/31/08
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 164	\$ 48
Net realized gain (loss)	(85)	10
Change in net unrealized gain	425	568
Increase in net assets from operations	504	626
Distributions to shareholders		
Net investment income		
Investor Class	(169)	(38)
Advisor Class	(5)	(1)
Net realized gain		
Investor Class	-	(141)
Advisor Class	-	(5)
Tax return of capital	-	(17)
Decrease in net assets from distributions	(174)	(202)
Capital share transactions*		
Shares sold		
Investor Class	1,990	7,940
Advisor Class	-	250
Distributions reinvested		
Investor Class	51	45
Shares redeemed		
Investor Class	(554)	(86)
Redemption fees received	5	1
Increase in net assets from capital share transactions	1,492	8,150
Net Assets		
Increase during period	1,822	8,574
Beginning of period	8,574	-
End of period	\$ 10,396	\$ 8,574
Undistributed net investment income	2	12

T. ROWE PRICE GLOBAL REAL ESTATE FUND

Unaudited

STATEMENT OF CHANGES IN NET ASSETS

(000s)

	6 Months Ended 6/30/09	10/27/08 Through 12/31/08
*Share information		
Shares sold		
Investor Class	210	794
Advisor Class	–	25
Distributions reinvested		
Investor Class	5	4
Shares redeemed		
Investor Class	(61)	(9)
Increase in shares outstanding	154	814

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

T. Rowe Price Global Real Estate Fund, Inc (the fund), is registered under the Investment Company Act of 1940 (the 1940 Act) as a nondiversified, open-end management investment company. The fund seeks to provide long-term growth through a combination of capital appreciation and current income. The fund has two classes of shares: the Global Real Estate Fund original share class, referred to in this report as the Investor Class, offered since October 27, 2008, and Global Real Estate Fund – Advisor Class (Advisor Class), offered since October 27, 2008. Advisor Class shares are sold only through unaffiliated brokers and other unaffiliated financial intermediaries that are compensated by the class for distribution, shareholder servicing, and/or certain administrative services under a Board-approved Rule 12b-1 plan. Each class has exclusive voting rights on matters related solely to that class, separate voting rights on matters that relate to both classes, and, in all other respects, the same rights and obligations as the other class.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates made by fund management. Fund management believes that estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the fund ultimately realizes upon sale of the securities. Further, fund management believes no events have occurred between June 30, 2009 and August 20, 2009, the date of issuance of the financial statements, that require adjustment of, or disclosure in, the accompanying financial statements.

Investment Transactions, Investment Income, and Distributions Income and expenses are recorded on the accrual basis. Dividends received from mutual fund investments are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Income tax-related interest and penalties, if incurred, would be recorded as income tax expense. Investment transactions are accounted for on the trade date. Realized gains and losses are reported on the identified cost basis. Distributions to shareholders are recorded on the ex-dividend date. Income distributions are declared and paid by each class on a quarterly basis. Capital gain distributions, if any, are declared and paid by the fund, typically on an annual basis.

Currency Translation Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as quoted by a major bank. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the date of the transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is reflected as a component of security gains and losses.

Class Accounting The Advisor Class pays distribution, shareholder servicing, and/or certain administrative expenses in the form of Rule 12b-1 fees, in an amount not exceeding 0.25% of the class's average daily net assets. Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. Expenses common to both classes, investment income, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class.

Redemption Fees A 2% fee is assessed on redemptions of fund shares held for 90 days or less to deter short-term trading and to protect the interests of long-term shareholders. Redemption fees are withheld from proceeds that shareholders receive from the sale or exchange of fund shares. The fees are paid to the fund and are recorded as an increase to paid-in capital. The fees may cause the redemption price per share to differ from the net asset value per share.

New Accounting Pronouncement On January 1, 2009, the fund adopted Statement of Financial Accounting Standards No. 161 (FAS 161), *Disclosures about Derivative Instruments and Hedging Activities*. FAS 161 requires enhanced disclosures about derivative and hedging activities, including how such activities are accounted for and their effect on financial position, performance and cash flows. Adoption of FAS 161 had no impact on the fund's net assets or results of operations.

NOTE 2 - VALUATION

The fund's investments are reported at fair value as defined under Statement of Financial Accounting Standards No. 157 (FAS 157), *Fair Value Measurements*. The fund values its investments and computes its net asset value per share at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day that the NYSE is open for business.

Valuation Methods Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made, except for OTC Bulletin Board securities, which are valued at the mean of the latest bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the latest bid and asked prices for domestic securities and the last quoted sale price for international securities.

Investments in mutual funds are valued at the mutual fund's closing net asset value per share on the day of valuation.

Other investments, including restricted securities, and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the T. Rowe Price Valuation Committee, established by the fund's Board of Directors.

For valuation purposes, the last quoted prices of non-U.S. equity securities may be adjusted under the circumstances described below. If the fund determines that developments between the close of a foreign market and the close of the NYSE will, in its judgment, materially affect the value of some or all of its portfolio securities, the fund will adjust the previous closing prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust closing prices to reflect fair value, the fund reviews a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. A fund may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. The fund uses outside pricing services to provide it with closing prices and information to evaluate and/or adjust those prices. The fund cannot predict how often it will use closing prices and how often it will determine it necessary to adjust those prices to reflect fair value. As a means of evaluating its security valuation process, the fund routinely compares closing prices, the next day's opening prices in the same markets, and adjusted prices.

Valuation Inputs Various inputs are used to determine the value of the fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 – quoted prices in active markets for identical securities

Level 2 – observable inputs other than Level 1 quoted prices (including, but not limited to, quoted prices for similar securities, interest rates, pre-payment speeds, credit risk)

Level 3 – unobservable inputs

Observable inputs are those based on market data obtained from sources independent of the fund, and unobservable inputs reflect the fund's own assumptions based on the best information available. The input levels are not necessarily an indication of the risk or liquidity associated with investments at that level. For example, non-U.S. equity securities actively traded in foreign markets generally are reflected in Level 2 despite the availability of closing prices because the fund evaluates and determines whether those closing prices reflect fair value at the close of the NYSE or require adjustment, as described above. The following table summarizes the fund's investments, based on the inputs used to determine their values on June 30, 2009:

(\$000s)	Level 1	Level 2	Level 3	Total Value
	Quoted Prices	Significant Observable Inputs	Significant Unobservable Inputs	
Assets				
Investments in securities, except:	\$	–	\$ 6,612	\$ 6,612
Canada		69	98	167
United States		3,284	–	3,284
Short-term investments		223	–	223
Total	\$ 3,576	\$ 6,710	\$ –	\$ 10,286

NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Purchases and sales of portfolio securities other than short-term securities aggregated \$2,357,000 and \$849,000, respectively, for the six months ended June 30, 2009.

NOTE 4 - FEDERAL INCOME TAXES

No provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions are determined in accordance with Federal income tax regulations, which differ from generally accepted accounting principles, and, therefore, may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of June 30, 2009.

In accordance with federal tax regulations, the fund deferred recognition of certain ordinary income and capital loss amounts previously recognized in the prior fiscal year for financial reporting purposes until the current fiscal period for tax purposes. Such deferrals amounted to \$59,000 and related to REIT dividends and net capital losses realized between November 1 and the fund's fiscal year-end date.

At June 30, 2009, the cost of investments for federal income tax purposes was \$9,293,000. Net unrealized gain aggregated \$993,000 at period-end, of which \$1,346,000 related to appreciated investments and \$353,000 related to depreciated investments.

NOTE 5 - FOREIGN TAXES

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized by the fund upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Tax expense attributable to income is accrued by the fund as a reduction of income. Current and deferred tax expense attributable to net

capital gains is reflected as a component of realized and/or change in unrealized gain/loss on securities in the accompanying financial statements. At June 30, 2009, the fund had no deferred tax liability attributable to foreign securities and no foreign capital loss carryforwards.

NOTE 6 - RELATED PARTY TRANSACTIONS

The fund is managed by T. Rowe Price Associates, Inc. (the manager or Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. The investment management agreement between the fund and the manager provides for an annual investment management fee, which is computed daily and paid monthly. The fee consists of an individual fund fee, equal to 0.40% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.285% for assets in excess of \$220 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At June 30, 2009, the effective annual group fee rate was 0.31%.

The Investor Class and Advisor Class are also subject to a contractual expense limitation through the limitation dates indicated in the table below. During the limitation period, the manager is required to waive its management fee and/or reimburse expenses, excluding interest, taxes, brokerage commissions, and extraordinary expenses, that would otherwise cause the class's ratio of annualized total expenses to average net assets (expense ratio) to exceed its expense limitation. For a period of three years after the date of any reimbursement or waiver, each class is required to repay the manager for expenses previously reimbursed and management fees waived to the extent the class's net assets have grown or expenses have declined sufficiently to allow repayment without causing the class's expense ratio to exceed its expense limitation.

	Investor Class	Advisor Class
Expense Limitation	1.05%	1.15%
Limitation Date	April 30, 2011	April 30, 2011

Pursuant to this agreement, management fees in the amount of \$29,000 were waived and expenses in the amount of \$178,000 were reimbursed by the manager during the six months ended June 30, 2009. Including these amounts, management fees waived and expenses previously reimbursed by the manager in the amount of \$255,000 remain subject to repayment at June 30, 2009.

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries of Price Associates (collectively, Price). Price Associates computes the daily share prices and provides certain other administrative services to the fund. T. Rowe Price Services, Inc., provides shareholder and administrative services in its capacity as the fund's transfer and dividend disbursing agent. T. Rowe Price Retirement Plan Services, Inc., provides subaccounting and recordkeeping services for certain retirement accounts invested in the Investor Class. For the six months ended June 30, 2009, expenses incurred pursuant to these service agreements were \$105,000 for Price Associates, \$6,000 for T. Rowe Price Services, Inc., and less than \$1,000 for T. Rowe Price Retirement Plan Services, Inc. The total amount payable at period-end pursuant to these service agreements is reflected as Due to Affiliates in the accompanying financial statements.

The fund may invest in the T. Rowe Price Reserve Investment Fund and the T. Rowe Price Government Reserve Investment Fund (collectively, the T. Rowe Price Reserve Investment Funds), open-end management investment companies managed by Price Associates and considered affiliates of the fund. The T. Rowe Price Reserve Investment Funds are offered as cash management options to mutual funds, trusts, and other accounts managed by Price Associates and/or its affiliates and are not available for direct purchase by members of the public. The T. Rowe Price Reserve Investment Funds pay no investment management fees.

As of June 30, 2009, T. Rowe Price Group, Inc., and/or its wholly owned subsidiaries owned 575,000 shares of the Investor Class, and 25,000 shares of the Advisor Class, aggregating 62% of the fund's net assets.

INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS

A description of the policies and procedures used by T. Rowe Price funds and portfolios to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information, which you may request by calling 1-800-225-5132 or by accessing the SEC's Web site, www.sec.gov. The description of our proxy voting policies and procedures is also available on our Web site, www.troweprice.com. To access it, click on the words "Our Company" at the top of our corporate homepage. Then, when the next page appears, click on the words "Proxy Voting Policies" on the left side of the page.

Each fund's most recent annual proxy voting record is available on our Web site and through the SEC's Web site. To access it through our Web site, follow the directions above, then click on the words "Proxy Voting Records" on the right side of the Proxy Voting Policies page.

HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available electronically on the SEC's Web site (www.sec.gov); hard copies may be reviewed and copied at the SEC's Public Reference Room, 450 Fifth St. N.W., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

INVESTMENT SERVICES AND INFORMATION

KNOWLEDGEABLE SERVICE REPRESENTATIVES

By Phone: 1-800-225-5132. Available Monday through Friday from 8 a.m. until 10 p.m. ET and Saturday from 8:30 a.m. until 5 p.m. ET.

In Person at a T. Rowe Price Investor Center. Please visit the Web at troweprice.com/investorcenter or call 1-800-225-5132 to locate a center near you.

ACCOUNT SERVICES

Automated 24-Hour Services Including Tele* AccessSM and account access through the T. Rowe Price Web site at troweprice.com.

Automatic Investing. From your bank account or paycheck.

Automatic Withdrawal. Scheduled, periodic redemptions.

IRA Rebalancing. Automatically rebalance to ensure that your accounts reflect your desired asset allocations.

BROKERAGE SERVICES[‡]

Trade stocks, mutual funds, ETFs, bonds, options, CDs, precious metals, and more at competitive commissions.

INVESTMENT INFORMATION

Consolidated Statement. Overview of all of your accounts.

Shareholder Reports. Manager reviews of their strategies and results.

T. Rowe Price Report. Quarterly investment newsletter.

T. Rowe Price Investor. Quarterly publication of insightful financial articles.

Insights. Educational reports on investment strategies and markets.

Investment Guides. Investors Portfolio Review; International Investing Guide; Guide to Bond Funds; On Track Retirement Savings Guide; and Retirement Readiness Guide.

FINANCIAL INTERMEDIARIES AND ADVISORS

By Phone: 1-877-804-2315. Contact us Monday through Friday from 8:30 a.m. until 6 p.m. ET.

By Mail: T. Rowe Price, Financial Institution Services, P.O. Box 89000, Baltimore, MD 21289-4232.

CUSTOMERS WHO TRADE THROUGH A FINANCIAL INTERMEDIARY

Please contact your intermediary or financial professional for assistance.

[‡] Option trading involves additional risk and is not suitable for all investors. Brokerage services offered by T. Rowe Price Investment Services, Inc., member FINRA/SIPC.

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LOG IN AND MANAGE YOUR INVESTMENTS ONLINE

troweprice.com/access

We offer a consolidated view of your T. Rowe Price mutual fund and brokerage accounts. You can sort accounts, customize their groupings, and/or grant View Access to others as you see fit. Analyze your portfolio with **Portfolio Growth Tracker**. Track the historical growth of your mutual fund investments over time. The analysis consists of three components: Activity Summary, Asset Allocation, and Net Investment versus Market Value.

ONLINE SERVICING

troweprice.com/paperless

Enroll to receive your transaction confirmations, investor statements, prospectuses, and shareholder reports online instead of by U.S. mail. You will receive an e-mail with a link to our Web site informing you that your document is available to view online, print, or download. For your convenience and recordkeeping purposes, you will continue to receive your end-of-year summary statement by mail.

Join our E-mail Program to receive market and fund information by e-mail.

Receive timely market reports, performance on T. Rowe Price mutual funds, investment and market insights from T. Rowe Price managers, and more.

INVESTMENT GUIDANCE AND TOOLS

troweprice.com/planningtools

Personal Guides provide you with information that can help you, in a few easy steps, match investments with your financial objectives.

Morningstar® Portfolio Manager (formerly Portfolio Tracker) enables you to track, rebalance, and analyze your portfolio.

Morningstar Portfolio X-Ray® is a comprehensive tool that provides an in-depth examination of your exposure to different sectors, stock types, sub-asset classes, and global diversification.

FINANCIAL INTERMEDIARIES AND ADVISORS

troweprice.com/financialintermediaries

This secure site is designed for professional financial intermediaries and advisors. Financial professionals may access daily prices and historical performance on mutual funds; view market research, manager commentary, and sales ideas; and access literature and forms. For U.S. technical assistance, call 1-888-358-8490 or e-mail us at onlinehelp@troweprice.com. For non-U.S. technical assistance, call +1 (410) 345 4400 or contact us via e-mail.

T. ROWE PRICE RETIREMENT SERVICES

T. Rowe Price offers unique retirement services that can help you meet a broad variety of planning challenges. Our retirement tools are suitable for individuals, the self-employed, small businesses, corporations, and nonprofit organizations. For more information, call **1-800-IRA-5000** or visit our Web site at **troweprice.com/retirement**.

INVESTMENT ACCOUNTS

Rollover IRAs. When you are changing jobs, retiring, or deciding what to do with the money left in a former employer's retirement plan, a Rollover IRA can be the smart move. Call toll-free 1-800-IRA-5000. Our rollover specialists can open your account over the phone and handle most of the paperwork for you. They'll even contact your former employer to help move your money.

Roth IRAs. Your contributions can grow tax-deferred for retirement and distributions are potentially tax-free. Open your account over the phone by calling 1-800-IRA-5000 or online at troweprice.com/ira.

Traditional IRAs. Call 1-800-IRA-5000 or visit troweprice.com/ira to open one of these tax-deferred retirement accounts. In some cases, contributions may be tax-deductible.

Small Business Retirement Plans. If you're self-employed or run a small business or professional practice, T. Rowe Price can help you establish a cost-effective retirement plan that's easy to set up and maintain.

403(b) Custodial Accounts. For those employed by a school, university, church, or other nonprofit organization.

No-Load Variable Annuities.

INVESTMENT GUIDANCE

T. Rowe Price Advisory Planning Services offers a wide range of services that provide expert advice based on your individual needs and financial goals, including consultations with an advisory counselor. Please contact one of our specialists at **1-800-844-9424** to determine the most appropriate service to fit your needs.*

* Services offered by T. Rowe Price Advisory Services, Inc., a federally registered investment adviser. There may be costs associated with these services.

COLLEGE PLANNING

With the costs of college steadily increasing, it's critical to plan early. Our college planning information and college savings products can help you meet your educational investment goals. For more information, visit our Web site at troweprice.com/college, where you will find the **Saving for College Personal Guide**, an interactive tool that can help you determine how much you should save, estimate future tuition costs, and review college savings options. In a few easy steps, the guide provides you with information and a Personalized Action Plan. To speak with a college planning specialist, please call **1-800-638-5660**.

Education Savings Accounts (formerly Education IRAs). This education investment account permits contributions up to a total of \$2,000 per year per beneficiary to help pay for educational costs at eligible schools, including elementary, secondary, and post-secondary institutions. Withdrawals from Education Savings Accounts are tax-free if the proceeds are used for qualified educational expenses.

College Savings Plans (529 Plans). To help families prepare for college education costs, T. Rowe Price manages three 529 plans that are open to all U.S. residents. Any earnings on contributions are tax-deferred and distributions are exempt from federal income taxes when used for qualified educational expenses. Also, these plans offer high contribution limits and affordable systematic investing.

T. Rowe Price manages the T. Rowe Price College Savings Plan, a national 529 plan offered by the Education Trust of Alaska; the Maryland College Investment Plan; and the University of Alaska College Savings Plan. The Maryland College Investment Plan offers certain potential benefits for Maryland residents, and the University of Alaska College Savings Plan offers potential benefits for Alaska residents.

Earnings on a distribution not used for qualified expenses may be subject to income taxes and a 10% federal penalty. Please note that the availability of tax or other benefits may be conditioned on meeting certain requirements such as residency, purpose for or timing of distributions, or other factors, as applicable.

Please visit our Web site or call 1-800-638-5660 to obtain the applicable plan disclosure document, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing. Please consider, before investing, whether your or your beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's plan. T. Rowe Price Investment Services, Inc., Distributor/Underwriter.

SAVINGS BANK

Now there's a way to get more than great rates from your next CD. T. Rowe Price Savings Bank gives you the benefits of FDIC insurance and predictable interest payments, plus world-class service from a name you trust.*

You can use a Savings Bank CD account to expand your investment mix and help to reduce your portfolio's overall risk. For accounts of \$5,000 or more that have terms of 91 days or longer, interest can remain on deposit or be transferred to an account you have elsewhere.

T. Rowe Price Savings Bank offers

- FDIC insurance
- Competitive interest rates
- Low minimum deposit of \$1,000 for Classic CDs
- Higher rates with Mini-Jumbo and Jumbo CDs
- **Smart Ladder CDsSM**
- IRA accounts**
- Terms from 30 days to 60 months***
- Flexible options to invest interest payments****
- Annual statements
- Automatic renewal feature

Smart Ladder CDs

Opening CDs that mature at different times can help to hedge against sharp swings in interest rates. This approach, known as CD laddering, generally lets you lock in higher rates with the longer-maturity CDs if rates fall. However, if rates rise again in the next few years, you'll have money available to invest from CDs with upcoming maturities.

Smart Ladder CDs offer a convenient way to create a CD ladder. With a minimum deposit of \$25,000 and a single application, we'll set up your CD ladder, manage the annual renewals, and offer you the highest current interest rates based on your total minimum deposit and applicable terms.

* T. Rowe Price Savings Bank is a member of the FDIC and offers CD products. Other T. Rowe Price affiliates, including T. Rowe Price Investment Services, Inc., are separate entities. While the Savings Bank's CDs are FDIC-insured, all other products offered by T. Rowe Price affiliates are not FDIC-insured and are not a deposit of or guaranteed by the Savings Bank. Such products are subject to investment risk, including possible loss of the principal amount invested.

** Please read the Traditional and Roth IRA Summary & Agreement before investing.

*** IRA CDs available from six months to 60 months.

**** Available for accounts of \$5,000 or more that have terms of 91 days or longer.

THE T. ROWE PRICE PROGRAM FOR CHARITABLE GIVINGSM

Simplify your giving.

The Program for Charitable Giving is a donor-advised fund (a public charity) that lets you support your favorite charities through one convenient account. You make a donation to the Program to establish your account and then have the flexibility to recommend distributions to your favorite charities whenever you like. You also save time since the Program handles all of your recordkeeping. It's an ideal way to do something good for yourself and your community.

Discover a convenient tax-reduction strategy.

All contributions to the Program are fully tax-deductible in the year they are received. This makes it easy for you to lock in your charitable tax deduction with just one contribution. You can receive additional tax benefits if you donate long-term appreciated assets such as stocks or mutual funds. You can deduct the current market value and pay no capital gains taxes. Any contributions you make beyond IRS limits may be carried over to future years.

Find the investment option to match your goals.

The balance in your Program account may be invested to give your contribution an opportunity to grow. The Program offers six pools that consist of T. Rowe Price no-load mutual funds and pursue specific risk/return objectives. These pools have delivered competitive returns for donors over time.

Save with low fees.

The Program's administrative fees are among the lowest in the industry, and there is no minimum annual fee. Since you'll also save with low investment management fees, there is the potential for more money to be available for your charities.

It's easy to start giving more efficiently with the Program.

You can call a T. Rowe Price investment specialist to learn more about the Program, receive printed information, or to help you open your Program account. You'll also find everything you need to open an account online at **ProgramForGiving.org**.

The T. Rowe Price Program for Charitable GivingSM is an independent nonprofit corporation founded by T. Rowe Price to assist individuals with planning and managing their charitable giving. The Program has contracted with various T. Rowe Price companies to provide operational, recordkeeping, and investment management services to the Program.

T. ROWE PRICE MUTUAL FUNDS

This page contains supplementary information that is not part of the shareholder report.

STOCK FUNDS

Domestic

Blue Chip Growth*
Capital Appreciation*
Capital Opportunity*
Diversified Mid-Cap Growth
Diversified Small-Cap Growth
Dividend Growth*
Equity Income*
Equity Index 500
Extended Equity Market Index
Financial Services
Growth & Income
Growth Stock*
Health Sciences
Media & Telecommunications
Mid-Cap Growth*
Mid-Cap Value*
New America Growth*
New Era
New Horizons
Real Estate*
Science & Technology*
Small-Cap Stock*
Small-Cap Value*
Spectrum Growth
Tax-Efficient Multi-Cap Growth
Total Equity Market Index
U.S. Large-Cap Core*
Value*

ASSET ALLOCATION FUNDS

Balanced
Personal Strategy Balanced
Personal Strategy Growth
Personal Strategy Income
Retirement 2005*
Retirement 2010*
Retirement 2015*
Retirement 2020*

ASSET ALLOCATION FUNDS (CONT.)

Retirement 2025*
Retirement 2030*
Retirement 2035*
Retirement 2040*
Retirement 2045*
Retirement 2050*
Retirement 2055*
Retirement Income*

BOND FUNDS

Domestic Taxable

Corporate Income
GNMA
High Yield*
Inflation Protected Bond
New Income*
Short-Term Bond*
Spectrum Income
Strategic Income*
Summit GNMA
U.S. Bond Index
U.S. Treasury Intermediate
U.S. Treasury Long-Term

Domestic Tax-Free

California Tax-Free Bond
Georgia Tax-Free Bond
Maryland Short-Term
Tax-Free Bond
Maryland Tax-Free Bond
New Jersey Tax-Free Bond
New York Tax-Free Bond
Summit Municipal Income
Summit Municipal Intermediate
Tax-Free High Yield
Tax-Free Income*
Tax-Free Short-Intermediate
Virginia Tax-Free Bond

MONEY MARKET FUNDS

Taxable

Prime Reserve
Summit Cash Reserves
U.S. Treasury Money

Tax-Free

California Tax-Free Money
Maryland Tax-Free Money
New York Tax-Free Money
Summit Municipal Money Market
Tax-Exempt Money

INTERNATIONAL/GLOBAL FUNDS

Stock

Africa & Middle East
Emerging Europe & Mediterranean
Emerging Markets Stock
European Stock
Global Large-Cap Stock*
Global Real Estate*
Global Stock*
Global Technology
International Discovery
International Equity Index
International Growth & Income*
International Stock*
Japan
Latin America
New Asia
Overseas Stock
Spectrum International

Bond

Emerging Markets Bond
International Bond*

For more information about T. Rowe Price funds or services, please contact us directly at 1-800-225-5132. Request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

Investments in the money market funds are not insured or guaranteed by the FDIC or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds.

* T. Rowe Price Advisor and R Classes may be available for these funds. T. Rowe Price Advisor and R Classes are offered only through financial intermediaries. For more information about T. Rowe Price Advisor and R Classes, contact your financial professional or call T. Rowe Price at 1-877-804-2315.



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