

A large, dynamic splash of teal paint is positioned on the left side of the slide. In the center of the splash is a white square frame. Inside the frame, there is a detailed, light-colored illustration of a flower, possibly a peony, with many layers of petals.

Emerging Market Discovery Equity

Finding fortune in the forgotten

Ernest Yeung, Portfolio Manager
T. Rowe Price

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Today's Speaker



Earnest Yeung

Portfolio Manager

Emerging Market Discover Equity Strategy



Emerging Markets Discovery Strategy

As of 31 August 2023



Ernest Yeung, CFA, IMC
(Hong Kong)
Portfolio Manager

22 years of investment
experience
20 years with T. Rowe Price

- 2015–present, portfolio manager, Emerging Markets Discovery Equity Strategy
- 2009–2015, co-portfolio manager, International Small Cap Equity Strategy
- 2003–2009, analyst, Emerging Markets Telcos (London, Hong Kong)



Haider Ali
(Hong Kong)
Associate Portfolio Manager

27 years of investment
experience
13 years with T. Rowe Price

- 2018–present, associate portfolio manager, Emerging Markets Discovery Equity Strategy
- 2010–August 2018, analyst, Asia ex-Japan Natural Resources and Energy



Martin Baylac
(London)
Team Analyst

17 years of investment
experience
15 years with T. Rowe Price

- 2020 - present, team analyst, Emerging Markets Discovery Equity Strategy
- 2008–present, analyst, Latin American Transportation, Infrastructure, Materials, and Food

Portfolio Specialists



Chuck Knudsen, CFA
(Baltimore)

- 36 years of investment
experience



Daniel Hurley, CFA
(London)

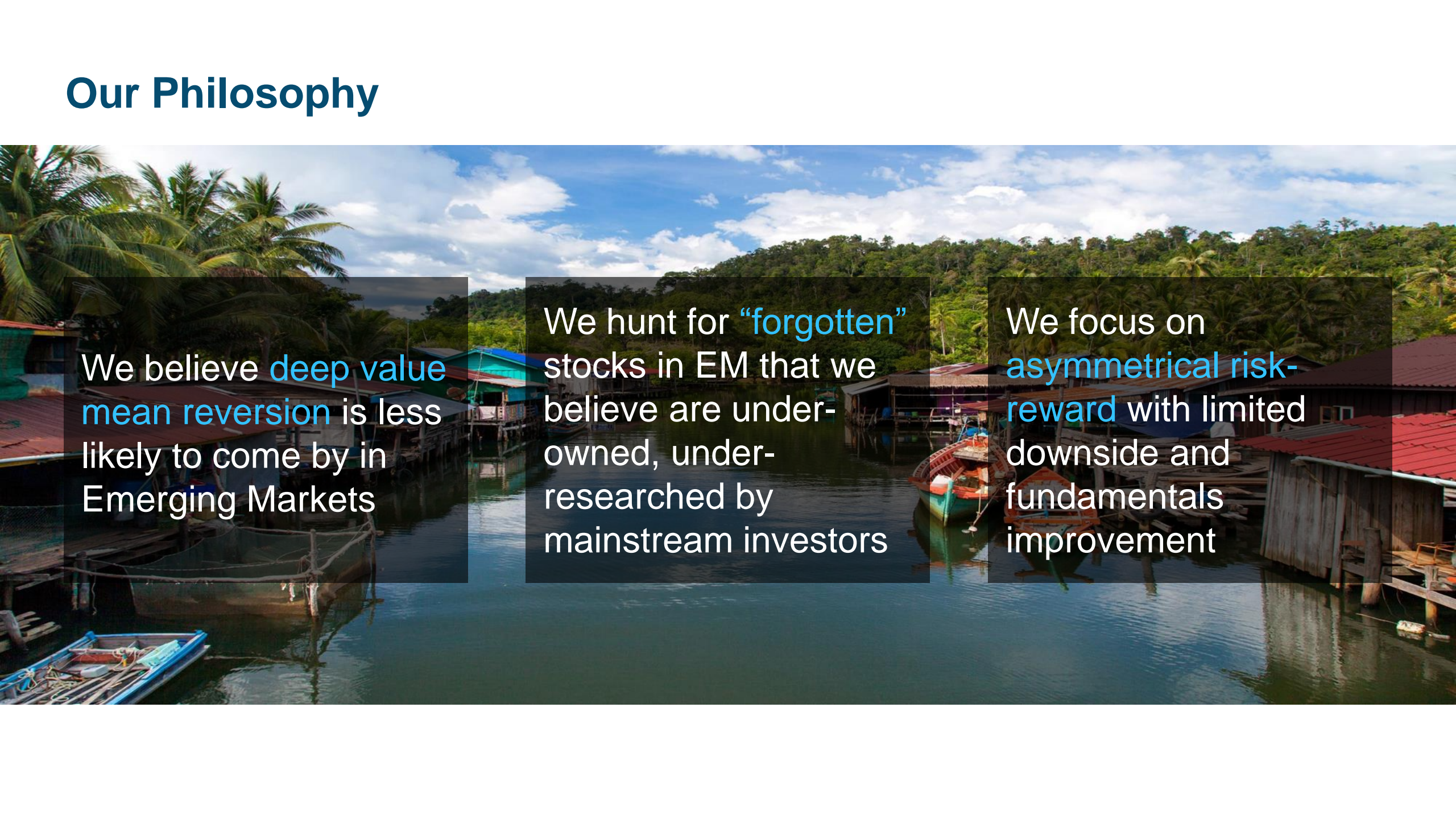
- 16 years of investment
experience

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Portfolio Specialists do not assume portfolio management responsibilities.

The Associate Portfolio Manager is responsible for assisting the Portfolio Manager with the investment process and client service efforts.

Our Philosophy



We believe **deep value mean reversion** is less likely to come by in Emerging Markets

We hunt for “**forgotten**” stocks in EM that we believe are under-owned, under-researched by mainstream investors

We focus on **asymmetrical risk-reward** with limited downside and fundamentals improvement

Top Holdings of the Biggest EM Funds in the UK

As of 31 August 2023

Security Name	MSCI EM	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7	Fund 8	Fund 9	Fund 10	T. Rowe Price EM Discv Eq
Taiwan Semiconductor Manufacturing Co Ltd	6.41	8.87	2.14	9.35		8.50	8.75	6.08		8.86	5.25	
Tencent Holdings Ltd	3.89	5.90	4.12	5.61	4.26		5.59	4.63		5.48	1.94	
Samsung Electronics Co Ltd	3.65	7.23	5.66	6.23	7.24		5.24	3.51	1.78	7.65	2.89	6.09
Alibaba Group Holding Ltd Ordinary Shares	2.87	3.56	3.71	2.99		4.43		1.98		5.67		3.56
Reliance Industries Ltd	1.34			1.05			2.04					
Meituan Class B	1.25	1.85		1.88		2.07	2.10	1.56		3.31		
ICICI Bank Ltd	0.90	1.84		1.67		1.39				3.19	3.43	2.24
Infosys Ltd	0.87	1.98		1.29			1.98					
HDFC Bank Ltd	0.79		3.87		8.17		2.67			3.49		
China Construction Bank Corp Class H	0.78						1.79	1.19				
Top 20 Overlapping with EM Discovery	8.66	16.85	12.44	12.04	9.72	5.82	5.24	6.68	1.78	23.42	8.46	

The last available data.
Source: Morningstar, MSCI
The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the SICAV sub-fund, and no assumptions should be made that the securities identified and discussed were or will be profitable.

T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund

Risks – the following risks are materially relevant to the fund (refer to prospectus for further details):

- **Country (China)** – Chinese investments may be subject to higher levels of risks such as liquidity, currency, regulatory and legal risks due to the structure of the local market.
- **Country (Russia and Ukraine)** – Russian and Ukrainian investments may be subject to higher risks associated with custody and counterparties, liquidity, market disruptions, as well as strong or sudden political risks.
- **Currency** – Currency exchange rate movements could reduce investment gains or increase investment losses.
- **Emerging markets** – Emerging markets are less established than developed markets and therefore involve higher risks.
- **Small and mid-cap** – Small and mid-size company stock prices can be more volatile than stock prices of larger companies.
- **Stock Connect** – Stock Connect is subject to higher regulatory, custody, and default risks as well as liquidity risk and quota limitations.
- **Style** – Style risk may impact performance as different investment styles go in and out of favor depending on market conditions and investor sentiment.

General Fund Risks

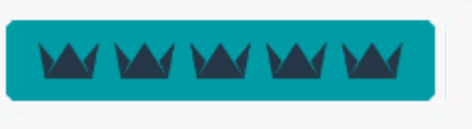
- **Equity** – Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely.
- **ESG and sustainability** – ESG and Sustainability risk may result in a material negative impact on the value of an investment and performance of the fund.
- **Geographic concentration** – Geographic concentration risk may result in performance being more strongly affected by any social, political, economic, environmental or market conditions affecting those countries or regions in which the fund's assets are concentrated.
- **Hedging** – Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely.
- **Investment fund** – Investing in funds involves certain risks an investor would not face if investing in markets directly.
- **Management** – Management risk may result in potential conflicts of interest relating to the obligations of the investment manager.
- **Market** – Market risk may subject the fund to experience losses caused by unexpected changes in a wide variety of factors.
- **Operational** – Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes.

Performance

T. Rowe Price Funds OEIC—Emerging Markets Discovery Equity Fund

As of 31 August 2023

	1 year	3 years	5 years	Since Inception ¹
T. Rowe Price Funds OEIC—Emerging Markets Discovery Equity C Acc	-1.83%	22.44%	-	6.68%
IA Global Emerging Markets	-4.83%	1.92%	1.97%	3.27%
MSCI Emerging Markets Index Net	-7.02%	1.33%	-	4.59%
MSCI Emerging Markets Value Index Net	-3.38%	18.65%	-	2.59%
Ranking (Quartile)	1	1	-	2



Annual performance	2020	2021	2022
T. Rowe Price Funds OEIC - Emerging Markets Discovery Equity C Acc	4.55%	6.60%	-4.83%
IA Global Emerging Markets	16.28%	-0.35%	-12.36%
MSCI Emerging Markets Index Net	14.62%	-0.39%	-10.02%
MSCI Emerging Markets Value Index Net	2.21%	4.96%	-5.23%

Past performance is not a reliable indicator of future performance.

¹ Since Inception 25 June 2019

Source for performance: T. Rowe Price. Fund performance is calculated using the official net asset value with dividends reinvested, if any. The value of the investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the fund and the subscription currency, if different. Sales charges (up to a maximum of 5% for the A Class), taxes, and other locally applied costs have not been deducted, and, if applicable, they will reduce the performance figures.

Where the base currency of the fund differs from the share class currency, exchange rate movements may affect returns.

The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

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Performance

Periods Ended 31 August 2023
Figures are Calculated in US Dollars

T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund

	Annualised					
	Three Months	One Year	Two Years	Three Years	Five Years	Since Inception 14 Sep 2015
T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund - Class Q (USD) [†]	5.66%	7.34%	-7.04%	5.63%	2.82%	6.27%
T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund - Class Q (USD) (Stepped-Out) ^{††}	5.53	7.14	-7.49	5.67	2.74	6.25
MSCI Emerging Markets Index Net ^Δ	3.47	1.25	-11.02	-1.39	0.98	4.95
Value Added [*]	2.06	5.89	3.53	7.06	1.76	1.30

Calendar Years	2015 [⌘]	2016	2017	2018	2019	2020	2021	2022
T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund - Class Q (USD) [†]	0.50%	11.54%	34.88%	-10.05%	17.21%	7.40%	5.08%	-15.56%
T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund - Class Q (USD) (Stepped-Out) ^{††}	0.60	11.53	34.67	-9.99	17.13	7.60	5.25	-15.91
MSCI Emerging Markets Index Net ^Δ	-1.21	11.19	37.28	-14.57	18.42	18.31	-2.54	-20.09
Value Added [*]	1.81	0.34	-2.61	4.58	-1.29	-10.71	7.79	4.18

Past performance is not a reliable indicator of future performance.

[†] Source for performance: T. Rowe Price. Fund performance is calculated using the official net asset value with dividends reinvested, if any.

^{††} Source for performance: T. Rowe Price. The performance shown is for illustrative purposes only and is calculated using close-of-market prices with dividends reinvested, if any. The performance shown may differ from the performance calculated using the official net asset value due to timing differences between the two valuation points. The value of the investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the fund and the subscription currency, if different. Sales charges (up to a maximum of 5% for the A Class), taxes, and other locally applied costs have not been deducted, and, if applicable, they will reduce the performance figures. Where the base currency of the fund differs from the share class currency, exchange rate movements may affect returns.

^Δ Index returns shown with reinvestment of dividends after the deduction of withholding taxes.

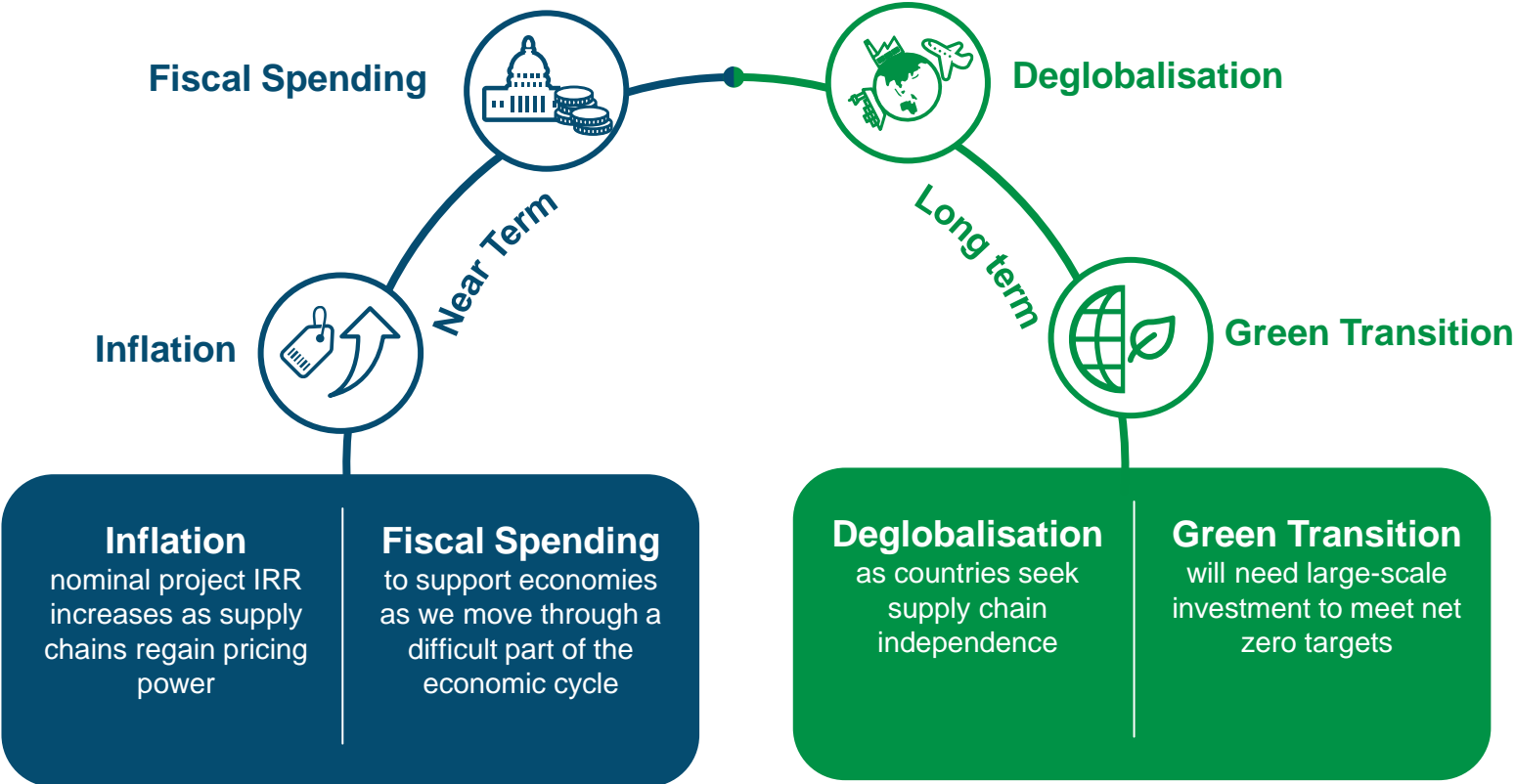
^{*} The Value Added row is shown as T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund - Class Q (USD) (Stepped-Out) minus the benchmark in the previous row.

[⌘] Since Inception 14 September 2015 through 31 December 2015.

Please see Additional Disclosures page for information about this MSCI information.

Four Drivers of Increase in Capital Expenditure

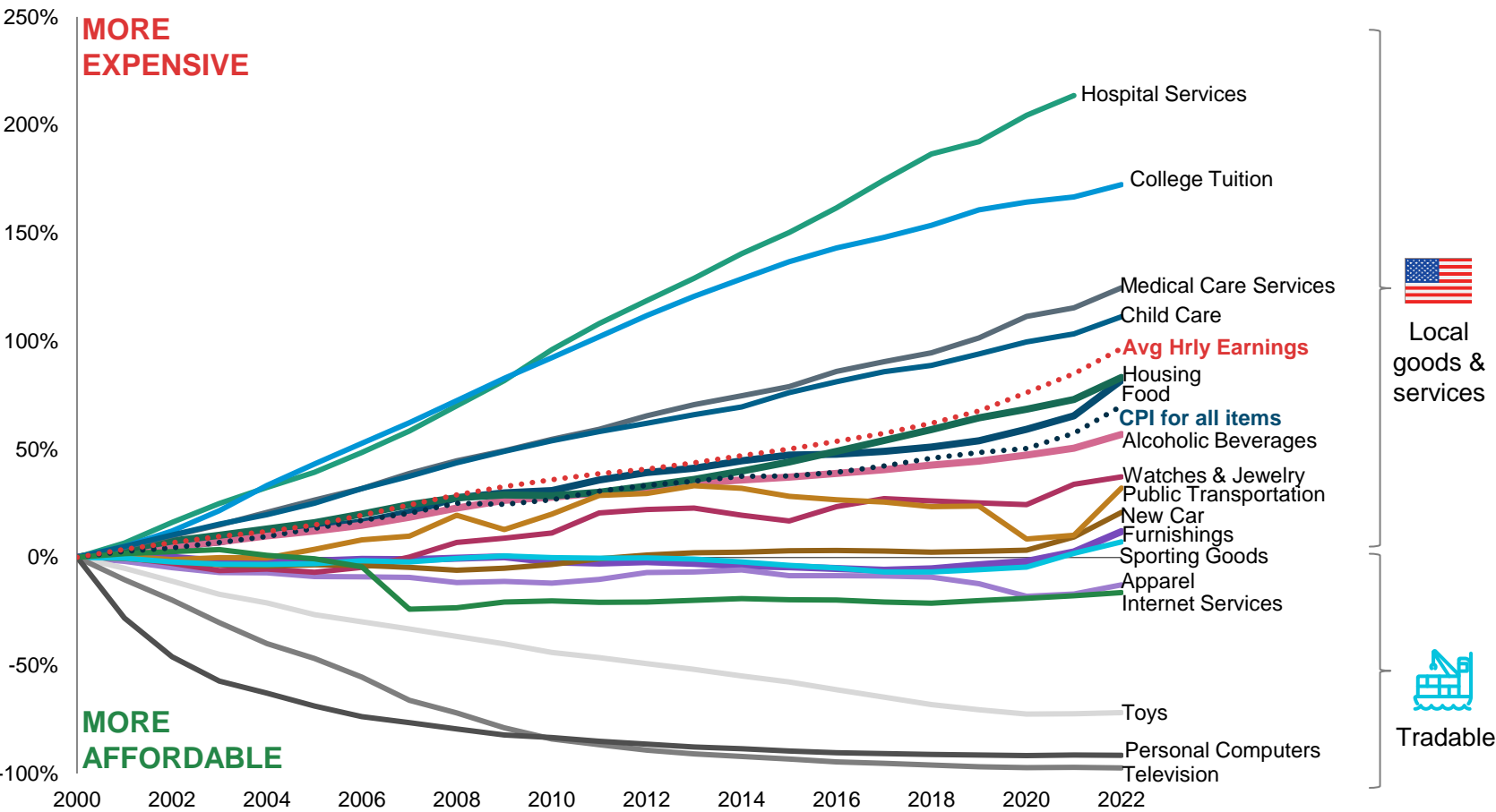
Inflation and fiscal spending to drive investment in the near term, while deglobalisation and green transition should support capex in the future



Something is Changing: The End of Globalisation

As of 31 December 2022

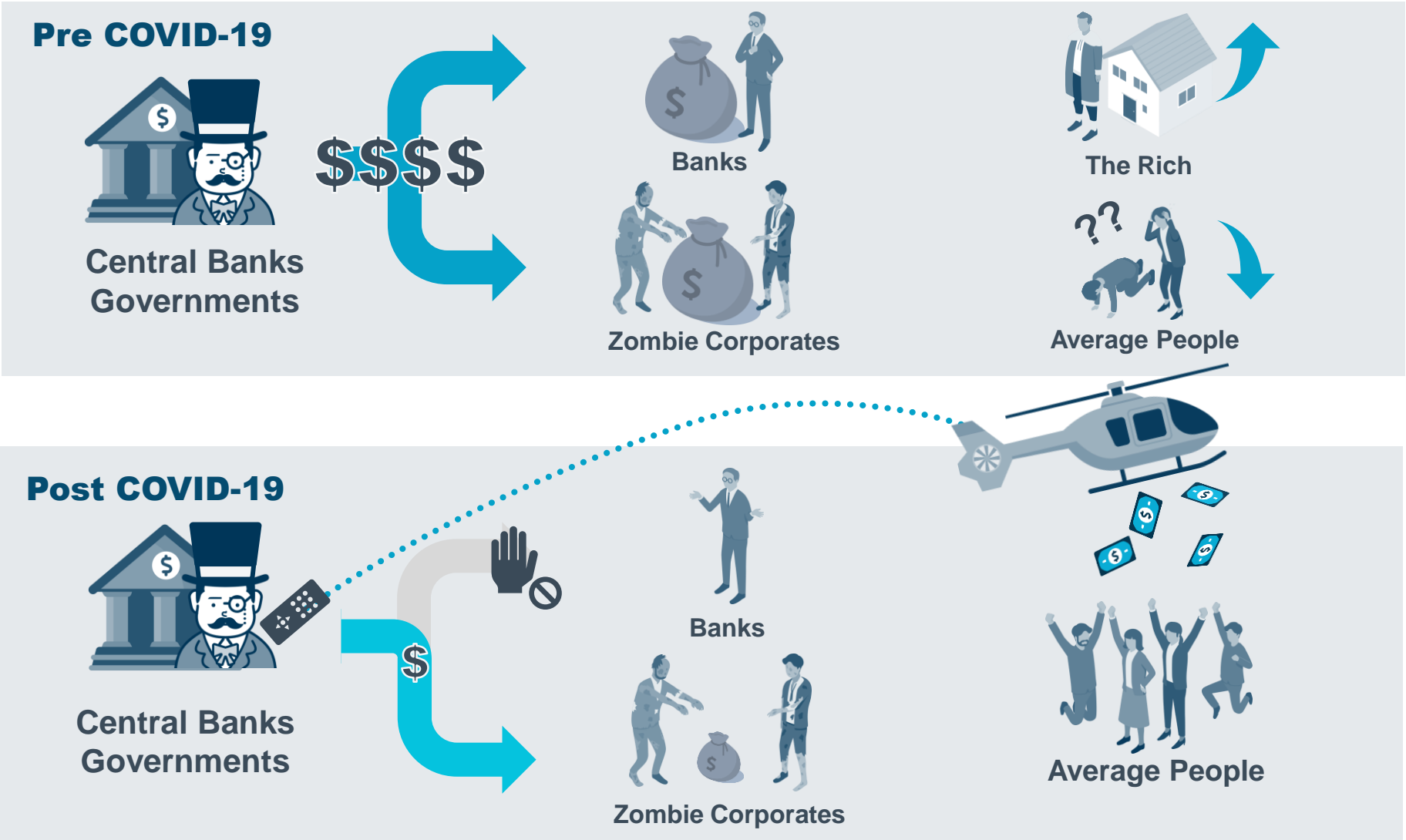
Price Change of Selected US Consumer Goods & Services, Wages (2000-2022)



US's reliance on China import = national security risk?

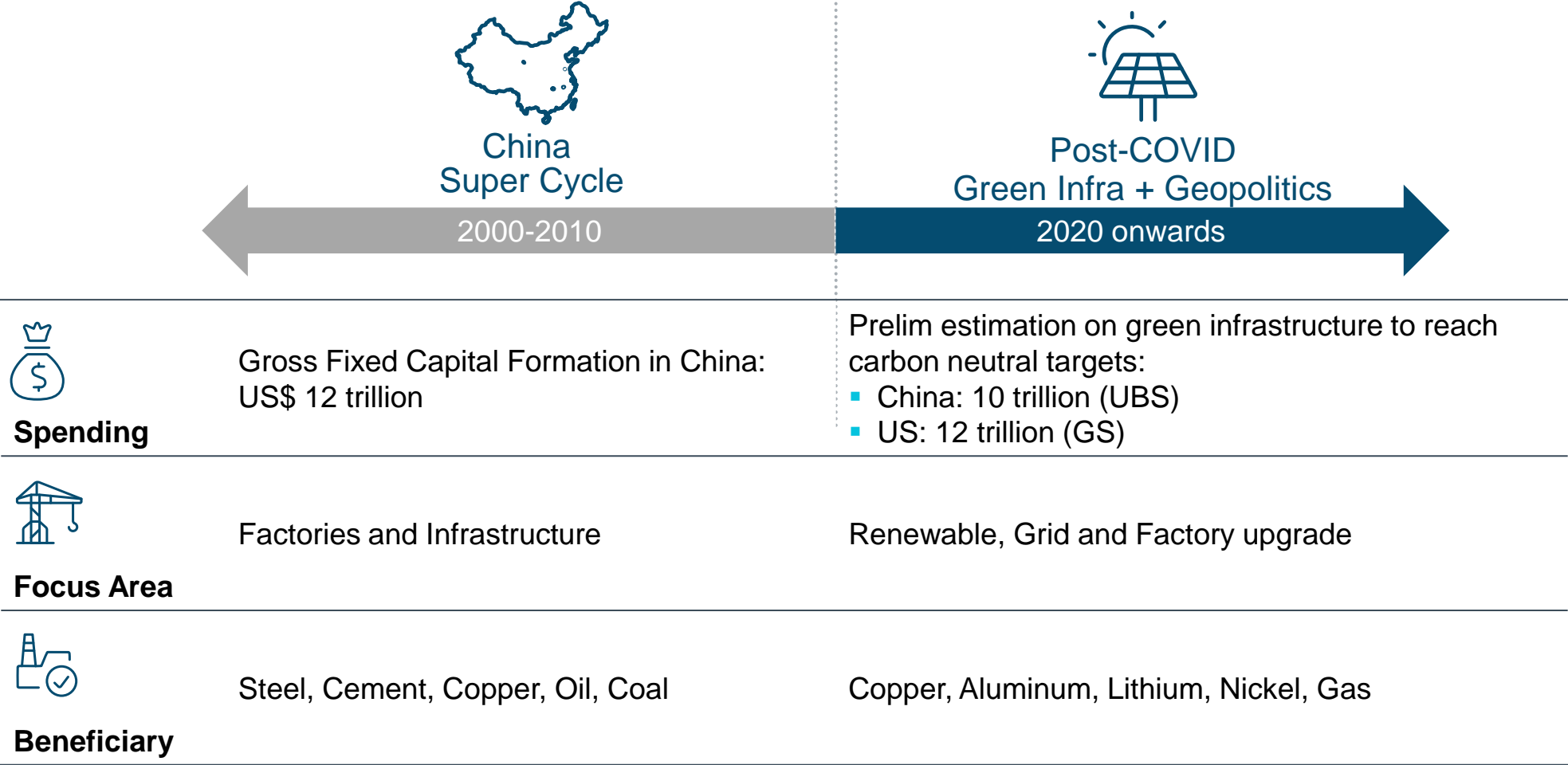
Source: Bureau of Labor Statistics/Haver Analytics.
Most recent data available.

Something is Changing: Stimulus is Targeting the Consumer



Something is Changing: Green Infrastructure + Geopolitics = New Capex Cycle?

As of 31 December 2020

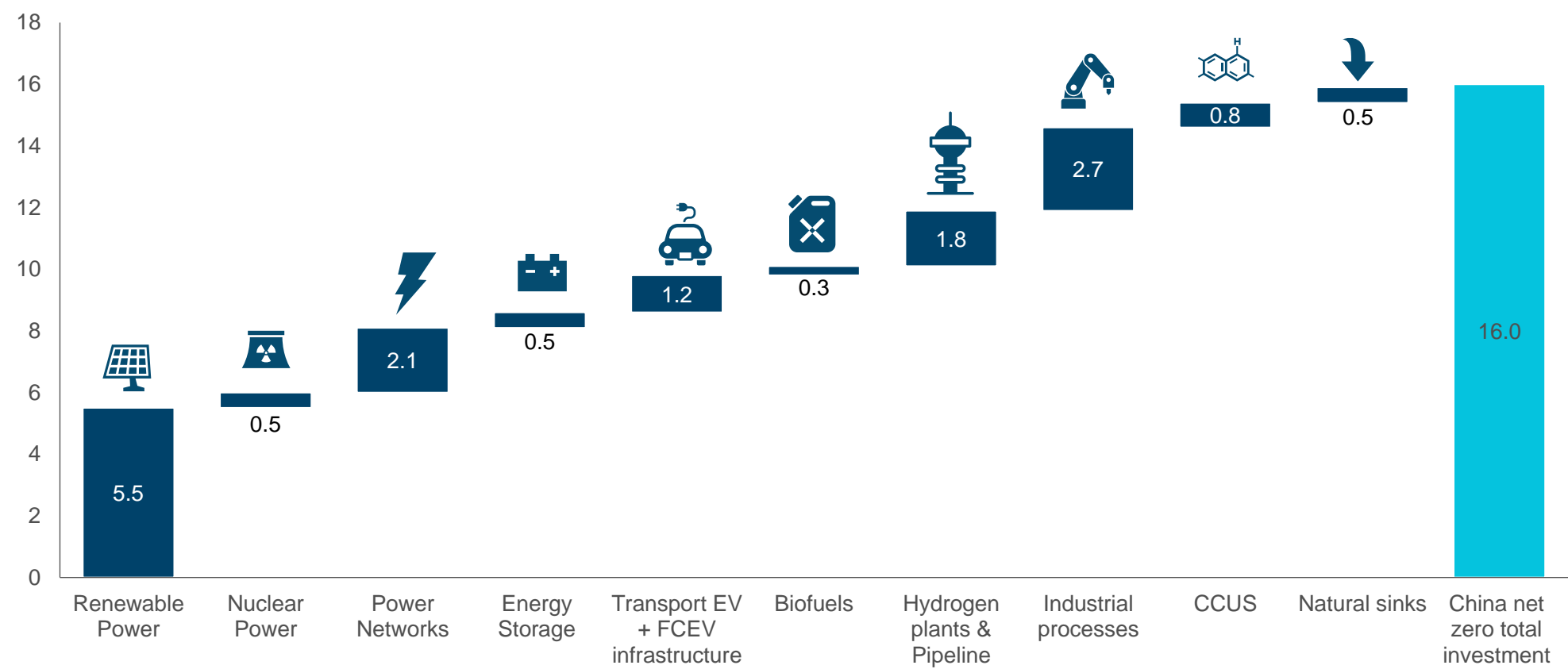


Most recent data available.
Sources: China National Bureau of Statistics/Haver Analytics, Goldman Sachs (GS).

Carbonomics in China

As of 31 December 2020

Cumulative Investment Opportunity Across Sectors to Net Zero in China by 2060 (US\$ tn) (Estimates)

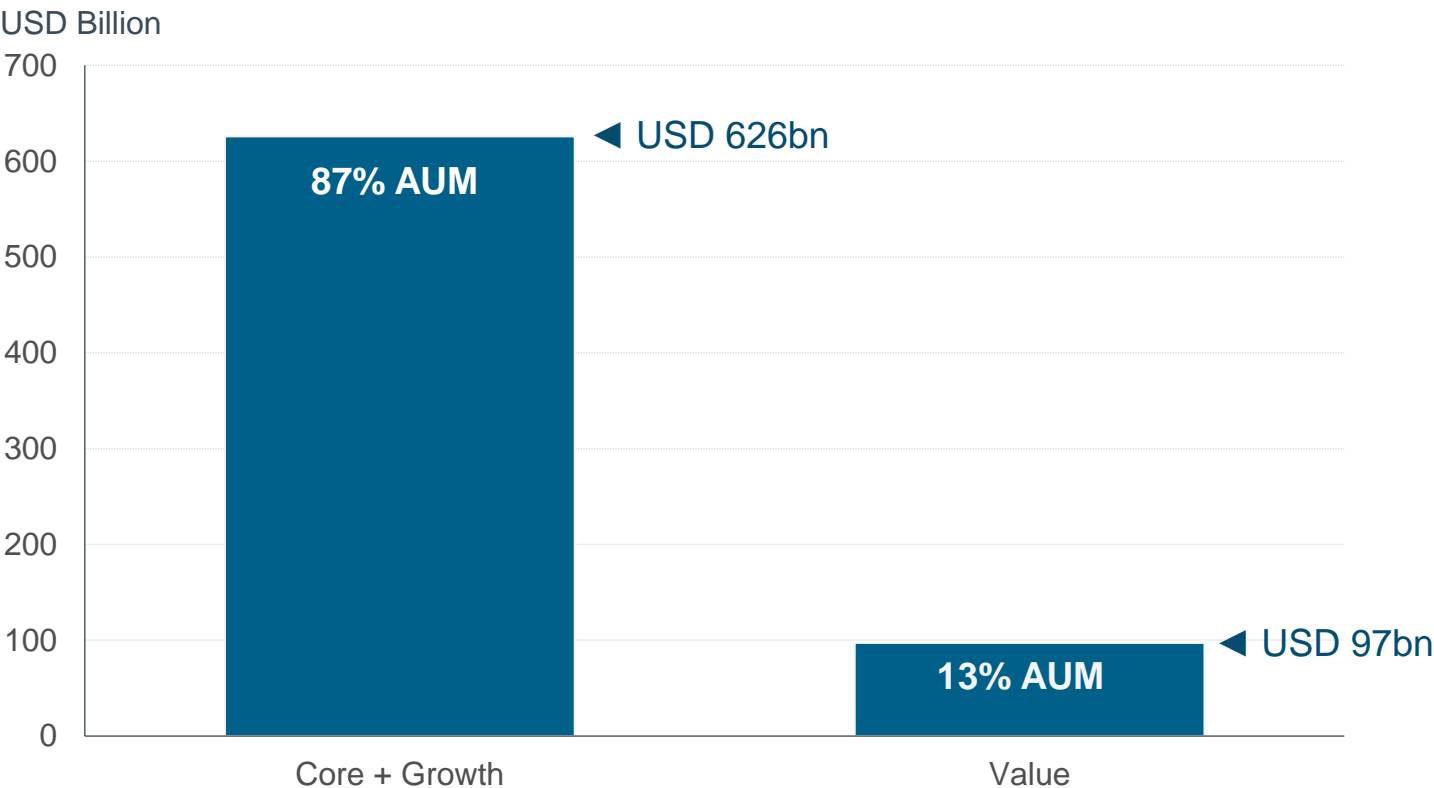


Source: Goldman Sachs Global Investment Research.
Numbers may not total due to rounding.
There is no guarantee that any forecasts made will come to pass.
Most recent data available.

Fundamental EM Value Investing is a Neglected Asset Class

As of 31 August 2023

Emerging markets equity universe AUM breakdown



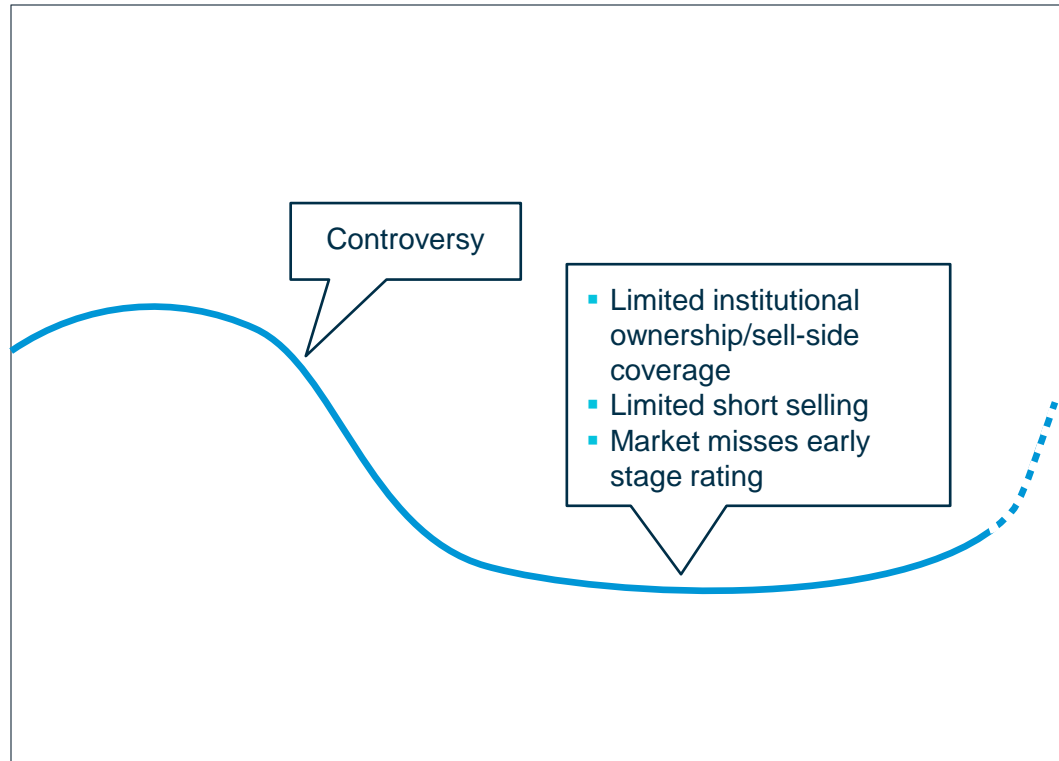
Majority of EM AUM is in Growth and Core, 13% in Value.

Source: Morningstar Direct. (See additional disclosures)

What is Our Edge?

Fundamental Research in Forgotten Stocks

Typical forgotten stock chart



Forgotten stocks

MAY LIMIT DOWNSIDE



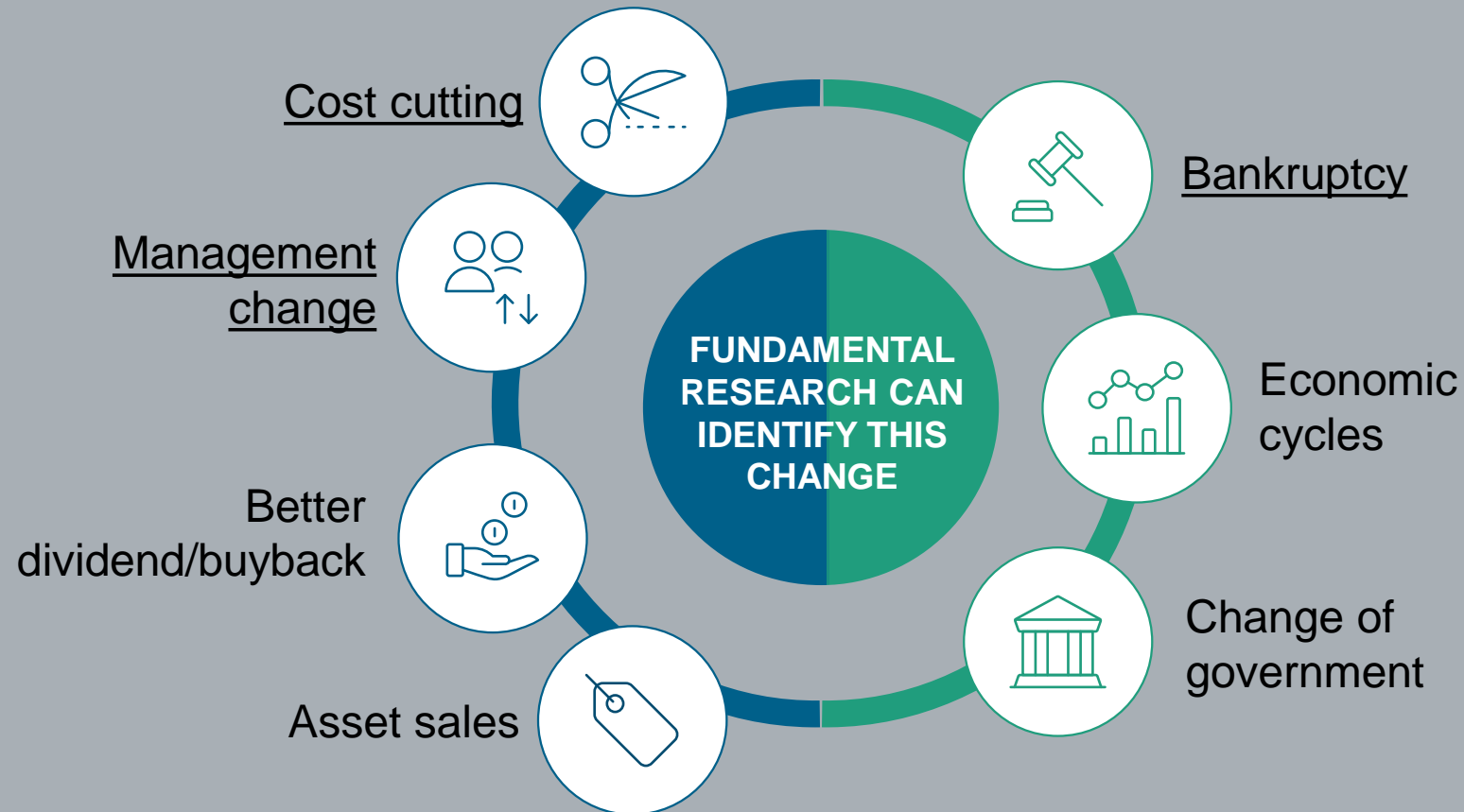
Prefer 'forgotten' to 'controversial'

UPSIDE POTENTIAL



Fundamental research identify re-rating thesis/undiscounted change over 2-3 year horizon

Value Stocks Don't Need Top Line Growth to Work



Will not hold a stock just because it is cheap

Value Stocks Don't Need Top Line Growth to Work



**Stock is
Working**

- Is it too popular?
- Is it very expensive?
- Has the thesis changed?



**Flat line or
not working
after 2-3
years**

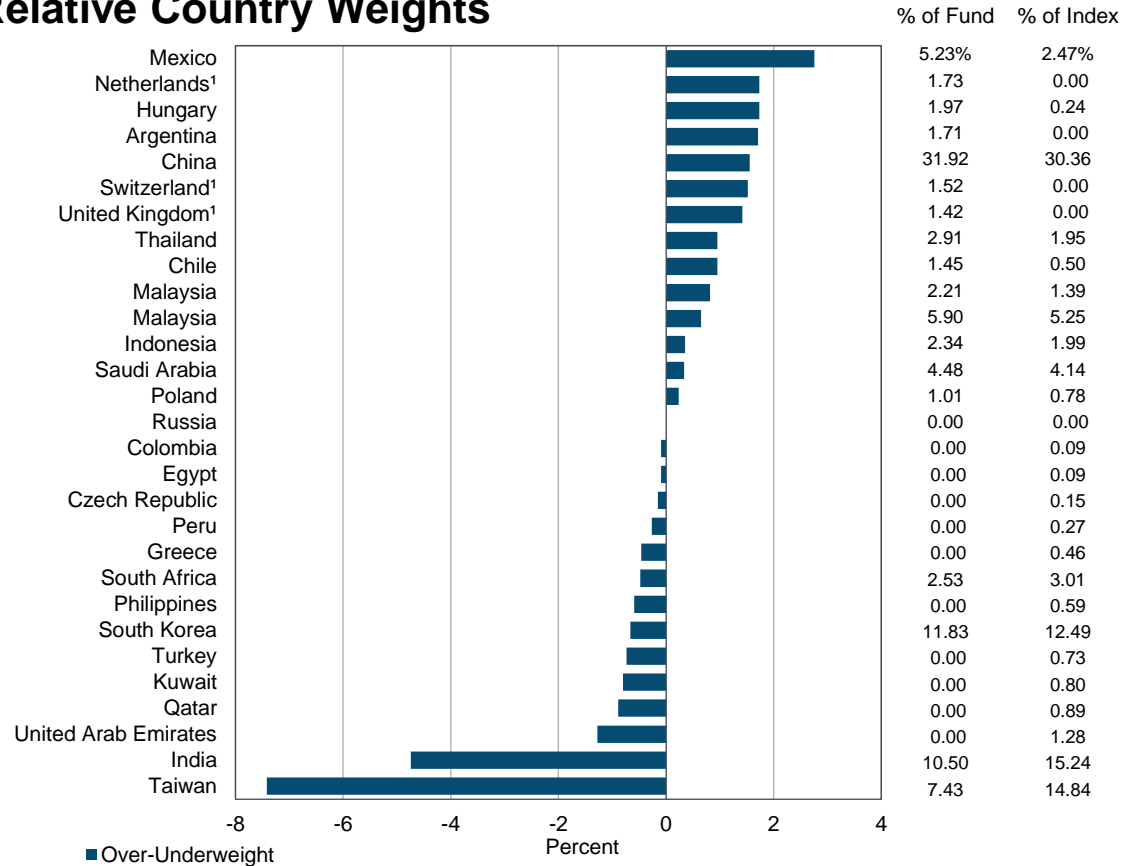
- Eliminate regardless of cheap valuations

Country and Sector Positioning

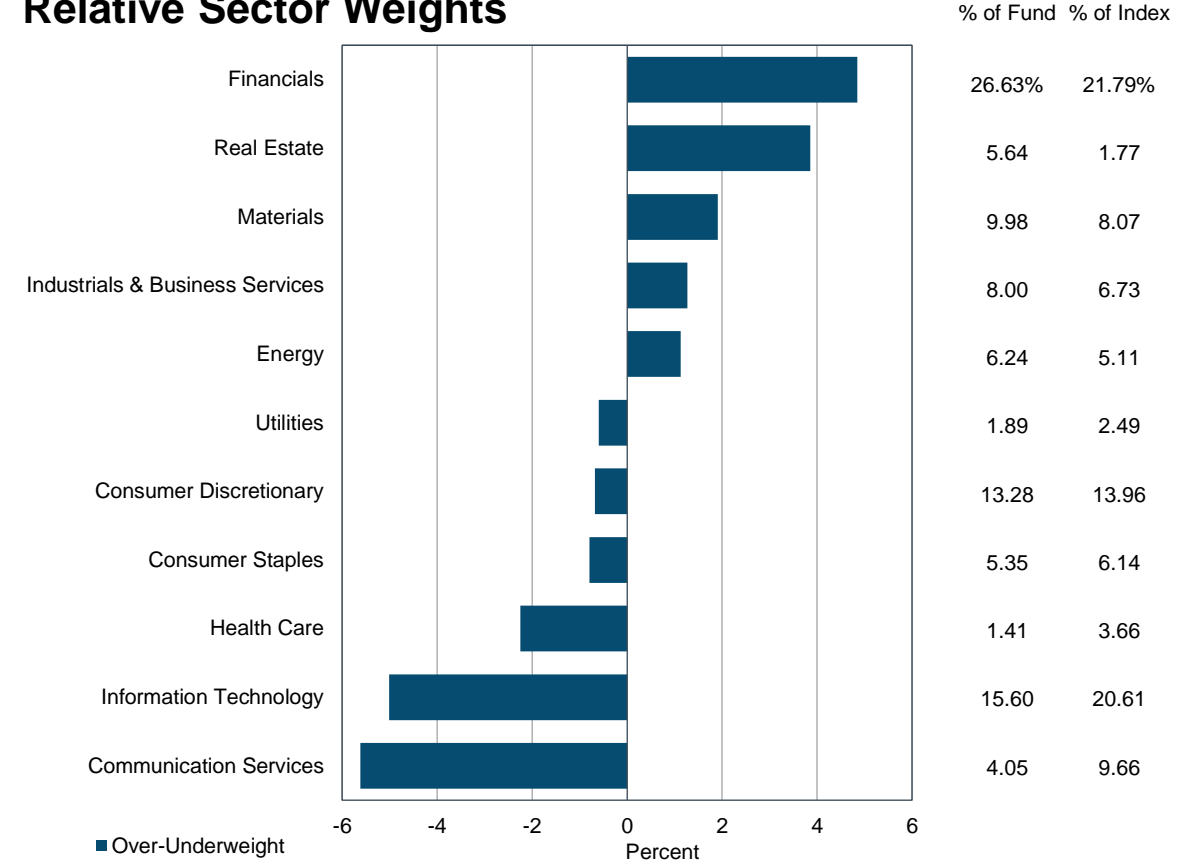
T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund vs. MSCI Emerging Markets Index Net

As of 31 August 2023

Relative Country Weights



Relative Sector Weights



¹ Emerging market companies listed on developed market exchanges.

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Please see Additional Disclosures page for information about this Global Industry Classification Standard (GICS) information.

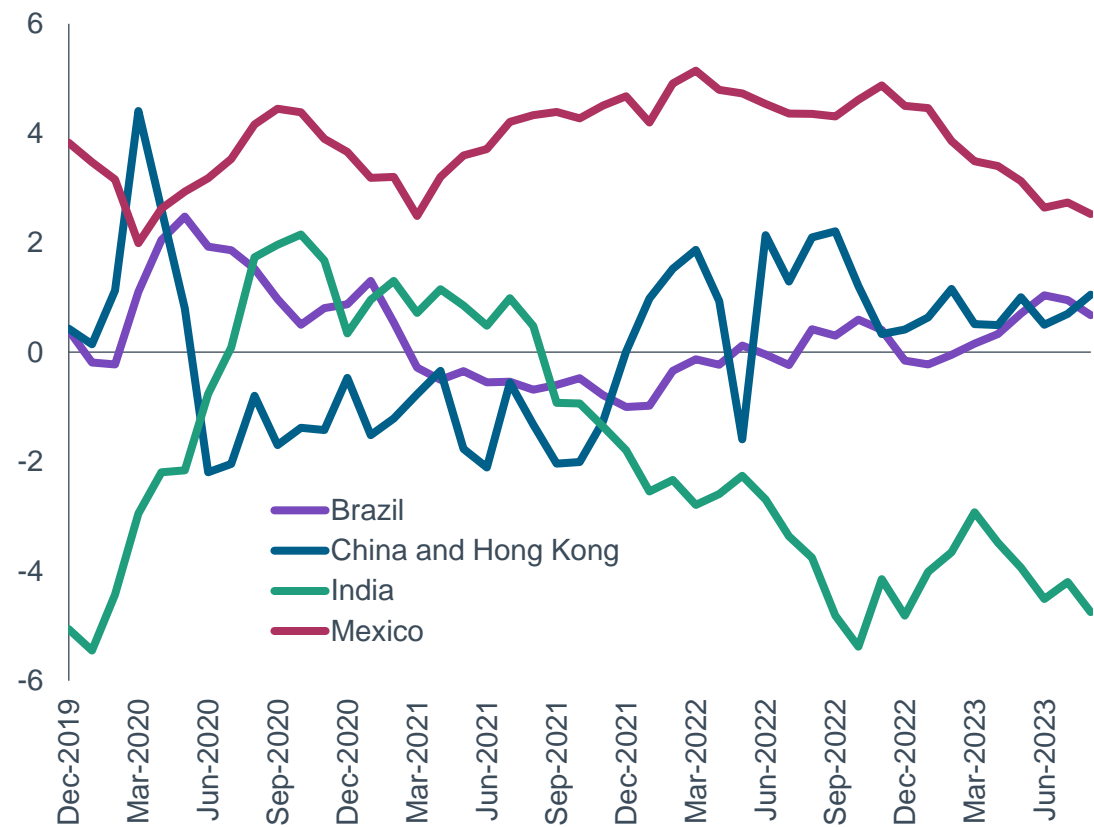
Please see Additional Disclosures page for information about this MSCI information.

Portfolio Positioning

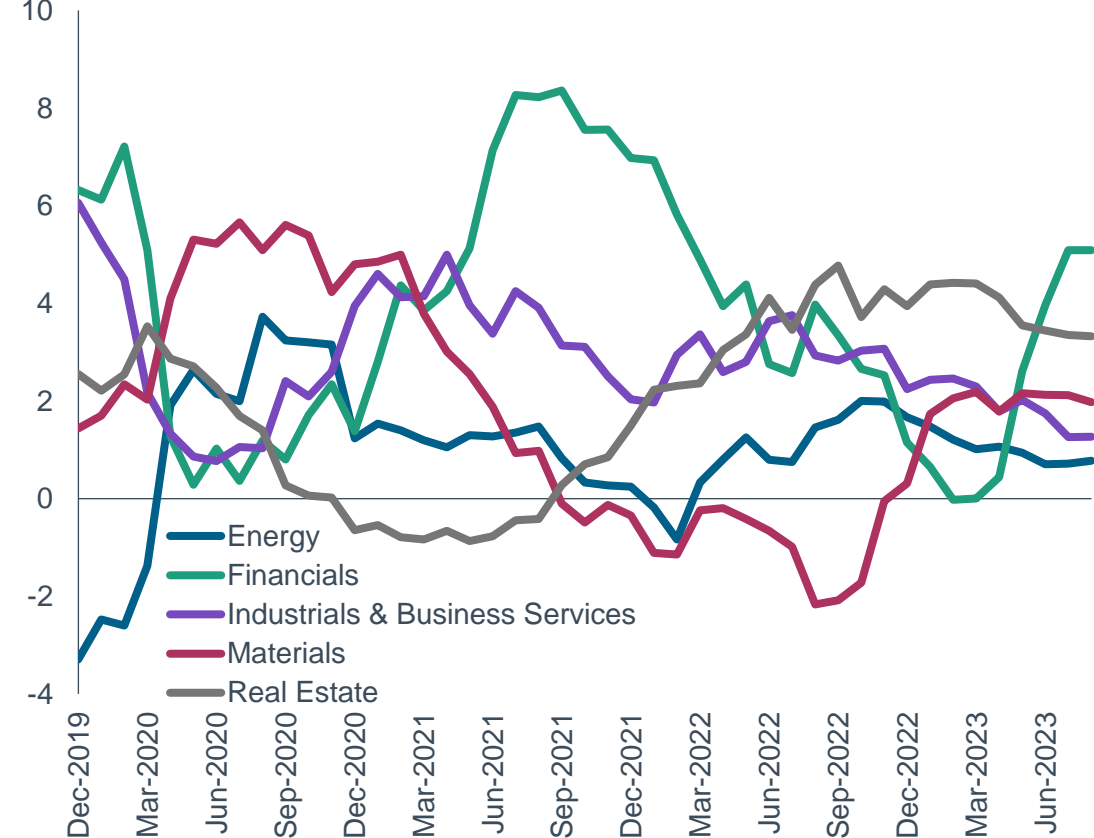
T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund vs. MSCI Emerging Markets Index Net

As of 31 August 2023

Historical Country Weights (%)



Historical Sector Weights (%)



Source: MSCI (See additional disclosures)
T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Effective 17 March 2023, the GICS structure changed. Sector/industry diversification data prior to that date have not been restated. Please see Additional Disclosures page for information about this Global Industry Classification Standard (GICS) information.

Creating a Focused, Well-Diversified Portfolio

As of 31 August 2023

65

Total issuers

19

Markets

82.3%

Active share¹

28%

of holdings in
the Top 10

Top 10 positions
as of 31 August 2023

	Country	% of Fund
Samsung Electronics	South Korea	5.9%
Alibaba Group Holding	China	4.4
Hon Hai Precision Industry	Taiwan	2.6
ICICI Bank	India	2.4
Baidu	China	2.4
KE Holdings	China	2.3
Bank Rakyat Indonesia (Persero)	Indonesia	2.3
CIMB Group	Malaysia	2.2
OTP Bank	Hungary	2.0
ASE Technology	Taiwan	1.9

Data is for T. Rowe Price Funds SICAV – Emerging Markets Discovery Equity Fund.

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¹ Active Share is a holdings-based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is. Active share for the T. Rowe Price Funds SICAV – Emerging Markets Discovery Equity Fund is calculated using its benchmark, the MSCI Emerging Markets Net Index. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only.

10 Largest Overweights and Underweights

T. Rowe Price Funds SICAV—Emerging Markets Discovery Equity Fund vs. MSCI Emerging Markets Index Net

As of 30 June 2023

Overweights	Country	% of Fund	% of Index	Difference
Hon Hai Precision Industry	Taiwan	2.7%	0.7%	2.1%
OTP Bank	Hungary	2.1	0.1	2.0
Banco Btg Pactual	Brazil	2.0	0.1	1.9
Baidu	China	2.5	0.6	1.9
Bank Rakyat Indonesia (Persero)	Indonesia	2.3	0.4	1.9
KE Holdings	China	1.9	0.1	1.8
CIMB Group Holdings Berhad	Malaysia	1.9	0.1	1.8
Samsung Electronics	South Korea	6.2	4.5	1.8
Tongcheng Travel Holdings	China	1.8	0.0	1.7
Prosus	Netherlands	1.7	0.0	1.7

Underweights	Country	% of Fund	% of Index	Difference
Taiwan Semiconductor Manufacturing	Taiwan	0.0%	6.8%	-6.8%
Tencent Holdings	China	0.0	3.9	-3.9
Meituan	China	0.0	1.2	-1.2
Housing Development Finance	India	0.0	0.9	-0.9
Petroleo Brasileiro	Brazil	0.0	0.8	-0.8
Infosys	India	0.0	0.8	-0.8
Vale	Brazil	0.0	0.7	-0.7
Ping An Insurance	China	0.0	0.7	-0.7
JD.com	China	0.0	0.6	-0.6
NetEase	China	0.0	0.6	-0.6

Issuers are as of the date indicated and are subject to change.
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Numbers may not total due to rounding

A leading ASEAN-focused universal bank

Loans portfolio is skewed towards retail, coupled with strong capital position and decent dividend yield.

New management is incentivized to deliver improving ROEs

Prior to CIMB, Dato' Ahmad held CEO positions in various government-linked corporations, widely credited for the turnaround at Media Prima.

Addressing asset quality issues and committed to limiting cost growth

Exiting high-risk and unprofitable segments to focus on lower-risk consumer loans

Joseph Sinay
Analyst



Continued management execution on costs and improving asset quality is on track.”

Baidu Inc.

As of 30 June 2023



The dominant search engine in China

Baidu's AI products could create a meaningful upside, Ernie Bot (A Chinese Large Language Model) has received strong interest.

Also, the fourth largest cloud business

Cloud revenue is expected to accelerate due to new project bidding and implementation are back to normal.

And the leading autonomous driving technology in China

The synergies among business units deepens Baidu's moat in autonomous driving

Bill Bai
Analyst

The market underestimated the self-help efforts across segments, which could offer potential upside."

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Q&A



Thank You