



T. Rowe Price Funds OEIC

ASSESSMENT OF VALUE REPORT



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For more information on T. Rowe Price and our investment capabilities, please visit our website:

troweprice.com

An Introduction From the Chair of T. Rowe Price UK Limited

As chairman of T. Rowe Price UK Limited, I am pleased to provide this Assessment of Value for our UK authorised funds.

In 2019, the Financial Conduct Authority (FCA) introduced new regulations on fund governance. The aim was to strengthen the rules related to duty of care and the need for authorised fund managers (AFM) to act in investors' best interests. Specifically, AFMs in the UK must perform a detailed assessment of whether their funds are providing value to investors and then publish, on an annual basis, a statement, or 'Assessment of Value', summarising the outcome of this process.

We welcome this initiative on the part of our industry's regulator and believe that the overall aims, namely to make fund managers accountable for the services they provide to their clients and to assess whether they are truly providing value, are very much aligned with the fundamental values of T. Rowe Price. From its founding in 1937 by Thomas Rowe Price, Jr., the firm has had a unique set of values that live on today. Fundamentally, Mr. Price believed that investment management should be a people business in which experienced and trustworthy advisers put clients' interests first by pursuing success in a principled, innovative way. Although T. Rowe Price has grown significantly in size and scale over more than eight decades, the fundamental principles upon which the company was founded remain as relevant today as they have ever been.

The personnel of this team must be highly conscious of their obligations to clients. They must possess a sincere desire to produce good results and obtain the public's good will.

Thomas Rowe Price, Jr.

Proprietary fundamental research is core to our ability to consistently identify sound, long-term investments for our clients. This entails rigorous analysis at the regional, sector, industry and company level. Combined with a thorough macro-understanding of markets and sectors, our 'bottom-up' approach to proprietary research forms the foundation for thousands of investment decisions every year, enabling us to understand the true value and possible risks for our clients.

We strive to do the right thing, always. Our high ethical standards and our culture of conscience drive the choices we make every day. Our actions are consistent with our belief that trust and candour benefit all. We honour our commitments and hold ourselves and each other accountable for achieving desired results. Ultimately, we believe success is not just about the value we create for our clients, but how we provide it. We are committed to understanding our clients' evolving needs, behaviours and perceptions and strive to provide a best-in-class client experience.

The OEIC fund range is distributed to intermediary and institutional clients rather than directly to individuals. Individual (retail) clients are able to access the funds through platforms and financial advisers.

In order to provide a holistic assessment of the value offered by our funds, we examined the seven principles that have been specified by the FCA. This report provides details of our key findings, along with proposed actions of the board around potential remedies where needed.



Scott Keller

Chair, Board of Directors
T. Rowe Price UK Limited

Introducing the T. Rowe Price UK Board



Scott Keller **EMEA Head of Distribution**

Scott Keller is the chairman and CEO of T. Rowe Price UK Limited and serves on the Board of Directors of T. Rowe Price

(Luxembourg) Management S.à r.l., T. Rowe Price Funds SICAV, T. Rowe Price Funds Series II SICAV, Select Investment Series III SICAV, and T. Rowe Price Funds B SICAV. He is the head of EMEA Distribution of T. Rowe Price Group, Inc. Scott is a member of the EMEA Executive Committee and a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd. He has 24 years of experience across various aspects of the financial services industry, seven of which have been with T. Rowe Price. Prior to joining the firm in 2014, he served in a variety of leadership positions at UBS in both Europe and Asia. Scott earned a B.S. in international area studies from Drexel University in Philadelphia; an M.A. in German and European studies from Georgetown University in Washington, D.C.; and an M.A. in political science from the Central European University in Budapest, Hungary. He also has earned the Chartered Financial Analyst and Chartered Alternative Investment Analyst designations.



Caron Carter **EMEA Head of Client Account Services**

Caron Carter is a director of T. Rowe Price UK Limited and serves on the Board of Directors of T. Rowe Price Funds SICAV, T. Rowe Price

Funds Series II SICAV, Select Investment Series III SICAV, and T. Rowe Price Funds B SICAV. She is head of Client Operations for the Europe, Middle East, and Africa region of T. Rowe Price Group, Inc. Caron is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd. Caron's financial services experience began in 2001, and she has been with T. Rowe Price since 2019. Prior to joining the firm, she was head of Client Service Management, UK & Ireland at BlackRock. Caron earned an L.L.B. Business Law (Hons.) from Guildhall University London, her Legal Practice Certificate from Westminster School of Law and qualified as a Solicitor in 2003.



Emma Beal **Head of EMEA Legal**

Emma Beal is a director of T. Rowe Price UK Limited and serves on the Board of Directors of T. Rowe Price Funds SICAV, T. Rowe Price

Funds Series II SICAV, Select Investment Series III SICAV, T. Rowe Price Funds B SICAV and T. Rowe Price International Ltd. She is a senior legal counsel and head of Legal for the Europe, Middle East and Africa region for T. Rowe Price Group, Inc. Emma is a vice president of T. Rowe Price Group, Inc., T. Rowe Price International Ltd. and a number of its subsidiaries. Prior to joining T. Rowe Price in 2007, Emma was a vice president and attorney with Morgan Stanley Investment Management Limited. Emma earned an L.L.B. (Hons.) in law from the University of Sheffield.



Helen Ford **Global Head of Investment Specialists**

Helen Ford is a director of T. Rowe Price UK Limited and serves on the Board of Directors of T. Rowe Price Funds SICAV, T. Rowe Price

Funds Series II SICAV, Select Investment Series III SICAV, and T. Rowe Price Funds B SICAV. She is the global head of the Investment Specialist Group of T. Rowe Price Group, Inc. She is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd. Helen's investment experience began in 1988, and she has been with T. Rowe Price since 2007. Helen earned a B.Sc., with honors, in economics and politics from The Open University. She also has earned the Chartered Financial Analyst designation.

T. Rowe Price UK Board Continued



John Yule **UK Head of Distribution**

John Yule is a director of T. Rowe Price UK Limited. John is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd.

He is head of UK & Ireland Distribution for T. Rowe Price, Inc. and a member of the EMEA Executive Committee. John has 32 years of industry experience working in the UK investment market, and he has been with T. Rowe Price since 2014. Prior to joining the firm, he was the Head of UK Retail at F&C Asset Management (now, BMO). John earned a B.Sc. (honours) in actuarial mathematics and statistics from Heriot-Watt University.



John McLaughlin **Independent Non-executive Director**

John McLaughlin is an independent non-executive director of T. Rowe Price UK Limited and also serves on the boards of Interactive

Investor Limited and Furnistore in East Surrey Limited. During a 25 year career at Schroders he served in a number of investment roles, including as head of the global multi-asset and investment solutions divisions. John holds a doctorate in mathematical physics from Oxford University.



Louise McDonald **Head of EMEA Product Management**

Louise McDonald is a director of T. Rowe Price UK Limited and serves on the Board of Directors of T. Rowe Price Funds SICAV,

T. Rowe Price Funds Series II SICAV, Select Investment Series III SICAV, and T. Rowe Price Funds B SICAV. She is Head of Product Management for the Europe, Middle East, and Africa (EMEA) region of T. Rowe Price Group, Inc. Louise is a member of the EMEA Executive Committee and Global Product Lead team and is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd. Louise's investment experience began in 1994, and she has been with T. Rowe Price since 2019. Prior to joining the firm, she was Head of Product Development & Management at Newton Investment Management Ltd. Louise earned a B.A. in business administration from the University of Strathclyde.



Hugh Mullan **Independent Non-executive Director**

Hugh Mullan is an independent non-executive director of T. Rowe Price UK Limited and also serves on the boards of Multrees Investor

Services and a number of Schroders' Luxembourg domiciled investment fund ranges. He has extensive experience managing investment and retail savings businesses, having held senior executive positions at Fidelity, Barclays Wealth, Schroders, and Citibank. Hugh earned a B.Sc. in applied science from Cranfield University.

Questions and Answers With John McLaughlin and Hugh Mullan, Our Independent Non-executive Directors

Why do we produce an Assessment of Value (AoV)?

Formally reviewing the value of our funds is a regulatory requirement: It came into effect in September 2019, and the FCA requires Authorised Fund Managers (AFMs) to prepare an AoV annually. We very much welcome the FCA's encouragement to conduct rigorous testing of our OEIC funds to ensure that they offer value for our customers and, in any cases where they are not up to par, to agree and implement the appropriate remediation.

The requirement to produce an annual AoV is a reflection of the FCA's concerns about a lack of transparency around how some investment products are run and what the outcome is for consumers. The aim is to improve the level of information and the detail given to consumers. As directors of the Board, we strongly agree that all consumers should know how their money is doing, what they are being charged, and what benefits they are getting from their investment. It is beholden on us to explain to customers how well we are doing our jobs so that they can make informed decisions about their investment products.

The FCA is very keen to ensure that investment products are delivering value to consumers. There is a concern that in some cases the costs or fees paid by investors in the UK are not correlated to the investment return they get. The AoV is a manifestation of the FCA's broader mission to ensure that every investor pays a fair price for the investment outcome that is advertised by the fund provider. Consequently, the investment outcome needs to be articulated clearly, fund expenses need to fairly reflect the cost of delivering product and the management fee should reflect the value added by the manager, both in absolute terms and relative to peers.

How important is the role of the independent non-executive directors in overseeing the AoV process?

The non-executive directors perform a critical role in overseeing the preparation of the AoV. We review the process independently, and we always try to see it through the eyes of the shareholder.

We are in a unique position to be able to look, assess and challenge without any conflicts of interests applying to us. Being outsiders, we are able to challenge the assumed internal wisdom and encourage positive change that will benefit the shareholder.

Preparing the AoV is not the only way to ensure robust product governance. Throughout the year, we receive detailed reports at each board meeting from the key areas of the business that are responsible for the UK fund range. This gives us positive assurance that the overall product governance is strong and allows us to probe into any area or incident that suggests there may be a weakness.

How can the culture of an organisation affect how it delivers value to investors?

The effect of culture on value delivery is indirect and intangible but, nevertheless, tremendously important. An organisational culture that encourages transparency at every level, places the customer at the centre of every decision and emphasises investment performance over asset growth will inevitably add much more value for its customers over the long term than a business that doesn't espouse those cultural values. We both feel that T. Rowe Price very much operates in this way.

We are pleased to see many examples where the firm demonstrates its commitment to clients, including its management of capacity, capping of fees in smaller funds and through its ongoing investment in the people and technology, which are at the heart of delivering investment performance. There is an incredibly strong recognition across the firm that the benefits should accrue in large part to the people who have bought our products and to whom we have made a promise, and this is an important part of the T. Rowe Price culture.

What should investors look for when they read and digest the AoV?

Investors should be looking for clear evidence that their fund is both constructed and managed to deliver value, which, of course, includes considering the past performance of the fund relative to its own objectives. However, we would encourage investors not to rely solely on any single criterion to decide if they are receiving value but to look at how the fund has scored on all seven criteria before making that judgement. If the report cites any concerns in relation to the fund they have invested in, they should expect to read about the explicit remedies which the Board intends to implement.

Executive Summary

While conducting the assessment, we recognised that the OEIC fund range had a limited track record having been established in August 2016, and its funds are designed for investors who typically plan to invest for five years or more.

As at 31 December 2020, the OEIC fund range counted 12 launched funds. The **performance** since inception for most of the funds remains strong, although we identified one fund, the Emerging Markets Discovery Equity Fund, with some performance challenges. The focus of this fund is on 'forgotten' yet fundamentally stable stocks. Rather than being a starting point, cheap value is a by-product of the fund's investment in stocks that are forgotten but that may benefit from operational efficiency or fundamental change ahead. The current cycle of value underperformance has been unusually long in duration, but over a market cycle, the value strategies are still expected to outperform their core comparator benchmark.

We use a value-based approach to setting the **management fee** by considering our comprehensive investment value proposition. This includes our investment capabilities (investment approach, research platform, thought leadership, succession planning, risk management approach), characteristics of the portfolio (demonstrated by metrics such as expected/delivered excess return, tracking error, information ratio, risk-adjusted returns) and any potential capacity constraints.

In setting the management fee, we also consider fairness to T. Rowe Price clients around the globe. Fees for similar vehicles in the same investment strategy and offered in other global regions are priced similarly (considering asset minimums to recognise scale at the investor level).

Importantly, differentiation versus competitors is considered in setting a fee that is reasonable and competitive based on our comprehensive investment value proposition.

In evaluating the management fees for our UK-based funds, we considered that this charge should not be significantly higher than competitors with similar strategies, but also noted in certain cases a slightly higher fee may be warranted in light of a fund's investment value proposition. Two funds, US Smaller Companies Equity Fund and Emerging Markets Discovery Equity Fund, have a management fee that is higher than their peer group medians.

We also recognise that the **operational and administrative expenses** of all the OEIC funds are capped. This is to protect investors from large costs while the funds are growing in size. After reviewing market data and considering funds of a similar size, the level of cap was set at 0.17%. However, we commit to reviewing this level annually to ensure it remains relevant and competitive.

T. Rowe Price **quality of service** is of a high standard, in line with the firm's policy of putting clients' interests ahead of its own. The year 2020 was a challenging one; most of our employees and our service providers had to quickly adapt to work remotely due to the coronavirus pandemic, while continuing to provide the usual level of service to investors, directly or indirectly. However, the transition to virtual communication was swift and the feedback from our UK intermediary clients about the support and communication they received in 2020 has been positive.

We reviewed the investors in the funds to determine whether any investors could be moved to lower-fee **share classes** that offered substantially similar rights. We concluded that all investors in the OEIC funds were invested in the appropriate share class and no further actions were required.

Conclusions and Remedies

Overall, we concluded that all the OEIC funds delivered value to our shareholders, although we have identified some actions to be taken and further monitoring needed for the Emerging Markets Discovery Equity Fund. Considering that this fund has had performance challenges and has a management fee that is higher than its peer group median, we rated the fund 'amber' and noted recommended actions.

In particular, we propose adding a secondary benchmark for the Emerging Markets Discovery Equity Fund. The MSCI Emerging Markets Index Net remains the primary comparator benchmark for the fund; however, we recommend adding a secondary comparator benchmark with a 'value' tilt to reflect the style of this strategy. Having two comparator benchmarks will provide investors with a more comprehensive assessment of the fund's performance. Importantly, the fund had only 18 months of performance history for

this assessment as at 31 December 2020, too short a time frame to fully assess value delivery. Acknowledging that Emerging Markets Discovery Equity Fund has some performance and comparable market rates challenges, we will conduct an in-depth review of the fund in 2021.

Although the Comparable Markets Rates criterion for the US Smaller Companies Equity Fund is rated amber, we concluded that, overall, the fund delivered value to its investors. The fund's management fee takes into consideration the portfolio characteristics (recognising that the fund outperformed its comparator benchmark and peer group on a three-year basis and since inception) as well as the capacity constraints of the strategy (the fund is not actively marketed, while we protect the interests of the existing investors). On this basis, we do not recommend any further actions for this fund.

This table summarises the red, amber, and green ratings for each criterion for each fund. As a result of the assessment, there is one amber-rated fund and 11 green-rated funds.

More detail on the approach we have taken and the findings on a fund-by-fund basis are noted later in this report.

OEIC fund	Quality of service	Performance	General costs	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
Asian Opportunities Equity Fund	●	●	●	●	●	●	●	●
Continental European Equity Fund	●	●	●	●	●	●	●	●
Emerging Markets Discovery Equity Fund	●	■	●	●	■	●	●	■
Global Focused Growth Equity Fund	●	●	●	●	●	●	●	●
Global Natural Resources Equity Fund	●	●	●	●	●	●	●	●
Global Technology Equity Fund	●	●	●	●	●	●	●	●
Japanese Equity Fund	●	●	●	●	●	●	●	●
US Equity Fund	●	●	●	●	●	●	●	●
US Large Cap Growth Equity Fund	●	●	●	●	●	●	●	●
US Large Cap Value Equity Fund	●	●	●	●	●	●	●	●
US Smaller Companies Equity Fund	●	●	●	●	■	●	●	●
Dynamic Global Bond Fund	●	●	●	●	●	●	●	●

Key

●	For the principle under consideration, the metrics and commentaries considered indicate value
■	For the principle under consideration, actions have been identified or taken, and further monitoring is required
▲	For the principle under consideration, the metrics and commentaries considered indicate there may be concerns about the ability of the fund to deliver value, and immediate action(s) may be required

Methodology

We developed a framework to measure the level of value our funds provide to investors that incorporates the seven criteria identified by the FCA. Although the framework provides an assessment of each criterion separately, we believe that value delivery to investors can be accurately assessed only by viewing the criteria collectively.

The seven main areas of focus are:

- Quality of Service
- Performance
- Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

The FCA has identified seven main areas of focus, and we have not added others in our framework. However, while assessing the performance criterion, different data points were used, which also helped to evaluate how the funds were actively managed. We also engaged with external parties to provide independent and supplementary data on performance and fund fees.

We evaluated all share classes of the funds; however, we used Class C for comparative purposes because these are more widely offered to intermediary investors.

We used a RAG rating (red, amber, green) to evaluate each of the seven criteria for each fund and then combined these ratings to reach an assessment about the level of value delivered to investors: green (fund provided value), amber (further monitoring required and/or actions taken) and red (value concerns and immediate actions are required).

1. Quality of Service

We considered the range and quality of services that were provided to investors, directly or indirectly. We reviewed a number of different criteria in our assessment, which can be broken down into three main areas:

- **Investment management services**
 - Management of the fund relative to its objective and active investment mandate.
 - Research and investment processes utilised to meet the funds' investment objectives.

- Monitoring of investment risks, including the models used to monitor market and liquidity risks.
- Background and experience of senior management and investment personnel involved in the fund's investment management process.
- Training and ongoing professional development of staff.

- **Product governance and client experience**

- The fund range's compliance record, including how breaches and complaints were registered and addressed.
- The quality of fund offering documentation and financial promotion literature, including how often these were updated.
- This year, due to the pandemic, we also considered the transition to virtual meetings with our intermediary clients and prospects, including the quality and frequency of the meetings relative to pre-pandemic standards.

- **External services**

- The value delivered by third-party service providers, including but not limited to fund accounting, fund administration, transfer agency, custody services, legal and audit services.

2. Performance

We considered how each of the funds performed as at 31 December 2020, after fees were paid. In particular:

- absolute net annualised total returns for each fund, as of the financial year-end.
- total returns of the funds relative to their comparator benchmarks.¹
- performance relative to active and passive funds in the relevant sector.
- performance relative to peer groups selected by Broadridge Financial Solutions (Broadridge), an independent firm. Broadridge provides independent benchmarking and qualitative analysis to assist boards and asset managers in their review of a fund's value.

We noted that all the funds under assessment have been designed for investors who typically plan to invest for a minimum of five years. However, none of our funds has a five-year track record, yet, and, therefore, a longer period is generally necessary to fully assess the performance of the funds.

¹ Investors may use the benchmark to compare the fund's performance. The benchmark has been selected because it is similar to the investment universe used by the investment manager and, therefore, acts as an appropriate comparator. Note that none of the funds use benchmarks for performance target or constraint purposes.

3. Costs

We reviewed the costs charged to investors and assessed their reasonableness for the level of service provided, both by us and by third parties. The two types of charges we examined were:

- Annual management charge (AMC) and
- Additional operating and administrative (O&A) expenses related to services provided by third parties (such as the external auditor, legal counsel, custodian and fund administrator), which are essential for the functioning of the funds.

For the AMC, although the information provided to assess this criterion is numerical, the assessment is also qualitative. In using a value-based approach to setting the AMC, we consider our comprehensive investment value proposition. This includes our investment capabilities (investment approach, research platform, thought leadership, succession planning and risk management approach), characteristics of the portfolio (demonstrated by metrics such as expected/delivered excess return, tracking error, information ratio and risk-adjusted returns) and any potential capacity constraints. Importantly, differentiation versus competitors is considered in setting a fee that is reasonable and competitive based on our comprehensive investment value proposition. In setting the AMC, we also ensure fairness to T. Rowe Price clients around the globe. Fees for similar vehicles in the same investment strategy and offered in other global regions are priced similarly (considering asset minimums to recognise scale at the investor level).

For O&A expenses, while the funds are growing in size, their fixed fees can be significant. Therefore, to protect investors' interests, we impose a cap on these expenses. For the AoV, we also reviewed the level of this cap.

4. Economies of Scale

We considered whether we were able to achieve savings and benefits from economies of scale and, if so, whether these were passed through to investors.

We have implemented a cap on the O&A expenses that benefits shareholders. As set out in the OEIC prospectus, where expenses attributable to a share class exceed a prescribed cap (0.17%), T. Rowe Price will bear the excess.

At present the majority of the OEIC funds are small in size, so by implementing the above mentioned cap, we are subsidising higher O&A expenses that investors would otherwise have to bear before a fund scales and expenses decline.

As funds grow in size, the operating and administrative expenses associated with managing them are spread across more investors.

Also, as the asset under management increases, the fees charged by third parties are reviewed to ensure investors receive appropriate services at competitive prices.

The AMC does not fall as the size of the fund increases. This also reflects our ongoing consideration of the capacity of some investment strategies, being mindful of the fact, that if they grow too large, it will affect the quality of the investment proposition on offer.

5. Comparable Market Rates

We examined AMC and O&A, which are the two main components of the ongoing charge figure (OCF), by comparing these fees with those of relevant active and passive peer groups.

In this assessment, we drew upon the independent analysis provided by Broadridge. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

In evaluating the AMC, we considered that this charge should not be significantly higher than competitors with similar strategies, but also noted, in certain cases, where a slightly higher fee may be warranted in light of a fund's comprehensive investment value proposition.

6. Comparable Services

We examined how charges paid by investors in the OEIC fund range compared with those paid by other T. Rowe Price clients investing in or through similar products and services. In particular, we looked at the charges paid by investors in the sub-funds of T. Rowe Price Funds SICAV, an open-ended investment company, authorised as a UCITS scheme and based in Luxembourg. We also analysed the charges paid by institutional investors with separately managed accounts.

We also reviewed our pricing approach, which considers the value-based pricing principle as well as the fairness principle. In setting the management fee, we ensure fairness to T. Rowe Price clients around the globe.

7. Classes of Units

We reviewed the investors in the funds to determine whether any investors could be moved to lower-fee share classes that offered substantially similar rights.

This principle draws particular attention to investors holding higher-fee share classes that were launched before the FCA (formerly, the Financial Services Authority) Retail Distribution Review (RDR) in 2012. Our OEIC fund range was launched after the introduction of the RDR, so there are no pre-RDR share classes to consider.

However, we did assess whether any investors in a standard share class should instead be invested in a foundation share class, which has a lower AMC. These share classes are reserved for clients who invest in an early-stage fund whilst it is still small.

Our Funds

Asian Opportunities Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares of companies in Asia.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- are looking to diversify their equity investments; in particular, existing investments in developed markets
- understand and can accept the risks of the fund, including the risks of investing in emerging markets

Fund	
Launch Date	16 October 2017
Comparator Benchmark	MSCI All Country Asia Ex Japan Index Net
IA Sector	Asia Pacific Excluding Japan
AUM (GBP million)	36.0
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	16 October 2017	0.75	0.92	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (12.28% versus 7.78%) as well as its peer group's average (12.06%). In 2020, stock selection in China contributed the most to relative outperformance. Stock choices in financials added further value. On the other hand, India curbed relative returns due to both our allocation and stock picks. Overall, the fund rated Green for performance

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, T. Rowe Price UK Limited (TRPUK) has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Asian Opportunities Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is in line with the peer group's average (0.75% versus 0.76%).

While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are in line with the peer group (0.17% versus 0.18%). The fund benefits from an expense cap that keeps pricing competitive with larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the fee of this fund was comparable to those of other funds and institutional mandates of the same investment strategy and similar size. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and Key Investor Information Document. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Continental European Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares of companies in Europe (excluding the UK).

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- understand and can accept the risks of the fund, including the risks of investing in equities

Fund	
Launch Date	26 September 2016
Comparator Benchmark	FTSE Developed Europe Ex UK Index Net
IA Sector	Europe Excluding UK
AUM (GBP million)	3.3
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	26 September 2016	0.65	0.82	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (9.09% versus 6.04%) as well as its peer group's average (3.60%). In 2020, stock selection within the consumer discretionary, materials and financials sectors were among the best relative performance contributors. Tobias Mueller, the manager of the European Select Strategy, joined Dean Tenerelli as co-portfolio manager of the Europe Equity and Europe ex-UK Equity Strategies on 1 July 2020, and succeeded him as sole portfolio manager on 1 October 2020. Overall, the fund rated Green for performance

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Continental European Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is below the peer group's average (0.65% versus 0.75%). While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are only slightly higher than the peer group (0.17% versus 0.13%). The fund benefits from an expense cap that keeps pricing competitive with larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the fee of this fund was comparable to those of other funds and institutional mandates of the same investment strategy and similar size. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Emerging Markets Discovery Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a widely diversified portfolio of shares of emerging market companies.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- are looking to diversify their equity investments; in particular, existing investments in developed markets
- understand and can accept the risks of the fund, including the risks of investing in emerging markets

Fund	
Launch Date	25 June 2019
Comparator Benchmark	MSCI Emerging Markets Index Net
IA Sector	Global Emerging Markets
AUM (GBP million)	1.7
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	25 June 2019	1.00	1.17	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund was launched in June 2019, so it does not have a long track record. The fund's one-year performance through 31 December 2020 shows that the fund underperformed its comparator benchmark (4.57% versus 14.65%). In 2020, the fund's value tilt caused the fund to lag its core benchmark as growth stocks significantly outperformed, although the divergence narrowed in the final quarter of the year. Stock selection in China hurt the most at the country level, while our stock choices in financials crimped returns from a sector perspective. In contrast, the fund's stock preferences in Mexico and its overweight in materials helped. The fund slightly underperformed its peer group (4.47% versus 5.26%). Overall, the fund rated Amber for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Emerging Markets Discovery Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is higher than the peer group's average (1.00% versus 0.88%). While the fund is one of the smallest within its peer group in terms of assets under management, its operational and administrative charges are higher than the peer group (0.17% versus 0.11%), although the fund benefits from an expense cap. Considering that the fees and expenses are higher than its peer group, the fund is rated Amber on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the fee of this fund was comparable to those of other funds and institutional mandates of the same investment strategy and similar size. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Conclusions and Remedies

Considering that this fund has had performance challenges and has a management fee that is higher than its peer group median, we rated the fund 'amber' and noted recommended actions.

In particular, we propose adding a secondary benchmark for the Emerging Markets Discovery Equity Fund. The MSCI Emerging Markets Index remains the primary comparator benchmark for the fund; however, we recommend adding a secondary comparator benchmark with a 'value' tilt to reflect the style of this strategy. Having two comparator benchmarks will provide investors with a more comprehensive assessment of the fund's performance. Importantly, the fund had only 18 months of performance history for this assessment as at 31 December 2020, too short a time frame to fully assess value delivery.

Acknowledging that Emerging Markets Discovery Equity Fund has some performance and comparable market rates challenges, we will conduct an in-depth review of the fund in 2021.

Fund-Level Assessment	
Quality of service	●
Performance	■
Costs	●
Economies of scale	●
Comparable market rates	■
Comparable services	●
Classes of units	●
Overall Assessment	■

As at 31 December 2020

* Source: Data from Broadridge as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Global Focused Growth Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares, which, in the opinion of the investment manager, have the potential for above-average and sustainable rates of earnings growth. The companies may be anywhere in the world, including emerging markets.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- are looking to diversify their equity investments
- understand and can accept the risks of the fund, including the risks of investing in equities globally

Fund	
Launch Date	30 May 2017
Comparator Benchmark	MSCI All Country World Index Net
IA Sector	Global
AUM (GBP million)	302.5
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	30 May 2017	0.75	0.91	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale, having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (24.02% versus 9.68%) as well as its peer group's average (16.55%).

In 2020, stock selection in the information technology sector, coupled with an overweight position, added the most relative value; health care also helped. No sectors dragged on a relative basis. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Global Focused Growth Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is in line with the peer group's average (0.75% versus 0.75%). Its operational and administrative charges are also lower than the peer group (0.16% versus 0.26%). The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the fee of this fund was comparable to those of other funds and institutional mandates of the same investment strategy and similar size. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Global Natural Resources Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a widely diversified portfolio of shares of natural resources or commodities-related companies. The companies may be anywhere in the world, including emerging markets.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- are looking to diversify their equity investments, especially in periods of accelerating inflation
- understand and can accept the risks of the fund, including the risks of investing in equities and commodities

Fund	
Launch Date	27 March 2017
Comparator Benchmark	MSCI World Select Natural Resources Index Net
AUM (GBP million)	1.90
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	27 March 2017	0.75	0.92	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale, having regard to the fund's investment objectives, policy and strategy.

Although, in absolute terms, the fund's three-year performance through 31 December 2020 was negative, the fund outperformed its comparator benchmark (-2.31% versus -6.01%). On a three-year basis, the fund underperformed its peer group's average (0.44%). In 2020, an underweight allocation and stock selection in the integrated oil and gas industry contributed the most to relative performance. Conversely, an overweight allocation to the U.S. oil exploration and production industry had the most negative impact.

The fund is more defensively positioned than its peer group, and it aims to protect well when commodities are down. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Global Natural Resources Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is slightly higher than the peer group's average (0.75% versus 0.71%). While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are in line with the peer group (0.17% versus 0.17%). The fund benefits from an expense cap that keeps pricing competitive with larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Global Technology Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares of technology development or utilisation companies, with a focus on those that, in the opinion of the investment manager, are leading global technology companies. The companies may be anywhere in the world, including emerging markets.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- are looking to diversify their equity investments
- understand and can accept the risks of the fund, including the risks of investing in equities globally and in commodities

Fund	
Launch Date	27 March 2017
Comparator Benchmark	MSCI All Country World Information Technology Net
IA Sector	Technology and Telecommunication
AUM (GBP million)	483.0
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	27 March 2017	0.85	1.02	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale, having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (27.37% versus 25.86%) as well as its peer group's average (26.19%). In 2020, astute stock picking, particularly in software, and the portfolio's allocation to internet stocks accounted for much of its strong performance this year. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Global Technology Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is slightly higher than the peer group's average (0.85% versus 0.80%). Its operational and administrative charges are broadly in line with the peer group (0.17% versus 0.15%). The fund benefits from an expense cap that keeps pricing competitive with larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Japanese Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a widely diversified portfolio of shares of companies in Japan.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- are looking to diversify their equity investments
- understand and can accept the risks of the fund, including the risks of investing in the equities of smaller companies

Fund	
Launch Date	13 March 2017
Comparator Benchmark	TOPIX Index Net
IA Sector	Japan
AUM (GBP million)	339.5
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	13 March 2017	0.75	0.89	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale, having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (13.69% versus 4.41%) as well as its peer group's average (10.82%). In 2020, the biggest contributors by far to relative and absolute returns were stock selection and an overweight in the information technology and services sectors. The machinery, pharmaceutical and raw materials and chemicals sectors also boosted performance, while the fund's choice of securities and an underweight in the electrical appliances and precision instruments sectors eroded relative returns. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Japanese Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is slightly higher than the peer group's average (0.75% versus 0.72%). Its operational and administrative charges are lower than the peer group (0.14% versus 0.16%). The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

US Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares of companies in the United States.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- understand and can accept the risks of the fund, including the risks of investing in equities

Fund	
Launch Date	31 October 2016
Comparator Benchmark	S&P 500 Net 15% Withholding Tax
IA Sector	North America
AUM (GBP million)	12.6
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	31 October 2016	0.65	0.82	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The US Equity Fund generated solid absolute returns, although it underperformed the S&P 500 Index in the 36-month period ended 31 December 2020 (11.81% versus 13.45%). Stock selection in the consumer discretionary and health care sectors and an underweight position in information technology held back relative performance in 2020. Conversely, our underweight position in energy and stock selection in the financials sector contributed. Considering that the fund had a strong absolute return and that it performed broadly in line with its peer group (12.17%), the fund is overall rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

US Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is below the peer group's average (0.65% versus 0.75%). While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are slightly higher than the peer group (0.17% versus 0.11%). The fund benefits from an expense cap that keeps pricing competitive with much larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

US Large Cap Growth Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares from large-capitalisation companies in the United States that have the potential for above-average and sustainable rates of earnings growth.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- understand and can accept the risks of the fund, including the risks of investing in equities

Fund	
Launch Date	29 May 2018
Comparator Benchmark	Russell 1000 Growth Index Net 15%
IA Sector	North America
AUM (GBP million)	100.5
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	29 May 2018	0.65	0.82	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund was launched in May 2018, so it does not have a long track record. The fund's one-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (34.19% versus 34.02%) as well as its peer group's average (31.10%). In 2020, the fund's stock choices in the communication services sector and underweights to the consumer staples and real estate sectors drove relative outperformance. Conversely, the fund's positioning in the information technology sector weighed on the portfolio's relative results. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

US Large Cap Growth Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is below the peer group's average (0.65% versus 0.82%). While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are higher than the peer group (0.17% versus 0.10%). The fund benefits from an expense cap that keeps pricing competitive with larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

US Large Cap Value Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a diversified portfolio of shares from large-capitalisation companies in the United States that, in the opinion of the investment manager, are undervalued relative to their historical average and/or the average of their industries.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- understand and can accept the risks of the fund, including the risks of investing in equities

Fund	
Launch Date	13 March 2017
Comparator Benchmark	Russell 1000 Value Index Net 15%
IA Sector	North America
AUM (GBP million)	8.8
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	13 March 2017	0.65	0.82	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (5.43% versus 5.29%) as well as its peer group's average (5.29%). Within the fund, relative contributors in 2020 were concentrated in certain sectors that benefitted from increased demand in stay-at-home and online services that stemmed from the effort to curb the spread of COVID-19 (the disease caused by the coronavirus). A variety of sectors had a negative impact, including those most affected by pandemic-driven economic shutdowns. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

US Large Cap Value Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is below the peer group's average (0.65% versus 0.75%). While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are higher than the peer group (0.17% versus 0.07%). The fund benefits from an expense cap that keeps pricing competitive with much larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offer the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

US Smaller Companies Equity Fund

Objective and Investment Policy

To increase the value of its shares through growth in the value of its investments.

The fund is actively managed and invests mainly in a widely diversified portfolio of shares from smaller-capitalisation companies in the United States.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in investment growth
- understand and can accept the risks of the fund, including the risks of investing in equities

Fund	
Launch Date	13 March 2017
Comparator Benchmark	Russell 2500 Index Net 15%
IA Sector	North American Smaller Companies
AUM (GBP million)	121.3
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	13 March 2017	0.95	1.12	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (18.40% versus 10.68%) as well as its peer group's average (13.88%). In 2020, stock selection in information technology and industrials and business services led performance, while consumer staples was the only sector to have a negative impact on relative results. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

US Smaller Companies Equity Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is higher than the peer group's average (0.95% versus 0.82%). While the fund is on the smallest within its peer group in terms of assets under management, its operational and administrative charges are higher than the peer group (0.17% versus 0.10%), although the fund benefits from an expense cap. Considering the fees and expenses are higher than its peer group, the fund is rated Amber on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offers the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	■
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

Our Funds

Dynamic Global Bond Fund

Objective and Investment Policy

To generate income while offering some protection against rising interest rates and a low correlation with equity markets.

The fund is actively managed and invests mainly in a portfolio of bonds of all types from issuers around the world, including emerging markets.

Designed for:

Investors who typically plan to invest for five years or more.

The fund may appeal to investors who:

- are interested in a combination of income and investment growth
- understand and can accept the risks of the fund, including the risks of investing in global bond markets and in derivatives

Fund	
Launch Date	12 December 2016
Comparator Benchmark	3-Month GBP LIBOR
AUM (GBP million)	41.3
Base Currency of the Fund	GBP

Primary Class	Launch Date	AMC %	OCF %	Minimum Initial Investment (GBP)
Class C Acc	12 December 2016	0.50	0.67	10,000

Data as of 31 December 2020

1. Quality of Service

We considered the range and quality of services provided to shareholders. We reviewed three main areas: investment management services, product governance and client experience and external services. Overall, the fund delivered a Green rating for quality of service.

2. Performance*

We considered the performance of the fund after deduction of all payments out of scheme property and over an appropriate timescale having regard to the fund's investment objectives, policy and strategy.

The fund's three-year performance through 31 December 2020 shows that the fund outperformed its comparator benchmark (2.13% versus 0.62%) as well as its peer group's average (1.70%). In 2020, the portfolio's hedges against downturns in the corporate credit and equities markets had a strong positive impact on performance, as did the fund's exposures to select U.S. investment-grade and high yield corporate bond issuers. Overall, the fund rated Green for performance.

3. Costs

We assessed whether the costs were transparent, fairly allocated among share classes and funds and reasonable for the level of service we provided or the level of service we (and, therefore, investors) received from third parties. We concluded that the fees paid were reasonable and commensurate with the service levels provided. The fund is rated Green on the basis of this assessment.

4. Economies of Scale

We assessed if the fund was able to achieve savings and benefits from economies of scale and, where such savings occur, whether these have been passed through to the shareholders. Also, TRPUK has implemented a cap on the fund's operating and administrative expenses (maximum level of cap of 0.17%) that benefits shareholders, effectively subsidising the costs of the fund while it grows in size. We believe that, where possible, economies of scale are passed on to investors. The fund is rated Green on this basis.

Our Funds

Dynamic Global Bond Fund Continued

5. Comparable Market Rates*

We compared the annual management charge and operating and administrative expenses of the primary share class against a relevant peer group. We concluded that the management fee of the fund is below the peer group's average (0.50% versus 0.58%). While the fund is on the smaller end of the spectrum in terms of assets under management, its operational and administrative charges are in line with the peer group (0.17% versus 0.17%). The fund benefits from an expense cap that keeps pricing competitive with larger peers. The fund is rated Green on this basis.

6. Comparable Services

We considered the annual management charge paid by investors in the fund compared with those paid by other T. Rowe Price clients investing in or through similar products and services, including institutional investors with separately managed accounts.

We concluded that the pricing approach for this fund was in line with our Fairness Principle, which means treating all clients equally around the globe. The fund is rated Green on this basis.

7. Classes of Units

The fund was launched after the RDR became effective. Therefore, none of our share classes offers the payment of trail commissions to intermediaries. Also, we considered if any investors in a standard share class should instead be invested in foundation share classes. We concluded that all investors were invested in the appropriate share class. The fund is rated Green on this basis.

Fund-Level Assessment	
Quality of service	●
Performance	●
Costs	●
Economies of scale	●
Comparable market rates	●
Comparable services	●
Classes of units	●
Overall Assessment	●

As at 31 December 2020

* Source: Data from Broadridge, as at 31 December 2020. Broadridge constructed peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where possible, similar size.

Further information about the performance of the fund can be found in the factsheet. Further information about the risks of the fund can be found in the prospectus and KIID. The factsheet, KIID and prospectus are available on our website, troweprice.com.

About T. Rowe Price

Founded in 1937 during the Great Depression, T. Rowe Price is built on the enduring philosophy of our founder: meeting clients' individual needs. For over 80 years and through changing investment and economic environments, the core principles that guide our business have remained the same. Today, T. Rowe Price is one of the largest investment firms in the world, managing £1.1 trillion¹ for clients in 51 countries.

As a global investment manager, we actively listen and anticipate developing strategies that respond to the needs of our clients to help them achieve their long-term financial goals. Each strategy is supported by our proprietary global research platform and experienced investment teams. Our analysts and portfolio managers work together across regions, sectors and asset classes to identify investment opportunities others might miss.

Strong Investment Capabilities

T. Rowe Price offers a broad range of equity, fixed income and multi-asset strategies across multiple asset classes, regions, capitalisations, sectors and styles. Our experience of investing through multiple market cycles contributes to an investment strategy that seeks to generate consistent performance for our clients over the long term.

Proprietary Research

Our portfolio managers are backed by one of the industry's largest and most experienced buy-side global research platforms. Insights from our proprietary research help us uncover the most attractive investments worldwide.

Collaborative Culture

Our highly collaborative culture encourages a continuous exchange of ideas and information across the firm and enhances our ability to make more informed decisions for our clients.

Consistency

We believe that investing for the long term generates more stable and reliable investment returns. We never compromise our investment style or adherence to client objectives to follow short-term market trends.

Attention to Risk

We conduct rigorous risk modelling, monitoring and formal reviews through every stage of the investment process. This enables our investment teams to take risks only when our analysis shows that we are being adequately compensated.

For more information on T. Rowe Price and our investment capabilities, please visit our website:

troweprice.com

T. Rowe Price[®]
INVEST WITH CONFIDENCE

¹ As at 31 December 2020. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

Glossary

Active Funds

In an actively managed fund, the investment manager has complete discretion over the composition of its portfolio, subject to the stated investment objectives and policy and has freedom to deviate from the constituent holdings, country or sector weightings of any benchmark index.

Authorised Corporate Director (ACD)

The ACD acts as an independent steward protecting the interests of investors in a fund. Overseeing the investment manager to ensure the fund is run in accordance with its stated objectives and with Financial Conduct Authority (FCA) rules and principles, the ACD has the ultimate regulatory responsibility for a fund and is accountable to the UK regulator, the FCA.

Authorised Fund Manager (AFM)

The authorised fund manager is responsible for the overall management of the fund, investing money on behalf of clients. An authorised investment fund is one that is authorised and regulated by the UK financial regulator, the FCA.

Annual Management Charge (AMC)

This is the yearly fee an investment manager charges to manage a fund. It is generally a percentage of the assets of the fund, for example 0.75% of the fund's assets per annum. The AMC is automatically deducted from the assets of the fund.

The Asset Management Market Study

In 2017, the FCA published the Asset Management Market Study, a broad review of our industry in the UK, looking at whether investors received good value when accessing asset management products.

Assessment of Value (AoV)

As a result of the Asset Management Market Study, the FCA introduced new rules with the aim of ensuring asset managers continue to act in the best interest of investors. These new rules require us to perform a detailed annual assessment to determine whether our UK-based funds are providing value for investors.

Assets under management (AUM)

The total value of investments held within a portfolio.

Benchmark

A benchmark is typically an index or a market average. In the case of a "comparator benchmark": investors may use the benchmark to compare the fund's performance. The specific benchmark is selected because it is similar to the investment universe used by the investment manager of the fund and therefore acts as an appropriate comparator. However, the investment manager is not constrained by any country, sector and/or individual security weightings relative to the benchmark and has complete freedom to invest in securities that do not form part of the benchmark.

Capacity

Amount of assets under management invested in an active strategy at which making additional investments could potentially hurt the fund's return.

Defensive/defensively positioned

A conservative method of investment allocation that emphasises capital preservation, for example by holding more cash or money market securities.

Financial Conduct Authority (FCA)

The FCA is the regulator of the UK's financial services industry. Its responsibilities include safeguarding consumers, keeping the industry stable and fostering healthy competition between financial service providers. More information can be found on their website: <https://www.fca.org.uk/about/the-fca>.

Fund/Investment Fund

A form of collective investment where investors' money is pooled and invested in a variety of investments.

Glossary Continued

Growth (investment style)

An investment style that focuses on companies with the potential to grow their earnings significantly over time. Such companies typically reinvest earnings into the business to fund future expansion.

Independent non-executive directors (INEDs)

An independent non-executive director is an individual who is a director (member) of the board of directors who does not have a material or pecuniary relationship with the company or related persons. The INEDS's role is to provide independent oversight and constructive challenge to the executive directors.

Institutional investor

An institutional investor is a company or organisation that invests money on behalf of other people. Institutional clients is a term used in the financial services to define financial institutions such as pensions and insurance companies. They often trade in larger amounts compared to retail investors.

Intermediary

An intermediary is a firm that acts as an intermediary between a provider of a service and the client, for example an independent financial adviser.

Investment Association (IA)

The Investment Association is the trade body and industry voice for UK investment managers.

Investment Association Sector (IA Sector)

Funds are often categorised according to their Investment Association Sector, if they have one. This is a useful way to find and compare funds, for instance when comparing performance and fund charges of similar funds. Sector definitions are mostly based on assets, such as equities and fixed income and may also have a geographic focus.

Investment manager

An individual responsible for managing the assets in a fund.

Key Investor Information Document (KIID)

The KIID is a two-page document which includes the critical information about a fund, including the fund objectives, risks and OCF. The document aims to help investors understand the nature and key risks of the fund in order to make a more informed investment decision.

Operating and Administrative Expenses (O&A Expenses)

These are operating and administrative expenses related to services provided by third parties (such as the external auditor, legal counsel, depositary, custodian and fund administrator) which are essential for the functioning of the funds. These are included in the OCF.

Ongoing Charge Figure (OCF)

The OCF is made up of the annual management charge (AMC) and other operating and administrative (O&A) Expenses, such as the fees that the fund pays to the auditor, legal counsel, depositary, custodian and fund administrator.

Open Ended Investment Company (OEIC)

An open ended investment company is a fund umbrella that operates as a company and which holds a number of sub-funds, each with their own objective.

Overweight

An overweight portfolio holds a larger amount of a particular security (or holds a larger amount of a particular sector) when compared to the weight of that security (sector) held in the benchmark. Overweight can also refer to an analyst's opinion regarding the future performance of an asset, industry or security in scenarios where it is expected to outperform.

Glossary Continued

Passive Funds

Passive management is a style of management where a fund's portfolio mirrors a market index. Passive management is the opposite of active management in which a fund's manager(s) attempt to beat the market with various investing strategies and buying/selling decisions of a portfolio's securities. Passive management is also referred to as "passive strategy," "passive investing," or "index investing".

Retail Distribution Review (RDR)

The Retail Distribution Review is a Financial Conduct Authority initiative that aims to provide greater clarity about different types of financial services available. It also seeks to improve transparency around the costs and fees associated with financial advice. RDR came into effect on 31 December 2012.

Retail investors

An individual, non-professional investor in funds who tends to purchase securities for their own personal accounts. They often trade in smaller amounts compared to institutional investors.

Segregated mandate

A segregated mandate is an investment portfolio that is managed on behalf of an institutional investor.

Share class

An investment fund has different types of shares investors can buy. Each 'class' has varying benefits and drawbacks.

SICAV

'Société d'investissement à capital variable'. A SICAV is a publicly traded open-end investment fund structure offered in Europe.

UCITS

An Undertaking for Collective Investment in Transferable Securities which is a UK UCITS or an EEA UCITS scheme.

Underweight

An underweight portfolio holds a smaller amount of a particular security (or holds a smaller amount of a particular sector) when compared to the weight of that security (sector) held in the benchmark. Underweight can also refer to an analyst's opinion regarding the future performance of an asset, industry or security in scenarios where it is expected to underperform.

Value (investment style)

Value investing is a style of investing that involves buying shares that appear lowly valued relative to their history and the company's earnings. The theory is that, over time, the share's relatively low price will rise to more accurately reflect the true value of the company.

We, us

The board of directors of TRPUK, acting through the ACD or through its service providers. On page 6, "we" refers only to the independent non-executive directors.

Additional information

Broadridge - In our review of the seven criteria outlined by the FCA as well as additional factors we have deemed important, T. Rowe Price UK Limited has worked with Broadridge Financial Solutions. Broadridge is an independent firm that provides boards and asset managers independent benchmarking related to a fund's value as well as providing a qualitative analysis related to benchmarking to assist the board in its review of each fund's value.

Important information

The Funds are sub-funds of the T. Rowe Price Funds OEIC, an investment company with variable capital incorporated in England and Wales, which is registered with the UK Financial Conduct Authority and which qualifies as an undertaking for collective investment in transferable securities ("UCITS"). Full details of the objectives, investment policies and risks are located in the prospectus which is available with the key investor information documents in English, together with the articles of incorporation and the annual and semi-annual reports (together "Fund Documents"). Any decision to invest should be made on the basis of the Fund Documents which are available free of charge from the local representative, local information/paying agent or from authorised distributors and via troweprice.com.

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