



US BLUE CHIP EQUITY

“All-season” growth opportunities in the world’s largest, most dynamic market

Making up more than half of global equity markets, US equities are a foregone conclusion for many asset allocators. But it’s not always easy for investors to make sense of this complex, dynamic asset class. Identifying a theme or a trend does not necessarily make a successful investment and stock returns within the same sector or industry can exhibit significant dispersion.

Making sense of a diverse opportunity set

The size of the US domestic market makes it a highly competitive environment for companies to operate in. Competition for market share has nurtured a strong culture of innovation, the pace of which continues to increase with new technologies and industries being created, from cloud computing and autonomous vehicles to mobile payments and streaming services. Understanding the potential impact from disruptive technologies can be rewarding but it can also be very challenging for investors to predict the longer-term winners and losers.

Yet, it is not just about identifying the newest, most innovative companies. More traditional companies, with simpler, recurring revenue models and less execution risk also have the potential to grow profits and deliver attractive returns to investors over time.

The key is to be able to continually evaluate a company’s evolutionary prospects and to stay focused on its long-term business strategy over near-term operating results. It is important to not judge investment ideas over too short a time horizon as the best ideas can often take time to be recognised by the market.

What does this mean for investors?

This is no job for an autopilot. US equities may be the most efficient market in the world, but that only makes it an even more suitable arena for skilled stock pickers. Investors need to be very selective, with a clear framework for identifying companies with the strength and quality to flourish, and the right moment to buy them.

We believe that focusing on high quality companies that can successfully weather economic cycles and investing in them when shifting investor sentiment provides attractive valuations can enhance long-term returns for investors in US equities.

Strategy snapshot

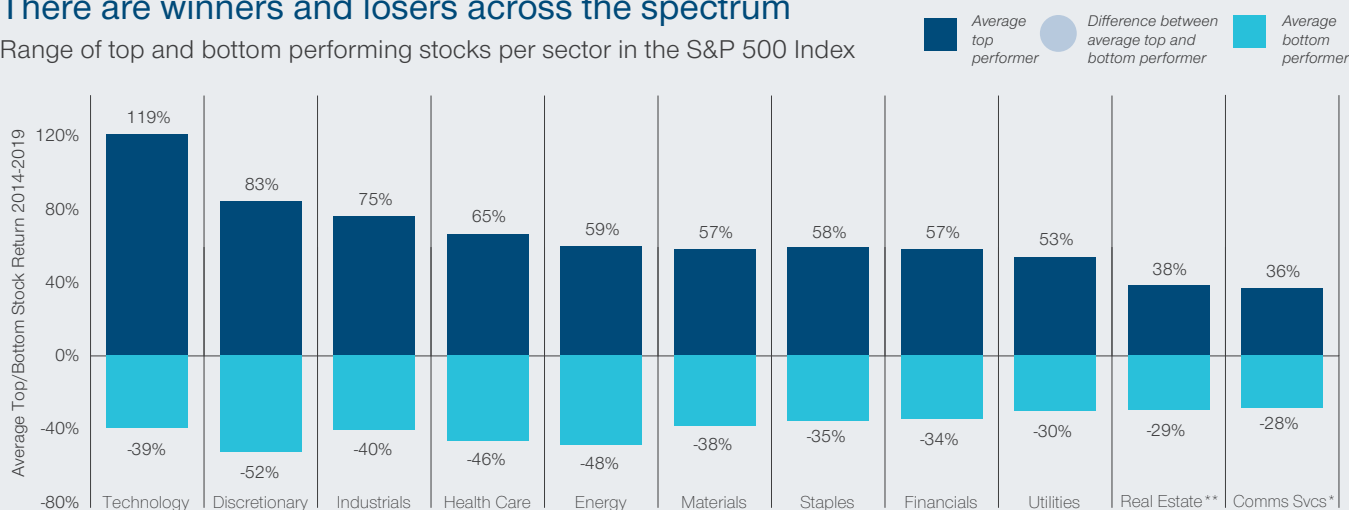
A diversified portfolio of large and medium-sized US companies that can deliver strong growth in earnings and free cash flow on a durable basis

Bottom-up investment approach that seeks to deliver consistent returns across the market cycle.

Asset class	US equities
Indicative Benchmark	S&P 500 Net 30% Withholding Tax <i>Not a formal benchmark; shown only for comparison purposes.</i>
Portfolio Manager Associate	Larry J. Puglia
Portfolio Manager	Paul Greene
Portfolio	<ul style="list-style-type: none"> Typically 100-140 stocks Sector weights 0.5x-2x benchmark

There are winners and losers across the spectrum

Range of top and bottom performing stocks per sector in the S&P 500 Index



Past performance is not a reliable indicator of future performance.

As at 31 December 2019

* Effective 28 September 2018, S&P Dow Jones Indices and MSCI broadened and renamed the Telecommunication Services Sector as Communication Services.

** On 31 August 2016, S&P Dow Jones Indices and MSCI moved stock-exchange listed Equity REITs and other listed real estate companies from the Financials Sector of their Global Industry Classification Standard (GICS®) to a new Real Estate Sector.

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Why T. Rowe Price for US Equities?

A heritage of success

Investment expertise and extensive local research in US equities are essential to identifying the companies that will be the long-term winners across a variety of economic environments.

Heritage Success in US equities since 1937	We have been managing US equities for over 80 years, so you can have confidence that we know our markets.
Access US\$707bn* assets under management in US equities	Being one of the largest active shareholders in many of the US companies we hold in our portfolios offers us valuable access to management and the ability to better assess the opportunities and challenges the companies are facing.
Insights Breadth and depth of expert research and analysis	Filtering out the noise, exploiting mispricing and always thinking long-term, our on the ground analysts look to identify forward-looking potential and insights of change in their industries.
Solutions Portfolios to suit different client needs	We have established expertise across the US equity universe and offer a range of established solutions to suit different client preferences: from large to small cap, from growth and core through to value portfolios.

Our research edge

Going beyond the numbers: T. Rowe Price's extensive local and global research

We believe our active, research-intensive approach, our experienced team and our collaborative culture are key to delivering long-term success in US equities.

Each of our investment decisions is backed by one of the industry's largest and most experienced buy-side global research platforms, with local analysts in the world's major economies working in collaboration with our global network of specialists across all industries and major asset classes to find the best investment ideas for our clients.

Our analysts go beyond the numbers, getting out into the field to see first-hand how companies are performing today and, more importantly, to make skilled judgements about how we think they'll perform in the future.

Regional specialists, as well as our global fixed income colleagues, help us form a view on macroeconomic and local market considerations that may affect the prospective growth of our investment candidates.



Local research – boots on the ground

- Local analysts immersed in US industries, in close proximity to local companies and markets
- Understanding of local dynamics and a physical presence enhances interaction and engagement



Global sector analysis – multi-disciplinary collaboration

- Opportunities evaluated in a global context by assessing and meeting with suppliers, customers and competitors
- Daily collaboration across the research team to share, challenge and validate investment ideas

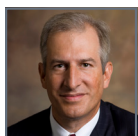


Our research culture – going beyond the numbers for investable insights

- Forward-looking analysis identifies high quality companies with durable growth potential
- Validating research through one-to-one meetings and on-site visits is core to our approach

*As at 31st December 2019, in US dollars. The combined US Equity assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

Why T. Rowe Price US Blue Chip Equity?



"We seek to buy all-season growth companies that can generate strong earnings and free cash flow growth in most economic and regulatory environments."

Larry J. Puglia

Our investment approach

Our investment universe comprises companies that operate in growth sectors of the economy with a market cap typically greater than US\$8 billion. We believe that investing in high-quality, large-cap US companies with sustainable competitive advantages can generate attractive long-term returns for moderate risk.

Specifically, we are seeking to identify businesses with the following characteristics:

Attractive business models in growth industries	Above-average, durable revenue & earnings growth	+	Significant free cash flow generation	Seasoned, shareholder-oriented management
Favour companies operating in fertile growth fields that can generate durable sales and earnings growth.	Durable and sustainable earnings and free cash flow growth drive investment returns over time. We focus on identifying sustainable growth, not momentum growth.			Strong management teams who skilfully reinvest cash flow can significantly enhance company performance.

We believe these characteristics can lead to sustainable high earnings and free cash flow growth, which drives long-term shareholder value. We aim to avoid overpaying for growth, however, and seek to take advantage of cyclical opportunities to build long-term positions in high quality companies trading at attractive valuations relative to their long-term potential.

Fundamental research is key to identifying these successful long-term investments and we believe our bottom-up investment approach provides the ability to deliver consistent returns in a variety of market environments.

3 reasons to consider this strategy

1. An "all-seasons" growth strategy

We invest in a portfolio of 100-140 companies, built from the bottom-up but broadly diversified across growth-oriented sectors and industries to help manage risk. We believe investing in leading business franchises with the sustainable competitive strengths to weather economic cycles can deliver more consistent returns for investors.

2. A consistently applied approach

Lead manager Larry Puglia has managed this strategy, utilising the same trusted approach, for over 25 years. Based on the ground in the US, he is supported by an experienced US equities management team and one of the largest buy-side analyst platforms in the industry.

3. Long-term conviction holdings

We build high conviction positions that can allow for the compounding of earnings growth by focusing on companies' long-term potential rather than short-term results. Around one-third of assets in the strategy is invested in companies we have owned for 10 years or more.

Diversified exposure to leading US companies in growth-oriented sectors

Diversified portfolio

- Typically around 100-140 holdings
- Active position sizes typically +/- 3% relative to S&P 500 Index*

Consistent approach

- Experienced, highly resourced investment team
- Lead manager at the helm for over 25 years

Long-term, low turnover

- Focused on companies' long-term opportunities rather than short-term results
- Historically low turnover of portfolio holdings

*Not a formal benchmark; shown only for comparison purposes.

What sets T. Rowe Price apart?

Since our formation in 1937, we have had one purpose: to meet our clients' individual needs, helping them to achieve their long-term financial goals. We aim to deliver global investment management excellence that you and your clients can rely on for the long term.

As a global investment manager, we focus on actively listening and anticipating and on developing strategies that respond to the needs of our clients. With clients in 51 countries, we offer a broad range of equity, fixed income and multi-asset strategies all powered by one of the largest and most experienced global research platforms in the industry, which helps us uncover the most attractive investments worldwide.

T. Rowe Price at a glance*

- US\$1,008.8bn in assets under management
- 302 research analysts collaborating across asset classes and industries
- 174 equity analysts, 85 fixed income analysts, 43 multi-asset analysts
- Offices in 16 countries, research analysts in 9 different locations

*All figures as at 31 March 2020. Firmwide AUM includes assets managed by T. Rowe Price Associates, Inc. and its investment advisory affiliates.

T. Rowe Price US Large-Cap Core Growth Equity Strategy

Strategy inception date	30 June 1993
Strategy AUM**	£82,884.1m
Lead Portfolio Manager (tenure)	Larry J. Puglia (since 1993)
Associate Portfolio Manager	Paul Greene
Indicative benchmark	S&P 500 Index Net 30% Withholding Tax

T. Rowe Price Funds SICAV – US Blue Chip Equity Fund

Fund size**	£673.5m
Launch date	28 June 2001
Base currency	US Dollar
ISIN Class Q GBP	LU1028172069

**As at 31 March 2020.
Full details of all available share classes can be found on our website.

For more information, visit our website or contact our Relationship Management Team

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- ☎ 020 7002 4372
- ✉ UKintermediaries@troweprice.com

Telephone calls may be recorded.

Key risks

The following risks are materially relevant to the strategy:

Style risk – Different investment styles typically go in and out of favour depending on market conditions and investor sentiment.

Important information

The SICAV Fund is a sub-fund of the T. Rowe Price Funds SICAV, a Luxembourg investment company with variable capital which is registered with Commission de Surveillance du Secteur Financier 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 and in an official language of the jurisdictions in which the Funds are registered for public sale, 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 www.troweprice.com.

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