



STRATEGY HIGHLIGHTS

As of 31 December 2019

## Emerging Markets Discovery Equity Strategy

**Total Strategy Assets:**<sup>1</sup> \$232.8 million<sup>2</sup>

Figures shown in U.S. Dollars

### INVESTMENT APPROACH

- Aim to exploit the valuation anomalies that arise across the diverse and inefficient emerging market opportunity set.
- Employ a contrarian approach using fundamental research, quantitative screen and industry contacts to identify companies that are out of favor, undervalued and that offer an attractive risk and reward profile.
- Minimize the risk of value traps by focusing on companies offering yield or a book value anchor to the valuation, and where we have identified re-rating thesis that can lead to an expansion in valuation over time.
- Risk management is an integral part of the portfolio construction process.

### PORTFOLIO CONSTRUCTION

- Typically 50-80 stock portfolio
- Expected 4-8% tracking error
- Individual position typically 0.5% to 5%, position sized by prospective risks
- Country ranges +/-10% absolute deviation from the benchmark
- Sector ranges +/-15% absolute deviation from the benchmark
- Reserves are normally less than 5%, max 10%

### BENCHMARK

- MSCI Emerging Markets Index Net

### PORTFOLIO MANAGEMENT

#### Ernest Yeung, CFA®, IMC

- 18 years of investment experience; 16 years with T. Rowe Price.
- M.A., University of Cambridge

#### Haider Ali

- 23 years of investment experience; 9 years with T. Rowe Price.
- M.B.A.,

### PORTFOLIO SPECIALISTS

#### Irmak Surenkok

- 17 years of investment experience; 2 years with T. Rowe Price.
- B.A., Victoria University of Wellington

Portfolio Specialists do not assume management responsibilities.

CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

<sup>1</sup> Includes a U.S.-registered mutual fund and a sub-fund of a Luxembourg domiciled SICAV.

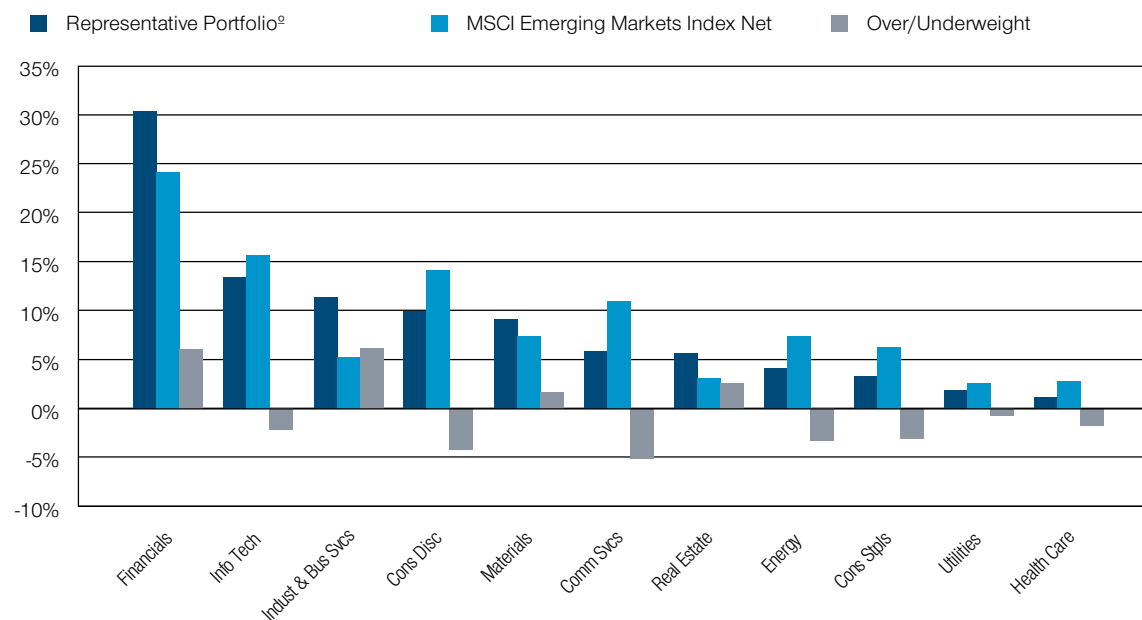
<sup>2</sup> Assets reported are as of 30 September 2019.

Prior to 1 December 2018, the name of the Emerging Markets Discovery Equity Strategy was the Emerging Markets Value Equity Strategy.

## TOP 10 ISSUERS

	% of Representative Portfolio <sup>2</sup>
Samsung Electronics	6.6%
Vipshop Holdings	2.4
Hon Hai Precision Industry	2.4
PICC Property & Casualty	2.3
Tsingtao Brewery	2.2
Sberbank of Russia	2.1
Land & Houses	2.1
China Overseas Land & Investment	2.0
State Bank of India	2.0
SK Hynix	2.0
<b>Total</b>	<b>26.0%</b>

## SECTOR DIVERSIFICATION



## PORTFOLIO CHARACTERISTICS

	Representative Portfolio <sup>2</sup>	MSCI Emerging Markets Index Net
Projected Earnings Growth Rate (3 - 5 Years)* <sup>o</sup> †	7.6%	11.2%
Price to Earnings (Current Fiscal Year)* <sup>o</sup>	11.9X	17.4X
Return on Equity (Current Fiscal Year) <sup>o</sup>	12.4%	13.6%
Price to Book <sup>o</sup>	1.3X	2.3X
Investment Weighted Median Market Cap (mm)	\$12,806	\$28,329
Investment Weighted Average Market Cap (mm)	\$50,841	\$111,684
Number of Issuers	59	1,336
Top 20 Issuers as % of Total	44.8%	32.4%
Portfolio Turnover ††	61.2%	-
Active Share	84.7%	-

<sup>o</sup>Investment Weighted Median.

\*I/B/E/S © 2020 Refinitiv. All rights reserved

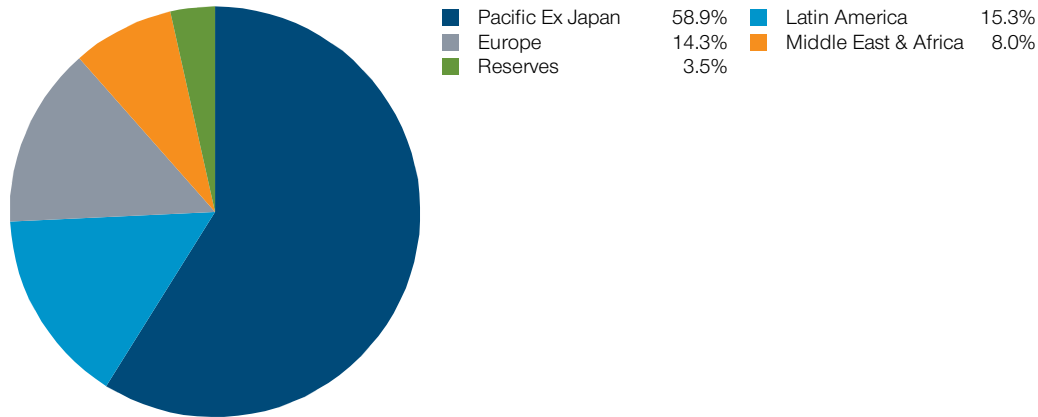
†Based on the Representative Portfolio's underlying holdings and is not a projection of future portfolio performance.

<sup>2</sup>Please see Additional Disclosures section for further information.

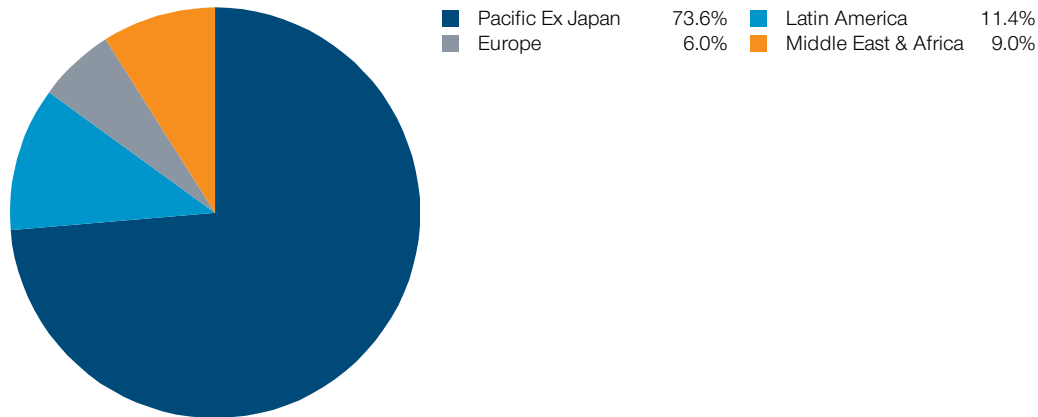
††Portfolio Turnover represents 1 year period ending 12/31/19.

**GEOGRAPHICAL DIVERSIFICATION**

**Representative Portfolio<sup>9</sup>**

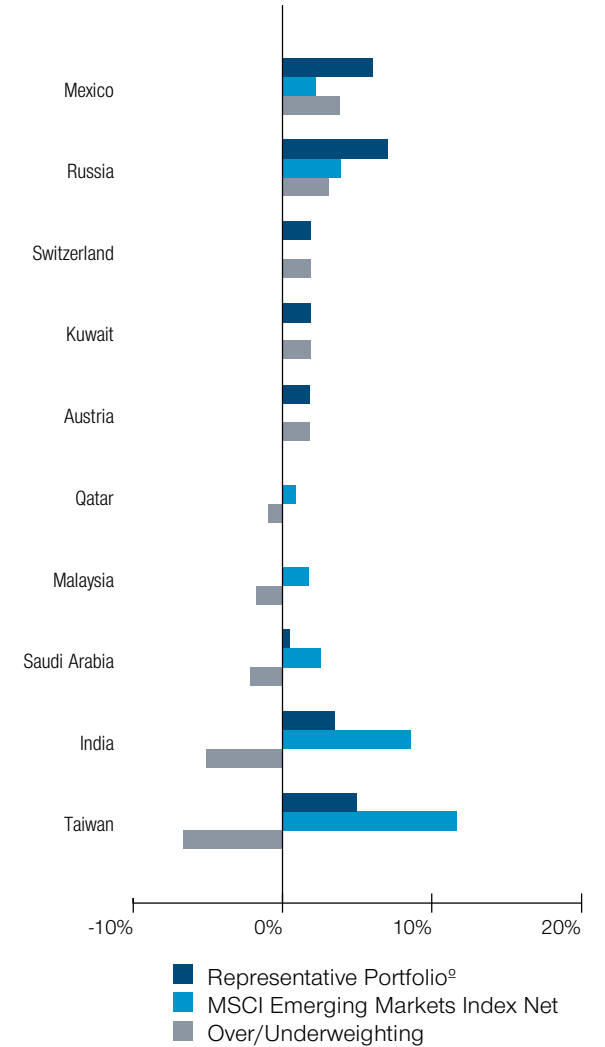


**MSCI Emerging Markets Index Net**



<sup>9</sup>Please see Additional Disclosures section for further information.

**TOP AND BOTTOM FIVE OVER/UNDERWEIGHTS**



**PERFORMANCE**

	<b>Three Months</b>	<b>One Year</b>	<b>Annualized</b>	
			<b>Three Years</b>	<b>Since Inception 30 Sep 2015</b>
Emerging Markets Discovery Equity Composite (Gross)	11.96%	17.71%	13.26%	13.13%
Emerging Markets Discovery Equity Composite (Net)	11.73	16.72	12.31	12.19
MSCI Emerging Markets Index Net	11.84	18.42	11.57	10.93
Value Added (Gross)	0.12	-0.71	1.69	2.20
Value Added (Net)	-0.11	-1.70	0.74	1.26

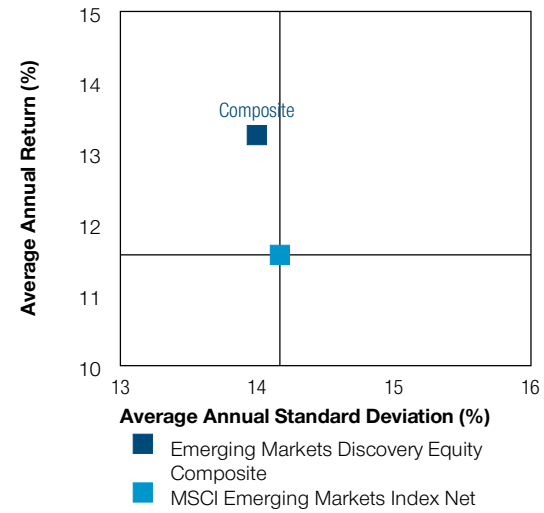
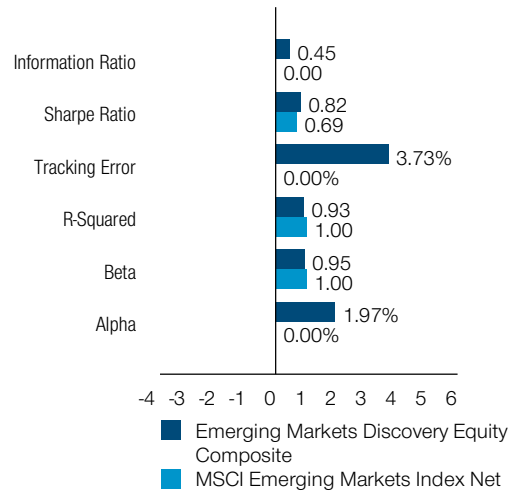
**Past performance is not a reliable indicator of future performance.**

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains.

Supplemental information. Please see the GIPS® Disclosure page for additional information on the composite. Monthly Composite performance is available upon request.

**RISK/RETURN CHARACTERISTICS**

Three Years ended 31 December 2019



**Past performance is not a reliable indicator of future performance.** Statistics based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees.

**FEE SCHEDULE****Emerging Markets Discovery Equity Composite**

The Emerging Markets Discovery Equity Composite seeks long-term capital appreciation primarily through investment in emerging markets with attractive valuation levels relative to market/sector averages. (Created November 2018)

First \$50 million	85 basis points
Next \$50 million	75 basis points
Above \$100 million	75 basis points on all assets *
Above \$200 million	60 basis points on all assets *
Minimum separate account size	\$50 million

\* A transitional credit is applied to the fee schedule as assets approach or fall below the break point.

## GIPS® Disclosure

## Emerging Markets Discovery Equity Composite

Period Ended December 31, 2019

Figures Shown in U.S. dollar

	2015 <sup>2</sup>	2016	2017	2018	2019
Gross Annual Returns (%)	2.86	13.07	35.52	-8.92	17.71
Net Annual Returns (%) <sup>1</sup>	2.65	12.12	34.40	-9.70	16.72
MSCI Emerging Markets Index Net (%) <sup>3</sup>	0.66	11.19	37.28	-14.57	18.42
MSCI Emerging Markets Value Index Net (%) <sup>3</sup>	-1.45	14.90	28.07	-10.72	11.94
MSCI Emerging Markets Index (%) <sup>3</sup>	0.73	11.60	37.75	-14.24	18.88
MSCI Emerging Markets Value Index (%) <sup>3</sup>	-1.36	15.48	28.67	-10.26	12.52
Composite 3-Yr St. Dev.	N/A	N/A	N/A	14.35	14.00
MSCI Emerging Markets Index Net 3-Yr St. Dev.	14.06	16.07	15.35	14.60	14.17
MSCI Emerging Markets Value Index Net 3-Yr St. Dev.	15.17	17.55	16.59	15.07	13.70
MSCI Emerging Markets Index 3-Yr St. Dev.	14.04	16.07	15.36	14.62	14.17
MSCI Emerging Markets Value Index 3-Yr St. Dev.	15.15	17.56	16.60	15.10	13.71
Composite Dispersion	N/A	N/A	N/A	N/A	N/A
Comp. Assets (Millions)	14.1	19.3	45.6	56.7	278.1
# of Accts. in Comp.	1	1	1	2	2
Total Firm Assets (Billions)	772.4	817.2	1,000.2	972.7	1,218.2 <sup>4</sup>

<sup>1</sup>Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance is not a reliable indicator of future performance. Monthly composite performance is available upon request. **See below for further information related to net of fee calculations.**

<sup>2</sup>September 30, 2015 through December 31, 2015.

<sup>3</sup>Effective July 1, 2018, the benchmark for the composite changed from gross to net of withholding taxes. The change was made because the firm viewed the new benchmark to be more consistent with the tax impacts of the portfolios in the composite. Historical benchmark representations have been restated. Effective September 30, 2015, the secondary benchmark was added. Primary benchmark is MSCI Emerging Markets Index Net and secondary benchmark is MSCI Emerging Markets Value Index Net.

<sup>4</sup>Preliminary - subject to adjustment.

T. Rowe Price (TRP) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 23-year period ended June 30, 2019 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints. Gross and net performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives which generally represent less than 10% of a portfolio.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

## ADDITIONAL DISCLOSURES

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

Unless indicated otherwise the source of all data is T. Rowe Price.

The specific securities identified and described do not represent all of the securities purchased or sold for this Composite. This information is not intended to be a recommendation to take any particular investment action and is subject to change. No assumption should be made that the securities identified and discussed were or will be profitable.

Source for MSCI data: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Unless otherwise noted, index returns are shown with gross dividends reinvested.

The information shown does not reflect any Exchange Traded Funds (ETFs) that may be held in the portfolio.

Source for Sector Diversification: T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS Disclosure page for additional information on the composite.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

## Risks

The following risks are materially relevant to the portfolio.

**Country risk (China)** - All investments in China are subject to risks similar to those for other emerging markets investments. In addition, investments that are purchased or held in connection with a QFII licence or the Stock Connect program may be subject to additional risks.

**Country risk (Russia and Ukraine)** - In these countries, risks associated with custody, counterparties and market volatility are higher than in developed countries.

**Country risk (Saudi Arabia)** - Investors from outside the country can gain exposure to Saudi investments only through P-notes. P-notes may carry liquidity risk and may trade at prices that are below the value of their underlying securities. Owners of P-notes may lack some of the rights (such as voting rights) they would have if they owned the underlying securities directly.

**Emerging markets risk** - Emerging markets are less established than developed markets and therefore involve higher risks.

**Small and mid-cap risk** - Stocks of small and mid-size companies can be more volatile than stocks of larger companies.

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

## General Portfolio Risks

**Capital risk** - The value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the portfolio and the currency in which you subscribed, if different. **Equity risk** - In general, equities involve higher risks than bonds or money market instruments. **Geographic concentration risk** - To the extent that a portfolio invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area. **Hedging risk** - A portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended. **Investment portfolio risk** - Investing in portfolios involves certain risks an investor would not face if investing in markets directly. **Management risk** - The investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

**Operational risk** - Operational failures could lead to disruptions of portfolio operations or financial losses.



**IMPORTANT INFORMATION**

**This material is being furnished for general informational and/or marketing purposes only.** The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. This material has been prepared for informational purposes only. The views and opinions stated in this commentary are those of the portfolio managers listed as of the date indicated. These views and opinions are subject to change based on market or other conditions and may differ from those of other T. Rowe Price associates. Actual market and investment results may differ materially from expectations. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request.

It is not intended for distribution to retail investors in any jurisdiction.

**Australia** - Issued in Australia by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741) which is registered in Australia with its registered office at Level 50, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000. T. Rowe Price Australia Limited is licensed by the Australian Securities and Investments Commission. For Wholesale Clients only.

**Canada** - Issued in Canada by T. Rowe Price (Canada), Inc. T. Rowe Price (Canada), Inc.'s investment management services are only available to Accredited Investors as defined under National Instrument 45-106. T. Rowe Price (Canada), Inc. enters into written delegation agreements with affiliates to provide investment management services.

**DIFC** - Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This material is communicated on behalf of T. Rowe Price International Ltd by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only.

**EEA ex-UK** - Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l. 35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

**UK** - This material is issued and approved by T. Rowe Price International Ltd, 60 Queen Victoria Street, London, EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

**Hong Kong** - Issued by T. Rowe Price Hong Kong Limited, 6/F, Chater House, 8 Connaught Road Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only.

**Singapore** - Issued in Singapore by T. Rowe Price Singapore Private Ltd., No. 501 Orchard Rd, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional and Accredited Investors only.

**Switzerland** - Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only.

**USA** - Issued in the USA by T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, MD, 21202, which is regulated by the U.S. Securities and Exchange Commission. For Institutional Investors only.

© 2020 T. Rowe Price. All rights reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks or registered trademarks of T. Rowe Price Group, Inc.  
201911-1007305