



## STRATEGY HIGHLIGHTS

As of 31 December 2023

# Emerging Markets Discovery Equity Strategy

**Total Strategy Assets:**<sup>1</sup> \$10.9 billion

Figures shown in U.S. Dollars

## INVESTMENT APPROACH

- ESG integrated approach that seeks to invest in “forgotten” companies that are under-owned by mainstream investors and that we expect to experience fundamental improvement.
- We believe this approach provides asymmetric risk/reward that may provide us a downside anchor with the potential to compound on the upside.
- In our search for unloved Emerging Markets companies, which we think have strong turnaround potential and offer strong downside risk management, we consider environmental, social, and governance (ESG) factors as important components in making fully informed investment decisions.
- Risk management is an integral part of the portfolio construction process.

## PORTFOLIO CONSTRUCTION

- Typically 50-80 stock portfolio
- 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

- 22 years of investment experience; 20 years with T. Rowe Price.
- M.A., University of Cambridge

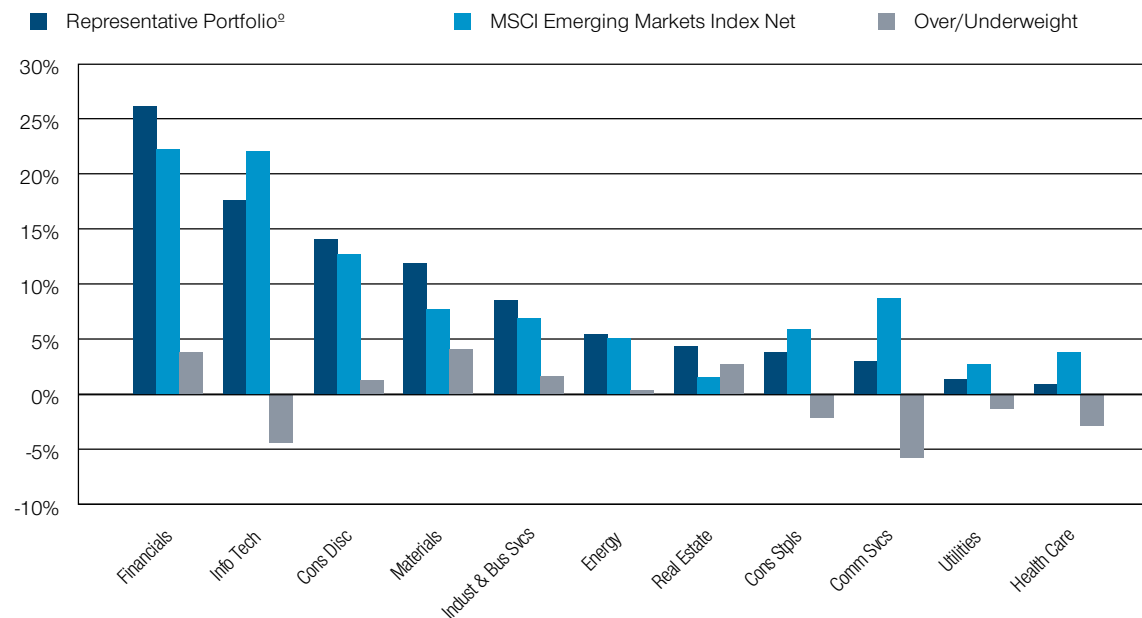
CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

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

## TOP 10 ISSUERS

	% of Representative Portfolio <sup>°</sup>
Samsung Electronics	6.5%
Alibaba Group Holding	3.5
MediaTek	2.6
Hon Hai Precision Industry	2.3
Bank Rakyat Indonesia (Persero)	2.3
Baidu	2.2
ICICI Bank	2.1
Grupo Mexico	2.1
CIMB Group Holdings Berhad	2.0
SK Hynix	2.0
<b>Total</b>	<b>27.6%</b>

## SECTOR DIVERSIFICATION



## PORTFOLIO CHARACTERISTICS

	Representative Portfolio <sup>°</sup>	MSCI Emerging Markets Index Net
Projected Earnings Growth Rate (3 - 5 Years)* <sup>°</sup> †	11.8%	11.3%
Price to Earnings (Current Fiscal Year)* <sup>°</sup> †	12.6X	17.0X
Return on Equity (Current Fiscal Year) <sup>°</sup> †	11.6%	14.0%
Price to Book (trailing) <sup>°</sup>	1.5X	2.3X
Investment Weighted Median Market Cap (mm)	\$22,548	\$29,487
Investment Weighted Average Market Cap (mm)	\$59,676	\$108,393
Number of Issuers	68	1,375
Top 20 Issuers as % of Total	45.6%	30.0%
Portfolio Turnover ††	29.4%	-
Active Share	82.1%	-

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

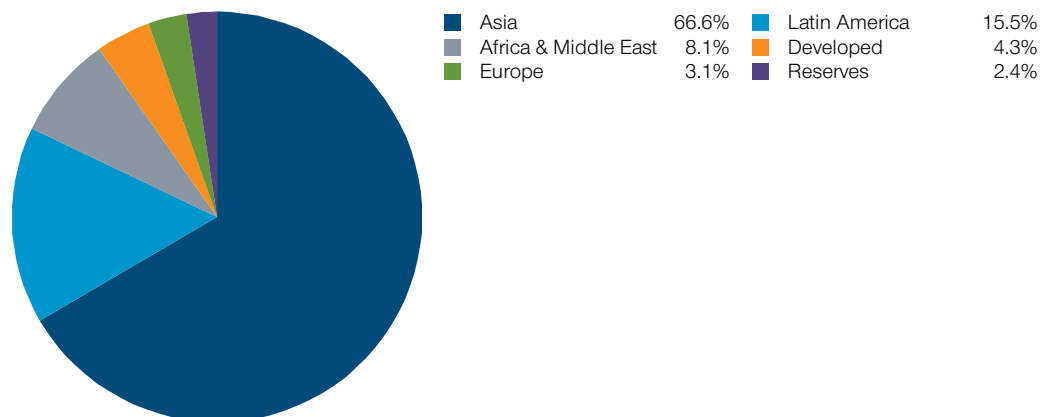
\*I/B/E/S © 2024 Refinitiv. All rights reserved.

†These statistics are based on the portfolio's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

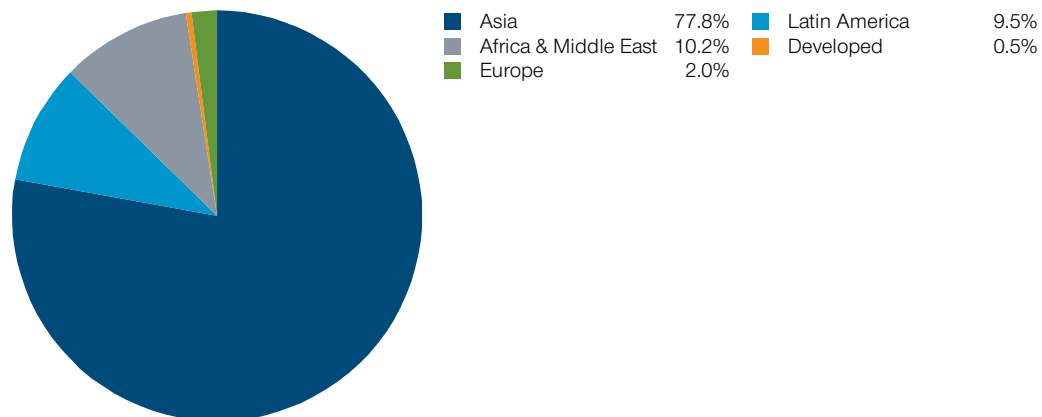
<sup>°</sup>Please see Additional Disclosures section for further information.

††Portfolio Turnover represents 1 year period ending 12/31/2023.

## GEOGRAPHICAL DIVERSIFICATION

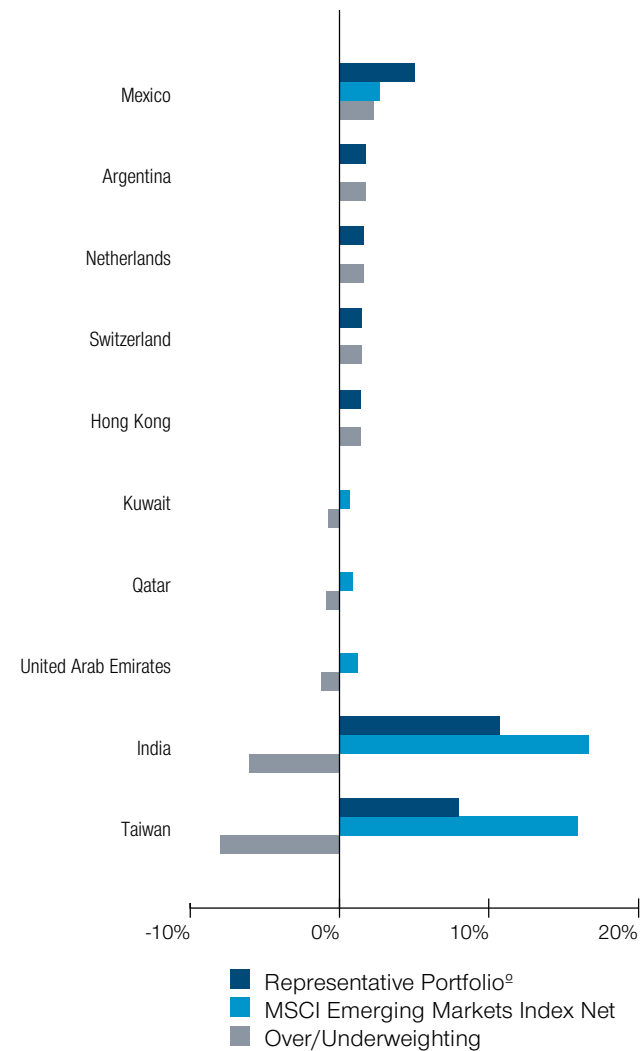
Representative Portfolio<sup>9</sup>

## MSCI Emerging Markets Index Net



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

## TOP AND BOTTOM FIVE OVER/UNDERWEIGHTS



**PERFORMANCE**

	Three Months	One Year	Annualized		Since Inception 30 Sep 2015
			Three Years	Five Years	
Emerging Markets Discovery Equity Composite (Gross)	8.60%	12.56%	0.60%	5.39%	7.86%
Emerging Markets Discovery Equity Composite (Net)	8.42	11.78	-0.11	4.65	7.11
MSCI Emerging Markets Index Net	7.86	9.83	-5.08	3.68	5.64
Value Added (Gross)	0.74	2.73	5.68	1.71	2.22
Value Added (Net)	0.56	1.95	4.97	0.97	1.47

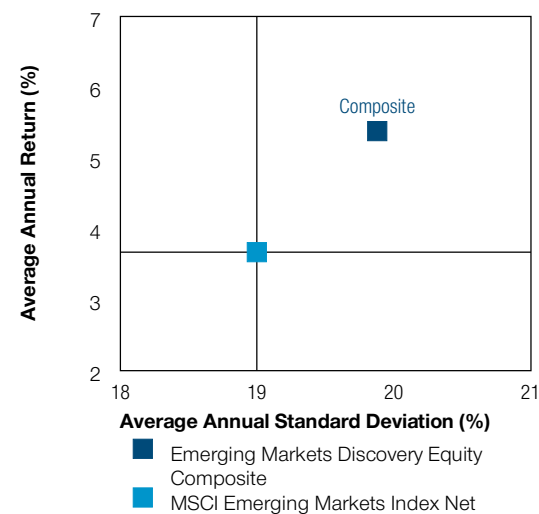
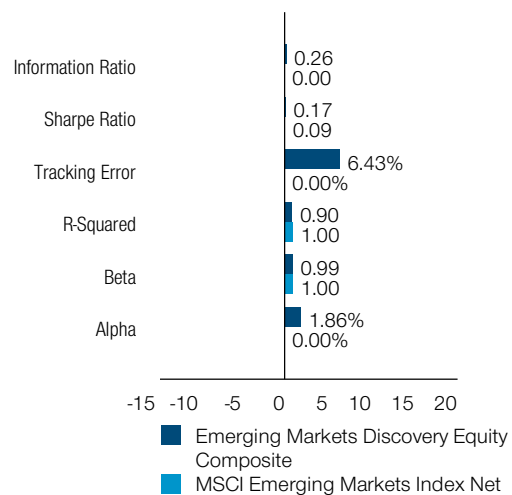
**Past performance is not a reliable indicator of future performance.**

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.

See GIPS® Composite Report located in this material for additional information.

**RISK/RETURN CHARACTERISTICS**

Five Years ended 31 December 2023



**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 October 2015. Incepted September 30, 2015.)

First \$50 million	70 basis points
Next \$50 million	67.5 basis points
Above \$100 million	67.5 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® Composite Report

## Emerging Markets Discovery Equity Composite

Period Ended December 31, 2022

Figures Shown in U.S. dollar

	<u>2015</u> <sup>2</sup>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Gross Annual Returns (%)	2.86	13.07	35.52	-8.92	17.71	8.49	5.80	-14.53
Net Annual Returns (%) <sup>1</sup>	2.33	10.77	32.81	-10.80	15.32	6.27	3.64	-16.31
MSCI Emerging Markets Index Net (%) <sup>3</sup>	0.66	11.19	37.28	-14.57	18.42	18.31	-2.54	-20.09
MSCI Emerging Markets Value Index Net (%) <sup>3</sup>	-1.45	14.90	28.07	-10.72	11.94	5.48	4.00	-15.83
MSCI Emerging Markets Index (%) <sup>3</sup>	0.73	11.60	37.75	-14.24	18.88	18.69	-2.22	-19.74
MSCI Emerging Markets Value Index (%) <sup>3</sup>	-1.36	15.48	28.67	-10.26	12.52	5.97	4.50	-15.31
Composite 3-Yr St. Dev.	N/A	N/A	N/A	14.35	14.00	21.75	21.03	22.12
MSCI Emerging Markets Index Net 3-Yr St. Dev.	N/A	N/A	N/A	14.60	14.17	19.60	18.33	20.26
MSCI Emerging Markets Value Index Net 3-Yr St. Dev.	N/A	N/A	N/A	15.07	13.70	20.41	19.06	20.37
MSCI Emerging Markets Index 3-Yr St. Dev.	N/A	N/A	N/A	14.62	14.17	19.62	18.35	20.26
MSCI Emerging Markets Value Index 3-Yr St. Dev.	N/A	N/A	N/A	15.10	13.71	20.44	19.08	20.38
Composite Dispersion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comp. Assets (Millions)	14.1	19.3	45.6	56.7	278.1	2,848.9	8,799.5	9,213.9
# of Accts. in Comp.	1	1	1	2	2	5	6	6
Total Firm Assets (Billions)	772.4	817.2	1,000.2	972.7	1,218.2	1,482.5	1,653.6	1,237.4 <sup>4</sup>

<sup>1</sup>The fee rate used to calculate net returns is 2.07%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a reliable indicator of future performance.**

<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.

T. Rowe Price (TRP) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TRP has been independently verified for the 26-year period ended June 30, 2022 by KPMG LLP. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm wide basis. 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. As of October 1, 2022, there is no minimum asset level for portfolio inclusion into the composite. Prior to October 2022, the minimum asset level for equity portfolios to be included in composites was \$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 was \$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 maximum fee rate applicable to all composite members as shown above. Gross performance returns reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Gross performance returns are used to calculate presented risk measures. 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 that may create leverage and generally represent in aggregate 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, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## 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, sold or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.

Source for MSCI data: MSCI. MSCI and its affiliates and third party sources and providers (collectively, "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. Historical MSCI data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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

T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by T. Rowe Price. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any or such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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

### General Portfolio Risks

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



**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. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. 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 by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 28, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia. 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 which is regulated by the Dubai Financial Services Authority as a Representative Office. For Professional Clients only.

**EEA** - 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.

**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.

**New Zealand** - Issued by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 28, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia. No Interests are offered to the public. Accordingly, the Interests may not, directly or indirectly, be offered, sold or delivered in New Zealand, nor may any offering document or advertisement in relation to any offer of the Interests be distributed in New Zealand, other than in circumstances where there is no contravention of the Financial Markets Conduct Act 2013.

**Singapore** - Issued in Singapore by T. Rowe Price Singapore Private Ltd. (UEN: 201021137E), 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.

**UK** - This material is issued and approved by T. Rowe Price International Ltd, Warwick Court, 5 Paternoster Square, London, EC4M 7DX which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients 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.

© 2024 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/ or apart, trademarks of T. Rowe Price Group, Inc. 201911-1007305