



## STRATEGY HIGHLIGHTS

As of 31 March 2024

# International Disciplined Equity Strategy

**Total International Disciplined Equity Strategy Assets:<sup>1</sup>** \$556.7 million

Figures shown in U.S. Dollars

## INVESTMENT APPROACH

- Seeks long-term capital appreciation with a strong focus on risk management by investing in non-U.S. companies in developed and, to a lesser extent, emerging markets
- Leverages T. Rowe Prices worldwide research platform together with insights from the firm's sector and regional portfolio managers
- Diversified portfolio focused on identifying mis-priced, quality stocks, underpinned by strong risk management
- Close attention is given to diversification across regions, sectors and factor risks
- Targets attractive opportunities irrespective of growth or value style or market capitalization

## PORTFOLIO CONSTRUCTION

- Portfolio manager has full discretion in portfolio construction.
- Individual position sizes are determined by each company's individual risk/reward profile.
- A rigorous, active risk-control process is used to eliminate unintended positions.
- Typical sector and country weights within +/- 15% of benchmark.
- Final construction results in a portfolio with 60-70 stocks.

## BENCHMARK

- MSCI EAFE Index Net

## PORTFOLIO MANAGEMENT

### Federico Santilli, CFA®

- 22 years of investment experience; 22 years with T. Rowe Price.
- M.S., European Academic Consortium
- B.Eng., University College London

## PORTFOLIO SPECIALISTS

### Jason White

- 22 years of investment experience; 19 years with T. Rowe Price.
- M.B.A., University of Chicago, Booth School of Business
- M.S.E., Rensselaer Polytechnic Institute
- A.B., Kenyon College

Portfolio Specialists do not assume management responsibilities.

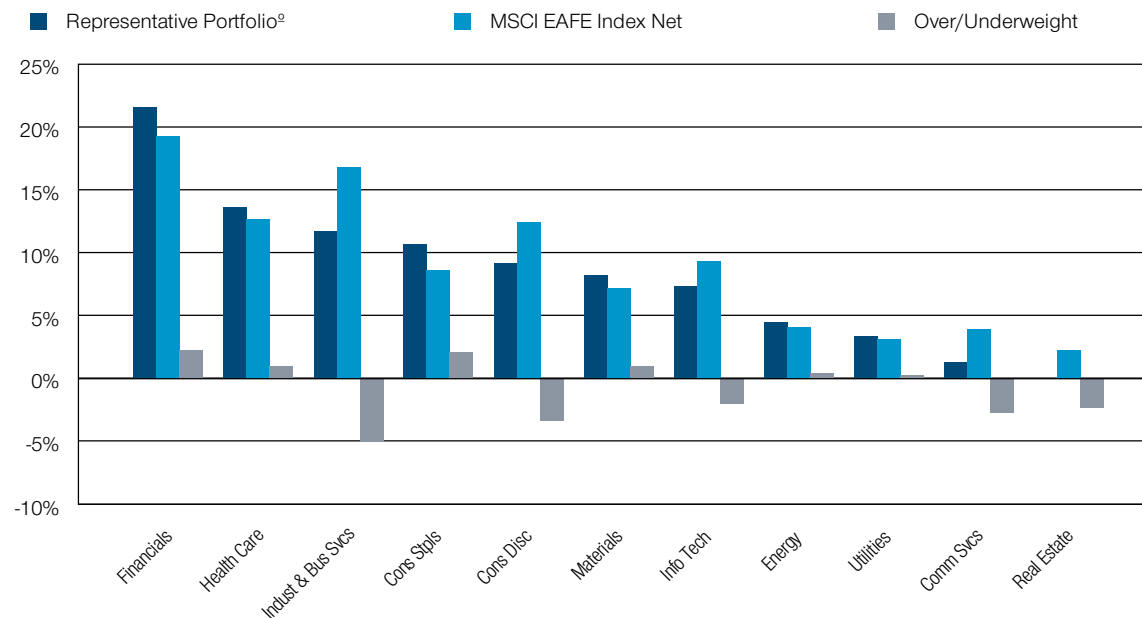
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<sup>1</sup> Includes U.S.-registered mutual funds, a canadian pension pooled fund

## TOP 10 ISSUERS

|                          | % of Representative Portfolio <sup>°</sup> |
|--------------------------|--|
| Groupe Bruxelles Lambert | 2.0%                                       |
| Smiths Group             | 1.8  |
| Hamamatsu Photonics KK   | 1.8  |
| ASML Holding             | 1.7  |
| Sanofi                   | 1.7  |
| Shimano                  | 1.7  |
| Nestle                   | 1.7  |
| Roche Holding            | 1.7  |
| BP                       | 1.7  |
| Shell                    | 1.6  |
| <b>Total</b>             | <b>17.4%</b>                               |

## SECTOR DIVERSIFICATION



## PORTFOLIO CHARACTERISTICS

|  | Representative Portfolio <sup>°</sup> | MSCI EAFE Index Net |
|--|---------------------------------------|---------------------|
| Projected Earnings Growth Rate (3 - 5 Years)* <sup>°</sup> † | 7.2%                                  | 7.8%                |
| Price to Earnings (Current Fiscal Year)* <sup>°</sup> †      | 13.7X                                 | 16.6X               |
| Return on Equity (Current Fiscal Year) <sup>°</sup> †        | 12.4%                                 | 14.7%               |
| Price to Book (trailing) <sup>°</sup>                        | 1.6X                                  | 2.4X                |
| Investment Weighted Median Market Cap (mm)                   | \$28,920                              | \$59,408            |
| Investment Weighted Average Market Cap (mm)                  | \$64,733                              | \$103,222           |
| Number of Issuers  | 71                                    | 756                 |
| Top 20 Issuers as % of Total                                 | 32.8%                                 | 23.3%               |
| Portfolio Turnover ††  | 88.9%                                 | -                   |
| Active Share   | 78.1%                                 | -                   |

<sup>°</sup>Statistics are based on investment-weighted median.

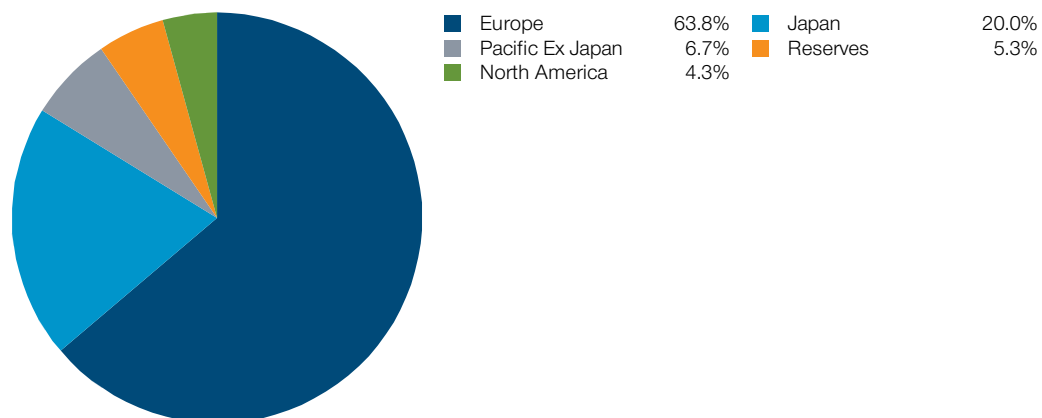
\*I/B/E/S © 2024 Refinitiv. All rights reserved.

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

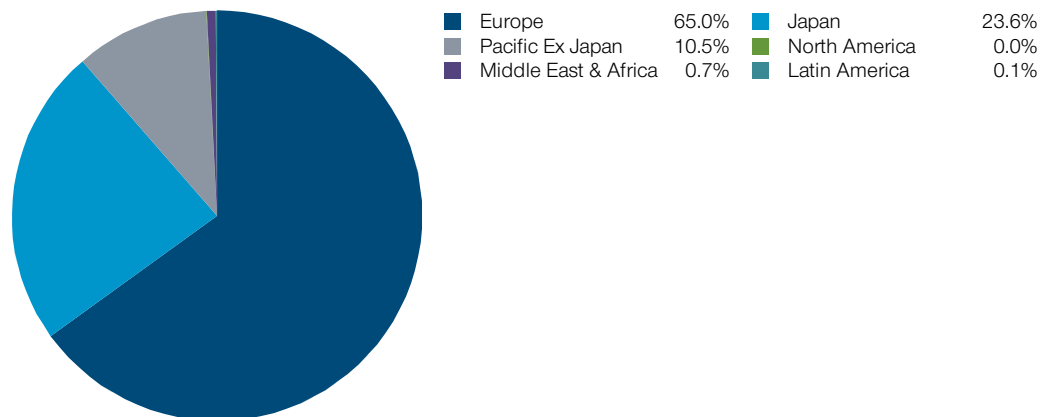
<sup>°</sup>Please see Additional Disclosures section for further information.

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

## GEOGRAPHICAL DIVERSIFICATION

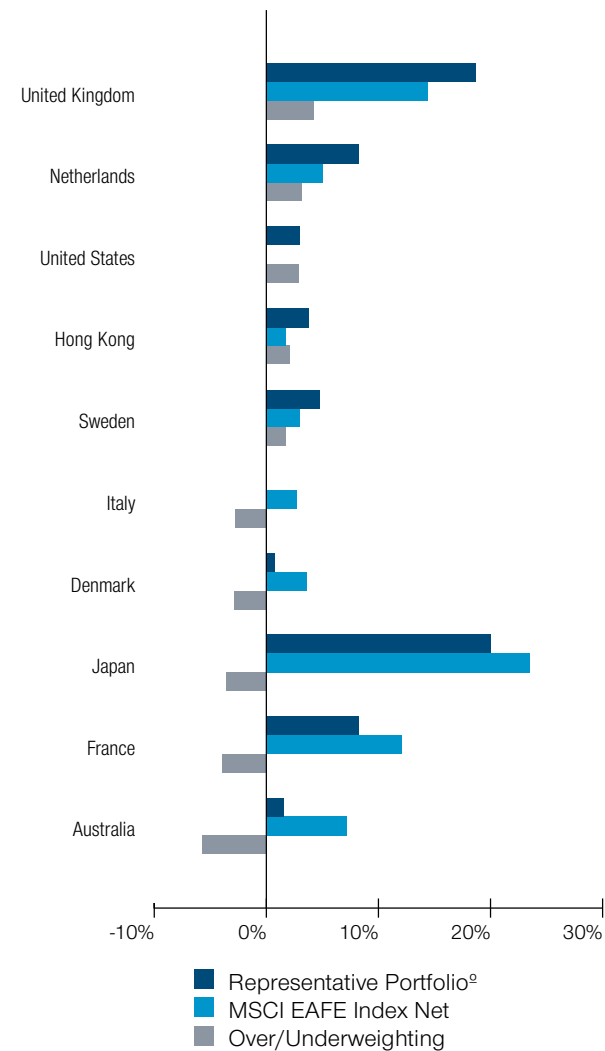
Representative Portfolio<sup>2</sup>

## MSCI EAFE Index Net



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

## TOP AND BOTTOM FIVE OVER/UNDERWEIGHTS



**PERFORMANCE**

|  | Three<br>Months | One<br>Year | Annualized     |               |              |
|--|-----------------|-------------|----------------|---------------|--------------|
|  |                 |             | Three<br>Years | Five<br>Years | Ten<br>Years |
| International Disciplined Equity Composite (Gross) | 1.96%           | 9.34%       | 3.85%          | 6.69%         | 5.34%        |
| International Disciplined Equity Composite (Net)   | 1.81            | 8.69        | 3.23           | 6.06          | 4.71         |
| MSCI EAFE Index Net                                | 5.78            | 15.32       | 4.78           | 7.33          | 4.80         |
| Value Added (Gross)                                | -3.82           | -5.98       | -0.93          | -0.64         | 0.54         |
| Value Added (Net)                                  | -3.97           | -6.63       | -1.55          | -1.27         | -0.09        |

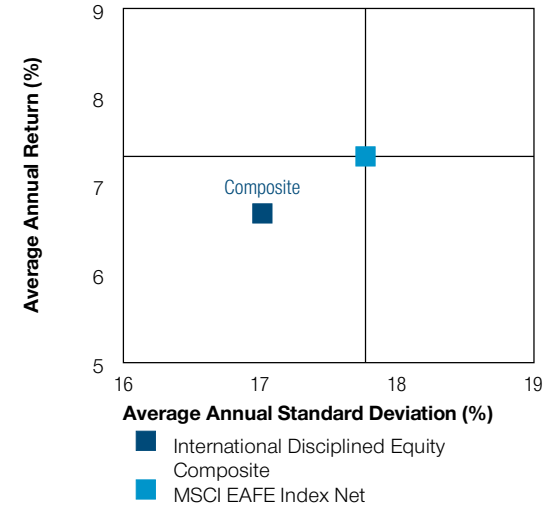
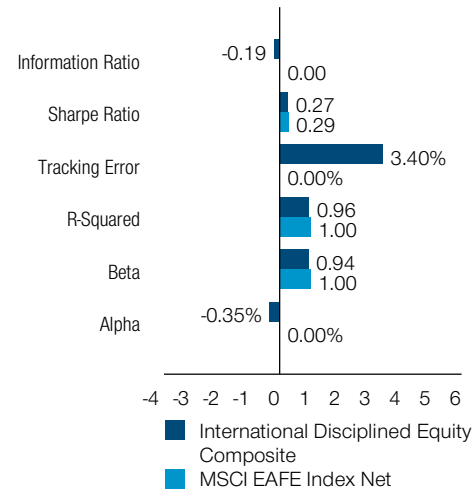
**Past performance is not a reliable indicator of future performance.**

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 March 2024



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

International Disciplined Equity Composite

The International Disciplined Equity Composite seeks long-term capital appreciation by investing in a focused number of non-U.S. companies in developed and emerging markets. Emerging market exposure typically ranges up to 15% as defined by inclusion in the European segment of MSCI's Emerging Markets Index. The strategy targets attractive opportunities across the investable universe irrespective of growth or value style or market capitalization. (Created July 2010, inception July 31, 2010.)

|                               |                                 |
|-------------------------------|---------------------------------|
| First \$50 million            | 60 basis points                 |
| Next \$50 million             | 55 basis points                 |
| Above \$100 million           | 50 basis points on all assets * |
| Above \$200 million           | 40 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

## International Disciplined Equity Composite

Period Ended December 31, 2023

Figures Shown in U.S. dollar

|                                      | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u>          |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------|
| Gross Annual Returns (%)             | -3.42       | 1.23        | 5.50        | 22.42       | -10.08      | 24.64       | 5.10        | 6.02        | -9.76       | 18.08                |
| Net Annual Returns (%) <sup>1</sup>  | -4.39       | 0.22        | 4.46        | 21.22       | -10.98      | 23.42       | 4.06        | 4.97        | -10.66      | 16.92                |
| MSCI EAFE Index Net (%) <sup>2</sup> | -4.90       | -0.81       | 1.00        | 25.03       | -13.79      | 22.01       | 7.82        | 11.26       | -14.45      | 18.24                |
| MSCI EAFE Index (%) <sup>2</sup>     | -4.48       | -0.39       | 1.51        | 25.62       | -13.36      | 22.66       | 8.28        | 11.78       | -14.01      | 18.85                |
| Composite 3-Yr St. Dev.              | 11.16       | 11.31       | 11.16       | 10.75       | 10.16       | 10.10       | 17.22       | 16.74       | 19.04       | 15.59                |
| MSCI EAFE Index Net 3-Yr St. Dev.    | 13.03       | 12.46       | 12.46       | 11.83       | 11.24       | 10.81       | 17.89       | 16.92       | 19.96       | 16.61                |
| MSCI EAFE Index 3-Yr St. Dev.        | 12.99       | 12.47       | 12.48       | 11.85       | 11.27       | 10.80       | 17.87       | 16.89       | 19.95       | 16.60                |
| Composite Dispersion                 | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A                  |
| Comp. Assets (Millions)              | 191.7       | 222.5       | 15.0        | 529.6       | 112.1       | 302.8       | 907.0       | 852.4       | 234.6       | 537.4                |
| # of Accts. in Comp.                 | 2           | 2           | 1           | 1           | 1           | 1           | 2           | 2           | 1           | 2                    |
| Total Firm Assets (Billions)         | 749.6       | 772.4       | 817.2       | 1,000.2     | 972.7       | 1,218.2     | 1,482.5     | 1,653.6     | 1,237.4     | 1,403.8 <sup>3</sup> |

<sup>1</sup>The fee rate used to calculate net returns is 1.00%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a reliable indicator of future performance.**

<sup>2</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.

<sup>3</sup>Preliminary - subject to adjustment.

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 27-year period ended June 30, 2023 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.

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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.

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

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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.

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## Risks

The following risks are materially relevant to the portfolio.

### 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. **Hedging** - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. **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.



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