

# European Stock Fund (PRESX)

As of February 28, 2026



T. Rowe Price

Portfolio Management	Managed Since	Joined Firm
Sebastian Schrott	2024	2007

## Investment Objective

The fund seeks long-term growth of capital through investments primarily in the common stocks of companies located (or with primary operations) in Europe.

## General Information

CUSIP	77956H401
Inception Date	February 28, 1990
Benchmark	MSCI Europe Index Net
Expense Information (as of the most recent Prospectus)	1.05%

## Market Commentary

European equities advanced in February, extending a solid run of outperformance relative to US markets. Investors continued to rotate into Europe, drawn by more reasonable valuations, improving corporate earnings and the region's growing appeal as a diversification alternative to an AI-turbulent US market.

The European Central Bank (ECB) kept its three key interest rates unchanged at its February 5 meeting, with the deposit facility rate held at 2.0% for the fifth consecutive meeting. ECB President Christine Lagarde declared that "inflation is in a good place" and reiterated a data-dependent, meeting-by-meeting approach, while the bank's statement noted that the economy remained resilient amid a challenging global environment.

Eurozone inflation continued to ease, falling to the ECB's 2% target and subsequent data showing headline inflation dipping to 1.7%. The eurozone economy grew by 0.3% in the final quarter of 2025, according to an estimate released by Eurostat, the statistical office of the European Union. This represented annual growth of 1.5%.

Germany's fiscal stimulus package-anchored by an infrastructure fund and a defense spending increase-continued to support growth expectations.

The Bank of England (BoE) voted to keep its policy rate on hold at 3.75%, having reduced it in December, in a hotly contested decision. Four policymakers on the nine-strong Monetary Policy Committee unexpectedly voted in favor of lower borrowing costs, prompting financial markets to raise their bets on a cut as soon as March.

## Performance (%) (NAV, total return Performance > 1yr is Annualized)

	1m	3m	YTD	1yr	3yrs	5yrs	10yrs	15yrs
European Stock Fund (PRESX)	2.16	7.98	5.50	17.58	13.08	6.85	8.11	6.71
MSCI Europe Index Net (EURNT)	3.27	12.07	7.87	31.81	18.18	11.77	10.30	6.99

The 1-, 5-, and 10-year annualized returns as of 2025-12-31 were 21.53%, 5.76% and 6.38% for the Fund.

**Past performance is not a guarantee or a reliable indicator of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit [troweprice.com](https://www.troweprice.com).**

The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details.

**Risks: Investing in Europe:** The European financial markets have experienced increased volatility due to concerns about economic downturns, political unrest, war, military conflict, economic sanctions, rising government debt levels, inflation, energy crises, and public health pandemics, and these events may continue to significantly affect all of Europe. The economies and markets of European countries are often connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. **Geographic concentration:** Because the fund focuses its investments on a particular geographic area, the fund's performance is closely tied to the social, political, and economic conditions of that area. See the prospectus for more detail on the fund's principal risks.

**Risk Return Characteristics** (Five Years ended February 28, 2026)

	Active Share <sup>(1)(2)</sup> as of 02/28/26	Annualized Std. Deviation (%)	Alpha (%)	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error (%)
European Stock Fund	69.6%	17.09	-4.83	1.07	0.95	-1.22	0.20	4.02
MSCI Europe Index Net	-	15.51	0.00	1.00	1.00	0.00	0.53	0.00

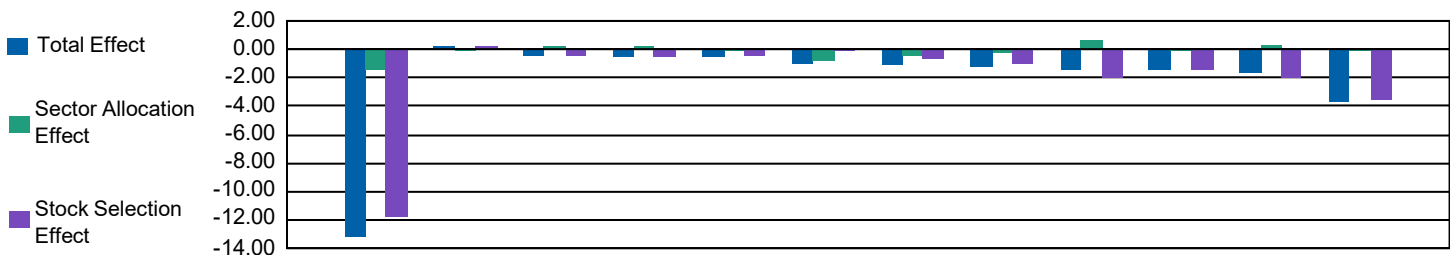
**Past performance is not a guarantee or a reliable indicator of future results.**

<sup>(1)</sup>Active Share is a snapshot in time as of the indicated date.

<sup>(2)</sup>Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All rights reserved.

Figures are calculated using monthly data and are net of fees.

**Sector Attribution Data: Fund vs MSCI Europe Index** (12 Months ended February 28, 2026) (%)



	Total	Real Estate	Energy	Consumer Staples	Materials	Utilities	Indust & Bus Svcs	Comm Svcs	Consumer-Disc	Info Tech	Financials	Health Care
Over (Under) Weight	0.00	2.94	1.58	-0.57	-4.20	-3.14	-0.52	1.36	0.13	0.79	0.15	-1.05
Fund Performance	19.49	35.40	30.71	19.79	15.31	60.42	37.51	0.03	-23.41	17.74	36.67	-2.67
Index Performance	32.62	28.33	37.72	26.30	34.45	70.47	43.44	15.38	-0.36	34.04	45.81	18.74
Sector Allocation Effect	-1.30	-0.13	0.03	0.07	-0.08	-0.78	-0.43	-0.26	0.57	-0.13	0.38	-0.15
Stock Selection Effect	-11.83	0.22	-0.44	-0.54	-0.43	-0.13	-0.71	-0.99	-1.98	-1.30	-1.97	-3.55
Total Effect	-13.13	0.09	-0.42	-0.47	-0.51	-0.92	-1.14	-1.25	-1.40	-1.43	-1.59	-3.70

**Past performance is not a guarantee or a reliable indicator of future results.** Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets. Non-equity positions are excluded from structure shown. Returns will not match official T. Rowe Price performance because FactSet uses different exchange rate sources and does not capture intra-day trading. Performance for each security is obtained in the local currency and, if necessary, is converted to USD using an exchange rate determined by an independent third party. Figures are shown with gross dividends reinvested.

Sources: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees.

Top 10 Issuers (%)	Market	Industry	Fund
Shell	Netherlands	Oil, Gas & Consumable Fuels	7.0
AstraZeneca	United Kingdom	Pharmaceuticals	3.9
ASML Holding	Netherlands	Semicons & Semicon Equip	3.5
Siemens	Germany	Industrial Conglomerates	3.0
Unilever	United Kingdom	Personal Care Products	2.9
Airbus	France	Aerospace & Defense	2.7
SAP	Germany	Software	2.6
Schneider Electric	France	Electrical Equipment	2.5
Nestle	Switzerland	Food Products	2.2
Banco Bilbao Vizcaya Argentaria	Spain	Banks	2.1

Comprising 32.4% of total net assets.

Portfolio Characteristics	Fund	EURNT
Number of Issuers	70	395
Investment Weighted Average Market Cap (mm)	\$115,618	\$140,174
Price to Earnings (Current Fiscal Year) <sup>(3)(4)(5)</sup>	19.2X	19.7X
Price to Book (trailing) <sup>(4)</sup>	4.2X	3.8X
Projected Earnings Growth Rate (3-5 Years) <sup>(3)(4)(5)</sup>	9.4%	9.1%
Return on Equity (Current Fiscal Year) <sup>(4)(5)</sup>	22.6%	20.9%
Top 20 Issuers as Percent of Total	47.6%	31.4%
Total Assets (all share classes)	\$949,473,065	N/A
Percent of Portfolio in Cash	2.5%	N/A

<sup>(3)</sup>Source: Financial data and analytics provider FactSet. Copyright 2026 FactSet. All Rights Reserved.

<sup>(4)</sup>Statistics are based on Investment Weighted Average.

<sup>(5)</sup>These statistics are based on the Fund's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

Sector Diversification (%)	Fund	EURNT
Financials	23.6	23.5
Indust & Bus Svcs	19.1	19.5
Health Care	12.7	13.8
Cons Stpls	8.8	9.4
Info Tech	8.5	7.7
Cons Disc	7.1	7.0
Energy	6.0	4.4
Comm Svcs	5.0	3.6
Real Estate	3.7	0.8
Utilities	1.9	5.0
Materials	1.2	5.4

### Geographical

Diversification (%)	Fund	Fund vs EURNT
United Kingdom	23.2	0.8
Germany	16.4	2.3
France	12.3	-3.6
Netherlands	8.7	0.6
Switzerland	7.7	-6.9
Italy	4.5	-0.3
Spain	4.5	-1.3
Sweden	3.1	-2.6
Denmark	3.1	0.7
Finland	2.9	1.1
Other	11.1	6.6

## Additional Disclosures & Definitions

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**Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit [troweprice.com](http://troweprice.com). Read it carefully.**

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Portfolio holdings in this report are presented gross of any non-reclaimable withholding tax. Any non-reclaimable withholding tax is included in position market values. Portfolio diversification data is calculated net of any non-reclaimable withholding tax. Any non-reclaimable tax withheld is not reflected in category market values.

Fund Assets, holdings-based analytics (excluding portfolio turnover), and portfolio attribution are calculated using T. Rowe Price's internal Investment Book of Records (IBOR). Due to timing and accounting methodology differences, IBOR data may differ from the Accounting Book of Records (ABOR) data provided by the Fund's accountant.

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.

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

"Other" includes any categories not explicitly mentioned.

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

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

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