



PORTFOLIO UPDATE

# European Stock Fund

As of September 30, 2020



**Portfolio Manager:**  
Tobias Mueller

**Managed Fund Since:**  
2020

**Joined Firm:**  
2011

Effective 1 October 2020, Toby Mueller assumed portfolio management responsibility for the Fund.

## 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.

## FUND INFORMATION

Symbol	PRESX
CUSIP	77956H401
Inception Date of Fund	February 28, 1990
Benchmark	MSCI Europe Index Net
Expense Information (as of the most recent Prospectus)	0.97%
Fiscal Year End	October 31
12B-1 Fee	-

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
European Stock Fund	-2.40%	7.64%	0.00%	9.53%	3.88%	4.88%	6.82%	5.70%
MSCI Europe Index Net	-3.33	4.51	-8.85	-0.79	-0.61	4.24	4.26	3.62

**Performance data quoted represents past performance and is not a reliable indicator of future performance. 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](http://troweprice.com). 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.** The Fund's total return figures reflect the reinvestment of dividends and capital gains, if any.

Share prices are subject to market risk, including loss of the money you invest. In addition, there are risks associated with unfavorable currency exchange rates and political or economic uncertainty abroad.

The fund(s) may have other share classes available that offer different investment minimums and fees. See the prospectus for details. For Sourcing Information, please see Additional Disclosures.

## MARKET COMMENTARY

European shares fell in euro terms in volatile trade in September on concerns that a second wave of coronavirus infections could derail a nascent economic recovery. Signs that more U.S. fiscal stimulus could be delayed until after the presidential election also hit sentiment. The U.S. dollar strengthened against a basket of index currencies, increasing losses for dollar-based investors.

The pace of economic growth was the dominant concern, as European authorities tightened restrictions on businesses and people to curb the pandemic. France, Spain, the UK, and Germany imposed local lockdowns. The UK government also announced new curbs that could be in place for up to six months.

While confidence indicators strengthened, forward-looking purchasing managers' indexes showed that the recovery in eurozone business activity lost steam, as rising coronavirus infections and stalling demand hit services. Manufacturing, however, continued to strengthen due to increasing exports.

Fears that the economic recovery was faltering fed into expectations of further central bank stimulus, although in Europe most policy makers indicated that they were still assessing the outlook. The UK announced a new, smaller package of measures to support jobs and the hospitality and tourism sectors.

OPEC downgraded its outlook for the global oil market, sapping oil prices. Uncertainty about a UK-EU trade accord sharpened after the UK threatened to override parts of the Withdrawal Agreement and the EU threatened legal action. UK media reports said negotiators saw some common ground for a trade deal at the last round of scheduled talks, but an EU official dismissed the claims as "UK spin."

**RISK RETURN CHARACTERISTICS**

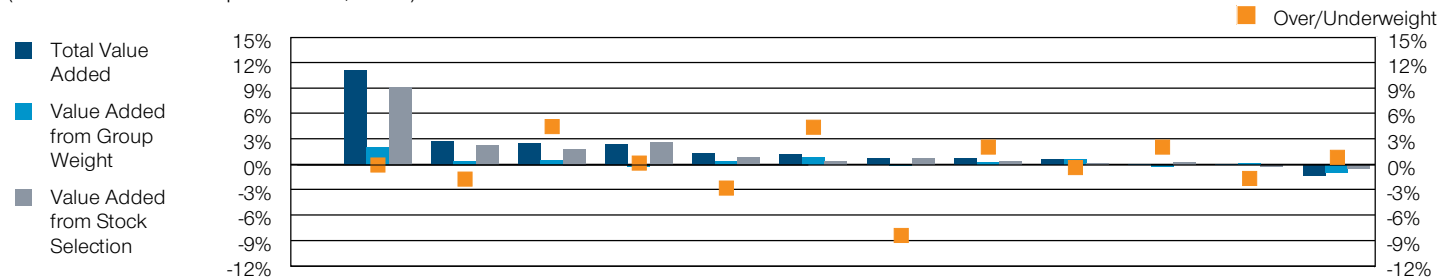
(Five Years ended September 30, 2020)

	Active Share* (as of 9/30/20)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
European Stock Fund	77.3%	14.72%	0.75%	0.97	0.94	0.18	0.25	3.63%
MSCI Europe Index Net	-	14.78	0.00	1.00	1.00	0.00	0.21	0.00

\* Active Share is a snapshot in time as of the indicated date.

**Past performance is not a reliable indicator of future performance.** Figures are calculated using monthly data and are net of fees.**SECTOR ATTRIBUTION DATA VS. MSCI EUROPE INDEX**

(12 months ended September 30, 2020)



	Total	Financials	Consumer Disc	Comm Svcs	Energy	Indust & Bus Svcs	Consumer Staples	Materials	Health Care	Real Estate	Utilities	Info Tech
Over/Underweight	0.00%	-1.67%	4.50%	0.25%	-2.76%	4.46%	-8.35%	2.11%	-0.35%	2.13%	-1.60%	0.86%
Fund Performance	10.94	-3.76	30.63	31.70	-22.38	11.10	16.67	17.46	17.40	-0.66	5.67	2.20
Index Performance	-0.27	-19.46	4.40	-17.14	-43.58	8.70	1.75	13.98	16.25	-8.75	12.38	24.85
Value Add - Group Weight	2.09	0.37	0.55	-0.17	0.46	0.90	-0.01	0.32	0.58	-0.20	0.24	-0.86
Value Add - Stock Selection	9.12	2.34	1.91	2.61	0.90	0.35	0.77	0.44	0.11	0.27	-0.19	-0.39
Total Contribution	11.22	2.72	2.46	2.44	1.37	1.24	0.76	0.76	0.69	0.07	0.06	-1.25

**Past performance is not a reliable indicator of future performance.** Numbers may not total due to rounding; all other numbers are percentages. Analysis represents the total performance of the portfolio as calculated by the FactSet attribution model and is inclusive of other assets that will not receive a classification assignment in the detailed 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 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 2020 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. 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 updates to GICS for prospective reporting. Figures are shown gross of fees. Returns would be lower as a result of the deduction of such fees. Performance returns are in USD. For Sourcing Information, please see Additional Disclosures.

**TOP 10 ISSUERS**

Comprising 25.1% of total net assets.

	Country	Industry	% of Fund
Roche Holding	Switzerland	Pharmaceuticals	3.6%
ASML Holding	Netherlands	Semicons & Semicon Equip	3.0
AstraZeneca	United Kingdom	Pharmaceuticals	2.8
Zalando	Germany	Internet & Direct Marketing Retail	2.8
SAP	Germany	Software	2.4
Sanofi	France	Pharmaceuticals	2.4
Scout24 Holding	Germany	Interactive Media & Services	2.1
Cellnex Telecom	Spain	Diversified Telecom Services	2.1
Siemens	Germany	Industrial Conglomerates	2.1
Iberdrola	Spain	Electric Utilities	2.0

Issuers are as of the date indicated and are subject to change.

**PORTFOLIO CHARACTERISTICS**

	European Stock Fund	MSCI Europe Index Net
Number of Issuers	74	425
Investment Weighted Median Market Cap (mm)	\$22,005	\$44,727
Price to Earnings (Current Fiscal Year)*° †	27.1X	22.3X
Price to Book°	3.5X	3.3X
Projected Earnings Growth Rate (3 - 5 Years)*° †	7.0%	4.9%
Return on Equity (Current Fiscal Year)° †	12.4%	13.0%
Top 20 Issuers as Percent of Total	42.9%	29.9%
Total Assets (all share classes)	1,040,828,566	-
Percent of Portfolio in Cash	-0.4%	-

°Investment Weighted Median.

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

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

**GEOGRAPHICAL DIVERSIFICATION**

	United Kingdom	Germany	Switzerland	France	Spain	Italy	Netherlands	Sweden	Finland	Austria	Other
European Stock Fund	22.2%	18.4%	11.7%	10.8%	9.1%	7.7%	7.3%	5.3%	2.7%	2.2%	2.9%
MSCI Europe Index Net	21.2	15.5	16.7	17.1	3.6	3.6	7.0	5.3	1.7	0.2	8.1
<b>Over/Underweight</b>	<b>1.0</b>	<b>3.0</b>	<b>-5.0</b>	<b>-6.2</b>	<b>5.5</b>	<b>4.1</b>	<b>0.3</b>	<b>0.0</b>	<b>1.0</b>	<b>2.0</b>	<b>-5.2</b>

**SECTOR DIVERSIFICATION**

	Indust & Bus Svcs	Health Care	Cons Disc	Financials	Materials	Info Tech	Cons Stpls	Comm Svcs	Utilities	Real Estate	Energy
European Stock Fund	19.0%	15.9%	15.1%	12.4%	10.1%	8.5%	6.6%	4.2%	4.1%	3.5%	1.0%
MSCI Europe Index Net	14.4	16.3	10.6	14.0	8.1	7.7	14.8	3.9	5.0	1.4	3.8
<b>Over/Underweight</b>	<b>4.6</b>	<b>-0.4</b>	<b>4.5</b>	<b>-1.6</b>	<b>2.0</b>	<b>0.8</b>	<b>-8.3</b>	<b>0.2</b>	<b>-0.9</b>	<b>2.1</b>	<b>-2.8</b>

For Sourcing Information, please see Additional Disclosures.

## Definitions

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.

## Additional Disclosures

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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.

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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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