



PORTFOLIO UPDATE

# International Discovery Fund

As of September 30, 2020

Portfolio Manager:	Managed Fund Since:	Joined Firm:
Justin Thomson	1998	1998
Ben Griffiths	2020	2006

## INVESTMENT OBJECTIVE

The fund seeks long-term growth of capital through investments primarily in the common stocks of rapidly growing, small- to medium-sized companies outside the U.S.

## FUND INFORMATION

Symbol	PRIDX
CUSIP	77956H302
Inception Date of Fund	December 30, 1988
Benchmark	S&P Global ex-U.S. Small Cap Index Net
Expense Information (as of the most recent Prospectus)	1.20%
Fiscal Year End	October 31
12B-1 Fee	-

## MARKET COMMENTARY

International stocks fell in September as surging coronavirus cases in many countries raised fears of more lockdowns that would weigh on economic activity. The U.S. dollar rose against the euro and British pound but weakened slightly against the Japanese yen. Developed European stocks retreated as a second wave of infections in Spain, France, the UK and other countries threatened to snuff out the region's nascent recovery. Virtually every developed European market recorded losses except for Denmark, where stocks rose slightly. Banks, insurers, and travel-related stocks were among the biggest sectoral losers. European Central Bank (ECB) President Christine Lagarde said that the euro economy was recovering strongly from the coronavirus-driven contraction and cited a rebound in manufacturing and services, though recent data suggested that consumer and business confidence were starting to fade. The ECB forecast the euro economy would contract 8% in 2020, a slight improvement over its outlook three months prior, and kept its pandemic bond-buying program unchanged at 1.35 trillion euros. UK stocks fell. Britain's economy expanded 6.6% in July in its third month of growth, raising the likelihood that the UK could exit its coronavirus-driven recession in the third quarter. However, a possible surge in unemployment after the government ends its furlough program and the risk of a no-deal Brexit weighed on the country's outlook. Developed Asian stocks fell, led by Australia and New Zealand. Japanese stocks edged higher, making the country among the few advancers. The Bank of Japan (BOJ) left its key interest rate and asset purchases on hold and raised its assessment of the economy for the first time since the coronavirus hit. The BOJ governor said that the central bank would maintain a close relationship with the new government led by Prime Minister Yoshihide Suga, who took office September 16, signaling little change in monetary policy in the near term. Emerging markets stocks declined. Chinese stocks weakened as Sino-U.S. tensions outweighed economic data showing a strong recovery. Brazilian stocks sagged as the country continues to grapple with one of the world's worst coronavirus outbreaks. Brazil's economy plunged 11.4% in the second quarter from a year ago, its largest slump on record. All 11 sectors in the MSCI EAFE Index retreated. The energy sector fell the most, while health care declined the least.

## PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized			
					Three Years	Five Years	Ten Years	Fifteen Years
International Discovery Fund	-0.75%	13.85%	18.24%	31.24%	8.85%	12.84%	10.59%	9.25%
S&P Global ex-U.S. Small Cap Index Net	-1.99	10.18	-3.42	7.24	0.64	6.81	5.57	5.75
Custom Benchmark - Net*	-1.99	10.18	-3.42	7.24	0.64	6.81	5.57	5.29

**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.

\* Effective June 1, 2019, the "net" version of the benchmark replaced the "gross" version of the benchmark. The "net" version of the benchmark assumes the reinvestment of dividends after the deduction of withholding taxes. Historical benchmark representations have been restated to show net of withholding taxes. Linked Performance benchmark is the S&P Developed ex-U.S. Small Cap Index Net prior to July 1, 2009 and S&P Global ex-U.S. Small Cap Index Net from July 1, 2009 to current period end. The benchmark changes were made because the portfolio manager viewed the new benchmark composition to be a better representation of the investment strategy of the fund. Historical benchmark representations have not been restated.

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.

**RISK RETURN CHARACTERISTICS**

(Five Years ended September 30, 2020)

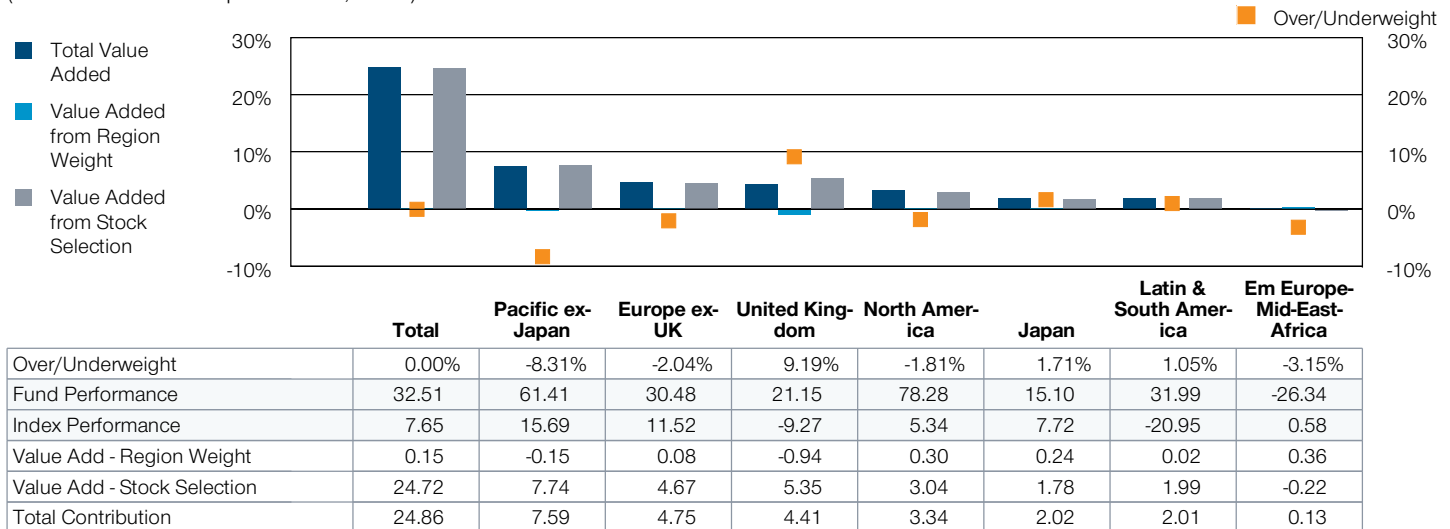
	Active Share* (as of 9/30/20)	Annualized Std. Deviation	Alpha	Beta	R-Squared	Information Ratio	Sharpe Ratio	Tracking Error
International Discovery Fund	94.4%	16.11%	6.07%	0.93	0.92	1.25	0.72	4.81%
S&P Global ex-U.S. Small Cap Index Net	-	16.64	0.00	1.00	1.00	0.00	0.34	0.00
International Discovery Fund	-	16.11	6.07	0.93	0.92	1.25	0.72	4.81
Custom Benchmark - Net*	-	16.64	0.00	1.00	1.00	0.00	0.34	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.

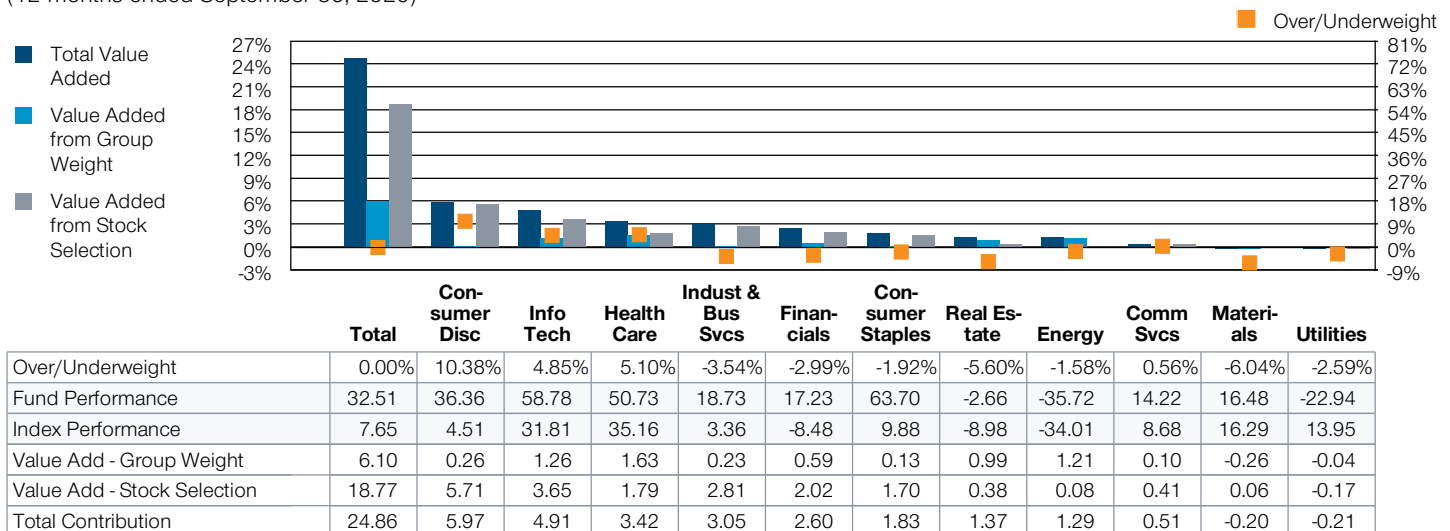
**REGION ATTRIBUTION DATA VS. S&P GLOBAL EX-U.S. SMALL CAP INDEX**

(12 months ended September 30, 2020)



**SECTOR ATTRIBUTION DATA VS. S&P GLOBAL EX-U.S. SMALL CAP INDEX**

(12 months ended September 30, 2020)



**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 15.7% of total net assets.

	Country	Industry	% of Fund
Ocado	United Kingdom	Internet & Direct Marketing Retail	1.9%
Amplifon	Italy	Health Care Providers & Svcs	1.9
Country Garden Services Holdings	China	Real Estate Mgmt & Dev	1.8
Shopify	Canada	IT Services	1.8
MercadoLibre	Argentina	Internet & Direct Marketing Retail	1.7
Tecan	Switzerland	Life Sciences Tools & Services	1.5
Fisher & Paykel Healthcare	New Zealand	Health Care Equip & Supplies	1.4
ASOS	United Kingdom	Internet & Direct Marketing Retail	1.3
Thule	Sweden	Leisure Products	1.2
Eurofins Scientific	France	Life Sciences Tools & Services	1.2

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

**PORTFOLIO CHARACTERISTICS**

	International Discovery Fund	S&P Global ex-U.S. Small Cap Index Net
Number of Issuers	214	6,493
Investment Weighted Median Market Cap (mm)	\$3,895	\$1,720
Price to Earnings (Current Fiscal Year)*° †	31.0X	18.8X
Price to Book°	4.7X	1.8X
Projected Earnings Growth Rate (3 - 5 Years)*° †	14.4%	7.5%
Return on Equity (Current Fiscal Year)° †	9.8%	8.8%
Top 20 Issuers as Percent of Total	25.5%	9.8%
Total Assets (all share classes)	9,198,791,613	-
Percent of Portfolio in Cash	2.6%	-

°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**

	Europe	Pacific Ex Japan	Japan	North America	Latin America	Middle East & Africa	Reserves
International Discovery Fund	47.6%	20.3%	20.0%	5.0%	3.6%	0.8%	2.6%
S&P Global ex-U.S. Small Cap Index Net	41.1	30.3	17.7	6.3	2.1	2.5	0.0
<b>Over/Underweight</b>	<b>6.5</b>	<b>-10.0</b>	<b>2.3</b>	<b>-1.3</b>	<b>1.5</b>	<b>-1.8</b>	<b>2.6</b>

**SECTOR DIVERSIFICATION**

	Cons Disc	Info Tech	Health Care	Indust & Bus Svcs	Financials	Real Estate	Comm Svcs	Materials	Cons Stpls	Utilities	Energy	Trusts & Funds	Misc.
International Discovery Fund	23.5%	17.6%	15.1%	13.6%	6.7%	5.9%	5.6%	4.0%	3.9%	0.6%	0.4%	0.3%	0.0%
S&P Global ex-U.S. Small Cap Index Net	12.5	11.9	10.7	17.9	12.8	9.5	4.6	9.6	5.5	3.0	1.9	0.0	0.1
<b>Over/Underweight</b>	<b>11.1</b>	<b>5.7</b>	<b>4.4</b>	<b>-4.3</b>	<b>-6.1</b>	<b>-3.6</b>	<b>1.0</b>	<b>-5.6</b>	<b>-1.7</b>	<b>-2.4</b>	<b>-1.5</b>	<b>0.3</b>	<b>-0.1</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.

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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.

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.

Closed to new investors. Open to subsequent investments.

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2018-US-541068 202010-1356610