



## QUARTERLY REVIEW

# International Stock Fund

As of March 31, 2025

## PORTFOLIO HIGHLIGHTS

The portfolio underperformed the MSCI All Country World Index ex USA Net for the three months ended March 31, 2025.

Relative Performance Drivers:

Sector

- + Industrials and Business Services (stock selection)
- + Consumer Discretionary (stock selection)
- Information Technology (overweight and stock selection)
- Health Care (stock selection and overweight)

Region/Country

- + U.S. (stock selection)
- Developed Europe (stock selection)

Additional Details:

- Overweight allocations to information technology and health care hurt relative performance. However, we defended many of our positions in both sectors, where we believe our holdings will benefit from strong, secular growth tailwinds over the long term.
- The impact of the reciprocal tariffs announced by U.S. President Donald Trump on April 2 on international businesses remains uncertain. We are not convinced that slowing U.S. growth will necessarily lead to a recession, though the risk of one has increased. We anticipate that financial markets will be highly volatile as they try to discount recession risk in the near term.

## FUND INFORMATION

Symbol	PRITX
CUSIP	77956H203
Inception Date of Fund	May 09, 1980
Benchmark	MSCI ACWI ex USA Net
Expense Information (as of the most recent Prospectus)	0.83%
Fiscal Year End	October 31
12B-1 Fee	–
Total Assets (all share classes)	\$13,411,716,902
Percent of Portfolio in Cash	2.6%

## PERFORMANCE

(NAV, total return)

	Three Months	One Year	Annualized			
			Three Years	Five Years	Ten Years	Fifteen Years
International Stock Fund	4.15%	3.66%	4.44%	9.40%	5.17%	5.69%
MSCI All Country World Index ex USA Net	5.23	6.09	4.48	10.92	4.98	4.92
MSCI EAFE Index Net	6.86	4.88	6.05	11.77	5.40	5.65

## CALENDAR YEAR PERFORMANCE

(NAV, total return)

	Inception Date	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
International Stock Fund	May 09 1980	-0.77%	2.29%	28.18%	-13.96%	27.90%	14.62%	1.49%	-15.74%	16.41%	3.44%
MSCI All Country World Index ex USA Net		-5.66	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00	15.62	5.53
MSCI EAFE Index Net		-0.81	1.00	25.03	-13.79	22.01	7.82	11.26	-14.45	18.24	3.82

**Performance data quoted represents past performance which 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.

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.

## PERFORMANCE REVIEW

### International Stocks Advanced Despite Tariff Concerns

International stocks advanced in the first quarter of 2025 in U.S. dollar terms, lifted by strength in European stocks due to resilient corporate profits and an improving economic outlook, though worries about higher U.S. tariffs curbed buying sentiment. The U.S. dollar broadly fell against the major developed and emerging markets currencies as concerns about the negative economic impact of the U.S.-sparked trade war led traders to bet against the greenback. Most developed European stock markets recorded strong gains. The Stoxx Europe 600 Index closed at a record high on March 3 but declined for the rest of the month as tariff-related fears mounted. Germany pledged to spend billions of euros on infrastructure and defense, a significant fiscal policy shift that economists said would bolster economic growth and corporate earnings across the eurozone. UK stocks advanced on hopes for more interest rate cuts. The Office for Budget Responsibility halved its 2025 growth forecast for the UK in March to 1% from a prior 2% estimate, but a few improving indicators at month-end suggested that Britain may be emerging from stagnation. Developed Asian markets were mixed: Australian and New Zealand stocks fell, while Singaporean and Hong Kong stocks advanced. Japanese stocks edged higher. Emerging markets stocks rose, driven by strength in Chinese stocks after domestic artificial intelligence startup DeepSeek showcased its capabilities in January, renewing interest in the country's technology sector. Ten sectors in the MSCI EAFE Index rose, led by energy and financials. Information technology and consumer discretionary were the only decliners.

### Relative Contributors

#### Industrials and Business Services (stock selection)

- **Thales:** Thales, a French aerospace and defense systems maker, was a key performance contributor amid a rally in European defense stocks after European leaders pledged to boost military spending to support Ukraine and U.S. President Donald Trump reduced his commitment to European security. Thales' shares rallied in early March after management forecast sales of as much as EUR 21.9 billion in 2025, exceeding analysts' estimates.
- **Dassault Aviation:** Dassault Aviation, a French aerospace company, boosted performance as it benefited from prospects for increased defense spending across Europe to help Ukraine (see above).

#### Consumer Discretionary (stock selection)

- **Prosus:** Prosus, an Amsterdam-listed technology investment company that owns a large stake in Chinese internet company Tencent, helped relative performance. Shares of Prosus-whose performance is closely linked with that of Tencent-rose amid a rally in shares of Tencent and other Chinese internet companies after the rise of DeepSeek, a Chinese artificial intelligence startup, renewed investor interest in the country's tech sector.
- **Mercadolibre:** Mercadolibre, the leading e-commerce and payments company in Latin America, added value. Shares of the Montevideo, Uruguay-based company rallied to a record in February after its fourth-quarter earnings and revenue widely exceeded analysts' estimates, driven by volume growth in Brazil and Mexico, its two largest markets.

### Relative Detractors

#### Information Technology (overweight and stock selection)

- The portfolio's sizable overweight to information technology, the only sector in the benchmark to post a negative return for the quarter, hurt relative returns.
- **Taiwan Semiconductor Manufacturing Co. (TSMC):** The world's top manufacturer of artificial intelligence chips, TSMC, was a significant performance detractor. TSMC shares fell from a record high in January amid various concerns, including high valuations for global chip stocks, the sustainability of the current pace of AI hardware spending, and the risk of U.S. tariffs on chip imports.

#### Health Care (stock selection and overweight)

- **Icon:** Icon, a Dublin, Ireland-based contract research organization for drugmakers, hurt relative returns after it issued weaker-than-expected 2025 financial guidance in January. Shares of Icon, which tests new medicines for pharma and biotech companies, fell after the forecast, which included an unexpectedly wide range for earnings per share. Management also said its outlook included a headwind from its top two customers and an "inconsistent recovery" in biotech.
- **Olympus:** Olympus, a Japanese medical technology company, detracted from relative performance. Shares of Olympus, a leading maker of gastrointestinal endoscopes, have been under pressure since the unexpected departure of its chief executive officer in October. Shares fell further in February after management reported weaker-than-expected third-quarter earnings and lowered its full-year financial guidance.

#### Regional Attribution

- The U.S. added value due to positive stock selection. Waste Connections, a solid waste collection company, led relative performance contributors.
- Developed Europe detracted from relative returns owing to adverse stock selection. Clinical research conductor Icon, German perfume retailer Douglas, and Luxembourg-based private equity firm CVC Capital Partners were significant detractors from relative returns.

## PORTFOLIO POSITIONING AND ACTIVITY

### PORTFOLIO POSITIONING AND ACTIVITY

Our investment process relies on rigorous fundamental research and seeks to identify companies with leading market positions, seasoned management teams, and technological leadership or other proprietary advantages that can help drive above-average earnings growth over time. Sector and country allocations are primarily driven by bottom-up stock selection. The portfolio remained underweight financials versus the benchmark, mainly in Europe, where most banks lack the growth characteristics that we seek. Overweight allocations to information technology and health care hurt relative performance. However, we defended many of our positions in both sectors, where we believe our holdings will benefit from strong, secular growth tailwinds over the long term. Our emerging markets exposure is roughly in line with the benchmark.

## Significant Purchases

- **Relx:** We bought shares of Relx, a UK publishing, information, and analytics company and the owner of LexisNexis, after our research analyst upgraded the stock in January. Our analysis suggested that Relx had several growth drivers that appeared to be unappreciated by the market, including strong organic growth at its scientific, technical, and medical and legal segments; the possible sale of a noncore businesses; and margin expansion driven by faster revenue growth.
- **Ferrari:** We bought shares of Italian carmaker Ferrari, whose relative valuation versus other luxury names appeared more attractive after recent share underperformance spurred by a disappointing earnings release in November. We think Ferrari is poised to benefit from a strong product cycle supporting above-normalized earnings growth in the coming years.
- **Segro:** We bought shares of Segro, a UK real estate investment trust that owns and manages industrial spaces. Segro and other publicly traded property companies have performed poorly since 2022 as rising interest rates globally caused property valuations to fall. We think that Segro is a best-in-class operator and positioned to outperform as the industrial property market recovers and the supply/demand outlook appears favorable in the UK, the largest contributor to the company's rental income.
- **Shin-Etsu Chemical:** We bought shares of Shin-Etsu Chemical, a Japanese chemicals company whose main businesses are polyvinyl chloride production and silicon wafers manufacturing. Shin-Etsu shares fell after its third-quarter earnings missed estimates and competition concerns in China intensified. However, our research showed that both segments will likely continue to drive Shin-Etsu's earnings over time and lead to multiple expansion.

## Significant Sales

- **Deutsche Telekom:** We sold shares of Deutsche Telekom, Germany's leading telecommunications operator and the majority owner of U.S. wireless company T-Mobile, after strong share performance to raise funds for other ideas.
- **Heineken:** We sold shares of Heineken, the Dutch brewing company, to take some profits after it released solid 2024 earnings and 2025 guidance. Heineken shares recorded their biggest intraday gain since 2008 following the earnings release, in which it also announced a EUR 1.5 billion share buyback over two years. We used proceeds to buy other names that we think have better risk/reward trade-off.
- **Thales:** We sold shares of French defense and aerospace company Thales to take some profits after European leaders pledged in March to spend hundreds of billions of euros on defense and infrastructure, sparking a rally in European defense companies. The surge in military spending came after the U.S. signaled its intention to reduce support for Ukraine and European security. We used proceeds to buy other ideas that we think have greater upside potential.
- **Linde:** We sold shares of Linde, a UK-based industrial gases and engineering company, following strong share performance. We regard Linde as a slow and steady cyclical

compounder and a best-in-class operator in the chemicals industry but believed that global macro uncertainty limited its potential for further gains.

## MANAGER'S OUTLOOK

The strong performance of international developed markets stocks relative to the U.S. market in the first quarter of 2025 was surprising for many investors. We view the outperformance as a reversion to the mean, however, and would require evidence over several more quarters before drawing any conclusions about whether Europe's recent outperformance is the start of a longer-term reversal. The impact of the reciprocal tariffs announced on April 2 by U.S. President Donald Trump on international businesses remains uncertain, and we think that some sectors may emerge unscathed given numerous exemptions. We are not convinced that slowing U.S. growth will necessarily lead to a recession, though we believe the risk has increased following Trump's press conference. As a result, we anticipate that financial markets will be highly volatile as they try to discount recession risk in the near term.

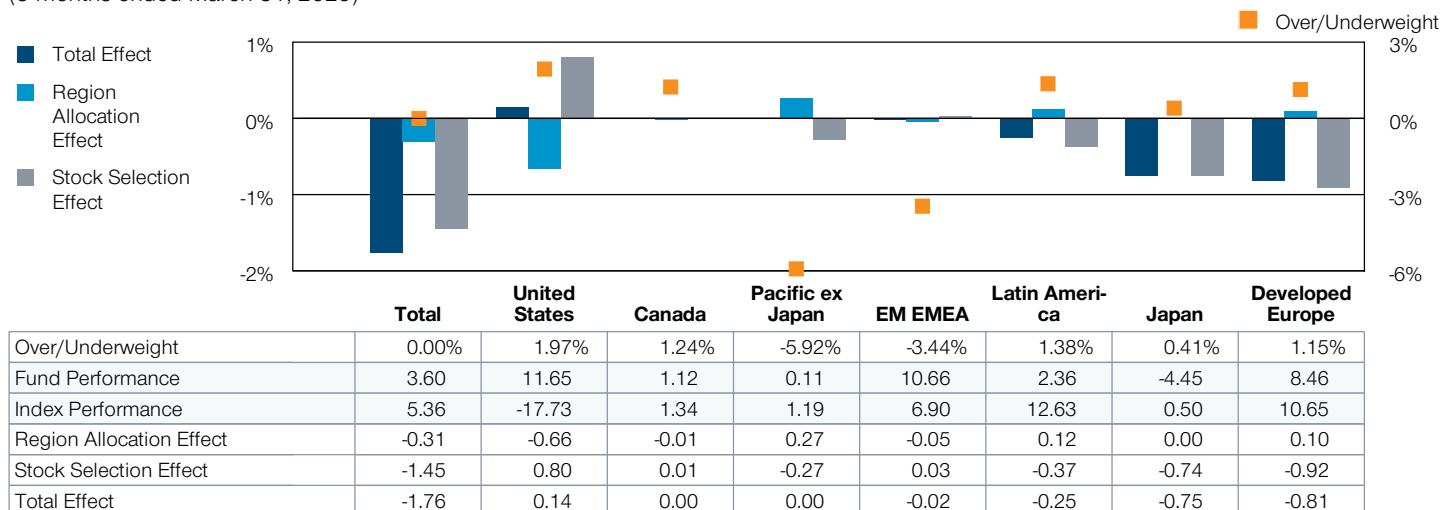
In Europe, we have doubts about how long a bank-led stock rally can continue as interest rates are falling and earnings revisions have turned negative. Many European companies have issued financial guidance assuming favorable conditions in the year's second half, raising the potential of downside risk if they miss their targets. Despite the rally, we are still seeking select opportunities in Europe. In emerging markets, we continue to believe that we are closer to the end, rather than the beginning, of recent underperformance. We have leaned into share weakness in the higher-growth parts of our opportunity set to add several businesses with durable growth profiles and solid fundamentals. As a result, the portfolio is "growthier" and slightly higher beta than is typical. However, these new positions are the type of companies that we believe will do well in a low-rate, low-growth environment yet still fit our investment framework.

We continue to rely on our global research platform to identify companies that offer the most durable and sustainable growth profiles and compelling upside potential. While we are mindful of the broader macro environment and top-down factors, bottom-up stock picking based on fundamental research remains the core of our investment philosophy and process.

## QUARTERLY ATTRIBUTION

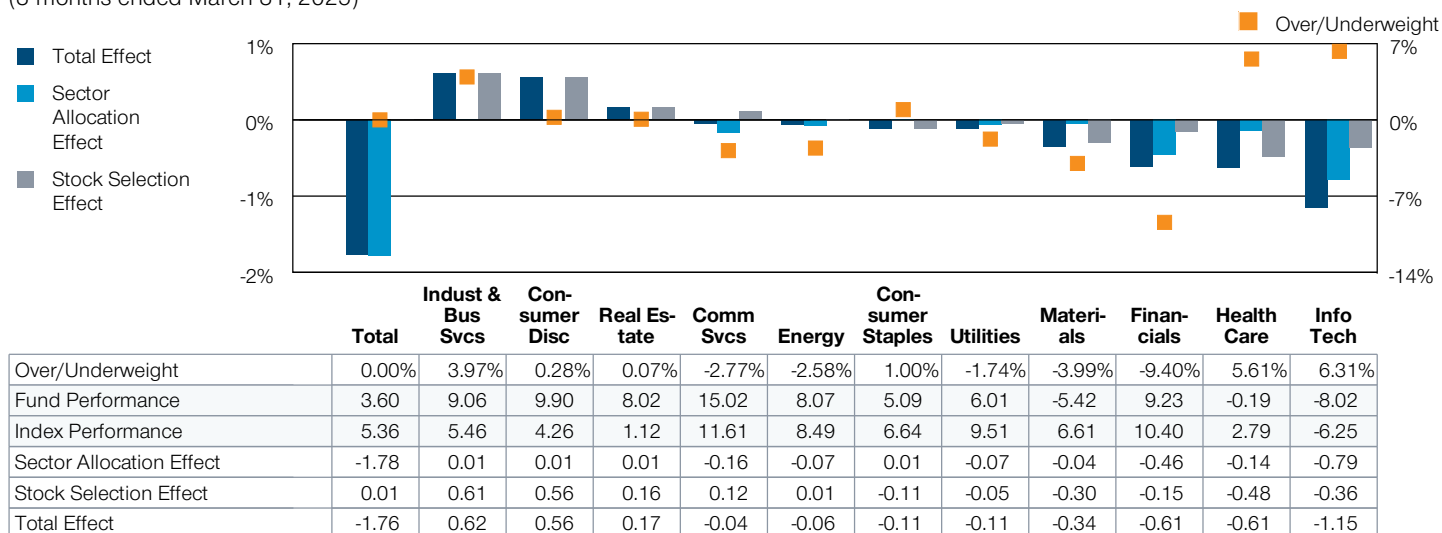
### REGION ATTRIBUTION DATA VS. MSCI ACWI EX USA

(3 months ended March 31, 2025)



### SECTOR ATTRIBUTION DATA VS. MSCI ACWI EX USA

(3 months ended March 31, 2025)



### TOP 5 RELATIVE CONTRIBUTORS VS. MSCI ACWI EX USA

(3 months ended March 31, 2025)

Security	% of Equities	Net Contribution (Basis Points)
Thales Sa	1.0%	66
Dassault Aviation	1.1	49
Beigene Ltd.	1.2	39
Prudential Plc	1.1	31
Prosus N.V.	2.0	27

### TOP 5 RELATIVE DETRACTORS VS. MSCI ACWI EX USA

(3 months ended March 31, 2025)

Security	% of Equities	Net Contribution (Basis Points)
Taiwan Semiconductor Manufacturing	5.2%	-53
Alibaba Group Holding Limited	0.0	-37
Globant S.A.	0.2	-25
Recruit Holdings Co., Ltd.	0.8	-20
Disco Corporation	0.6	-20

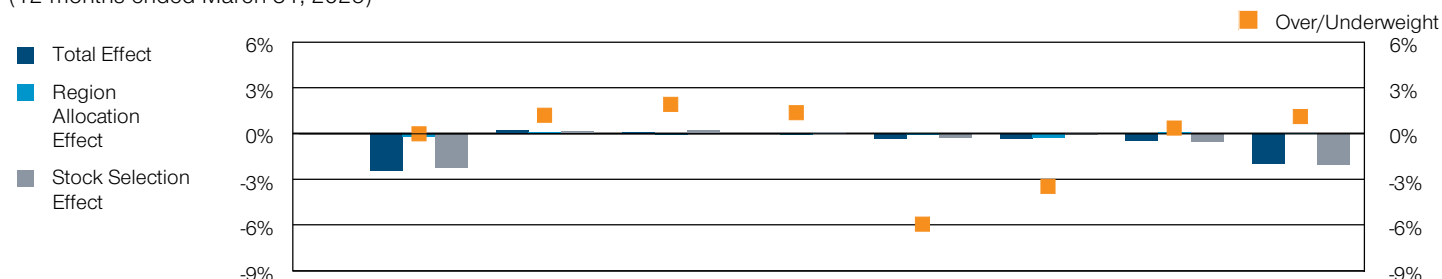
Net contribution is calculated versus a specific benchmark. It is the difference between the security's absolute contribution to the portfolio and the security's absolute contribution to the benchmark. This reflects the amount the security has impacted relative return.

**Performance data quoted represents past performance which is not a guarantee or a reliable indicator of future results.** All numbers are percentages. 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 2025 FactSet. All Rights Reserved. MSCI/S&P GICS Sectors; Analysis by T. Rowe Price. T. Rowe Price uses the current MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry 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.

## 12-MONTH ATTRIBUTION

### REGION ATTRIBUTION DATA VS. MSCI ACWI EX USA

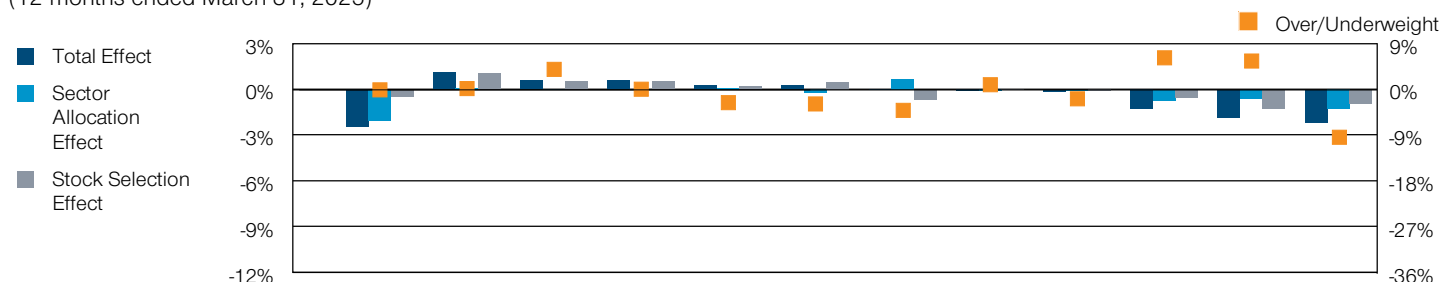
(12 months ended March 31, 2025)



	Total	Canada	United States	Latin America	Pacific ex Japan	EM EMEA	Japan	Developed Europe
Over/Underweight	0.00%	1.24%	1.97%	1.38%	-5.92%	-3.44%	0.41%	1.15%
Fund Performance	4.20	11.34	12.83	-6.41	8.63	3.90	-4.66	3.05
Index Performance	6.65	9.65	0.13	-13.00	9.59	14.02	-1.74	7.64
Region Allocation Effect	-0.22	0.08	-0.05	-0.07	-0.09	-0.24	0.09	0.02
Stock Selection Effect	-2.23	0.20	0.21	0.14	-0.23	-0.07	-0.49	-1.99
Total Effect	-2.44	0.28	0.16	0.07	-0.31	-0.32	-0.40	-1.97

### SECTOR ATTRIBUTION DATA VS. MSCI ACWI EX USA

(12 months ended March 31, 2025)



	Total	Consumer Disc	Indust & Bus Svcs	Real Estate	Energy	Comm Svcs	Materials	Consumer Staples	Utilities	Info Tech	Health Care	Financials
Over/Underweight	0.00%	0.28%	3.97%	0.07%	-2.58%	-2.77%	-3.99%	1.00%	-1.74%	6.31%	5.61%	-9.40%
Fund Performance	4.20	12.56	9.83	27.93	4.93	37.63	-27.71	0.97	5.43	-6.79	-9.30	16.53
Index Performance	6.65	2.10	6.36	0.01	0.78	23.20	-5.06	1.59	11.13	-4.37	-1.87	23.21
Sector Allocation Effect	-2.03	0.06	0.02	0.04	0.09	-0.23	0.68	-0.07	-0.06	-0.72	-0.61	-1.27
Stock Selection Effect	-0.42	1.05	0.60	0.59	0.19	0.50	-0.64	-0.02	-0.07	-0.52	-1.21	-0.88
Total Effect	-2.44	1.11	0.63	0.62	0.28	0.27	0.05	-0.09	-0.14	-1.25	-1.82	-2.15

### TOP 5 RELATIVE CONTRIBUTORS VS. MSCI ACWI EX USA

(12 months ended March 31, 2025)

Security	% of Equities	Net Contribution (Basis Points)
Prosus N.V.	2.0%	67
Ke Holdings Inc.	1.2	56
Deutsche Telekom Ag	1.0	55
Thales Sa	1.0	55
Beigene Ltd.	1.2	51

### TOP 5 RELATIVE DETRACTORS VS. MSCI ACWI EX USA

(12 months ended March 31, 2025)

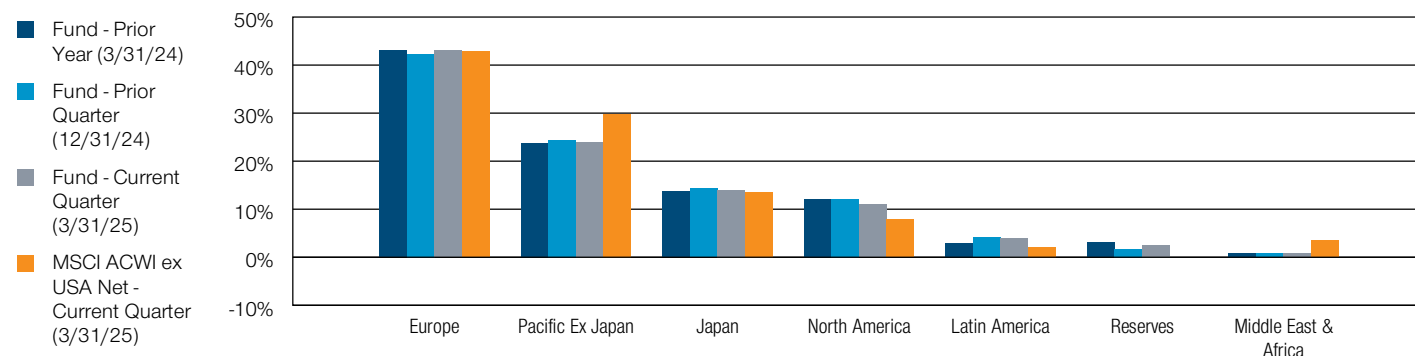
Security	% of Equities	Net Contribution (Basis Points)
Asml Holding Nv	1.8%	-50
Disco Corporation	0.6	-46
Icon Plc	0.5	-45
Canadian National Railway Company	1.9	-38
Novo Nordisk A/S	1.2	-36

Net contribution is calculated versus a specific benchmark. It is the difference between the security's absolute contribution to the portfolio and the security's absolute contribution to the benchmark. This reflects the amount the security has impacted relative return.

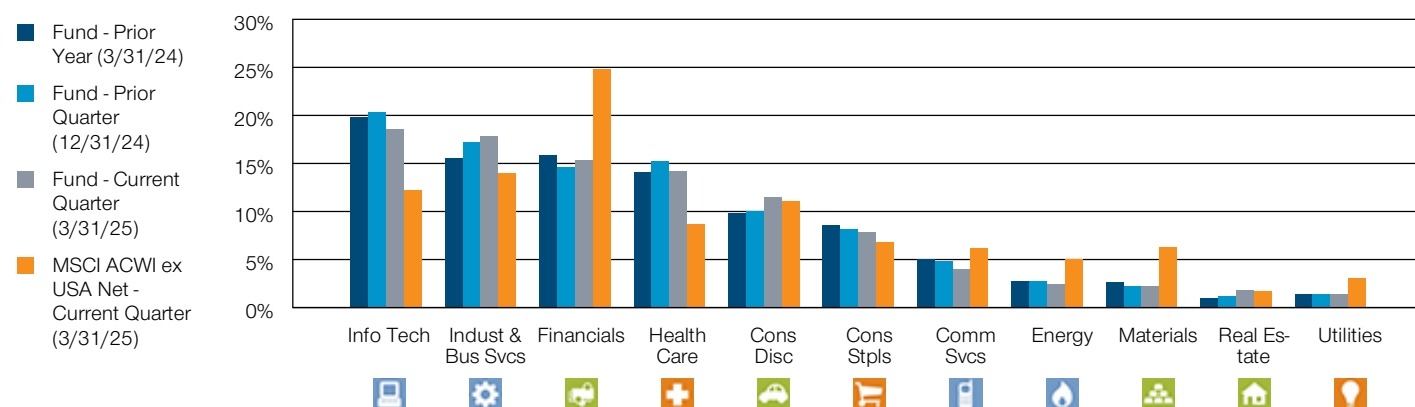
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## PORTFOLIO POSITIONING

### GEOGRAPHIC DIVERSIFICATION - CHANGES OVER TIME



### SECTOR DIVERSIFICATION - CHANGES OVER TIME



### LARGEST PURCHASES

Issuer	Sector	% of Fund Current Quarter 3/31/25	% of Fund Prior Quarter 12/31/24
RELX (N)		1.0%	0.0%
Ferrari (N)		0.6	0.0
Segro (N)		0.6	0.0
Shin-Etsu Chemical		1.3	1.0
Qiagen (N)		0.5	0.0
Nippon Sanso Holdings (N)		0.5	0.0
Descartes Systems		1.0	0.7
Keyence		1.2	0.9
ASM International (N)		0.4	0.0
Schneider Electric		0.7	0.4

### LARGEST SALES

Issuer	Sector	% of Fund Current Quarter 3/31/25	% of Fund Prior Quarter 12/31/24
Deutsche Telekom		1.0%	1.8%
Heineken		0.4	0.9
Linde PLC (E)		0.0	0.5
Suncor Energy		1.0	1.4
Capgemini (E)		0.0	0.5
Thales		1.0	0.8
ICON		0.5	1.1
ASML Holding		1.8	2.3
Shopify		1.0	1.4
Dassault Aviation		1.1	1.0

(N) New Position

(E) Eliminated

A purchase or sale that occurred as a result of a corporate action where the Portfolio Manager had no discretion, if any, will not be displayed. Securities are shown in order by their total net cost and proceed values. Net is defined as total cost of purchases less total proceeds of sales.

## HOLDINGS

### TOP 10 ISSUERS

Issuer	Market	Industry	% of Fund	% of MSCI ACWI ex USA Net
Taiwan Semiconductor Manufacturing	Taiwan	Semicons & Semicon Equip	5.2%	2.5%
Prosus	Netherlands	Broadline Retail	2.0	0.2
SAP	Germany	Software	2.0	1.0
Canadian National Railway	Canada	Ground Transportation	1.9	0.2
MercadoLibre	Argentina	Broadline Retail	1.8	0.0
ASML Holding	Netherlands	Semicons & Semicon Equip	1.8	1.0
Essity	Sweden	Household Products	1.7	0.1
Sony	Japan	Household Durables	1.6	0.6
Constellation Software Inc/Canada	Canada	Software	1.5	0.2
Element Fleet Management	Canada	Commercial Services & Supplies	1.5	0.0

### TOP 5 OVER/UNDERWEIGHT POSITIONS VS. MSCI ACWI EX USA NET

Issuer	Market	Industry	% of Fund	% of MSCI ACWI ex USA Net	Over/Underweight
Taiwan Semiconductor Manufacturing	Taiwan	Semicons & Semicon Equip	5.2%	2.5%	2.7%
Prosus	Netherlands	Broadline Retail	2.0	0.2	1.8
MercadoLibre	Argentina	Broadline Retail	1.8	0.0	1.8
Canadian National Railway	Canada	Ground Transportation	1.9	0.2	1.7
Essity	Sweden	Household Products	1.7	0.1	1.6
Alibaba Group Holding	China	Broadline Retail	0.0	1.0	-1.0
Roche Holding	Switzerland	Pharmaceuticals	0.0	0.9	-0.9
Shell	United Kingdom	Oil, Gas & Consumable Fuels	0.0	0.8	-0.8
Novartis	Switzerland	Pharmaceuticals	0.0	0.8	-0.8
HSBC Holdings	United Kingdom	Banks	0.0	0.7	-0.7

## PORTFOLIO MANAGEMENT



**Portfolio Manager:**  
Richard Clattenburg

**Managed Fund Since:**  
2015

**Joined Firm:**  
2005



## Additional Disclosures

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

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.

The manager's views and portfolio holdings are historical and subject to change. This material should not be deemed a recommendation to buy or sell any of the securities mentioned. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the Fund and no assumptions should be made that the securities identified and discussed were or will be profitable.

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.

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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