



T.RowePrice

**SEMIANNUAL REPORT**

April 30, 2024

T. ROWE PRICE

# Institutional International Disciplined Equity Fund

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## Dear Investor

Major global stock and bond indexes produced positive results during the first half of your fund's fiscal year, the six-month period ended April 30, 2024. Investor sentiment was bolstered by rising hopes at the end of 2023 that central banks would be able to cut interest rates soon; however, stronger-than-expected inflation data in the first quarter of 2024 contributed to a downturn in April that offset some of the strong gains recorded earlier in the period.

Growth stocks outperformed value shares over the six-month period, and stocks in developed markets generally outpaced their counterparts in emerging markets. Currency movements were mixed over the period—a weaker U.S. dollar versus some major European currencies was beneficial for U.S. investors in European securities, while a downturn in the Japanese yen had the reverse effect.

Technology companies benefited from investor enthusiasm for artificial intelligence developments and produced some of the strongest results in the equity market. Within the U.S.-focused S&P 500 Index, the communication services, financials, information technology, and industrials sectors all recorded strong gains, while returns for energy companies were more muted as oil prices dipped at the end of 2023 before rebounding in the new year.

U.S. Treasury yields finished the period lower, which supported broadly positive results in the fixed income market. High yield corporate bonds produced some of the strongest returns, aided by the higher coupons that have become available since the Fed began hiking rates about two years ago, as well as strength in the economy that kept default expectations at low levels.

The U.S. economy was the strongest among the major markets during the period, although first-quarter gross domestic product growth—according to a preliminary estimate—slowed from the level reported at the end of 2023. Meanwhile, after flirting with a recession late last year, growth in the eurozone appeared to be healthier in the latest reports, and China's economy showed signs of recovery after a sluggish performance in 2023.

The positive economic news aided investor sentiment following widespread expectations for a downturn last year. But the outlook for monetary policy as global central banks continued their fight against inflation was more difficult to decipher.

After significant progress in reducing the rate of price increases—12-month consumer price index inflation dropped from 6.4% to 3.3% over the course of 2023—Federal Reserve policymakers helped boost sentiment when their year-end economic projections indicated that three quarter-point interest rate cuts were likely in 2024, up from the two they had forecast previously. However, with inflation improvements stalling so far this year, Fed officials indicated that they will take a patient approach to loosening monetary policy, a message that weighed on markets near the end of our reporting period.

Outside the U.S., the European Central Bank was also facing sticky inflation, but officials indicated that they would like to begin cutting rates soon if upcoming reports are favorable. Meanwhile, moving in the other direction, the Bank of Japan lifted short-term interest rates from negative territory for the first time in over seven years following a long campaign against disinflation, although Japan's monetary policy remains among the most accommodative in the world.

Global economies have displayed continued resilience in the year-to-date period, but risks remain as we look ahead. Elevated geopolitical tensions, uncertainty about the path of monetary policy, and fading fiscal stimulus all raise the potential for additional volatility. We believe this environment makes skilled active management a critical tool for identifying risks and opportunities, and our investment teams will continue to use fundamental research to help identify securities that can add value to your portfolio over the long term.

Thank you for your continued confidence in T. Rowe Price.

Sincerely,



Robert Sharps  
CEO and President

## SECTOR DIVERSIFICATION

	Percent of Net Assets	
	10/31/23	4/30/24
Financials	19.7%	21.6%
Health Care	16.4	13.9
Industrials and Business Services	12.2	12.8
Consumer Staples	12.9	10.1
Consumer Discretionary	8.6	9.0
Materials	8.4	8.0
Information Technology	5.4	7.3
Energy	3.4	4.1
Utilities	3.6	3.0
Communication Services	1.0	1.4
Real Estate	1.9	0.0
Other and Reserves	6.5	8.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

## TWENTY-FIVE LARGEST HOLDINGS

Company	Country	Percent of Net Assets 4/30/24
Groupe Bruxelles Lambert	Belgium	2.0%
Roche Holding	Switzerland	1.9
Smiths Group	United Kingdom	1.9
Hamamatsu Photonics	Japan	1.8
Jardine Matheson Holdings	Hong Kong	1.7
ASML Holding	Netherlands	1.7
Sanofi	France	1.7
Nestle	Switzerland	1.7
Sony Group	Japan	1.6
Shimano	Japan	1.6
AIA Group	Hong Kong	1.6
Siemens	Germany	1.6
Cie Financiere Richemont	Switzerland	1.5
Shell	United Kingdom	1.5
BP	United Kingdom	1.5
Hoshizaki	Japan	1.5
Continental	Germany	1.5
Amadeus IT Group	Spain	1.5
Suntory Beverage & Food	Japan	1.5
Euronext	France	1.5
Unilever	United Kingdom	1.5
Novartis	Switzerland	1.5
BHP Group	Australia	1.4
Shimadzu	Japan	1.4
Heineken	Netherlands	1.4
<b>Total</b>		<b>40.0%</b>

Note: The information shown does not reflect any exchange-traded funds (ETFs), cash reserves, or collateral for securities lending that may be held in the portfolio.

## FUND EXPENSE EXAMPLE

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, such as redemption fees or sales loads, and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

### Actual Expenses

The first line of the following table (Actual) provides information about actual account values and actual expenses. You may use the information on this line, together with your account balance, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number on the first line under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The information on the second line of the table (Hypothetical) is based on hypothetical account values and expenses derived from the fund's actual expense ratio and an assumed 5% per year rate of return before expenses (not the fund's actual return). You may compare the ongoing costs of investing in the fund with other funds by contrasting this 5% hypothetical example and the 5% hypothetical examples that appear in the shareholder reports of the other funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You should also be aware that the expenses shown in the table highlight only your ongoing costs and do not reflect any transaction costs, such as redemption fees or sales loads. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

## INSTITUTIONAL INTERNATIONAL DISCIPLINED EQUITY FUND

	Beginning Account Value 11/1/23	Ending Account Value 4/30/24	Expenses Paid During Period* 11/1/23 to 4/30/24
Actual	\$1,000.00	\$1,161.30	\$4.03
Hypothetical (assumes 5% return before expenses)	1,000.00	1,021.13	3.77

\* Expenses are equal to the fund's annualized expense ratio for the 6-month period (0.75%), multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (182), and divided by the days in the year (366) to reflect the half-year period.

T. ROWE PRICE INSTITUTIONAL INTERNATIONAL DISCIPLINED EQUITY FUND

(Unaudited)

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

	6 Months Ended 4/30/24	Year Ended 10/31/23	10/31/22	10/31/21	10/31/20	10/31/19
<b>NET ASSET VALUE</b>						
Beginning of period	\$ 10.99	\$ 9.66	\$ 12.67	\$ 10.09	\$ 11.52	\$ 12.04
Investment activities						
Net investment income <sup>(1)(2)</sup>	0.12	0.25	0.21	0.17	0.21	0.24
Net realized and unrealized gain/ loss	1.64	1.17	(2.84)	2.73	(1.22)	1.11
Total from investment activities	1.76	1.42	(2.63)	2.90	(1.01)	1.35
Distributions						
Net investment income	(0.34)	(0.09)	(0.16)	(0.20)	(0.28)	(0.42)
Net realized gain	—	—	(0.22)	(0.12)	(0.14)	(1.45)
Total distributions	(0.34)	(0.09)	(0.38)	(0.32)	(0.42)	(1.87)
<b>NET ASSET VALUE</b>						
End of period	\$ 12.41	\$ 10.99	\$ 9.66	\$ 12.67	\$ 10.09	\$ 11.52
<b>Ratios/Supplemental Data</b>						
<b>Total return<sup>(2)(3)</sup></b>	<b>16.13%</b>	<b>14.74%</b>	<b>(21.29)%</b>	<b>28.96%</b>	<b>(9.22)%</b>	<b>14.09%</b>
Ratios to average net assets: <sup>(2)</sup>						
Gross expenses before waivers/ payments by Price Associates	0.82% <sup>(4)</sup>	0.81%	0.78%	0.75%	0.75%	0.77%
Net expenses after waivers/ payments by Price Associates	0.75% <sup>(4)</sup>	0.75%	0.75%	0.75%	0.75%	0.75%
Net investment income	2.02% <sup>(4)</sup>	2.16%	1.86%	1.37%	1.99%	2.22%
Portfolio turnover rate	56.2%	93.8%	78.9%	81.1%	86.0%	93.3%
Net assets, end of period (in thousands)	\$ 208,816	\$ 187,136	\$ 248,843	\$ 373,224	\$ 268,221	\$ 288,289

<sup>(1)</sup> Per share amounts calculated using average shares outstanding method.

<sup>(2)</sup> Includes the impact of expense-related arrangements with Price Associates.

<sup>(3)</sup> Total return reflects the rate that an investor would have earned on an investment in the fund during each period, assuming reinvestment of all distributions, and payment of no redemption or account fees, if applicable. Total return is not annualized for periods less than one year.

<sup>(4)</sup> Annualized

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE INSTITUTIONAL INTERNATIONAL DISCIPLINED EQUITY FUND

April 30, 2024 (Unaudited)

PORTFOLIO OF INVESTMENTS <sup>†</sup>	Shares	\$ Value	Shares	\$ Value
(Cost and value in \$000s)				
<b>AUSTRALIA 1.5%</b>				
<b>Common Stocks 1.5%</b>				
BHP Group (GBP)	109,002	3,011		
<b>Total Australia (Cost \$1,887)</b>		<b>3,011</b>		
<b>BELGIUM 2.0%</b>				
<b>Common Stocks 2.0%</b>				
Groupe Bruxelles Lambert	55,545	4,123		
<b>Total Belgium (Cost \$4,322)</b>		<b>4,123</b>		
<b>CANADA 1.4%</b>				
<b>Common Stocks 1.4%</b>				
Power Corp. of Canada	110,900	2,955		
<b>Total Canada (Cost \$2,886)</b>		<b>2,955</b>		
<b>DENMARK 1.0%</b>				
<b>Common Stocks 1.0%</b>				
Novonesis, Class B	37,000	2,049		
<b>Total Denmark (Cost \$1,914)</b>		<b>2,049</b>		
<b>FINLAND 1.0%</b>				
<b>Common Stocks 1.0%</b>				
Fortum	155,844	2,054		
<b>Total Finland (Cost \$1,917)</b>		<b>2,054</b>		
<b>FRANCE 8.9%</b>				
<b>Common Stocks 8.9%</b>				
Airbus	10,782	1,774		
EssilorLuxottica	8,411	1,794		
Eurofins Scientific	31,278	1,917		
Euronext	34,113	3,072		
Sanofi	35,252	3,483		
Schneider Electric	7,285	1,661		
TotalEnergies	32,248	2,341		
Wendel	25,540	2,604		
<b>Total France (Cost \$13,955)</b>		<b>18,646</b>		
<b>GERMANY 8.0%</b>				
<b>Common Stocks 5.5%</b>				
BASF	38,173	2,000		
Continental	48,478	3,142		
Infineon Technologies	83,548	2,899		
Siemens	17,970	3,367		
		11,408		
<b>PREFERRED STOCKS 2.5%</b>				
Henkel	30,551	2,427		
Volkswagen	23,183	2,840		
		5,267		
<b>Total Germany (Cost \$14,904)</b>		<b>16,675</b>		
<b>HONG KONG 4.5%</b>				
<b>Common Stocks 4.5%</b>				
AIA Group	461,000	3,377		
CK Hutchison Holdings	497,192	2,415		
Jardine Matheson Holdings (USD)	94,500	3,616		
<b>Total Hong Kong (Cost \$10,234)</b>		<b>9,408</b>		
<b>JAPAN 20.3%</b>				
<b>Common Stocks 20.3%</b>				
Hamamatsu Photonics	104,900	3,844		
Hoshizaki	91,200	3,143		
Hoya	17,900	2,075		
Kao	48,700	2,009		
Kirin Holdings	181,300	2,647		
Mitsubishi Electric	156,200	2,723		
Nippon Sanso Holdings	97,700	2,902		
Nippon Telegraph & Telephone	2,644,400	2,855		
Olympus	197,300	2,748		
Otsuka Holdings	62,000	2,651		
Shimadzu	109,400	2,972		
Shimano	20,800	3,380		
Sony Group	40,900	3,380		
Suntory Beverage & Food	94,700	3,081		
Tokyo Electron	9,400	2,062		
<b>Total Japan (Cost \$37,886)</b>		<b>42,472</b>		
<b>LUXEMBOURG 0.3%</b>				
<b>Common Stocks 0.3%</b>				
CVC Capital Partners (1)	36,376	660		
<b>Total Luxembourg (Cost \$544)</b>		<b>660</b>		
<b>NETHERLANDS 8.4%</b>				
<b>Common Stocks 8.4%</b>				
ASML Holding	4,036	3,515		
DSM-Firmenich	19,122	2,145		
EXOR	20,584	2,247		
HAL Trust	22,265	2,941		
Heineken	30,364	2,955		
ING Groep	107,201	1,695		
Koninklijke Philips (1)	77,857	2,068		
<b>Total Netherlands (Cost \$12,507)</b>		<b>17,566</b>		

	Shares	\$ Value
(Cost and value in \$000s)		
<b>NORWAY 1.1%</b>		
<b>Common Stocks 1.1%</b>		
Storebrand	227,129	2,180
<b>Total Norway (Cost \$1,835)</b>		<b>2,180</b>
<b>PHILIPPINES 1.3%</b>		
<b>Common Stocks 1.3%</b>		
Ayala	256,470	2,726
<b>Total Philippines (Cost \$3,517)</b>		<b>2,726</b>
<b>SPAIN 2.5%</b>		
<b>Common Stocks 2.5%</b>		
Amadeus IT Group	49,061	3,114
Iberdrola	177,240	2,173
<b>Total Spain (Cost \$4,428)</b>		<b>5,287</b>
<b>SWEDEN 4.9%</b>		
<b>Common Stocks 4.9%</b>		
Industrivarden, Class C (2)	68,104	2,190
Investor, Class B	108,781	2,664
Kinnevik, Class B (1)	259,726	2,703
L E Lundbergforetagen, Class B (2)	55,535	2,737
<b>Total Sweden (Cost \$7,554)</b>		<b>10,294</b>
<b>SWITZERLAND 7.5%</b>		
<b>Common Stocks 7.5%</b>		
Barry Callebaut	1,114	1,800
Cie Financiere Richemont	23,365	3,230
Nestle	34,490	3,463
Novartis	31,385	3,046
Roche Holding	16,733	4,009
<b>Total Switzerland (Cost \$13,086)</b>		<b>15,548</b>
<b>UNITED KINGDOM 17.8%</b>		
<b>Common Stocks 17.8%</b>		
Anglo American	73,169	2,391

	Shares	\$ Value
(Cost and value in \$000s)		
BP	491,508	3,168
Experian	44,012	1,775
GSK	130,491	2,707
Hiscox	170,828	2,620
HSBC Holdings	195,064	1,691
Mondi	130,860	2,480
National Grid	155,098	2,034
Prudential	292,751	2,546
Shell	89,702	3,189
Smith & Nephew	238,657	2,892
Smiths Group	198,316	3,998
Standard Chartered	305,423	2,624
Unilever (EUR)	59,273	3,066
<b>Total United Kingdom (Cost \$33,569)</b>		<b>37,181</b>
<b>UNITED STATES 3.5%</b>		
<b>Exchange-Traded Funds 3.5%</b>		
iShares MSCI EAFE ETF (2)	95,400	7,372
<b>Total United States (Cost \$6,829)</b>		<b>7,372</b>
<b>SHORT-TERM INVESTMENTS 4.1%</b>		
<b>Money Market Funds 4.1%</b>		
T. Rowe Price Government Reserve Fund, 5.37% (3)(4)	8,660,675	8,661
<b>Total Short-Term Investments (Cost \$8,661)</b>		<b>8,661</b>
<b>SECURITIES LENDING COLLATERAL 4.1%</b>		
<b>INVESTMENTS IN A POOLED ACCOUNT THROUGH SECURITIES LENDING PROGRAM WITH JPMORGAN CHASE BANK 4.1%</b>		
<b>Money Market Funds 4.1%</b>		
T. Rowe Price Government Reserve Fund, 5.37% (3)(4)	8,536,183	8,536
<b>Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank</b>		<b>8,536</b>
<b>Total Securities Lending Collateral (Cost \$8,536)</b>		<b>8,536</b>
<b>Total Investments in Securities</b>		
<b>104.1% of Net Assets (Cost \$190,971)</b>		<b>\$ 217,404</b>

‡ Country classifications are generally based on MSCI categories or another unaffiliated third party data provider; Shares are denominated in the currency of the country presented unless otherwise noted.

(1) Non-income producing

(2) See Note 3. All or a portion of this security is on loan at April 30, 2024.



- (3) Seven-day yield
- (4) Affiliated Companies
- ETF Exchange-Traded Fund
- EUR Euro
- GBP British Pound
- USD U.S. Dollar

**AFFILIATED COMPANIES**

(\$000s)

The fund may invest in certain securities that are considered affiliated companies. As defined by the 1940 Act, an affiliated company is one in which the fund owns 5% or more of the outstanding voting securities, or a company that is under common ownership or control. The following securities were considered affiliated companies for all or some portion of the six months ended April 30, 2024. Net realized gain (loss), investment income, change in net unrealized gain/loss, and purchase and sales cost reflect all activity for the period then ended.

<b>Affiliate</b>	<b>Net Realized Gain (Loss)</b>	<b>Change in Net Unrealized Gain/Loss</b>	<b>Investment Income</b>
T. Rowe Price Government Reserve Fund, 5.37%	\$ —	\$ —	\$ 204 <sup>++</sup>
<b>Totals</b>	<b>\$ —<sup>#</sup></b>	<b>\$ —</b>	<b>\$ 204<sup>+</sup></b>

**Supplementary Investment Schedule**

<b>Affiliate</b>	<b>Value 10/31/23</b>	<b>Purchase Cost</b>	<b>Sales Cost</b>	<b>Value 04/30/24</b>
T. Rowe Price Government Reserve Fund, 5.37%	\$ 6,550	□	□	\$ 17,197
<b>Total</b>				<b>\$ 17,197<sup>^</sup></b>

- # Capital gain distributions from underlying Price funds represented \$0 of the net realized gain (loss).
- ++ Excludes earnings on securities lending collateral, which are subject to rebates and fees as described in Note 3.
- + Investment income comprised \$204 of dividend income and \$0 of interest income.
- Purchase and sale information not shown for cash management funds.
- ^ The cost basis of investments in affiliated companies was \$17,197.

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE INSTITUTIONAL INTERNATIONAL DISCIPLINED EQUITY FUND

April 30, 2024 (Unaudited)

**STATEMENT OF ASSETS AND LIABILITIES**

(\$000s, except shares and per share amounts)

**Assets**

Investments in securities, at value (cost \$190,971)	\$	217,404
Receivable for investment securities sold		3,807
Dividends receivable		822
Foreign currency (cost \$297)		295
Receivable for shares sold		248
Due from affiliates		3
Other assets		2,234
Total assets		<u>224,813</u>

**Liabilities**

Obligation to return securities lending collateral		8,546
Payable for investment securities purchased		4,169
Payable for shares redeemed		3,130
Investment management fees payable		112
Other liabilities		40
Total liabilities		<u>15,997</u>
Commitments and Contingent Liabilities (note 6)		

**NET ASSETS**

**\$ 208,816**

**Net Assets Consist of:**

Total distributable earnings (loss)	\$	14,227
Paid-in capital applicable to 16,824,528 shares of \$0.01 par value capital stock outstanding; 1,000,000,000 shares of the Corporation authorized		<u>194,589</u>

**NET ASSETS**

**\$ 208,816**

**NET ASSET VALUE PER SHARE**

**\$ 12.41**

The accompanying notes are an integral part of these financial statements.

T. ROWE PRICE INSTITUTIONAL INTERNATIONAL DISCIPLINED EQUITY FUND

(Unaudited)

**STATEMENT OF OPERATIONS**

(\$000s)

	6 Months Ended 4/30/24
<b>Investment Income (Loss)</b>	
Income	
Dividend (net of foreign taxes of \$524)	\$ 2,776
Securities lending	11
Total income	2,787
Expenses	
Investment management	654
Shareholder servicing	3
Prospectus and shareholder reports	11
Custody and accounting	107
Legal and audit	27
Registration	15
Proxy and annual meeting	1
Directors	1
Miscellaneous	8
Waived / paid by Price Associates	(72)
Total expenses	755
Net investment income	2,032
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	6,924
Foreign currency transactions	42
Net realized gain	6,966
Change in net unrealized gain / loss	
Securities	20,607
Other assets and liabilities denominated in foreign currencies	(37)
Change in net unrealized gain / loss	20,570
Net realized and unrealized gain / loss	27,536
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 29,568</b>

The accompanying notes are an integral part of these financial statements.

(Unaudited)

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	6 Months Ended 4/30/24	Year Ended 10/31/23
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 2,032	\$ 4,611
Net realized gain	6,966	9,292
Change in net unrealized gain / loss	20,570	23,408
Increase in net assets from operations	29,568	37,311
Distributions to shareholders		
Net earnings	(5,646)	(1,762)
Capital share transactions*		
Shares sold	17,633	25,765
Distributions reinvested	4,744	1,518
Shares redeemed	(24,619)	(124,539)
Decrease in net assets from capital share transactions	(2,242)	(97,256)
<b>Net Assets</b>		
Increase (decrease) during period	21,680	(61,707)
Beginning of period	187,136	248,843
<b>End of period</b>	<b>\$ 208,816</b>	<b>\$ 187,136</b>
*Share information (000s)		
Shares sold	1,444	2,258
Distributions reinvested	394	143
Shares redeemed	(2,035)	(11,134)
Decrease in shares outstanding	(197)	(8,733)

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price Global Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The Institutional International Disciplined Equity Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks long-term growth of capital through investments in stocks of non-U.S. companies. At a Board meeting held on February 5, 2024, the Board approved the reorganization of the fund into the T. Rowe Price International Disciplined Equity Fund (Acquiring fund). The reorganization will be structured as a tax-free reorganization for federal income tax purposes whereby the Acquiring fund will acquire substantially all of the assets and liabilities of the fund in exchange for I Class shares of the Acquiring fund. The reorganization is anticipated to close on or around September 13, 2024. After the reorganization, the fund will be formally terminated.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation** The fund is an investment company and follows accounting and reporting guidance in the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* Topic 946 (ASC 946). The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), including, but not limited to, ASC 946. GAAP requires the use of estimates made by management. Management believes that estimates and valuations are appropriate; however, actual results may differ from those estimates, and the valuations reflected in the accompanying financial statements may differ from the value ultimately realized upon sale or maturity.

**Investment Transactions, Investment Income, and Distributions** Investment transactions are accounted for on the trade date basis. Income and expenses are recorded on the accrual basis. Realized gains and losses are reported on the identified cost basis. Income tax-related interest and penalties, if incurred, are recorded as income tax expense. Dividends received from other investment companies are reflected as dividend income; capital gain distributions are reflected as realized gain/loss. Dividend income and capital gain distributions are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the asset received. Proceeds from litigation payments, if any, are included in either net realized gain (loss) or change in net unrealized gain/loss from securities. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid annually. A capital gain distribution, if any, may also be declared and paid by the fund annually.

**Currency Translation** Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as provided by an outside pricing service. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the respective date of such transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is not bifurcated from the portion attributable to changes in market prices.

**Capital Transactions** Each investor's interest in the net assets of the fund is represented by fund shares. The fund's net asset value (NAV) per share is computed at the close of the New York Stock Exchange (NYSE), normally 4 p.m. ET, each day the NYSE is open for business. However, the NAV per share may be calculated at a time other than the normal close of the NYSE if trading on the NYSE is restricted, if the NYSE closes earlier, or as may be permitted by the SEC. Purchases and redemptions of fund shares are transacted at the next-computed NAV per share, after receipt of the transaction order by T. Rowe Price Associates, Inc., or its agents.

**Indemnification** In the normal course of business, the fund may provide indemnification in connection with its officers and directors, service providers, and/or private company investments. The fund's maximum exposure under these arrangements is unknown; however, the risk of material loss is currently considered to be remote.

**NOTE 2 - VALUATION**

**Fair Value** The fund's financial instruments are valued at the close of the NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fund's Board of Directors (the Board) has designated T. Rowe Price Associates, Inc. as the fund's valuation designee (Valuation Designee). Subject to oversight by the Board, the Valuation Designee performs the following functions in performing fair value determinations: assesses and manages valuation risks; establishes and applies fair value methodologies; tests fair value methodologies; and evaluates pricing vendors and pricing agents. The duties and responsibilities of the Valuation Designee are performed by its Valuation Committee. The Valuation Designee provides periodic reporting to the Board on valuation matters.

Various valuation techniques and inputs are used to determine the fair value of financial instruments. GAAP establishes the following fair value hierarchy that categorizes the inputs used to measure fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical financial instruments that the fund can access at the reporting date

Level 2 – inputs other than Level 1 quoted prices that are observable, either directly or indirectly (including, but not limited to, quoted prices for similar financial instruments in active markets, quoted prices for identical or similar financial instruments in inactive markets, interest rates and yield curves, implied volatilities, and credit spreads)

Level 3 – unobservable inputs (including the Valuation Designee's assumptions in determining fair value)

Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect the assumptions that market participants would use to price the financial instrument. Unobservable inputs are those for which market data are not available and are developed using the best information available about the assumptions that market participants would use to price the financial instrument. GAAP requires valuation techniques to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. When multiple inputs are used to derive fair value, the financial instrument is assigned to the level within the fair value hierarchy based on the lowest-level input that is significant to the fair value of the financial instrument. Input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level but rather the degree of judgment used in determining those values.

**Valuation Techniques** Equity securities, including exchange-traded funds, listed or regularly traded on a securities exchange or in the over-the-counter (OTC) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. OTC Bulletin Board securities are valued at the mean of the closing bid and asked prices. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Listed securities not traded on a particular day are valued at the mean of the closing bid and asked prices for domestic securities and the last quoted sale or closing price for international securities.

The last quoted prices of non-U.S. equity securities may be adjusted to reflect the fair value of such securities at the close of the NYSE, if the Valuation Designee determines that developments between the close of a foreign market and the close of the NYSE will affect the value of some or all of the fund's portfolio securities. Each business day, the Valuation Designee uses information from outside pricing services to evaluate the quoted prices of portfolio securities and, if appropriate, decide whether it is necessary to adjust quoted prices to reflect fair value by reviewing a variety of factors, including developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Valuation Designee uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The Valuation Designee cannot predict how often it will use quoted prices and how often it will determine it necessary to adjust those prices to reflect fair value.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation. Assets and liabilities other than financial instruments, including short-term receivables and payables, are carried at cost, or estimated realizable value, if less, which approximates fair value.

Investments for which market quotations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Valuation Designee. The Valuation Designee has adopted methodologies for determining the fair value of investments for which market quotations are not readily available or deemed unreliable, including the use of other pricing sources. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Valuation Designee typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Valuation Designee may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions. Fair value prices determined by the Valuation Designee could differ from those of other market participants, and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security.

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on April 30, 2024 (for further detail by category, please refer to the accompanying Portfolio of Investments):

(\$000s)	Level 1	Level 2	Level 3	Total Value
<b>Assets</b>				
Common Stocks	\$ —	\$ 187,568	\$ —	\$ 187,568
Exchange-Traded Funds	7,372	—	—	7,372
Preferred Stocks	—	5,267	—	5,267
Short-Term Investments	8,661	—	—	8,661
Securities Lending Collateral	8,536	—	—	8,536
Total	\$ 24,569	\$ 192,835	\$ —	\$ 217,404

### NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks and/or to enhance performance. The investment objective, policies, program, and risk factors of the fund are described more fully in the fund's prospectus and Statement of Additional Information.

**Emerging and Frontier Markets** The fund invests, either directly or through investments in other T. Rowe Price funds, in securities of companies located in, issued by governments of, or denominated in or linked to the currencies of emerging and frontier market countries. Emerging markets, and to a greater extent frontier markets, tend to have economic structures that are less diverse and mature, less developed legal and regulatory regimes, and political systems that are less stable, than those of developed countries. These markets may be subject to greater political, economic, and social uncertainty and differing accounting standards and regulatory environments that may potentially impact the fund's ability to buy or sell certain securities or repatriate proceeds to U.S. dollars. Emerging markets securities exchanges are more likely to experience delays with the clearing and settling of trades, as well as the custody of holdings by local banks, agents, and depositories. Such securities are often subject to greater price volatility, less liquidity, and higher rates of inflation than U.S. securities. Investing in frontier markets is typically significantly riskier than investing in other countries, including emerging markets.

**Securities Lending** The fund may lend its securities to approved borrowers to earn additional income. Its securities lending activities are administered by a lending agent in accordance with a securities lending agreement. Security loans generally do not have stated maturity dates, and the fund may recall a security at any time. The fund receives collateral in the form of cash or U.S. government securities. Collateral is maintained over the life of the loan in an amount not less than the value of loaned securities; any additional collateral required due to changes in security values is delivered to



the fund the next business day. Cash collateral is invested in accordance with investment guidelines approved by fund management. Additionally, the lending agent indemnifies the fund against losses resulting from borrower default. Although risk is mitigated by the collateral and indemnification, the fund could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities, collateral investments decline in value, and the lending agent fails to perform. Securities lending revenue consists of earnings on invested collateral and borrowing fees, net of any rebates to the borrower, compensation to the lending agent, and other administrative costs. In accordance with GAAP, investments made with cash collateral are reflected in the accompanying financial statements, but collateral received in the form of securities is not. At April 30, 2024, the value of loaned securities was \$8,294,000; the value of cash collateral and related investments was \$8,546,000.

**Other** Purchases and sales of portfolio securities other than in-kind transactions, if any, and short-term securities aggregated \$107,446,000 and \$112,502,000, respectively, for the six months ended April 30, 2024.

#### **NOTE 4 - FEDERAL INCOME TAXES**

Generally, no provision for federal income taxes is required since the fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code and distribute to shareholders all of its taxable income and gains. Distributions determined in accordance with federal income tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of the date of this report.

The fund intends to retain realized gains to the extent of available capital loss carryforwards. Net realized capital losses may be carried forward indefinitely to offset future realized capital gains. As of October 31, 2023, the fund had \$5,130,000 of available capital loss carryforwards.

At April 30, 2024, the cost of investments (including derivatives, if any) for federal income tax purposes was \$198,025,000. Net unrealized gain aggregated \$19,337,000 at period-end, of which \$31,532,000 related to appreciated investments and \$12,195,000 related to depreciated investments.

#### **NOTE 5 - FOREIGN TAXES**

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, capital gains realized upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries. All taxes are computed in accordance with the applicable foreign tax law, and, to the extent permitted, capital losses are used to offset capital gains. Taxes attributable to income are accrued by the fund as a reduction of income. Current and deferred tax expense attributable to capital gains is reflected as a component of realized or change in unrealized gain/loss on securities in the accompanying financial statements. To the extent that the fund has country specific capital loss carryforwards, such carryforwards are applied against net unrealized gains when determining the deferred tax liability. Any deferred tax liability incurred by the fund is included in either Other liabilities or Deferred tax liability on the accompanying Statement of Assets and Liabilities.

#### **NOTE 6 - RELATED PARTY TRANSACTIONS**

The fund is managed by T. Rowe Price Associates, Inc. (Price Associates), a wholly owned subsidiary of T. Rowe Price Group, Inc. (Price Group). Price Associates has entered into a sub-advisory agreement(s) with one or more of its wholly owned subsidiaries, to provide investment advisory services to the fund. The investment management agreement between the fund and Price Associates provides for an annual investment management fee equal to 0.65% of the fund's average daily net assets. The fee is computed daily and paid monthly.

The fund is subject to a contractual expense limitation through the expense limitation date indicated in the table below. During the limitation period, Price Associates is required to waive or pay any expenses (excluding interest; expenses related to borrowings, taxes, and brokerage; non-recurring, extraordinary expenses; and acquired fund fees and expenses) that would otherwise cause the class's ratio of annualized total expenses to average net assets (net expense ratio) to exceed its expense limitation. The class is required to repay Price Associates for expenses previously waived/paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's net expense ratio (after the repayment is taken into account) to exceed the lesser of: (1) the expense limitation in place at the time such amounts were waived; or (2) the class's current expense limitation. However, no repayment will be made more than three years after the date of a payment or waiver. Pursuant to this agreement, expenses were waived/paid by and/or repaid to Price Associates during the six months ended April 30, 2024 as indicated in the table below. Including this amount, expenses previously waived/paid by Price Associates in the amount of \$304,000 remain subject to repayment by the fund at April 30, 2024. Any repayment of expenses previously waived/paid by Price Associates during the period would be included in the net investment income and expense ratios presented on the accompanying Financial Highlights.

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Expense limitation	0.75%
Expense limitation date	12/31/26
(Waived)/repaid during the period (\$000s)	\$(72)

In addition, the fund has entered into service agreements with Price Associates and a wholly owned subsidiary of Price Associates, each an affiliate of the fund (collectively, Price). Price Associates provides certain accounting and administrative services to the fund. T. Rowe Price Services, Inc. provides shareholder and administrative services in its capacity as the fund's transfer and dividend-disbursing agent. For the six months ended April 30, 2024, expenses incurred pursuant to these service agreements were \$54,000 for Price Associates and \$3,000 for T. Rowe Price Services, Inc. All amounts due to and due from Price, exclusive of investment management fees payable, are presented net on the accompanying Statement of Assets and Liabilities.

T. Rowe Price Investment Services, Inc. (Investment Services) serves as distributor to the fund. Pursuant to an underwriting agreement, no compensation for any distribution services provided is paid to Investment Services by the fund (except for 12b-1 fees under a Board-approved Rule 12b-1 plan).

The fund may invest its cash reserves in certain open-end management investment companies managed by Price Associates and considered affiliates of the fund: the T. Rowe Price Government Reserve Fund or the T. Rowe Price Treasury Reserve Fund, organized as money market funds (together, the Price Reserve Funds). The Price Reserve Funds are offered as short-term investment options to mutual funds, trusts, and other accounts managed by Price Associates or its affiliates and are not available for direct purchase by members of the public. Cash collateral from securities lending, if any, is invested in the T. Rowe Price Government Reserve Fund. The Price Reserve Funds pay no investment management fees.

The fund may participate in securities purchase and sale transactions with other funds or accounts advised by Price Associates (cross trades), in accordance with procedures adopted by the fund's Board and Securities and Exchange Commission rules, which require, among other things, that such purchase and sale cross trades be effected at the independent current market price of the security. During the six months ended April 30, 2024, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

**NOTE 7 - OTHER MATTERS**

Unpredictable environmental, political, social and economic events, including but not limited to, environmental or natural disasters, war and conflict (including Russia's military invasion of Ukraine and the conflict in Israel, Gaza and surrounding areas), terrorism, geopolitical developments (including trading and tariff arrangements, sanctions and cybersecurity attacks), and public health epidemics (including the global outbreak of COVID-19) and similar public health threats, may significantly affect the economy and the markets and issuers in which a fund invests. The extent and duration of such events and resulting market disruptions cannot be predicted. These and other similar events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors, and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. The fund's performance could be negatively impacted if the value of a portfolio holding were harmed by these or such events. Management actively monitors the risks and financial impacts arising from such events.

## **INFORMATION ON PROXY VOTING POLICIES, PROCEDURES, AND RECORDS**

A description of the policies and procedures used by T. Rowe Price funds to determine how to vote proxies relating to portfolio securities is available in each fund's Statement of Additional Information. You may request this document by calling 1-800-225-5132 or by accessing the SEC's website, [sec.gov](http://sec.gov).

The description of our proxy voting policies and procedures is also available on our corporate website. To access it, please visit the following Web page:

<https://www.troweprice.com/corporate/us/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Guidelines." Click on the links in the shaded box.

Each fund's most recent annual proxy voting record is available on our website and through the SEC's website. To access it through T. Rowe Price, visit the website location shown above, and scroll down to the section near the bottom of the page that says, "Proxy Voting Records." Click on the Proxy Voting Records link in the shaded box.

## **HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS**

The fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's reports on Form N-PORT are available electronically on the SEC's website ([sec.gov](http://sec.gov)). In addition, most T. Rowe Price funds disclose their first and third fiscal quarter-end holdings on [troweprice.com](http://troweprice.com).

## **TAILORED SHAREHOLDER REPORTS FOR MUTUAL FUNDS AND EXCHANGE TRADED FUNDS**

In October 2022, the Securities and Exchange Commission (SEC) adopted rule and form amendments requiring Mutual Funds and Exchange-Traded Funds to transmit concise and visually engaging streamlined annual and semiannual reports that highlight key information to shareholders. Other information, including financial statements, will no longer appear in the funds' shareholder reports but will be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT**

Each year, the fund's Board of Directors (Board) considers the continuation of the investment management agreement (Advisory Contract) between the fund and its investment adviser, T. Rowe Price Associates, Inc. (Adviser), as well as the investment subadvisory agreement (Subadvisory Contract) that the Adviser has entered into with T. Rowe Price International Ltd (Subadviser) on behalf of the fund. In that regard, at a meeting held on March 11–12, 2024 (Meeting), the Board, including all of the fund's independent directors present in person at the Meeting, approved the continuation of the fund's Advisory Contract and Subadvisory Contract. At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of the Adviser and Subadviser and the approval of the Advisory Contract and Subadvisory Contract. The independent directors were assisted in their evaluation of the Advisory Contract and Subadvisory Contract by independent legal counsel from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, the Adviser was guided by a detailed set of requests for information submitted by independent legal counsel on behalf of the independent directors. In considering and approving the continuation of the Advisory Contract and Subadvisory Contract, the Board considered the information it believed was relevant, including, but not limited to, the information discussed below. The Board considered not only the specific information presented in connection with the Meeting, but also the knowledge gained over time through interaction with the Adviser and Subadviser about various topics. The Board meets regularly and, at each of its meetings, covers an extensive agenda of topics and materials and considers factors that are relevant to its annual consideration of the renewal of the T. Rowe Price funds' advisory contracts, including performance and the services and support provided to the funds and their shareholders.

**Services Provided by the Adviser and Subadviser**

The Board considered the nature, quality, and extent of the services provided to the fund by the Adviser and Subadviser. These services included, but were not limited to, directing the fund's investments in accordance with its investment program and the overall management of the fund's portfolio, as well as a variety of related activities such as financial, investment operations, and administrative services; compliance; maintaining the fund's records and registrations; and shareholder communications. The Board also reviewed the background and experience of the Adviser's and Subadviser's senior management teams and investment personnel involved in the management of the fund, as well as the Adviser's compliance record. The Board concluded that the information it considered with respect to the nature, quality, and extent of the services provided by the Adviser and Subadviser, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contract.

**Investment Performance of the Fund**

The Board took into account discussions with the Adviser and detailed reports that it regularly receives throughout the year on relative and absolute performance for the T. Rowe Price funds. In connection with the Meeting, the Board reviewed information provided by the Adviser that compared the fund's total returns, as well as a wide variety of other previously agreed-upon performance measures and market data, against relevant benchmark indexes and peer groups of funds with similar investment programs for various periods through December 31, 2023. Additionally, the Board reviewed the fund's relative performance information as of September 30, 2023, which ranked the fund's returns for various periods against a universe of funds with similar investment programs selected by Broadridge, an independent provider of mutual fund data.

In the course of its deliberations, the Board considered performance information provided throughout the year and in connection with the Advisory Contract review at the Meeting, as well as information provided during investment review meetings conducted with portfolio managers and senior investment personnel during the course of the year regarding the fund's performance. The Board also considered relevant factors, such as overall market conditions and trends that could adversely impact the fund's performance, the length of the fund's performance track record, and how closely the fund's strategies align with its benchmarks and peer groups. The Board concluded that the information it considered with respect to the fund's performance, as well as the other factors considered at the Meeting, supported the Board's approval of the continuation of the Advisory Contract and Subadvisory Contract.

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT  
(CONTINUED)****Costs, Benefits, Profits, and Economies of Scale**

The Board reviewed detailed information regarding the revenues received by the Adviser under the Advisory Contract and other direct and indirect benefits that the Adviser (and its affiliates, including the Subadviser) may have realized from its relationship with the fund. In considering soft-dollar arrangements pursuant to which research may be received from broker-dealers that execute the fund's portfolio transactions, the Board noted that during 2023 the Adviser paid the costs of research services for all client accounts that it advises, including the T. Rowe Price funds. However, effective January 1, 2024, the Adviser will begin using brokerage commissions in connection with certain T. Rowe Price funds' securities transactions to pay for research when permissible.

The Board received information on the estimated costs incurred and profits realized by the Adviser from managing the T. Rowe Price funds. While the Board did not review information regarding profits realized from managing the fund in particular because the fund had either not achieved sufficient portfolio asset size or not recognized sufficient revenues to produce meaningful profit margin percentages, the Board concluded that the Adviser's profits were reasonable in light of the services provided to the T. Rowe Price funds.

The Board also considered whether the fund benefits under the fee levels set forth in the Advisory Contract or otherwise from any economies of scale realized by the Adviser. Under the Advisory Contract, the fund pays a fee to the Adviser for investment management services based on the fund's average daily net assets and the fund pays its own expenses of operations. Under the Subadvisory Contract, the Adviser may pay the Subadviser up to 60% of the advisory fees that the Adviser receives from the fund. Assets of the fund are included in the calculation of the group fee rate, which serves as a component of the management fee for many other T. Rowe Price funds and declines at certain asset levels based on the combined average net assets of most of the T. Rowe Price funds (including the fund). Although the fund does not have a group fee component to its management fee, its assets are included in the calculation because certain resources utilized to operate the fund are shared with other T. Rowe Price funds.

The fund's shareholders benefit from potential economies of scale through a decline in certain operating expenses as the fund grows in size. However, the fund is also subject to a contractual expense limitation that requires the Adviser to waive its fees and/or bear any expenses that would otherwise cause the fund's expenses to exceed a certain percentage based on the fund's net assets. The expense limitation protects shareholders from relatively high expenses until the fund reaches greater scale and mitigates the potential for an increase in operating expenses above a certain level that could impact shareholders.

In addition, the Board noted that the fund potentially shares in indirect economies of scale through the Adviser's and Subadviser's ongoing investments in their business in support of the T. Rowe Price funds, including investments in trading systems, technology, and regulatory support enhancements, and the ability to possibly negotiate lower fee arrangements with third-party service providers. The Board concluded that the advisory fee structure for the fund provides for a reasonable sharing of benefits from any economies of scale with the fund's investors.

**Fees and Expenses**

The Board was provided with information regarding industry trends in management fees and expenses. Among other things, the Board reviewed data for peer groups that were compiled by Broadridge, which compared: (i) contractual management fees, actual management fees, nonmanagement expenses, and total expenses of the fund with a group of competitor funds selected by Broadridge (Expense Group) and (ii) actual management fees, nonmanagement expenses, and total expenses of the fund with a broader set of funds within the Lipper investment classification (Expense Universe). The Board considered the fund's contractual management fee rate, actual management fee rate (which reflects the management fees actually received from the fund by the Adviser after any applicable waivers, reductions, or reimbursements), operating expenses, and total expenses (which reflect the net total expense ratio of the fund after any waivers, reductions, or reimbursements) in comparison with the information for the Broadridge peer groups. Broadridge generally constructed the peer groups by seeking the most comparable funds based on similar investment classifications and objectives, expense structure, asset size,

**APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUBADVISORY AGREEMENT  
(CONTINUED)**

and operating components and attributes and ranked funds into quintiles, with the first quintile representing the funds with the lowest relative expenses and the fifth quintile representing the funds with the highest relative expenses. The information provided to the Board indicated that the fund's contractual management fee ranked in the second quintile (Expense Group), the fund's actual management fee rate ranked in the second quintile (Expense Group and Expense Universe), and the fund's total expenses ranked in the second quintile (Expense Group and Expense Universe).

The Board also reviewed the fee schedules for other investment portfolios with similar mandates that are advised or subadvised by the Adviser and its affiliates, including separately managed accounts for institutional and individual investors; subadvised funds; and other sponsored investment portfolios, including collective investment trusts and pooled vehicles organized and offered to investors outside the United States. Management provided the Board with information about the Adviser's responsibilities and services provided to subadvisory and other institutional account clients, including information about how the requirements and economics of the institutional business are fundamentally different from those of the proprietary mutual fund business. The Board considered information showing that the Adviser's mutual fund business is generally more complex from a business and compliance perspective than its institutional account business and considered various relevant factors, such as the broader scope of operations and oversight, more extensive shareholder communication infrastructure, greater asset flows, heightened business risks, and differences in applicable laws and regulations associated with the Adviser's proprietary mutual fund business. In assessing the reasonableness of the fund's management fee rate, the Board considered the differences in the nature of the services required for the Adviser to manage its mutual fund business versus managing a discrete pool of assets as a subadviser to another institution's mutual fund or for an institutional account and that the Adviser generally performs significant additional services and assumes greater risk in managing the fund and other T. Rowe Price funds than it does for institutional account clients, including subadvised funds.

On the basis of the information provided and the factors considered, the Board concluded that the fees paid by the fund under the Advisory Contract are reasonable.

**Approval of the Advisory Contract and Subadvisory Contract**

As noted, the Board approved the continuation of the Advisory Contract and Subadvisory Contract. No single factor was considered in isolation or to be determinative to the decision. Rather, the Board concluded, in light of a weighting and balancing of all factors considered, that it was in the best interests of the fund and its shareholders for the Board to approve the continuation of the Advisory Contract and Subadvisory Contract (including the fees to be charged for services thereunder).

# T.RowePrice

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*Call 1-800-225-5132 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*