

**ANNUAL REPORT**

October 31, 2018

PRESX

T. ROWE PRICE

**European Stock Fund**

TEUIX

**European Stock Fund-  
I Class**

The fund invests in well-established European companies.

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## HIGHLIGHTS

- European stocks posted losses in our fiscal year ended October 31, 2018.
- The European Stock Fund returned -7.04% in the past 12 months, outperforming the MSCI Europe Index Net, the MSCI Europe Index, and its Lipper peer group average.
- The fund's holdings in the information technology, industrials and business services, and financials sectors were the best relative performance contributors.
- General market volatility and investor uncertainty has resulted in an increased number of investment opportunities.

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## Dear Shareholder

Global financial markets generated widely divergent returns in your fund's fiscal year ended October 31, 2018. International equities declined during a volatile period marked by slowing growth in Europe, a growing trade conflict between the U.S. and China, and struggling currencies versus the U.S. dollar. Relatively high interest rates and the stronger U.S. economy resulted in asset flows to the U.S., where equities moved higher, particularly large-cap growth stocks. Both taxable and tax-exempt domestic bonds recorded losses, and non-U.S. bond prices declined considerably.

Several factors contributed to the significant performance gap between U.S. stocks and other assets. U.S. equities benefited from the strong domestic economy and the tax cuts passed in late 2017, which helped corporate earnings expand at their fastest pace since the recovery from the financial crisis nearly a decade ago. Less welcome was a sharp rise in long-term interest rates, a result of improved economic conditions and early signs of higher inflation. Bond prices fell as yields rose, leaving only the riskier high yield and asset-backed sectors—which are typically more resilient when rates increase—with gains for the period.

In Europe, slowing growth buffeted equities, while interest rates remained low due to continued monetary accommodation by the European Central Bank. Bank stocks, which make up a significant portion of major indexes, were particularly weak in this environment. Stocks slipped in Japan, but exceptionally aggressive monetary stimulus from the Bank of Japan failed to spark inflation or a convincing rebound in the country's sluggish growth rate.

Higher rates and the strengthening U.S. economy bolstered the U.S. dollar versus other currencies but reduced returns of non-U.S. assets in dollar terms. The strong dollar also weighed heavily on emerging market countries with large current account deficits and external financing needs. A broad crisis in emerging markets debt has yet to materialize, however.

Chinese stocks dropped sharply, reflecting a manufacturing sector slowdown brought about by efforts to reduce pollution and the government's continued clampdown on financial excesses. New regulations on gaming and online activities also weighed on the widely traded shares of the country's Internet giants. Heightened trade tensions with the U.S. took a further toll on investor sentiment toward China and other markets and may well have drained enthusiasm about healthy corporate profits and economic growth.

The actual impact of trade tensions on the U.S. economy appears muted to date, although the reprieve may prove temporary. The Chinese yuan has cheapened considerably, largely offsetting the 10% U.S. tariff on many Chinese imports by making them less expensive in dollar terms. If the yuan stabilizes and the Trump administration increases the tariff rate to 25% in 2019, as it has threatened, the U.S. could face meaningfully higher import costs. A continued decline in the yuan, on the other hand, would likely draw the ire of U.S. trade negotiators and further heighten tensions.

Other uncertainties await investors in 2019. In the U.S., our investment professionals will be assessing the impact of a new era of divided government and keeping a close eye on earnings growth, which will most certainly slow in the coming year as the effect of the corporate tax cut on year-over-year earnings comparisons fades. By late in the year, the impact of fiscal stimulus will have peaked, while the U.S. economy will be without easy money for the first time in this economic cycle—assuming the Fed stays on its current path of raising short-term rates gradually. In Europe, the Brexit deadline looms in March, and investors are keeping a close eye on whether populist movements in Italy and elsewhere will challenge the stability of the European Union.

Nonetheless, our investment professionals continue to see opportunities for careful and patient investors. For example, sharp declines have created attractive valuations in some emerging markets, and corporate fundamentals in the U.S. generally remain excellent. Many innovative companies around the globe are using technology to seize market share from others, allowing them to continue growing at a healthy pace even if economic growth slows.

In the search for these opportunities, your portfolio manager is drawing on the extensive resources of T. Rowe Price's global research platform, and I am confident that our uniquely collaborative culture will continue to serve our shareholders well.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Sharps". The signature is fluid and cursive, with the first name "Robert" and last name "Sharps" clearly legible.

Robert Sharps  
*Group Chief Investment Officer*

## INVESTMENT OBJECTIVE

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

## FUND COMMENTARY

### How did the fund perform in the past 12 months?

The European Stock Fund returned -7.04% in the 12 months ended October 31, 2018. However, the fund held up better than the MSCI Europe Index Net, the MSCI Europe Index, and its Lipper peer group average. Effective July 1, 2018, the MSCI Europe Index Net replaced the MSCI Europe Index as the fund's primary benchmark. The new index assumes the reinvestment of dividends after the deduction of withholding taxes applicable to the country where the dividend is paid; as such, the returns of the new benchmark are more representative of

the returns experienced by investors in foreign issuers. (Returns for the I Class varied slightly, reflecting its different fee structure. *Past performance cannot guarantee future results.*)

### PERFORMANCE COMPARISON

Periods Ended 10/31/18	Total Return	
	6 Months	12 Months
European Stock Fund	-9.94%	-7.04%
European Stock Fund-I Class	-9.89	-6.95
MSCI Europe Index Net	-10.55	-8.34
MSCI Europe Index	-10.28	-7.76
Lipper European Region Funds Average	-10.80	-9.49

### What factors influenced the fund's performance?

While we are never satisfied with reporting losses, stock selection contributed to the fund's outperformance

of its benchmark in the 12-month reporting period. Stock selection in the information technology, industrials and business services, and financials sectors was strongest. However, stock selection hurt our relative results in the consumer discretionary and real estate sectors.

Stock selection in the tech sector generated a solid absolute and relative performance contribution. The gains were primarily powered by Germany-based, digital-payment solutions provider **Wirecard**. The company signed a partnership agreement with Visa in June to provide innovative digital payment solutions, leading investors to bid up the stock. We took profits and eliminated the position following the strong advance. Danish IT solutions provider

**SimCorp** and German software developer **SAP** also produced good results. We eliminated SAP as the risk/reward trade-off became less compelling and reduced our position in SimCorp—our only tech holding at the end of October. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

At 17.3% of the portfolio, industrials and business services represented our largest overweight allocation at the end of the period. Although stocks in the sector were pressured by concerns of rising protectionism and faltering economic growth, stock selection made a strong contribution to relative performance. We benefited from our large stakes in **Wolters Kluwer** (Netherlands), which has recorded strong steady growth, and **Experian** (UK), the consumer credit reporting agency, which soared in the second quarter. French aerospace and defense companies **Dassault Aviation** and **Thales**

were also among our top contributors. Dassault rose on the release of better-than-expected year-end results. Thales exceeded its 2017 growth and earnings forecasts, and management projected improving performance in 2018 on strong new orders and solid organic revenue and earnings growth.

Financials stocks were poor performers for the year, but stock selection contributed to our relative performance. We generated mixed performance from insurers **Zurich Insurance Group**, **Allianz**, and **Prudential**, which stand among our largest portfolio holdings. In the banking segment, we prefer fundamentally sound

lenders with ample liquidity and a seasoned management team. However, our largest bank holdings, France-based **BNP Paribas** and **ABN Amro** (Netherlands), generated poor absolute and relative performance.

#### SECTOR DIVERSIFICATION

	Percent of Net Assets	
	4/30/18	10/31/18
Financials	21.9%	19.2%
Industrials and Business Services	16.0	17.3
Health Care	12.9	14.3
Consumer Staples	9.6	13.0
Energy	7.1	8.0
Utilities	3.1	6.8
Consumer Discretionary	11.4	6.7
Materials	4.8	6.4
Communication Services	5.0	5.0
Real Estate	2.6	1.1
Information Technology	4.9	0.9
Other and Reserves	0.7	1.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Historical weightings reflect current industry/sector classifications.

Our positions in the consumer discretionary and real estate sectors also performed poorly. Although our underweight allocation to both sectors helped relative results, stock selection was a far greater detractor. Within the consumer discretionary sector, our significant holdings in **Dufry**, **Plastic Omnium**, and **Playtech**, which each declined more than 20% for the year, were among the portfolio's largest relative performance detractors. In the real estate sector, our only holding at the end of the period, **Aedas Homes**, declined more than 25% for the year.

### **How is the fund positioned?**

Overall, the fund's holdings continued to reflect our disciplined focus on higher-quality companies with superior return potential that can be sustained through an entire market and economic cycle and that can be acquired at a discount to our target prices. We have recently found attractive opportunities in more defensive areas of the market that may be out of favor with investors. Although all our purchases and sales are rooted in bottom-up stock selection, from a sector view, we have maintained our overweight in the industrials and business services sector and remained underweight to materials.

From a country-level perspective, stock selection was positive, while allocation decisions were a modest detractor. Stock selection was strongest in Germany and the Netherlands, and it was also good in Spain and Italy. However, stock picking in the UK and France detracted.

Several of our recent portfolio additions included **JCDecaux**, a leader in outdoor advertising. We believe the France-based company offers durable organic growth, attractive valuation, and is well positioned to win new contracts with an advantage in its networking reach. We also established a position in **Erste Group Bank**, which holds dominant positions in Austria, its home market, and other Central European countries. We believe that the lender, which has excess liquidity and an improving balance sheet, can benefit from positive lending trends and faster economic growth in the region. Rising interest rates should boost the bank's loan growth, interest income, and commissions, and, in our view, the company has ample room to cut costs.

Among this year's notable sales, we eliminated **LVMH Moët Hennessy Louis Vuitton**, a French multinational luxury goods conglomerate. In our assessment, its valuation had crept up to fair value, and we have become concerned that momentum would decelerate given the lateness in the economic cycle and the increasing macroeconomic risks. We also took profits in **Nordea Bank**, the largest financial services provider in the Nordic region. While the bank had cut costs and increased profits, we believed that Nordea would struggle

to grow fees in its asset management division, and earnings from corporate activity could become more volatile. For similar reasons, we also eliminated Spain-based **Bankia** following a period of volatility. In our opinion, domestic net interest income and volume growth will likely remain under pressure until interest rates rise.

We believe that fundamental research is the key to successfully identifying long-term investment opportunities. While our investment style is agnostic, we are focused on owning companies with high returns on capital when they are trading at a discount to our assessment of their intrinsic value.

### **What is portfolio management's outlook?**

A period of consolidation, or even some retrenchment, may continue for the next few months. Although corporate fundamentals generally remain robust, there are signs that global growth momentum is slowing, and the outlook is becoming less certain as volatility has increased significantly. Our concerns include the potential for trade friction (especially affecting the automotive industry), developments in Italy's relationship with the European Union, and Brexit uncertainty.

The recent earnings season was generally in line with our expectations, and we believe that earnings growth will remain in the high single digits over the coming 12 months. Valuations appear moderately extended, however, and our valuation-based approach is challenged to find high-quality companies that can advance meaningfully from current levels. Nevertheless, we welcome volatility and dispersion of returns because it creates relative value opportunities that we can exploit. We remain positive about the performance potential of our holdings and their longer-term prospects.

Rather than a crafted defensive shift, the portfolio is modestly tilted in a defensive direction because that is where we are uncovering the best investment opportunities. The fund continues to own a broad array of sectors and industries. We are confident that if a positive market scenario unfolds, the portfolio will fully participate in the advance while, at the same time, we hold a number of positions that we believe can weather a downturn.

The views expressed reflect the opinions of T. Rowe Price as of the date of this report and are subject to change based on changes in market, economic, or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.



## **RISKS OF INTERNATIONAL INVESTING**

Funds that invest overseas generally carry more risk than funds that invest strictly in U.S. assets. Funds investing in a single country or in a limited geographic region tend to be riskier than more diversified funds. Risks can result from varying stages of economic and political development; differing regulatory environments, trading days, and accounting standards; and higher transaction costs of non-U.S. markets. Non-U.S. investments are also subject to currency risk, or a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that currency.

## **BENCHMARK INFORMATION**

Note: MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

## PORTFOLIO HIGHLIGHTS

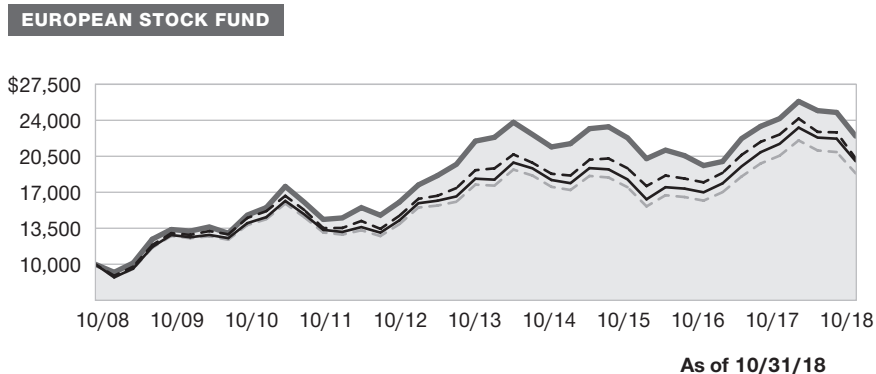
## TWENTY-FIVE LARGEST HOLDINGS

	Percent of Net Assets 10/31/18
Nestle, Switzerland	5.9%
Roche Holding, Switzerland	4.0
Zurich Insurance Group, Switzerland	3.2
Novartis, Switzerland	3.2
British American Tobacco, United Kingdom	2.8
Total, France	2.7
Allianz, Germany	2.6
Eni, Italy	2.5
Prudential, United Kingdom	2.4
Schneider Electric, France	2.3
Air Liquide, France	2.2
Dassault Aviation, France	2.1
Wolters Kluwer, Netherlands	2.0
BNP Paribas, France	1.9
ABN Amro, Netherlands	1.9
UBS, Switzerland	1.8
Corbion, Netherlands	1.7
Bureau Veritas, France	1.7
AstraZeneca, United Kingdom	1.7
National Grid, United Kingdom	1.7
Italgas, Italy	1.6
Johnson Matthey, United Kingdom	1.6
Cellnex Telecom SAU, Spain	1.6
Dufry, Switzerland	1.6
JCDecaux, France	1.6
Total	58.3%

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.

## GROWTH OF \$10,000

This chart shows the value of a hypothetical \$10,000 investment in the fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with benchmarks, which include a broad-based market index and may also include a peer group average or index. Market indexes do not include expenses, which are deducted from fund returns as well as mutual fund averages and indexes.



— European Stock Fund	\$22,462
- - - MSCI Europe Index Net	18,842
— MSCI Europe Index	20,023
- - - Lipper European Region Funds Average	20,298

Note: Performance for the I Class will vary due to its differing fee structure. See returns table below.

## AVERAGE ANNUAL COMPOUND TOTAL RETURN

Periods Ended 10/31/18	1 Year	5 Years	10 Years	Since Inception	Inception Date
European Stock Fund	-7.04%	0.44%	8.43%	-	-
European Stock Fund-I Class	-6.95	-	-	6.20%	3/6/17

This table shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Past performance cannot guarantee future results.

**EXPENSE RATIO**

European Stock Fund	0.96%
European Stock Fund-I Class	0.83

The expense ratio shown is as of the fund's fiscal year ended 10/31/17. This number may vary from the expense ratio shown elsewhere in this report because it is based on a different time period and, if applicable, includes acquired fund fees and expenses but does not include fee or expense waivers.

**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.

Please note that the fund has two share classes: The original share class (Investor Class) charges no distribution and service (12b-1) fee, and the I Class shares are available to institutionally oriented clients and impose no 12b-1 or administrative fee payment. Each share class is presented separately in the table.

**Actual Expenses**

The first line of the following table (Actual) provides information about actual account values and expenses based on the fund's actual returns. 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.

**FUND EXPENSE EXAMPLE (CONTINUED)**

**Note:** T. Rowe Price charges an annual account service fee of \$20, generally for accounts with less than \$10,000. The fee is waived for any investor whose T. Rowe Price mutual fund accounts total \$50,000 or more; accounts electing to receive electronic delivery of account statements, transaction confirmations, prospectuses, and shareholder reports; or accounts of an investor who is a T. Rowe Price Personal Services or Enhanced Personal Services client (enrollment in these programs generally requires T. Rowe Price assets of at least \$250,000). This fee is not included in the accompanying table. If you are subject to the fee, keep it in mind when you are estimating the ongoing expenses of investing in the fund and when comparing the expenses of this fund with other funds.

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.

<b>EUROPEAN STOCK FUND</b>			
	Beginning Account Value 5/1/18	Ending Account Value 10/31/18	Expenses Paid During Period* 5/1/18 to 10/31/18
<b>Investor Class</b>			
Actual	\$1,000.00	\$900.60	\$4.65
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.32	4.94
<b>I Class</b>			
Actual	1,000.00	901.10	4.03
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.97	4.28
*Expenses are equal to the fund's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (184), and divided by the days in the year (365) to reflect the half-year period. The annualized expense ratio of the Investor Class was 0.97%, and the I Class was 0.84%.			

**QUARTER-END RETURNS**

Periods Ended 9/30/18	1 Year	5 Years	10 Years	Since Inception	Inception Date
European Stock Fund	0.67%	3.20%	6.57%	-	-
European Stock Fund- I Class	0.82	-	-	12.06%	3/6/17

*The fund's performance information represents only past performance and is not necessarily an indication of future results. Current performance may be lower or higher than the performance data cited. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. For the most recent month-end performance, please visit our website ([troweprice.com](http://troweprice.com)) or contact a T. Rowe Price representative at 1-800-225-5132 or, for I Class shares, 1-800-638-8790. The performance information shown does not reflect the deduction of a 2% redemption fee on shares held for 90 days or less. If it did, the performance would be lower.*

This table provides returns through the most recent calendar quarter-end rather than through the end of the fund's fiscal period. It shows how the fund would have performed each year if its actual (or cumulative) returns for the periods shown had been earned at a constant rate. Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions. Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. When assessing performance, investors should consider both short- and long-term returns.

## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

## Investor Class

	Year Ended				
	10/31/18	10/31/17	10/31/16	10/31/15	10/31/14
<b>NET ASSET VALUE</b>					
Beginning of period	\$ 20.90	\$ 17.47	\$ 20.51	\$ 20.03	\$ 20.82
Investment activities					
Net investment income <sup>(1)(3)</sup>	0.43	0.47	0.38	0.36	0.36
Net realized and unrealized gain/loss	(1.87)	3.47	(2.80)	0.45	(0.89)
Total from investment activities	(1.44)	3.94	(2.42)	0.81	(0.53)
Distributions					
Net investment income	(0.43)	(0.51)	(0.32)	(0.33)	(0.26)
Net realized gain	-	-	(0.30)	-	-
Total distributions	(0.43)	(0.51)	(0.62)	(0.33)	(0.26)
<b>NET ASSET VALUE</b>					
End of period	\$ 19.03	\$ 20.90	\$ 17.47	\$ 20.51	\$ 20.03

## Ratios/Supplemental Data

<b>Total return<sup>(2)(3)</sup></b>	<b>(7.04)%</b>	<b>23.31%</b>	<b>(12.10)%</b>	<b>4.12%</b>	<b>(2.57)%</b>
Ratios to average net assets: <sup>(3)</sup>					
Gross expenses before waivers/ payments by Price Associates	0.97%	0.96%	0.96%	0.95%	0.96%
Net expenses after waivers/ payments by Price Associates	0.97%	0.96%	0.96%	0.95%	0.96%
Net investment income	2.09%	2.51%	2.07%	1.73%	1.66%
Portfolio turnover rate	32.2%	48.2%	36.7%	47.7%	58.5%
Net assets, end of period (in millions)	\$ 947	\$ 1,167	\$ 1,099	\$ 1,747	\$ 1,463

(1) Per share amounts calculated using average shares outstanding method.

(2) 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.

(3) See Note 6 for details of expense-related arrangements with Price Associates.

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

**FINANCIAL HIGHLIGHTS**

For a share outstanding throughout each period

**I Class**

	Year Ended 10/31/18	3/6/17 <sup>(1)</sup> Through 10/31/17
<b>NET ASSET VALUE</b>		
Beginning of period	\$ 20.92	\$ 17.62
Investment activities		
Net investment income <sup>(2)(4)</sup>	0.41	0.12
Net realized and unrealized gain/loss	(1.83)	3.18
Total from investment activities	(1.42)	3.30
Distributions		
Net investment income	(0.45)	-
<b>NET ASSET VALUE</b>		
<b>End of period</b>	<b>\$ 19.05</b>	<b>\$ 20.92</b>

**Ratios/Supplemental Data**

<b>Total return<sup>(3)(4)</sup></b>	<b>(6.95)%</b>	<b>18.73%</b>
Ratios to average net assets: <sup>(4)</sup>		
Gross expenses before waivers/ payments by Price Associates	0.84%	0.85% <sup>(5)</sup>
Net expenses after waivers/ payments by Price Associates	0.84%	0.85% <sup>(5)</sup>
Net investment income	1.98%	0.95% <sup>(5)</sup>
Portfolio turnover rate	32.2%	48.2%
Net assets, end of period (in thousands)	\$ 29,430	\$ 10,047

<sup>(1)</sup> Inception date.<sup>(2)</sup> Per share amounts calculated using average shares outstanding method.<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. Total return is not annualized for periods less than one year.<sup>(4)</sup> See Note 6 for details of expense-related arrangements with Price Associates.<sup>(5)</sup> Annualized

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



## T. ROWE PRICE EUROPEAN STOCK FUND

October 31, 2018

PORTFOLIO OF INVESTMENTS <sup>†</sup>	Shares	\$ Value
(Cost and value in \$000s)		
<b>AUSTRIA 2.0%</b>		
<b>Common Stocks 2.0%</b>		
BAWAG Group (1)	137,871	5,948
Erste Group Bank	329,697	13,421
<b>Total Austria (Cost \$20,734)</b>		<b>19,369</b>
<b>BELGIUM 1.0%</b>		
<b>Common Stocks 1.0%</b>		
KBC Group	142,916	9,849
<b>Total Belgium (Cost \$10,528)</b>		<b>9,849</b>
<b>CZECH REPUBLIC 1.3%</b>		
<b>Common Stocks 1.3%</b>		
Komerční banka	339,650	12,889
<b>Total Czech Republic (Cost \$15,686)</b>		<b>12,889</b>
<b>DENMARK 2.4%</b>		
<b>Common Stocks 2.4%</b>		
Novo Nordisk, B Shares	331,760	14,328
SimCorp	115,104	8,862
<b>Total Denmark (Cost \$16,813)</b>		<b>23,190</b>
<b>FINLAND 1.4%</b>		
<b>Common Stocks 1.4%</b>		
Konecranes	376,491	13,482
<b>Total Finland (Cost \$15,907)</b>		<b>13,482</b>
<b>FRANCE 18.4%</b>		
<b>Common Stocks 18.4%</b>		
Air Liquide	174,488	21,093

T. ROWE PRICE EUROPEAN STOCK FUND

	Shares	\$ Value
(Cost and value in \$000s)		
BNP Paribas	354,052	18,451
Bureau Veritas	729,043	16,447
Cie Plastic Omnium	366,193	10,181
Dassault Aviation	12,098	20,064
Iliad	57,285	6,621
JCDecaux	461,699	15,157
Schneider Electric	310,737	22,470
SEB	60,126	8,621
Thales	114,684	14,647
<b>TOTAL</b>	<b>451,525</b>	<b>26,493</b>
<b>Total France (Cost \$168,504)</b>		<b>180,245</b>
<b>GERMANY 6.9%</b>		
<b>Common Stocks 6.9%</b>		
Allianz	122,981	25,619
Fresenius	217,590	13,829
Fresenius Medical Care	109,541	8,601
Scout24 (1)	283,476	11,748
Zalando (1)(2)	199,060	7,695
<b>Total Germany (Cost \$73,853)</b>		<b>67,492</b>
<b>ITALY 7.3%</b>		
<b>Common Stocks 7.3%</b>		
CNH Industrial	965,469	10,036
Eni	1,350,831	23,990
Hera	4,569,910	12,612
Italgas	3,012,157	15,541
Prysmian	471,072	9,152
<b>Total Italy (Cost \$79,427)</b>		<b>71,331</b>
<b>NETHERLANDS 9.3%</b>		
<b>Common Stocks 9.3%</b>		
ABN AMRO Group, GDR (1)	745,607	18,288
Coca-Cola European Partners (USD)	326,000	14,830

T. ROWE PRICE EUROPEAN STOCK FUND

	Shares	\$ Value
(Cost and value in \$000s)		
Corbion	550,049	16,702
Koninklijke DSM	106,421	9,291
Koninklijke Vopak	285,528	12,912
Wolters Kluwer	342,233	19,416
<b>Total Netherlands (Cost \$85,800)</b>		<b>91,439</b>

**SPAIN 6.9%**

**Common Stocks 6.9%**

Aedas Homes (1)(2)	420,218	10,877
CaixaBank	2,347,510	9,500
Cellnex Telecom (1)	617,744	15,367
Cia De Distribucion Integral Logista	408,275	9,857
Iberdrola	1,355,600	9,592
Red Electrica	574,957	11,905
<b>Total Spain (Cost \$64,550)</b>		<b>67,098</b>

**SWEDEN 3.9%**

**Common Stocks 3.9%**

Ahlsell (1)	1,970,091	9,972
Essity, B Shares	630,233	14,383
Getinge, B Shares	513,810	5,040
Trelleborg, B Shares	469,177	8,465
<b>Total Sweden (Cost \$47,252)</b>		<b>37,860</b>

**SWITZERLAND 19.7%**

**Common Stocks 19.7%**

Dufry	135,180	15,232
Nestle	679,409	57,358
Novartis	355,038	31,091
Roche Holding	160,784	39,129
UBS Group	1,271,844	17,777
Zurich Insurance Group	101,342	31,465
<b>Total Switzerland (Cost \$181,573)</b>		<b>192,052</b>

	Shares	\$ Value
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(Cost and value in \$000s)

**UNITED KINGDOM 18.2%****Common Stocks 18.2%**

AstraZeneca	214,763	16,427
British American Tobacco	631,577	27,379
Experian	656,064	15,089
GlaxoSmithKline	595,560	11,535
Greene King	2,085,130	12,833
Johnson Matthey	406,299	15,404
National Grid	1,548,403	16,357
Playtech	1,768,824	10,816
Prudential	1,183,938	23,707
Reckitt Benckiser Group	161,197	13,035
Royal Dutch Shell, B Shares	452,813	14,768
<b>Total United Kingdom (Cost \$195,328)</b>		<b>177,350</b>

**SHORT-TERM INVESTMENTS 1.0%****Money Market Funds 1.0%**

T. Rowe Price Government Reserve Fund, 2.19% (3)(4)	9,626,601	9,627
<b>Total Short-Term Investments (Cost \$9,627)</b>		<b>9,627</b>

**Total Investments in Securities**

**99.7% of Net Assets (Cost \$985,582) \$ 973,273**

‡ 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) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be resold in transactions exempt from registration only to qualified institutional buyers – total value of such securities at period-end amounts to \$79,895 and represents 8.2% of net assets.

(2) Non-income producing

(3) Affiliated Company

(4) Seven-day yield

GDR Global Depositary Receipts

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 year ended October 31, 2018. 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.

Affiliate	Net Realized Gain (Loss)	Change in Net Unrealized Gain/Loss	Investment Income
T. Rowe Price Government Reserve Fund	\$ —	\$ —	\$ 392
T. Rowe Price Short-Term Fund	—	—	— <sup>++</sup>
Totals	\$ — <sup>#</sup>	\$ —	\$ 392 <sup>+</sup>

**Supplementary Investment Schedule**

Affiliate	Value 10/31/17	Purchase Cost	Sales Cost	Value 10/31/18
T. Rowe Price Government Reserve Fund	\$ 9,434	□	□\$	9,627
T. Rowe Price Short-Term Fund	—	□	□	—
Totals			\$	9,627 <sup>^</sup>

- # Capital gain distributions from mutual 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 \$392 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 \$9,627.

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

T. ROWE PRICE EUROPEAN STOCK FUND

October 31, 2018

**STATEMENT OF ASSETS AND LIABILITIES**

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

**Assets**

Investments in securities, at value (cost \$985,582)	\$ 973,273
Dividends receivable	394
Foreign currency (cost \$246)	243
Receivable for shares sold	157
Other assets	3,520
Total assets	<u>977,587</u>

**Liabilities**

Investment management fees payable	678
Payable for shares redeemed	429
Due to affiliates	123
Other liabilities	227
Total liabilities	<u>1,457</u>

**NET ASSETS** **\$ 976,130**

**Net Assets Consist of:**

Undistributed net investment income	\$ 22,238
Accumulated undistributed net realized loss	(24,741)
Net unrealized loss	(12,409)
Paid-in capital applicable to 51,303,340 shares of \$0.01 par value capital stock outstanding; 18,000,000,000 shares of the Corporation authorized	<u>991,042</u>

**NET ASSETS** **\$ 976,130**

**NET ASSET VALUE PER SHARE**

**Investor Class**

**(\$946,699,530 / 49,758,395 shares outstanding)** **\$ 19.03**

**I Class**

**(\$29,430,224 / 1,544,945 shares outstanding)** **\$ 19.05**

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

**STATEMENT OF OPERATIONS**

(\$000s)

	Year Ended 10/31/18
<b>Investment Income (Loss)</b>	
Income	
Dividend (net of foreign taxes of \$4,229)	\$ 35,125
Securities lending	45
Total income	35,170
Expenses	
Investment management	9,062
Shareholder servicing	
Investor Class	1,522
Prospectus and shareholder reports	
Investor Class	59
Custody and accounting	317
Legal and audit	70
Registration	63
Proxy and annual meeting	31
Directors	4
Miscellaneous	20
Total expenses	11,148
Net investment income	24,022
<b>Realized and Unrealized Gain / Loss</b>	
Net realized gain (loss)	
Securities	99,376
Foreign currency transactions	(184)
Net realized gain	99,192
Change in net unrealized gain / loss	
Securities	(197,324)
Other assets and liabilities denominated in foreign currencies	(124)
Change in net unrealized gain / loss	(197,448)
Net realized and unrealized gain / loss	(98,256)
<b>DECREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ (74,234)</b>

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

**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	Year Ended 10/31/18	10/31/17
<b>Increase (Decrease) in Net Assets</b>		
Operations		
Net investment income	\$ 24,022	\$ 26,918
Net realized gain	99,192	6,458
Change in net unrealized gain / loss	(197,448)	181,569
Increase (decrease) in net assets from operations	(74,234)	214,945
Distributions to shareholders		
Net investment income		
Investor Class	(23,909)	(29,073)
I Class	(307)	-
Decrease in net assets from distributions	(24,216)	(29,073)
Capital share transactions*		
Shares sold		
Investor Class	87,448	169,271
I Class	30,032	10,238
Distributions reinvested		
Investor Class	22,023	26,491
I Class	301	-
Shares redeemed		
Investor Class	(234,386)	(313,265)
I Class	(8,035)	(433)
Redemption fees received	51	87
Decrease in net assets from capital share transactions	(102,566)	(107,611)



**STATEMENT OF CHANGES IN NET ASSETS**

(\$000s)

	Year Ended 10/31/18	10/31/17
<b>Net Assets</b>		
Increase (decrease) during period	(201,016)	78,261
Beginning of period	1,177,146	1,098,885
<b>End of period</b>	<b>\$ 976,130</b>	<b>\$ 1,177,146</b>
Undistributed net investment income	22,238	22,560
*Share information		
Shares sold		
Investor Class	4,190	8,798
I Class	1,435	501
Distributions reinvested		
Investor Class	1,071	1,596
I Class	14	-
Shares redeemed		
Investor Class	(11,345)	(17,449)
I Class	(385)	(21)
Increase (decrease) in shares outstanding	(5,020)	(6,575)

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

**NOTES TO FINANCIAL STATEMENTS**

T. Rowe Price International Funds, Inc. (the corporation) is registered under the Investment Company Act of 1940 (the 1940 Act). The European Stock 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 primarily in the common stocks of companies located (or with primary operations) in Europe. The fund has two classes of shares: the European Stock Fund (Investor Class) and the European Stock Fund–I Class (I Class). I Class shares generally are available only to investors meeting a \$1,000,000 minimum investment, although the minimum is generally waived for certain client accounts. Each class has exclusive voting rights on matters related solely to that class; separate voting rights on matters that relate to both classes; and, in all other respects, the same rights and obligations as the other class.

**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 mutual fund investments 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. Distributions to shareholders are recorded on the ex-dividend date. Income distributions, if any, are declared and paid by each class annually. A capital gain distribution 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 quoted by a major bank. 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.

**Class Accounting** Shareholder servicing, prospectus, and shareholder report expenses incurred by each class are charged directly to the class to which they relate. Expenses common to both classes, investment income, and realized and unrealized gains and losses are allocated to the classes based upon the relative daily net assets of each class. To the extent any expenses are waived or reimbursed in accordance with an expense limitation (see Note 6), the waiver or reimbursement is charged to the applicable class or allocated across the classes in the same manner as the related expense.

**Redemption Fees** A 2% fee is assessed on redemptions of fund shares held for 90 days or less to deter short-term trading and to protect the interests of long-term shareholders. Redemption fees are withheld from proceeds that shareholders receive from the sale or exchange of fund shares. The fees are paid to the fund and are recorded as an increase to paid-in capital. The fees may cause the redemption price per share to differ from the net asset value per share.

**New Accounting Guidance** In March 2017, the FASB issued amended guidance to shorten the amortization period for certain callable debt securities held at a premium. The guidance is effective for fiscal years and interim periods beginning after December 15, 2018. Adoption will have no effect on the fund's net assets or results of operations.

**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**

The fund's financial instruments are valued and each class'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.

**Fair Value** The fund's financial instruments 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 T. Rowe

Price Valuation Committee (the Valuation Committee) is an internal committee that has been delegated certain responsibilities by the fund's Board of Directors (the Board) to ensure that financial instruments are appropriately priced at fair value in accordance with GAAP and the 1940 Act. Subject to oversight by the Board, the Valuation Committee develops and oversees pricing-related policies and procedures and approves all fair value determinations. Specifically, the Valuation Committee establishes procedures to value securities; determines pricing techniques, sources, and persons eligible to effect fair value pricing actions; oversees the selection, services, and performance of pricing vendors; oversees valuation-related business continuity practices; and provides guidance on internal controls and valuation-related matters. The Valuation Committee reports to the Board and has representation from legal, portfolio management and trading, operations, risk management, and the fund's treasurer.

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

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 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.

For valuation purposes, 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 fund 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 its portfolio securities, the fund will adjust the previous quoted prices to reflect what it believes to be the fair value of the securities as of the close of the NYSE. In deciding whether it is necessary to adjust quoted prices to reflect fair value, the fund reviews 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 fund may also fair value securities in other situations, such as when a particular foreign market is closed but the fund is open. The fund uses outside pricing services to provide it with quoted prices and information to evaluate or adjust those prices. The fund 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. As a means of evaluating its security valuation process, the fund routinely compares quoted prices, the next day's opening prices in the same markets, and adjusted prices.

Actively traded equity securities listed on a domestic exchange generally are categorized in Level 1 of the fair value hierarchy. Non-U.S. equity securities generally are categorized in Level 2 of the fair value hierarchy despite the availability of quoted prices because, as described above, the fund evaluates and determines whether those quoted prices reflect fair value at the close of the NYSE or require adjustment. OTC Bulletin Board securities, certain preferred securities, and equity securities traded in inactive markets generally are categorized in Level 2 of the fair value hierarchy.

Investments in mutual funds are valued at the mutual fund's closing NAV per share on the day of valuation and are categorized in Level 1 of the fair value hierarchy. 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.

Thinly traded financial instruments and those for which the above valuation procedures are inappropriate or are deemed not to reflect fair value are stated at fair value as determined in good faith by the Valuation Committee. The objective of any fair value pricing determination is to arrive at a price that could reasonably be expected from a current sale. Financial instruments fair valued by the Valuation Committee are primarily private placements, restricted securities, warrants, rights, and other securities that are not publicly traded.

Subject to oversight by the Board, the Valuation Committee regularly makes good faith judgments to establish and adjust the fair valuations of certain securities as events occur and circumstances warrant. For instance, in determining the fair value of an equity investment with limited market activity, such as a private placement or a thinly traded public company stock, the Valuation Committee considers a variety of factors, which may include, but are not limited to, the issuer's business prospects, its financial standing and performance, recent investment transactions in the issuer, new rounds of financing, negotiated transactions of significant size between other investors in the company, relevant market valuations of peer companies, strategic events affecting the company, market liquidity for the issuer, and general economic conditions and events. In consultation with the investment and pricing teams, the Valuation Committee will determine an appropriate valuation technique based on available information, which may include both observable and unobservable inputs. The Valuation Committee 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 Committee 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; or some combination. Fair value determinations are reviewed on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the issue. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Valuation Committee could differ from those of other market participants. Depending on the relative significance of unobservable inputs, including the valuation technique(s) used, fair valued securities may be categorized in Level 2 or 3 of the fair value hierarchy.

**Valuation Inputs** The following table summarizes the fund's financial instruments, based on the inputs used to determine their fair values on October 31, 2018 (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	\$ 14,830	\$ 948,816	\$ —	\$ 963,646
Short-Term Investments	9,627	—	—	9,627
Total	\$ 24,457	\$ 948,816	\$ —	\$ 973,273

There were no material transfers between Levels 1 and 2 during the year ended October 31, 2018.

### NOTE 3 - OTHER INVESTMENT TRANSACTIONS

Consistent with its investment objective, the fund engages in the following practices to manage exposure to certain risks 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.

**Restricted Securities** The fund may invest in securities that are subject to legal or contractual restrictions on resale. Prompt sale of such securities at an acceptable price may be difficult and may involve substantial delays and additional costs.

**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, valued at 102% to 105% of the value of the securities on loan. 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 October 31, 2018, there were no securities on loan.

**Other** Purchases and sales of portfolio securities other than short-term securities aggregated \$358,873,000 and \$464,877,000, respectively, for the year ended October 31, 2018.

#### NOTE 4 - FEDERAL INCOME TAXES

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 fund files U.S. federal, state, and local tax returns as required. The fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return but which can be extended to six years in certain circumstances. Tax returns for open years have incorporated no uncertain tax positions that require a provision for income taxes.

Reclassifications to paid-in capital relate primarily to a tax practice that treats a portion of the proceeds from each redemption of capital shares as a distribution of taxable net investment income or realized capital gain. For the year ended October 31, 2018, the following reclassifications were recorded to reflect tax character (there was no impact on results of operations or net assets):

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(\$000s)

Undistributed net investment income	\$	(128)
Undistributed net realized gain		(1,950)
Paid-in-capital		2,078



Distributions during the years ended October 31, 2018 and October 31, 2017, totaled \$24,216,000 and \$29,073,000, respectively, and were characterized as ordinary income for tax purposes. At October 31, 2018, the tax-basis cost of investments and components of net assets were as follows:

(\$000s)	
Cost of investments	\$ 986,689
Unrealized appreciation	\$ 81,944
Unrealized depreciation	(95,460)
Net unrealized appreciation (depreciation)	(13,516)
Undistributed ordinary income	22,274
Capital loss carryforwards	(23,670)
Paid-in capital	991,042
Net assets	\$ 976,130

The difference between book-basis and tax-basis net unrealized appreciation (depreciation) is attributable to the deferral of losses from wash sales for tax purposes. 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. During the year ended October 31, 2018, the fund utilized \$95,309,000 of capital loss carryforwards.

## NOTE 5 - FOREIGN TAXES

The fund is subject to foreign income taxes imposed by certain countries in which it invests. Additionally, certain foreign currency transactions are subject to tax, and 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. Taxes incurred on the purchase of foreign currencies are recorded as realized loss on foreign currency transactions. 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. At October 31, 2018, the fund had no deferred tax liability attributable to foreign securities and no foreign capital loss carryforwards.

**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, which is computed daily and paid monthly. The fee consists of an individual fund fee, equal to 0.50% of the fund's average daily net assets, and a group fee. The group fee rate is calculated based on the combined net assets of certain mutual funds sponsored by Price Associates (the group) applied to a graduated fee schedule, with rates ranging from 0.48% for the first \$1 billion of assets to 0.265% for assets in excess of \$650 billion. The fund's group fee is determined by applying the group fee rate to the fund's average daily net assets. At October 31, 2018, the effective annual group fee rate was 0.29%.

The I Class is subject to an operating expense limitation (I Class limit) pursuant to which Price Associates is contractually required to pay all operating expenses of the I Class, excluding management fees, interest, expenses related to borrowings, taxes, brokerage, and other non-recurring expenses permitted by the investment management agreement, to the extent such operating expenses, on an annualized basis, exceed the I Class limit. This agreement will continue through the limitation date indicated in the table below, and may be renewed, revised, or revoked only with approval of the fund's Board. The I Class is required to repay Price Associates for expenses previously paid to the extent the class's net assets grow or expenses decline sufficiently to allow repayment without causing the class's operating expenses (after the repayment is taken into account) to exceed both: (1) the I Class limit in place at the time such amounts were paid; and (2) the current I Class limit. However, no repayment will be made more than three years after the date of a payment or waiver.

	<b>Investor Class</b>	<b>I Class</b>
Expense limitation/I Class Limit	N/A	0.05%
Limitation date	N/A	February 28, 2019

In addition, the fund has entered into service agreements with Price Associates and two wholly owned subsidiaries 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. T. Rowe Price Retirement Plan Services, Inc., provides subaccounting and recordkeeping services for certain retirement accounts invested in the Investor Class and I Class. For the

year ended October 31, 2018, expenses incurred pursuant to these service agreements were \$82,000 for Price Associates; \$593,000 for T. Rowe Price Services, Inc.; and \$29,000 for T. Rowe Price Retirement Plan 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.

The fund is also one of several mutual funds sponsored by Price Associates (underlying Price Funds) in which the T. Rowe Price Spectrum Funds (Spectrum Funds) may invest. The Spectrum Funds do not invest in the underlying Price Funds for the purpose of exercising management or control. Pursuant to special servicing agreements, expenses associated with the operation of the Spectrum Funds are borne by each underlying Price Fund to the extent of estimated savings to it and in proportion to the average daily value of its shares owned by the Spectrum Funds. Expenses allocated under these special servicing agreements are reflected as shareholder servicing expense in the accompanying financial statements. For the year ended October 31, 2018, the fund was allocated \$257,000 of Spectrum Funds' expenses. Of these amounts, \$151,000 related to services provided by Price. 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. Approximately \$13,000 of redemption fees reflected in the accompanying financial statements were received from the Spectrum Funds. At October 31, 2018, approximately 25% of the outstanding shares of the Investor Class were held by the Spectrum Funds.

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, or the T. Rowe Price Short-Term Fund, a short-term bond fund (collectively, 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 is invested in the T. Rowe Price Short-Term 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 year ended October 31, 2018, the fund had no purchases or sales cross trades with other funds or accounts advised by Price Associates.

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

### **To the Board of Directors of T. Rowe Price International Funds, Inc. and Shareholders of T. Rowe Price European Stock Fund**

#### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of T. Rowe Price European Stock Fund (one of the funds constituting T. Rowe Price International Funds, Inc., hereafter referred to as the “Fund”) as of October 31, 2018, the related statement of operations for the year ended October 31, 2018, the statement of changes in net assets for each of the two years in the period ended October 31, 2018, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of October 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended October 31, 2018 and the financial highlights for each of the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
(CONTINUED)**

management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2018 by correspondence with the custodian and transfer agent. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Baltimore, Maryland  
December 17, 2018

We have served as the auditor of one or more investment companies in the T. Rowe Price group of investment companies since 1973.

## **TAX INFORMATION (UNAUDITED) FOR THE TAX YEAR ENDED 10/31/18**

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

The fund's distributions to shareholders included \$1,950,000 from short-term capital gains.

For taxable non-corporate shareholders, \$30,100,000 of the fund's income represents qualified dividend income subject to long-term capital gains tax rate of not greater than 20%.

The fund will pass through foreign source income of \$29,338,000 and foreign taxes paid of \$4,052,000.

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

A description of the policies and procedures used by T. Rowe Price funds and portfolios 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://www3.troweprice.com/usis/corporate/en/utility/policies.html>

Scroll down to the section near the bottom of the page that says, "Proxy Voting Policies." Click on the Proxy Voting Policies link 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 for the first and third quarters of each fiscal year on Form N-Q. The fund's Form N-Q is available electronically on the SEC's website ([sec.gov](http://sec.gov)); hard copies may be reviewed and copied at the SEC's Public Reference Room, 100 F St. N.E., Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330.

## ABOUT THE FUND'S DIRECTORS AND OFFICERS

Your fund is overseen by a Board of Directors (Board) that meets regularly to review a wide variety of matters affecting or potentially affecting the fund, including performance, investment programs, compliance matters, advisory fees and expenses, service providers, and business and regulatory affairs. The Board elects the fund's officers, who are listed in the final table. At least 75% of the Board's members are independent of T. Rowe Price Associates, Inc. (T. Rowe Price), and its affiliates; "inside" or "interested" directors are employees or officers of T. Rowe Price. The business address of each director and officer is 100 East Pratt Street, Baltimore, Maryland 21202. The Statement of Additional Information includes additional information about the fund directors and is available without charge by calling a T. Rowe Price representative at 1-800-638-5660.

### INDEPENDENT DIRECTORS<sup>(a)</sup>

**Name**

**(Year of Birth)**

**Year Elected**

**[Number of T. Rowe Price Portfolios Overseen]**

**Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years**

Teresa Bryce Bazemore <sup>(b)</sup> (1959) 2018 [189]	President, Radian Guaranty (2008 to 2017); Member, Bazemore Consulting LLC (2018 to present); Member, Chimera Investment Corporation (2017 to present); Member, Federal Home Loan Bank of Pittsburgh (2017 to present)
Ronald J. Daniels <sup>(b)</sup> (1959) 2018 [189]	President, The Johns Hopkins University <sup>(c)</sup> and Professor, Political Science Department, The Johns Hopkins University (2009 to present); Director, Lyndhurst Holdings (2015 to present)
Bruce W. Duncan (1951) 2013 [189]	Chief Executive Officer and Director (January 2009 to December 2016), Chairman of the Board (January 2016 to present), and President (January 2009 to September 2016), First Industrial Realty Trust, an owner and operator of industrial properties; Chairman of the Board (2005 to September 2016) and Director (1999 to September 2016), Starwood Hotels & Resorts, a hotel and leisure company; Director, Boston Properties (May 2016 to present); Director, Marriott International, Inc. (September 2016 to present)
Robert J. Gerrard, Jr. (1952) 2012 [189]	Advisory Board Member, Pipeline Crisis/Winning Strategies, a collaborative working to improve opportunities for young African Americans (1997 to present); Chairman of the Board, all funds (since July 2018)
Paul F. McBride (1956) 2013 [189]	Advisory Board Member, Vizzia Technologies (2015 to present); Board Member, Dunbar Armored (2012 to present)

**INDEPENDENT DIRECTORS<sup>(a)</sup> (CONTINUED)****Name****(Year of Birth)****Year Elected****[Number of T. Rowe Price Portfolios Overseen]****Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years**

Cecilia E. Rouse, Ph.D.  
(1963)  
2012  
[189]

Dean, Woodrow Wilson School (2012 to present); Professor and Researcher, Princeton University (1992 to present); Member of National Academy of Education (2010 to present); Director, MDRC, a nonprofit education and social policy research organization (2011 to present); Research Associate of Labor Studies Program at the National Bureau of Economic Research (2011 to 2015); Board Member of the National Bureau of Economic Research (2011 to present); Chair of Committee on the Status of Minority Groups in the Economic Profession of the American Economic Association (2012 to 2017); Vice President (2015 to 2016), American Economic Association

John G. Schreiber  
(1946)  
2001  
[189]

Owner/President, Centaur Capital Partners, Inc., a real estate investment company (1991 to present); Cofounder, Partner, and Cochairman of the Investment Committee, Blackstone Real Estate Advisors, L.P. (1992 to 2015); Director, General Growth Properties, Inc. (2010 to 2013); Director, Blackstone Mortgage Trust, a real estate finance company (2012 to 2016); Director and Chairman of the Board, Brixmor Property Group, Inc. (2013 to present); Director, Hilton Worldwide (2013 to present); Director, Hudson Pacific Properties (2014 to 2016); Director, Invitation Homes (2014 to present)

Mark R. Tercek  
(1957)  
2009  
[189]

President and Chief Executive Officer, The Nature Conservancy (2008 to present)

<sup>(a)</sup>All information about the independent directors was current as of December 31, 2017, except for the information provided for Ms. Bazemore and Mr. Daniels, which is current as of January 1, 2018.

<sup>(b)</sup>Effective January 1, 2018, Ms. Bazemore and Mr. Daniels were elected as independent directors of the Price Funds.

<sup>(c)</sup>William J. Stromberg, president and chief executive officer of T. Rowe Price Group, Inc., the parent company of the Price Funds' investment advisor, has served on the Board of Trustees of Johns Hopkins University since 2014 and is a member of the Johns Hopkins University Board's Compensation Committee.



**INSIDE DIRECTORS****Name****(Year of Birth)****Year Elected\*****[Number of T. Rowe Price Portfolios Overseen]****Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years**

Edward C. Bernard** (1956) 2006 [0]	Director and Vice President, T. Rowe Price; Vice Chairman of the Board, Director, and Vice President, T. Rowe Price Group, Inc.; Chairman of the Board, Director, and Vice President, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.; Chairman of the Board and Director, T. Rowe Price Retirement Plan Services, Inc.; Chairman of the Board, Chief Executive Officer, Director, and President, T. Rowe Price International and T. Rowe Price Trust Company; Chairman of the Board, all funds (2006 to July 2018)
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David Oestreicher (1967) 2018 [189]	Chief Legal Officer, Vice President, and Secretary, T. Rowe Price Group, Inc.; Director, Vice President, and Secretary, T. Rowe Price Investment Services, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; Vice President and Secretary, T. Rowe Price, T. Rowe Price Hong Kong, and T. Rowe Price International; Vice President, T. Rowe Price Japan and T. Rowe Price Singapore; Principal Executive Officer and Executive Vice President, all funds
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Robert W. Sharps, CFA, CPA (1971) 2017 [135]	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
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\*Each inside director serves until retirement, resignation, or election of a successor.

\*\*Effective at the conclusion of a meeting of the Boards of the Price Funds held on July 25, 2018, Mr. Bernard resigned from his role as a director and chairman of the Boards of all the Price Funds.

**OFFICERS****Name (Year of Birth)****Position Held With International Funds****Principal Occupation(s)**

Jason R. Adams (1979) Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.; formerly, Research Analyst, Caxton Associates (to 2015)
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Ulle Adamson, CFA (1979) Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
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Roy H. Adkins (1970) Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
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Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
Christopher D. Alderson (1962)	President	Director and Vice President, T. Rowe Price International; Vice President, Price Hong Kong, Price Singapore, and T. Rowe Price Group, Inc.
Syed H. Ali (1970)	Vice President	Vice President, Price Singapore and T. Rowe Price Group, Inc.
Kennard W. Allen (1977)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Paulina Amieva (1981)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Malik S. Asif (1981)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Ziad Bakri, M.D., CFA (1980)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Harishankar Balkrishna (1983)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Sheena L. Barbosa (1983)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Peter J. Bates, CFA (1974)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Luis M. Baylac (1982)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Timothy Bei (1973)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Oliver D.M. Bell, IMC (1969)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
R. Scott Berg, CFA (1972)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Steven E. Boothe, CFA (1977)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Peter I. Botoucharov (1965)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Tala Boulos (1984)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Darrell N. Braman (1963)	Vice President and Secretary	Vice President, Price Hong Kong, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, T. Rowe Price Investment Services, Inc., and T. Rowe Price Services, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
Ryan N. Burgess, CFA (1974)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Sheldon Chan (1981)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Andrew Chang (1983)	Vice President	Vice President, T. Rowe Price Group, Inc.
Tak Yiu Cheng, CFA, CPA (1974)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Carolyn Hoi Che Chu (1974)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Archibald Ciganer Albeniz, CFA (1976)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Richard N. Clattenburg, CFA (1979)	Executive Vice President	Vice President, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price International
Michael J. Conelius, CFA (1964)	Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
Michael F. Connelly, CFA (1977)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Andrew S. Davis (1978)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Richard de los Reyes (1975)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Michael Della Vedova (1969)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Shawn T. Driscoll (1975)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Bridget A. Ebner (1970)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
David J. Eiswert, CFA (1972)	Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price International
Henry M. Ellenbogen (1973)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Ryan W. Ferro (1985)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.; formerly, student, Tuck School of Business at Dartmouth (to 2014)

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
Mark S. Finn, CFA, CPA (1963)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Quentin S. Fitzsimmons (1968)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International; formerly, Portfolio Manager, Royal Bank of Scotland Group (to 2015)
Melissa C. Gallagher (1974)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Justin T. Gerbereux, CFA (1975)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Aaron Gifford, CFA (1987)	Vice President	Vice President, T. Rowe Price; formerly, Strategist, Morgan Stanley & Co. LLC (to 2017); formerly, Strategist, HSBC Securities (to 2013)
John R. Gilner (1961)	Chief Compliance Officer	Chief Compliance Officer and Vice President, T. Rowe Price; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price Investment Services, Inc.
Vishnu Vardhan Gopal (1979)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Joel Grant (1978)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.; formerly, Analyst, Fidelity International (to 2014)
Gary J. Greb (1961)	Vice President	Vice President, T. Rowe Price, T. Rowe Price International, and T. Rowe Trust Company
Paul D. Greene II (1978)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Benjamin Griffiths, CFA (1977)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Gianluca Guicciardi (1983)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International; formerly, summer associate, AT Kearney (to 2014)
Amanda B. Hall, CFA (1985)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International; formerly, student, Stanford Graduate School of Business (to 2014)
Richard L. Hall (1979)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Nabil Hanano, CFA (1984)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
Daniel Hirsch, CFA (1985)	Vice President	Employee, T. Rowe Price; formerly, Global Equity Analyst, Turner Investments (to 2013)
Steven C. Huber, CFA, FSA (1958)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price International
Stefan Hubrich, Ph.D., CFA (1974)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Arif Husain, CFA (1972)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Hiromasa Ikeda (1971)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.; formerly, Manager, Fidelity Korea (to 2014)
Tetsuji Inoue (1971)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Michael Jacobs (1971)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Randal S. Jenneke (1971)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Prashant G. Jeyaganesh (1983)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Nina P. Jones, CPA (1980)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Yoichiro Kai (1973)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Jacob Kann, CFA (1987)	Vice President	Vice President, T. Rowe Price
Jai Kapadia (1982)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Andrew J. Keirle (1974)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Takanori Kobayashi (1981)	Vice President	Vice President, Price Japan and T. Rowe Price International; formerly, Research Analyst, Allianz Global Investors (to 2017); formerly, Research Analyst, Point72 Asia Asset Management (to 2014)
Paul J. Krug, CPA (1964)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
Christopher J. Kushlis, CFA (1976)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Shengrong Lau (1982)	Vice President	Vice President, Price Singapore and T. Rowe Price Group, Inc.
Mark J. Lawrence (1970)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Jacqueline Liu (1979)	Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.; formerly, Investment Analyst, Fidelity International Hong Kong Limited (to 2014)
Anh Lu (1968)	Executive Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Oxana Lyalina (1987)	Vice President	Vice President, T. Rowe Price International
Sebastien Mallet (1974)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Ryan Martyn (1979)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Catherine D. Mathews (1963)	Treasurer and Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Raymond A. Mills, Ph.D., CFA (1960)	Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price International, and T. Rowe Price Trust Company
Jihong Min (1979)	Vice President	Vice President, Price Singapore and T. Rowe Price Group, Inc.
Eric C. Moffett (1974)	Executive Vice President	Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Samy B. Muaddi, CFA (1984)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Tobias F. Mueller (1980)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Joshua Nelson (1977)	Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price International
Philip A. Nestico (1976)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
Michael Niedzielski (1979)	Vice President	Vice President T. Rowe Price Group, Inc., and T. Rowe Price International; formerly, Manager and Analyst, Fidelity Investments, Boston and London offices (to 2015)
Sridhar Nishtala (1975)	Vice President	Vice President, Price Singapore and T. Rowe Price Group, Inc.
Jason Nogueira, CFA (1974)	Executive Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Kenneth A. Orchard (1975)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Curt J. Organt, CFA (1968)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Paul T. O'Sullivan (1973)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Oluwaseun A. Oyegunle, CFA (1984)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Gonzalo Pángaro, CFA (1968)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Vivek Rajeswaran (1985)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
John W. Ratzesberger (1975)	Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company; formerly, North American Head of Listed Derivatives Operation, Morgan Stanley (to 2013)
Shannon H. Rauser (1987)	Assistant Secretary	Employee, T. Rowe Price
Melanie A. Rizzo (1982)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
David L. Rowlett, CFA (1975)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Mariel Santiago (1981)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.; formerly, Equity Research Analyst, HSBC Securities, Inc. (to 2014)
Federico Santilli, CFA (1974)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Sebastian Schrott (1977)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
John C.A. Sherman (1969)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Gabriel Solomon (1977)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Eunbin Song, CFA (1980)	Vice President	Vice President, Price Singapore and T. Rowe Price Group, Inc.
Joshua K. Spencer, CFA (1973)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
David A. Stanley (1963)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Taymour R. Tamaddon, CFA (1976)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Ju Yen Tan (1972)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Sin Dee Tan, CFA (1979)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Dean Tenerelli (1964)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Siby Thomas (1979)	Vice President	Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Justin Thomson (1968)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Mitchell J.K. Todd (1974)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Mark J. Vaselkiv (1958)	Executive Vice President	Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Rupinder Vig (1979)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International; formerly, Partner, Egerton Capital (to 2016); formerly, Executive Director, Morgan Stanley (to 2014)
Chris Vost (1989)	Vice President	Employee, T. Rowe Price; formerly, Investment Banking Analyst, HSBC (to 2013)
Zenon Voyiatzis (1971)	Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International; formerly, Managing Director, UBS Global Asset Management (to 2015)
Verena E. Wachnitz, CFA (1978)	Executive Vice President	Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.



**OFFICERS (CONTINUED)**

<b>Name (Year of Birth)</b>	<b>Position Held With International Funds</b>	<b>Principal Occupation(s)</b>
David J. Wallack (1960) Vice President		Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company
Dai Wang (1989) Vice President		Vice President, Price Hong Kong and T. Rowe Price Group, Inc.; formerly, student, Harvard Business School (to 2014)
Megan Warren (1968) Vice President		Vice President, T. Rowe Price, T. Rowe Price Group, Inc., T. Rowe Price Retirement Plan Services, Inc., T. Rowe Price Services, Inc., and T. Rowe Price Trust Company; formerly, Executive Director, JP Morgan Chase (to 2017)
Hiroshi Watanabe, CFA (1975) Vice President		Director, Price Japan; Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Christopher S. Whitehouse (1972) Vice President		Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Clive M. Williams (1966) Vice President		Vice President, Price Hong Kong, Price Singapore, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price International
J. Howard Woodward, CFA (1974) Vice President		Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Marta Yago (1977) Vice President		Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International
Benjamin T. Yeagle (1978) Vice President		Vice President, T. Rowe Price and T. Rowe Price Group, Inc.
Ernest C. Yeung, CFA (1979) Vice President		Director, Responsible Officer, and Vice President, Price Hong Kong; Vice President, T. Rowe Price Group, Inc.
Alison Mei Ling Yip (1966) Vice President		Vice President, Price Hong Kong and T. Rowe Price Group, Inc.
Eric Yuan (1984) Vice President		Vice President, Price Hong Kong; formerly, student, Columbia Business School (to 2016); formerly, Analyst, Yulan Capital Management (to 2014)
Wenli Zheng (1979) Vice President		Vice President, Price Hong Kong and T. Rowe Price Group, Inc.

Unless otherwise noted, officers have been employees of T. Rowe Price or T. Rowe Price International for at least 5 years.

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# T. Rowe Price Mutual Funds

This page contains supplementary information that is not part of the shareholder report.

## STOCK FUNDS

### Domestic

Blue Chip Growth  
Capital Appreciation<sup>†</sup>  
Capital Opportunity  
Communications & Technology  
Diversified Mid-Cap Growth  
Dividend Growth  
Equity Income  
Equity Index 500  
Extended Equity Market Index  
Financial Services  
Growth & Income  
Growth Stock  
Health Sciences  
Mid-Cap Growth<sup>†</sup>  
Mid-Cap Value<sup>†</sup>  
New America Growth  
New Era  
New Horizons<sup>†</sup>  
QM U.S. Small & Mid-Cap  
Core Equity  
QM U.S. Small-Cap Growth Equity  
QM U.S. Value Equity  
Real Estate  
Science & Technology  
Small-Cap Stock<sup>†</sup>  
Small-Cap Value  
Tax-Efficient Equity  
Total Equity Market Index  
U.S. Large-Cap Core  
Value

## ASSET ALLOCATION FUNDS

Balanced  
Global Allocation  
Multi-Strategy Total Return  
Personal Strategy Balanced  
Personal Strategy Growth  
Personal Strategy Income  
Real Assets  
Spectrum Growth  
Spectrum Income  
Spectrum International  
Target Date Funds<sup>\*</sup>

## BOND FUNDS

### Domestic Taxable

Corporate Income  
Credit Opportunities  
Floating Rate  
GNMA  
High Yield<sup>†</sup>  
Inflation Protected Bond  
Limited Duration Inflation  
Focused Bond  
New Income  
Short-Term Bond  
Total Return  
Ultra Short-Term Bond  
U.S. Bond Enhanced Index  
U.S. High Yield  
U.S. Treasury Intermediate  
U.S. Treasury Long-Term

### Domestic Tax-Free

California Tax-Free Bond  
Georgia Tax-Free Bond  
Intermediate Tax-Free High Yield  
Maryland Short-Term Tax-Free Bond  
Maryland Tax-Free Bond  
New Jersey Tax-Free Bond  
New York Tax-Free Bond  
Summit Municipal Income  
Summit Municipal Intermediate  
Tax-Free High Yield  
Tax-Free Income  
Tax-Free Short-Intermediate  
Virginia Tax-Free Bond

## MONEY MARKET FUNDS

### Taxable

Cash Reserves<sup>1</sup>  
Government Money<sup>2</sup>  
U.S. Treasury Money<sup>2</sup>

## MONEY MARKET FUNDS (CONT.)

### Tax-Free

California Tax-Free Money<sup>1</sup>  
Maryland Tax-Free Money<sup>1</sup>  
New York Tax-Free Money<sup>1</sup>  
Summit Municipal Money Market<sup>1</sup>  
Tax-Exempt Money<sup>1</sup>

## INTERNATIONAL/GLOBAL FUNDS

### Stock

Africa & Middle East  
Asia Opportunities  
Emerging Europe  
Emerging Markets Stock  
Emerging Markets Value Stock  
European Stock  
Global Consumer  
Global Growth Stock  
Global Industrials  
Global Real Estate  
Global Stock  
Global Technology<sup>†</sup>  
International Concentrated Equity  
International Discovery<sup>†</sup>  
International Equity Index  
International Stock  
International Value Equity  
Japan  
Latin America  
New Asia  
Overseas Stock  
QM Global Equity

### Bond

Dynamic Global Bond  
Emerging Markets Bond  
Emerging Markets Corporate Bond  
Emerging Markets Local Currency  
Bond  
Global High Income Bond  
Global Multi-Sector Bond  
International Bond  
International Bond (USD Hedged)

*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.*

<sup>†</sup> Subject to certain exceptions, the fund is currently closed to new investors and new accounts.

<sup>\*</sup> The Target Date Funds are inclusive of the Retirement Funds, the Target Funds, and the Retirement Balanced Fund.

<sup>1</sup> *Retail Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Beginning October 14, 2016, the Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

<sup>2</sup> *Government Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*