

ANNUAL REPORT

October 31, 2018

PRJPX

T. ROWE PRICE

Japan Fund

RJAIX

Japan Fund-I Class

The fund invests in growth-oriented Japanese companies.

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HIGHLIGHTS

- The fund recorded a modest decline over its fiscal year ended October 31, 2018, but easily outperformed its benchmark and peer group.
- Our holdings in companies providing outsourcing and other staffing services are benefiting from Japan's extremely tight labor market and delivered some of our best returns.
- We are emphasizing services and machinery firms in the portfolio and avoiding the structurally challenged banking sector entirely.
- Japanese economic reforms are encouraging and stock valuations remain attractive, but the export-heavy market would be vulnerable to a further increase in trade tensions.

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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 a large initial "R" and "S".

Robert Sharps
Group Chief Investment Officer

INVESTMENT OBJECTIVE

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

FUND COMMENTARY

How did the fund perform in the past 12 months?

The Japan Fund returned -2.09% in the 12-month period ended October 31, 2018. The fund outperformed its TOPIX Index benchmark and Lipper peer group average. (Returns for I Class shares may vary slightly, reflecting a different fee structure. *Past performance cannot guarantee future results.*)

What factors influenced the fund's performance?

The fund's strong relative performance was partly due to our emphasis on companies tied to improving domestic growth in Japan and the tightening labor market, in particular. We also benefited from our stock selection in

transportation and logistics and construction and materials. Conversely, our raw materials and chemicals and commercial and wholesale trade holdings weighed on both absolute and relative results. The fund is unusual among its peers for its ability to invest across the capitalization spectrum, and small companies delivered some of our best results.

PERFORMANCE COMPARISON

Periods Ended 10/31/18	Total Return	
	6 Months	12 Months
Japan Fund	-8.22%	-2.09%
Japan Fund-I Class	-8.15	-2.02
TOPIX Index	-9.27	-4.13
TOPIX Small Index	-13.01	-6.77
Lipper Japanese Funds Average	-9.79	-6.11

Our leading contributor over the past year was **FamilyMart UNY Holdings**, a leading operator of convenience and superstores in Japan with significant operations in Taiwan and China. The company was formed by a 2016 merger, and investors have reacted favorably to the synergies that resulted. Shares moved higher still late in the period, when news arrived that FamilyMart was selling its remaining shares in its UNY superstore division to **Don Quijote Holdings** and taking a stake in the discount chain. We believe investors may be overestimating the benefits of the strategic deal with Don Quijote, and we harvested much of our gains in the stock. (Please refer to the portfolio of investments for a complete list of holdings and the amount each represents in the portfolio.)

Another strong performer was **Fast Retailing**, which operates the Uniqlo apparel chain, a brand that is probably familiar to many U.S. investors. The company is making good inroads in China and Southeast Asia, and investors have rewarded strong earnings growth, much of which is coming from overseas. We had less success recently with our position in retailer **Seria**, which had been one of the top performers in our last fiscal year. The company operates discount stores where all items are priced at ¥100—the Japanese version of American dollar stores. We had believed that Seria was likely to seize market share and overtake its chief rival, Daiso Sangyo, thanks to superior supply chain and inventory management systems. Daiso has maintained its lead, however, and we have significantly reduced our position in Seria.

The Japanese labor market is exceptionally tight—the latest unemployment rate stood at 2.3%—and one of our major investment themes has been a focus on companies providing staffing and benefits services. Our second-best contributor over the past year was **Solasto**, a leading provider of such services to medical institutions. The company has been reinvesting strong earnings in its nursing care business—an attractive market given Japan’s aging demographics. Our flexible mandate and broad investment universe allowed us to invest in Solasto in 2017 despite its very small market capitalization, and we have benefited as investors have been drawn to its strong growth potential.

Other leading contributors included **Hikari Tsushin**, a distributor of office equipment and mobile phone contracts. The company is benefiting from both the improving economy and a restructuring that has focused the firm on corporate clients, and we trimmed our position following a bounce in the stock. Shares in drugmaker **Chugai Pharmaceutical** rose on enthusiasm over its novel and potentially transformational hemophilia treatment. The firm is partly owned by Swiss pharmaceutical giant Roche, which will distribute the drug using its global marketing resources. **Nakanishi**, which manufactures dental equipment such as rotary instruments and motors, has performed well for us since our recent purchase. The company gets the bulk of its revenues from overseas and has been gradually gaining market share, thanks to superior technology and brand recognition.

Nakanishi was somewhat of an exception among exporters, however, and many of our underperformers were industrial firms tied to export markets, where sentiment has soured due to rising protectionism in the U.S. and slowing growth in China. A slowdown in Chinese demand for factory automation equipment weighed on the shares of **FANUC**, the world's leading producer of factory robots. Delays in iPhone releases also hurt results in the company's robomachines division, which produces cutting tools used in making smartphone cases. Slowing Chinese demand also weighed on **Mitsubishi Electric's** factory automation sales. As the Chinese factory market improves, we think the conglomerate will also benefit from stable growth in sales of elevators and air conditioning equipment. **Mabuchi Motor** is the world's leading maker of small and mid-size brush engines, which are used in a variety of appliances and equipment. The stock fell after the company reported disappointing results, but Mabuchi seems likely to enjoy strong growth in sales to the automotive market, in particular.

Rising materials costs took a toll on some of the other exporters in our portfolio. **Kansai Paint** has been growing steadily, thanks in part to healthy sales in India, the world's fastest-growing large economy. The company reduced guidance based on higher raw material costs and weaker emerging currencies. **Sakata Inx** is the third-largest ink company in Japan and the fourth-largest globally. Sakata has also suffered from rising input costs, particularly for naphtha and pigments. In the case of both companies, we expect margins and profits to improve once materials costs normalize.

How is the fund positioned?

The IT and services segment remains the fund's largest position, where it holds roughly twice the benchmark's allocation. As noted, we have a particular focus on staffing services, where Japan's aging workforce and tight labor market should result in higher wages and staff turnover. We also have a significant overweight in machinery, where Japan has many leading companies that are expanding globally. We have smaller overweights in retail trade, where our largest position is Fast Retailing, and foods, where our primary position is in snack food firm **Calbee**.

Conversely, we ended October with no exposure to the banking sector, which represented over 7% of the Topix Index. Expectations for tighter monetary policy and higher interest rates and lending margins have tempted other investors, but we believe Japanese banks face more profound challenges,

INDUSTRY DIVERSIFICATION

	Percent of Net Assets	
	4/30/18	10/31/18
IT and Services	27.5%	29.1%
Machinery	13.0	12.6
Electric Appliances and Precision Instruments	14.1	11.0
Retail Trade	8.4	8.5
Automobiles and Transportation Equipment	7.6	8.4
Raw Materials and Chemicals	7.7	7.9
Foods	4.9	5.9
Pharmaceutical	4.7	4.6
Real Estate	2.7	2.9
Steel and Nonferrous Metals	2.1	2.2
Financials ex-Banks	1.5	1.6
Transportation and Logistics	1.7	1.0
Construction and Materials	1.6	0.9
Other and Reserves	2.5	3.4
	100.0%	100.0%

Historical weightings reflect current industry/sector classifications.

including anemic loan growth and an overcrowded industry with poor margins. We are also significantly underweight in autos, another industry facing structural challenges, although we have some exposure to firms restructuring their business or with large emerging market operations.

What is portfolio management's outlook?

We remain convinced that the program of economic reforms introduced six years ago by Prime Minister Shinzo Abe is having a lasting and positive impact on the Japanese economy. Most important for investors, perhaps, has been the transformation of Japanese business practices and government standards, which has turned the focus to improving profitability

and boosting shareholder returns through stock buybacks, higher dividends, and targeted mergers and acquisitions. Meanwhile, Japanese stocks remain attractively valued relative to other developed markets—even as Japanese corporate earnings growth is likely to outpace that in many other regions.

The major risks to Japanese stocks seem likely to come from overseas. The escalation in trade rhetoric in recent months is concerning, and a further increase in tariffs or other barriers could undermine global growth and take a large toll on Japanese exporters. We are hopeful that the rhetoric will cool in the coming months, but we believe our bias toward higher-quality companies should offer some protection if tensions escalate. As investors navigate this turbulence—and as the general tailwind from a falling yen fades—we expect that returns will vary widely among individual stocks. This should favor our careful fundamental research, and we are confident that we will continue to deliver superior longer-term results for our shareholders.

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 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.

PORTFOLIO HIGHLIGHTS

TWENTY-FIVE LARGEST HOLDINGS

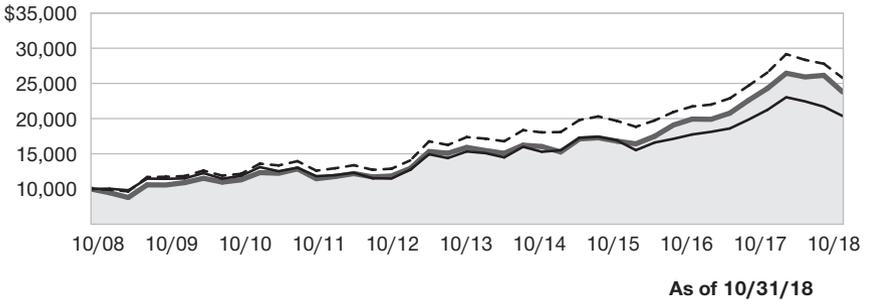
	Percent of Net Assets 10/31/18
Softbank	3.7%
Nippon Telegraph & Telephone	3.0
Miura	2.9
Suzuki Motor	2.7
Chugai Pharmaceutical	2.6
NTT DOCOMO	2.5
Keyence	2.5
Daio Paper	2.5
Solasto	2.4
Japan Tobacco	2.3
Daikin Industries	2.3
GMO Payment Gateway	2.1
Recruit Holdings	2.1
Hoshizaki	2.0
Mitsubishi Electric	1.9
FANUC	1.8
ZOZO	1.8
SMS	1.7
Fast Retailing	1.7
Hikari Tsushin	1.6
Kubota	1.6
Benefit One	1.5
Mitsubishi Motors	1.4
Calbee	1.3
CyberAgent	1.3
Total	53.2%

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.

JAPAN FUND



	As of 10/31/18
Japan Fund	\$23,785
TOPIX Index	20,365
Lipper Japanese Funds Average	25,775

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
Japan Fund	-2.09%	8.39%	9.05%	-	-
Japan Fund-I Class	-2.02	-	-	10.41%	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

Japan Fund	0.98%
Japan Fund-I Class	0.87

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 also 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.

JAPAN FUND

	Beginning Account Value 5/1/18	Ending Account Value 10/31/18	Expenses Paid During Period* 5/1/18 to 10/31/18
Investor Class			
Actual	\$1,000.00	\$917.80	\$4.64
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.37	4.89
I Class			
Actual	1,000.00	918.50	4.11
Hypothetical (assumes 5% return before expenses)	1,000.00	1,020.92	4.33

* 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 0.96%, and the I Class was 0.85%.

QUARTER-END RETURNS

Periods Ended 9/30/18	1 Year	5 Years	10 Years	Since Inception	Inception Date
Japan Fund	16.25%	11.24%	8.54%	-	-
Japan Fund-I Class	16.46	-	-	20.45%	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) 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
NET ASSET VALUE					
Beginning of period	\$ 14.71	\$ 12.23	\$ 10.41	\$ 10.08	\$ 10.18
Investment activities					
Net investment income ^{(1) (2)}	0.09	0.08	0.08	0.06	0.07
Net realized and unrealized gain/loss	(0.39)	2.55	1.85	0.40	0.01 ⁽³⁾
Total from investment activities	(0.30)	2.63	1.93	0.46	0.08
Distributions					
Net investment income	(0.07)	(0.07)	(0.07)	(0.07)	(0.06)
Net realized gain	(0.05)	(0.08)	(0.04)	(0.06)	(0.12)
Total distributions	(0.12)	(0.15)	(0.11)	(0.13)	(0.18)
NET ASSET VALUE					
End of period	\$ 14.29	\$ 14.71	\$ 12.23	\$ 10.41	\$ 10.08

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended				
	10/31/18	10/31/17	10/31/16	10/31/15	10/31/14
Ratios/Supplemental Data					
Total return⁽¹⁾⁽⁴⁾	(2.09)%	21.86%	18.72%	4.75%	0.81%
Ratios to average net assets: ⁽¹⁾					
Gross expenses before waivers/ payments by					
Price Associates	0.96%	0.98%	1.02%	1.05%	1.05%
Net expenses after waivers/ payments by					
Price Associates	0.95%	0.97%	1.02%	1.05%	1.05%
Net investment income	0.58%	0.63%	0.70%	0.56%	0.74%
Portfolio turnover rate	33.8%	13.4%	25.3%	54.7%	38.3%
Net assets, end of period (in thousands)	\$ 719,727	\$ 698,124	\$ 420,720	\$ 316,243	\$ 309,400

⁽¹⁾ See Note 7 for details of expense-related arrangements with Price Associates.

⁽²⁾ Per share amounts calculated using average shares outstanding method.

⁽³⁾ The amount presented is inconsistent with the fund's aggregate gains and losses because of the timing of sales and redemptions of fund shares in relation to fluctuating market values for the investment portfolio.

⁽⁴⁾ 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.

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 ⁽¹⁾ Through 10/31/17
NET ASSET VALUE		
Beginning of period	\$ 14.73	\$ 12.25
Investment activities		
Net investment income ^{(2) (3)}	0.11	0.11
Net realized and unrealized gain/loss	(0.41)	2.37
Total from investment activities	(0.30)	2.48
Distributions		
Net investment income	(0.08)	-
Net realized gain	(0.05)	-
Total distributions	(0.13)	-
Redemption fees added to paid-in capital ⁽²⁾	0.01	- ⁽⁴⁾
NET ASSET VALUE		
End of period	\$ 14.31	\$ 14.73

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period

	Year Ended 10/31/18	3/6/17 ⁽¹⁾ Through 10/31/17
Ratios/Supplemental Data		
Total return^{(3) (5)}	(2.02)%	20.24%
Ratios to average net assets: ⁽³⁾		
Gross expenses before waivers/ payments by Price Associates		
Associates	0.87%	0.88% ⁽⁶⁾
Net expenses after waivers/ payments by Price Associates	0.85%	0.85% ⁽⁶⁾
Net investment income	0.73%	1.27% ⁽⁶⁾
Portfolio turnover rate	33.8%	13.4%
Net assets, end of period (in thousands)	\$ 36,381	\$ 4,753

⁽¹⁾ Inception date⁽²⁾ Per share amounts calculated using average shares outstanding method.⁽³⁾ See Note 7 for details of expense-related arrangements with Price Associates.⁽⁴⁾ Amounts round to less than \$0.01 per share.⁽⁵⁾ 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.⁽⁶⁾ Annualized

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

T. ROWE PRICE JAPAN FUND

October 31, 2018

PORTFOLIO OF INVESTMENTS [†]	Shares	\$ Value
(Cost and value in \$000s)		
JAPAN 96.7%		
COMMON STOCKS 96.2%		
Automobiles & Transportation Equipment 8.4%		
Isuzu Motors	660,900	8,665
Jamco	239,000	6,762
Mitsubishi Motors	1,715,400	10,775
Nippon Seiki	508,900	8,956
Shimano	62,100	8,481
Suzuki Motor	402,400	20,066
Total Automobiles & Transportation Equipment		63,705
Construction & Materials 0.9%		
Sumitomo Densetsu	438,700	6,945
Total Construction & Materials		6,945
Electric Appliances & Precision Instruments 11.0%		
FANUC	80,100	13,935
Keyence	38,900	19,003
Mabuchi Motor	226,800	8,068
Mitsubishi Electric	1,139,000	14,419
Murata Manufacturing	36,900	5,743
Nidec	46,900	6,024
Nippon Ceramic	157,800	3,868
Renesas Electronics (1)	387,400	2,041
Shimadzu	198,600	5,019
Zojirushi (2)	444,100	4,851
Total Electric Appliances & Precision Instruments		82,971
Financials ex-Banks 1.6%		
Aruhi (2)	181,200	3,091

T. ROWE PRICE JAPAN FUND

	Shares	\$ Value
(Cost and value in \$000s)		
Zenkoku Hosho	250,600	9,085
Total Financials ex-Banks		12,176
Foods 5.9%		
Calbee (2)	299,900	9,950
Ezaki Glico	155,700	7,762
Japan Tobacco	687,100	17,655
Suntory Beverage & Food	225,600	9,194
Total Foods		44,561
IT & Services & Others 28.6%		
Benefit One	443,000	11,419
CyberAgent	226,300	9,630
GMO Payment Gateway	324,900	15,740
Hikari Tsushin	69,700	12,173
Istyle (2)	516,300	4,629
Money Forward (1)	159,100	5,361
Nintendo	23,400	7,306
Nippon Kanzai	243,900	4,452
Nippon Telegraph & Telephone	555,000	22,887
NTT DOCOMO	769,800	19,090
Pigeon	136,400	5,769
Recruit Holdings	578,200	15,519
SMS	753,100	12,631
SoftBank Group	354,100	28,023
Solasto	1,713,800	18,086
TechnoPro Holdings	134,200	6,991
UT Group (1)(2)	268,200	8,090
Yume No Machi Souzou linkai (2)	228,300	4,769
Yumeshin Holdings	438,800	3,751
Total IT & Services & Others		216,316
Machinery 12.6%		
Daikin Industries	150,700	17,468
Disco	21,400	3,402

T. ROWE PRICE JAPAN FUND

	Shares	\$ Value
(Cost and value in \$000s)		
Fujitec	734,200	7,999
Hoshizaki	183,000	14,772
Komatsu	263,200	6,854
Kubota	756,300	11,940
Mitsubishi Heavy Industries	192,999	6,804
Miura	906,000	22,126
SMC	13,000	4,143
Total Machinery		95,508
Pharmaceutical 4.6%		
Chugai Pharmaceutical	330,900	19,373
Eiken Chemical	301,300	6,743
Takeda Pharmaceutical (2)	202,200	8,383
Total Pharmaceutical		34,499
Raw Materials & Chemicals 7.9%		
Daio Paper (2)	1,463,600	18,975
FUJIFILM Holdings	192,200	8,313
Kansai Paint	517,300	7,644
Nifco	205,100	4,674
Nippon Paint Holdings	177,600	5,548
Pola Orbis Holdings	199,500	5,329
Sakata INX	335,600	3,323
Sumitomo Seika Chemicals	122,200	6,099
Total Raw Materials & Chemicals		59,905
Real Estate 2.9%		
Hoshino Resorts REIT (2)	1,968	9,229
Mitsui Fudosan Logistics Park	2,546	7,425
Mori Hills REIT Investment	4,316	5,338
Total Real Estate		21,992
Retail Trade 8.5%		
Don Quijote Holdings	81,700	4,881

	Shares	\$ Value
(Cost and value in \$000s)		
FamilyMart UNY Holdings	77,900	9,029
Fast Retailing	24,900	12,537
JINS (2)	92,300	5,227
Mercari (1)(2)	72,000	1,833
Seria (2)	204,000	6,844
VT Holdings (2)	977,400	4,078
Welcia Holdings	119,800	6,112
ZOZO	569,800	13,672
Total Retail Trade		64,213
Steel & Nonferrous Metals 2.3%		
Hitachi Metals	719,900	8,465
Sumitomo Electric Industries	618,400	8,434
Total Steel & Nonferrous Metals		16,899
Transportation & Logistics 1.0%		
Central Japan Railway	19,900	3,819
Yamato Holdings	140,000	3,827
Total Transportation & Logistics		7,646
Total Common Stocks		727,336
CONVERTIBLE PREFERRED STOCKS 0.5%		
IT & Services & Others 0.5%		
Free KK, Series E, Acquisition Date: 8/8/18, Cost: \$3,591 (1)(3)(4)	93,024	3,545
Total IT & Services & Others		3,545
Total Convertible Preferred Stocks		3,545
Total Japan (Cost \$625,599)		730,881
SHORT-TERM INVESTMENTS 1.6%		
MONEY MARKET FUNDS 1.6%		
T. Rowe Price Government Reserve Fund, 2.19% (5)(6)	12,283,076	12,283
Total Short-Term Investments (Cost \$12,283)		12,283

	Shares	\$ Value
(Cost and value in \$000s)		
SECURITIES LENDING COLLATERAL 5.3%		
Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank 5.3%		
Short-Term Funds 5.3%		
T. Rowe Price Short-Term Fund, 2.18% (5)(6)	4,041,844	40,419
Total Investments in a Pooled Account through Securities Lending Program with JPMorgan Chase Bank		40,419
Total Securities Lending Collateral (Cost \$40,419)		40,419
Total Investments in Securities		
103.6% of Net Assets (Cost \$678,301)	\$	783,583

- ‡ Country classifications are generally based on MSCI categories or another unaffiliated third party data provider; Shares are denominated in the currency of the country presented unless otherwise noted.
- (1) Non-income producing
 - (2) All or a portion of this security is on loan at October 31, 2018. See Note 4.
 - (3) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The fund has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at period-end amounts to \$3,545 and represents 0.5% of net assets.
 - (4) Level 3 in fair value hierarchy. See Note 2.
 - (5) Seven-day yield
 - (6) Affiliated Company

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	\$ —	\$ —	\$ 239
T. Rowe Price Short-Term Fund	—	—	— ⁺⁺
Totals	\$ — [#]	\$ —	\$ 239 ⁺

Supplementary Investment Schedule

Affiliate	Value 10/31/17	Purchase Cost	Sales Cost	Value 10/31/18
T. Rowe Price Government Reserve Fund	\$ 18,845	□	□ \$	12,283
T. Rowe Price Short-Term Fund	23,161	□	□	40,419
			\$	52,702 [^]

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 4.

+ Investment income comprised \$239 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 \$52,702.

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

T. ROWE PRICE JAPAN FUND

October 31, 2018

STATEMENT OF ASSETS AND LIABILITIES

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

Assets

Investments in securities, at value (cost \$678,301)	\$ 783,583
Receivable for shares sold	11,838
Dividends receivable	3,697
Foreign currency (cost \$29)	29
Other assets	310
Total assets	<u>799,457</u>

Liabilities

Obligation to return securities lending collateral	40,419
Payable for shares redeemed	2,243
Investment management fees payable	525
Due to affiliates	43
Other liabilities	119
Total liabilities	<u>43,349</u>

NET ASSETS

\$ 756,108

T. ROWE PRICE JAPAN FUND

October 31, 2018

STATEMENT OF ASSETS AND LIABILITIES

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

Net Assets Consist of:

Undistributed net investment income	\$	4,295
Accumulated undistributed net realized gain		35,715
Net unrealized gain		105,279
Paid-in capital applicable to 52,900,153 shares of \$0.01 par value capital stock outstanding; 18,000,000,000 shares of the Corporation authorized		610,819

NET ASSETS **\$ 756,108**

NET ASSET VALUE PER SHARE

Investor Class

(\$719,727,325 / 50,358,028 shares outstanding) **\$ 14.29**

I Class

(\$36,380,992 / 2,542,125 shares outstanding) **\$ 14.31**

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

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 10/31/18
Investment Income (Loss)	
Income	
Dividend (net of foreign taxes of \$1,363)	\$ 12,531
Securities lending	484
Total income	13,015
Expenses	
Investment management	6,672
Shareholder servicing	
Investor Class	850
I Class	1
Prospectus and shareholder reports	
Investor Class	58
Custody and accounting	299
Legal and audit	104
Registration	101
Proxy and annual meeting	40
Directors	3
Miscellaneous	21
Waived / paid by Price Associates	(77)
Total expenses	8,072
Net investment income	4,943
Realized and Unrealized Gain / Loss	
Net realized gain (loss)	
Securities	42,507
Forward currency exchange contracts	(13)
Foreign currency transactions	221
Net realized gain	42,715

STATEMENT OF OPERATIONS

(\$000s)

	Year Ended 10/31/18
Change in net unrealized gain / loss	
Securities	(66,756)
Other assets and liabilities denominated in foreign currencies	6
Change in net unrealized gain / loss	(66,750)
Net realized and unrealized gain / loss	(24,035)
DECREASE IN NET ASSETS FROM OPERATIONS	\$ (19,092)

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
Increase (Decrease) in Net Assets		
Operations		
Net investment income	\$ 4,943	\$ 3,402
Net realized gain	42,715	11,169
Change in net unrealized gain / loss	(66,750)	102,771
Increase (decrease) in net assets from operations	(19,092)	117,342
Distributions to shareholders		
Net investment income		
Investor Class	(3,436)	(2,569)
I Class	(28)	-
Net realized gain		
Investor Class	(2,450)	(2,938)
I Class	(17)	-
Decrease in net assets from distributions	(5,931)	(5,507)
Capital share transactions*		
Shares sold		
Investor Class	395,458	245,637
I Class	37,111	4,594
Distributions reinvested		
Investor Class	5,693	5,314
I Class	42	-
Shares redeemed		
Investor Class	(357,928)	(85,122)
I Class	(2,250)	(145)
Redemption fees received	128	44
Increase in net assets from capital share transactions	78,254	170,322

STATEMENT OF CHANGES IN NET ASSETS

(\$000s)

	Year Ended 10/31/18	10/31/17
Net Assets		
Increase during period	53,231	282,157
Beginning of period	702,877	420,720
End of period	\$ 756,108	\$ 702,877
Undistributed net investment income	4,295	2,816
*Share information		
Shares sold		
Investor Class	25,519	19,265
I Class	2,361	333
Distributions reinvested		
Investor Class	375	468
I Class	3	-
Shares redeemed		
Investor Class	(22,993)	(6,682)
I Class	(144)	(10)
Increase in shares outstanding	5,121	13,374

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 Japan Fund (the fund) is a diversified, open-end management investment company established by the corporation. The fund seeks long-term growth of capital through investments in common stocks of companies located (or with primary operations) in Japan. The fund has two classes of shares: the Japan Fund (Investor Class) and the Japan 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 7), 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
Assets				
Common Stocks	\$ —	\$ 727,336	\$ —	\$ 727,336
Convertible Preferred Stocks	—	—	3,545	3,545
Short-Term Investments	12,283	—	—	12,283
Securities Lending Collateral	40,419	—	—	40,419
Total	\$ 52,702	\$ 727,336	\$ 3,545	\$ 783,583

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

Following is a reconciliation of the fund's Level 3 holdings for the year ended October 31, 2018. Gain (loss) reflects both realized and change in unrealized gain/loss on Level 3 holdings during the period, if any, and is included on the accompanying Statement of Operations. The change in unrealized gain/loss on Level 3 instruments held at October 31, 2018, totaled \$(46,000) for the year ended October 31, 2018.

(\$000s)	Beginning Balance 11/1/17	Gain (Loss) During Period	Total Purchases	Ending Balance 10/31/18
Investments in Securities				
Convertible Preferred Stocks	\$ —	\$ (46)	\$ 3,591	\$ 3,545

NOTE 3 - DERIVATIVE INSTRUMENTS

During the year ended October 31, 2018, the fund invested in derivative instruments. As defined by GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable; it requires little or no initial investment and permits or requires net settlement. The fund invests in derivatives only if the expected risks and rewards are consistent with its investment objectives, policies, and overall risk profile, as described in its prospectus and Statement of Additional Information. The fund may use derivatives for a variety of purposes, such as seeking to hedge against declines in principal value,

increase yield, invest in an asset with greater efficiency and at a lower cost than is possible through direct investment, to enhance return, or to adjust credit exposure. The risks associated with the use of derivatives are different from, and potentially much greater than, the risks associated with investing directly in the instruments on which the derivatives are based. The fund at all times maintains sufficient cash reserves, liquid assets, or other SEC-permitted asset types to cover its settlement obligations under open derivative contracts.

The fund values its derivatives at fair value and recognizes changes in fair value currently in its results of operations. Accordingly, the fund does not follow hedge accounting, even for derivatives employed as economic hedges. Generally, the fund accounts for its derivatives on a gross basis. It does not offset the fair value of derivative liabilities against the fair value of derivative assets on its financial statements, nor does it offset the fair value of derivative instruments against the right to reclaim or obligation to return collateral.

As of October 31, 2018, the fund held no derivative instruments.

Additionally, during the year ended October 31, 2018, the fund recognized \$13,000 of loss on foreign exchange derivatives, included in realized gain(loss) on Forward Currency Exchange Contracts on the accompanying Statement of Operations.

Forward Currency Exchange Contracts The fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. It uses forward currency exchange contracts (forwards) primarily to protect its non-U.S. dollar-denominated securities from adverse currency movements. A forward involves an obligation to purchase or sell a fixed amount of a specific currency on a future date at a price set at the time of the contract. Although certain forwards may be settled by exchanging only the net gain or loss on the contract, most forwards are settled with the exchange of the underlying currencies in accordance with the specified terms. Forwards are valued at the unrealized gain or loss on the contract, which reflects the net amount the fund either is entitled to receive or obligated to deliver, as measured by the difference between the forward exchange rates at the date of entry into the contract and the forward rates at the reporting date. Appreciated forwards are reflected as assets and depreciated forwards are reflected as liabilities on the accompanying Statement of Assets and Liabilities. Risks related to the use of forwards include the possible failure of counterparties to meet the terms of the agreements; that anticipated currency movements will not occur, thereby reducing the fund's total return; and the potential for losses in excess of the fund's initial investment. During the year ended October 31, 2018, the volume of the fund's activity in forwards, based on underlying notional amounts, was generally less than 1% of net assets.

NOTE 4 - OTHER INVESTMENT TRANSACTIONS

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

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, the value of loaned securities was \$38,577,000; the value of cash collateral and related investments was \$40,419,000.

Other Purchases and sales of portfolio securities other than short-term securities aggregated \$347,804,000 and \$278,789,000, respectively, for the year ended October 31, 2018.

NOTE 5 - 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.

Distributions during the years ended October 31, 2018 and October 31, 2017, totaled \$5,931,000 and \$5,507,000, 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	\$ 686,024
Unrealized appreciation	\$ 128,428
Unrealized depreciation	(30,871)
Net unrealized appreciation (depreciation)	97,557
Undistributed ordinary income	11,213
Undistributed long-term capital gain	36,519
Paid-in capital	610,819
Net assets	\$ 756,108

The difference between book-basis and tax-basis net unrealized appreciation (depreciation) is attributable to the deferral of losses from wash sales and the realization of gains/losses on passive foreign investment companies for tax purposes.

NOTE 6 - 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 7 - 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.

Pursuant to this agreement, expenses were waived/paid by Price Associates during the year ended October 31, 2018 as indicated in the table below. Including this amount, expenses previously waived/paid by Price Associates in the amount of \$158,000 remain subject to repayment by the fund at October 31, 2018. To the extent any expenses are waived or reimbursed in accordance with an expense limitation, the waiver or reimbursement is charged to the applicable class or allocated across the classes in the same manner as the related expense. Any repayment of expenses previously waived/paid by Price Associates during the period would be included in the ratios to average net assets presented on the accompanying Financial Highlights.

(\$000s)	Investor Class	I Class
Expense limitation/I Class limit	N/A	0.05%
Limitation date	N/A	February 28, 2019
(Waived)/repaid during the period	(74)	(3)

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; \$234,000 for T. Rowe Price Services, Inc.; and \$11,000 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 \$179,000 of Spectrum Funds' expenses. Of these amounts, \$108,000 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. Additionally, redemption fees received by the Spectrum Funds are allocated to each underlying Price Fund in proportion to the average daily value of its shares owned by the Spectrum Funds. Approximately \$10,000 of redemption fees reflected in the accompanying financial statements were received from the Spectrum Funds. At October 31, 2018, approximately 10% 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.

NOTE 8 - BORROWING

To provide temporary liquidity, the fund may borrow from other T. Rowe Price-sponsored mutual funds under an interfund borrowing program developed and managed by Price Associates. The program permits the borrowing and lending of cash at rates beneficial to both the borrowing and lending funds. Pursuant to program guidelines, loans totaling 10% or more of a borrowing fund's total assets require collateralization at 102% of the value of the loan; loans of less than 10% are unsecured. During the year ended October 31, 2018, the fund incurred \$3,000 in interest expense related to outstanding borrowings on 3 days in the average amount of \$11,067,000 and at an average annual rate of 2.99%. At October 31, 2018, there were no interfund borrowings outstanding.

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 Japan 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 Japan 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 \$2,467,000 from short-term capital gains.

For taxable non-corporate shareholders, \$11,775,000 of the fund's income represents qualified dividend income subject to a long-term capital gains tax rate of not greater than 20%.

The fund will pass through foreign source income of \$10,456,000 and foreign taxes paid of \$1,298,000.

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.

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); 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^(a)

Name (Year of Birth) Year Elected	Principal Occupation(s) and Directorships of Public Companies and Other Investment Companies During the Past Five Years
Teresa Bryce Bazemore ^(b) (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 ^(b) (1959) 2018 [189]	President, The Johns Hopkins University ^(c) 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^(a) (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)

^(a)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.

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

^(c)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)

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

Robert W. Sharps,
CFA, CPA
(1971)
2017
[135]

Vice President, T. Rowe Price, T. Rowe Price Group, Inc., and T. Rowe Price Trust Company

* 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)

Ulle Adamson, CFA (1979)
Executive Vice President

Vice President, T. Rowe Price Group, Inc., and T. Rowe Price International

Roy H. Adkins (1970)
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)

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

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

Name (Year of Birth)	Position Held With International Funds	Principal Occupation(s)
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); 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 Price 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)

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

Name (Year of Birth)	Position Held With International Funds	Principal Occupation(s)
Christopher J. Kushlis (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)

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

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OFFICERS (CONTINUED)

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

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OFFICERS (CONTINUED)

Name (Year of Birth)	Position Held With International Funds	Principal Occupation(s)
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); 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[†]
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[†]
Mid-Cap Value[†]
New America Growth
New Era
New Horizons[†]
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[†]
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^{*}

BOND FUNDS

Domestic Taxable

Corporate Income
Credit Opportunities
Floating Rate
GNMA
High Yield[‡]
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 Reserves¹
Government Money²
U.S. Treasury Money²

MONEY MARKET FUNDS (CONT.)

Tax-Free

California Tax-Free Money¹
Maryland Tax-Free Money¹
New York Tax-Free Money¹
Summit Municipal Money Market¹
Tax-Exempt Money¹

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[†]
International Concentrated Equity
International Discovery[†]
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.

[†] Subject to certain exceptions, the fund is currently closed to new investors and new accounts.

^{*} The Target Date Funds are inclusive of the Retirement Funds, the Target Funds, and the Retirement Balanced Fund.

¹ 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.

² 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.